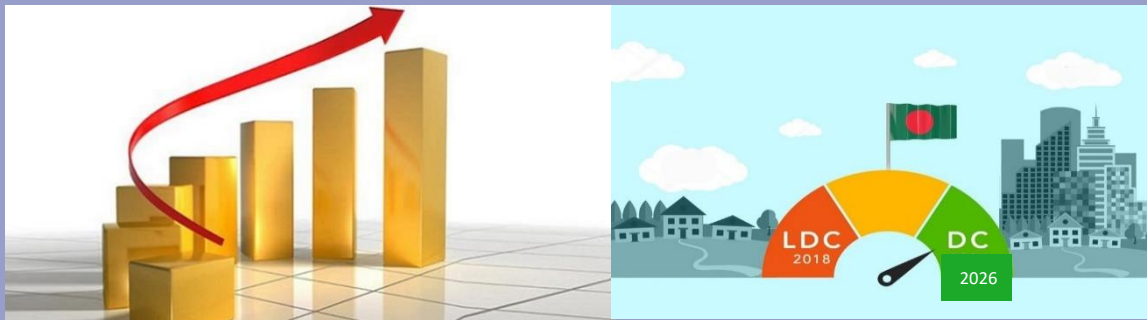
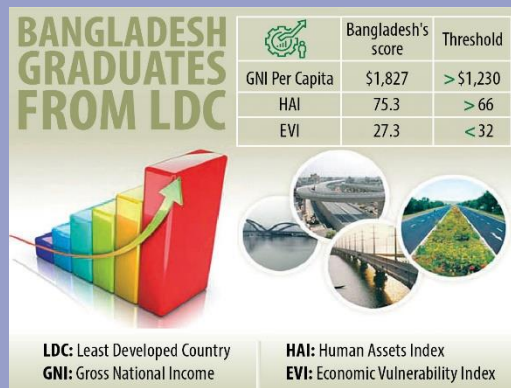




Government of the People’s Republic of Bangladesh
 Bangladesh Regional Connectivity Project-1
 Ministry of Commerce

Study: WTO Special and Differential Treatment (S&DT)
 and Graduation Challenges of Bangladesh



Bangladesh Foreign Trade Institute (BFTI)

March 2023

**Government of the People's Republic of Bangladesh
Bangladesh Regional Connectivity Project-1
Ministry of Commerce**

Level 12 (Westside), Prabashi Kallyan Bhaban, 71-72 Eskaton Garden Road,
Dhaka-1000, Bangladesh.

**Study: WTO Special and Differential Treatment (S&DT) and Graduation
Challenges of Bangladesh**

SUBMITTED TO:

The Project Director

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Preface

Bangladesh has made tremendous socio-economic progress on its journey to become a developing nation in 2026. The graduation is the result of its government's concerted efforts over the last 14 years. In 2018, Bangladesh crossed the threshold for graduation from the UN-defined list of Least Developed Countries (LDC). In 2021, it was officially recommended to be graduated from LDC status in 2026 having successfully met all three criteria for graduation.

Under the purview of WTO, Bangladesh as an LDC has been enjoying several trade-related Special and Differential Treatments (S&DT) benefits. There are 186 S&DT provisions in 16 WTO Agreements, of which 26 are exclusively for the LDCs. The LDCs also benefit from the preferential market access provided by developed and developing countries under the various Generalized System of Preferences (GSP) schemes, often in the form of duty-free, quota-free market access and with relaxed rules of origin criteria. After the graduation from the LDC status, the opportunity of availing these S&DTs will cease to exist for Bangladesh. Reduced preferential market access may exacerbate the country's export earnings. In this circumstance, it is necessary to explore the existing opportunities and challenges that Bangladesh may face within WTO Special and Differential Treatment (S&DT) framework before and after its graduation in 2026.

The main purpose of the study is identifying ways of retention of the LDC specific S&DTs beyond graduation for Bangladesh, identifying the international support measures (ISM) and overcoming the Graduation Challenges. To overcome challenges of LDC Graduation related to the end of WTO Special and Differential Treatment (S&DT) the findings of the study will provide policy feedback to the government for advancing to formulate strategies for Bangladesh.

I would like to convey my sincere thanks to BFTI team and all the relevant stakeholders directly and indirectly contributing with their valuable opinions and efforts for the preparation of this report.

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Bangladesh has successfully met the second triennial review of LDC graduation in February 2021 and is scheduled to be graduated in 2026. With consistent growth and impressive achievement in human, social and economic development fronts, Bangladesh aspires to reach the milestone of the developed country status by 2041. In this context, the 4 studies selected by the Bangladesh Regional Connectivity Project (BRCP)-1 are very instrumental and contemporary for Bangladesh.

The study 01 titled 'WTO Special and Differential Treatment (S&DT) and Graduation Challenges of Bangladesh' has been conducted by the Bangladesh Foreign Trade Institute (BFTI) as a part of '04 studies under BRCP-1. I would like to thank BRCP-1 for entrusting BFTI with the responsibility. The objective of the study is to identify ways to overcome the challenges related to the loss of WTO Special and Differential Treatment (S&DT) after graduation from the LDC status in 2026 and suggest recommendations that may help policymakers formulate strategies for Bangladesh.

I express my gratitude to the Additional Secretary, WTO Wing, Ministry of Commerce, Ms. Nusrat Jabeen Banu, ndc. I also convey my thanks to Former Additional Secretary, WTO Wing, Ministry of Commerce, Mr. Md. Hafizur Rahman and Team Leader of this project Md. Atiqur Rahman Khan and National Trade Expert as well as the Director, BFTI, Mr. Md. Obaidul Azam and other researchers from BFTI who worked diligently on the report.

I would also like to thank Mr. Md. Mijanur Rahman, Project Director, Mr. Md. Munir Chowdhury, National Trade Expert, Bangladesh Regional Connectivity Project-1 as well as officials from Ministry of Commerce, NBR, EPB, Bangladesh Bank, Chambers and Associations who provided their extended supports and gave us an opportunity to complete the study. Most importantly, I would like to convey my deepest respect to the Senior Secretary, Ministry of Commerce, Mr. Tapan Kanti Ghosh for his kind presence and comments in the validation workshop. I am thankful to all of participants of Key Informant Interviews (KII), FGDs, Public Consultation and Validation Workshop for their valuable cooperation and suggestions. We believe that the recommendations in the study would be beneficial for the policymakers and other relevant stakeholders.

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List of Abbreviations and Acronyms

4IR	Forth Industrialization Revolution
ADB	Asian Development Bank
AfCFTA	The African Continental Free Trade Area
AFDB	African Development Bank
AGOA	African Growth and Opportunity Act
AIIB	Asian Infrastructure Investment Bank
AMS	Aggregate Measurement of Support
AoA	Agreement on Agriculture
APRR	Asia-Pacific Regional Review
APTA	Asia-Pacific Trade Agreement
ASEAN	Association of Southeast Asian Nations
BIMSTEC	Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation
CDP	Committee for Development Policy
CEPA	Comprehensive Economic Partnership Agreement
CFCs	Common facility Centers
CIT	Corporate Income Tax
CTD	Committee on Trade and Development
DFQF	Duty-Free Quota-Free
DS	Dispute Settlement
DTIS	Diagnostic Trade Integration Study
EAEU	Eurasian Economic Union
EAPD	Economic Analysis and Policy Division
EBA	Everything but Arms
ECOSOC	Economic and Social Council
EEC	Eurasian Economic Commission
EEZ	exclusive economic zone
EIF	Enhanced Integrated Framework
EPA	Economic Partnership Agreement
EQG	Equatorial Guinea
ESQ	Environment, social and quality
EU	European Union
EVI	Economic and environmental vulnerability index
FGD	Focus Group Discussions
FIPA	Investment Protection Agreement
FTA	Free trade Agreement

FY	Fiscal Year
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
GCC	Cooperation Council for the Arab States of the Gulf
GCF	Green Climate Fund
GDP	Gross domestic product
GEF	the Global Environment Facility
GNI	Gross national income
GoB	Government of Bangladesh
GSP	Generalized System of Preferences
HAI	Human Assets Index
HS	Harmonized System
IATF	Inter-Agency Task Force
IDA	International Development Association
IMF	International Monetary Fund
INGOs	International Non-Government Organizations
IPR	Intellectual Property Right
JPM	Government on a Joint Policy Matrix
KII	Key Informant Interviews
LDC	Least Developed Countries
MC	Ministerial Conference
MDGs	Millennium Development Goals
MEIS	Merchandise Exports from India Scheme
MFN	Most Favoured Nation
MHRA	Medicines and Healthcare products Regulatory Agency
MMF	Manmade Fibre
NDB	New Development Bank
NFIDCs	Net Food Importing Developing Countries
NFTAC	National FTA Committee
NRA	National Regulatory Authority
NSDA	National Skill Development Corporation
NTBs	Non-Tariff Barriers
ODA	Official Development Assistance
OHRLLS	Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States
PACER	Pacific Agreement on Closer Economic Relations
PICTA	The Pacific Island Countries Trade Agreement

PLI	The Production Linked Incentive
PS	Product subsidy
PTA	Preferential Trade Agreements
RCEP	Regional Comprehensive Economic Partnership
RoO	Rules of Origin
RoSTCL	Rebate of State and Central Taxes and Levies
RTAs	Regional trade agreements
S&DT	Special and Differential Treatments
SAFTA	South Asian Free Trade Area
SCCF	Special Climate Change Fund
SCM	Agreement on Subsidies and Countervailing Measures
SDGs	Sustainable Development Goals
SEZ	Special Economic Zones
SIDS	Small Island Developing States
SISM	Special International Support Measures
SMEs	Small and Medium Enterprises
SPS	Sanitary and Phytosanitary Measures
STI	Science, Technology and Innovation
STS	Smooth Transition Strategies
TBT	Technical Barriers to Trade
TFA	Trade Facilitation Agreement
TICFA	Trade and Investment Cooperation Forum Agreement
TRIMs	Agreement on Trade-Related Investment Measures
TRIPS	Trade-Related Aspects of Intellectual Property Rights
UMIC	Upper Middle-Income Countries
UN DESA	United Nations Department of Economic and Social Affairs
UNCT	UN Country Team
UNCTAD	United Nations Conference on Trade and Development
UN-DESA	Department of Economic and Social Affairs
USAID	United States Agency for International Development
VoP	Value of production
WTO	World Trade Organization

Executive Summary

Bangladesh joined the list of Least Developed Countries (LDC) in April 1975. As a newly independent nation, Bangladesh faced numerous economical and geopolitical challenges with a lackluster economy. But gradually, Bangladesh made great advancements and emerged as one of the fastest growing economies in the world. The development progress has been rapid in terms of GDP growth. Continuing on its path of growth hike, the per capita income in Bangladesh has proliferated to US\$ 2,824 in Fiscal Year (FY) 2021-22.¹ Bangladesh on its path of unwavering development is going to graduate from the LDC status in 2026. Building on the success of MDGs achievements, Bangladesh remains resolute to achieve the SDGs by 2030, within the four-year time of its graduation. Bangladesh has also set the goals to become an upper-middle-income country by 2031 and a knowledge-based developed economy by 2041. The government also aims to turn the country into a 'Smart Bangladesh' by 2041 while making it a developed one.

The study 01 titled 'WTO Special and Differential Treatment (S&DT) and Graduation Challenges' has been conducted by the Bangladesh Foreign Trade Institute (BFTI) as a part of '04 studies under BRCP-1. The objective of the study is to identify ways to overcome the challenges related to the loss of WTO Special and Differential Treatment (S&DT) after graduation from the LDC status in 2026 and suggest recommendations that may help policymakers formulate strategies for Bangladesh.

Under the purview of WTO, Bangladesh as an LDC has been enjoying several trade-related Special and Differential Treatments (S&DT) benefits. LDCs benefit from the same S&DT provisions as other developing country members. There are 186 S&DT provisions in 16 WTO Agreements, of which 26 are exclusively for the LDCs. These are in the form of flexibilities in terms of commitment, enforcement of compliance requirements, and longer transition period for implementation of obligations and technical and many others. The LDCs also benefit from the preferential market access provided by developed and developing countries under the various Generalized System of Preferences (GSP) schemes, often in the form of duty-free, quota-free market access and with relaxed rules of origin criteria.

As Bangladesh is moving towards LDC graduation, it will not be eligible to enjoy the benefits accruing from the LDC-specific S&DTs. The loss of S&DTs will likely result in shrinkage of domestic policy space and have important repercussions while dealing with in the regional and global transactions of goods and services. In order to keep the growth

¹ Bangladesh Bureau of Statistics

momentum and address post-LDC graduation challenges, Bangladesh intends to engage further in trade policy reforms as well as comprehensive socio-economic activities. The proposed study 01 (WTO Special and Differential Treatment (S&DT) and Graduation Challenges) is being conducted to explore the opportunities and challenges that Bangladesh may face within WTO Special and Differential Treatment (S&DT) framework of the WTO after its graduation in 2026.

Chapter 1 explores the objective and scope of the study, the methodology and data analysis process of the study. After contextualizing the background of the study, this Chapter depicts an overview of the LDC graduation process and the criteria for graduation over time, as of the 2021 triennial review. The section briefs the 3 criteria for graduation i.e. gross national income per capita, human assets index (HAI) and economic and environmental vulnerability index (EVI). In later part of the Chapter, Bangladesh's remarkable journey to LDC graduation has been mentioned.

Chapter 2 reviews the Special and Differential Treatments (S&DTs) for LDCs and briefly discusses the 5 types of S&DTs the LDCs are benefitted from. These are: provisions aimed at increasing the trade opportunities of developing members and LDCs; provisions under which WTO Members should safeguard the interests of developing Members and LDCs; flexibility of commitments, of action, and use of policy instruments; transitional time-periods; and technical assistance. S&DT provisions that is exclusive to LDCs can be mainly found in 16 Agreements and related Decisions. The agreements include, the Agreement on Agriculture (AoA), the Agreement on Trade-Related Investment Measures (TRIMs), the Agreement on Subsidies and Countervailing Measures (SCM), the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), the Trade Facilitation Agreement (TFA) and the General Agreement on Trade in Services (GATS). S&D provisions for LDCs are made in four other Agreements in the context of increasing their trade capacity and safeguarding their interests. These include: the Agreement on the Application of Sanitary and Phytosanitary Measures (SPS), the Agreement on Technical Barriers to Trade (TBT), the Agreement on Import Licensing Procedures, and the Understanding on Rules and Procedures Governing the Settlement of Disputes. Special considerations for LDCs are also referenced in the Trade Policy Review Mechanism and the Understanding on the Balance-of-Payments Provisions of the GATT 1994. The S&DT provisions in the mentioned agreements are reflected in the Chapter 2.

Moreover, as WTO members are required to safeguard interests of developing countries, almost all developed countries and an increasing number of developing countries provide DFQF market access and preferential rules of origin (RoO) for goods to a significant number of products from LDCs. These are discussed in the Chapter. Major multilateral non-reciprocal preference schemes for LDCs undertaken by World Trade Organization members and special treatment regarding obligations and flexibilities

under regional trade agreements (RTAs) such as SAFTA, APTA are discussed in the Chapter. The Chapter also includes S&DT provisions that can be availed after graduation in 2026 and how the graduating LDCs could continue to benefit from some of the flexibilities under the agreements mentioned. Lastly, utilization of S&DT benefits by Bangladesh in major exporting products and countries under the Agreements has been explored.

In **Chapter 3**, the study reviews the potential opportunities and losses of S&DT benefits after graduation and their overall impact on trade. Among many other opportunities, the LDC graduation will enhance Bangladesh's branding to global investors and international communities, will increase Bangladesh's credit rating which will help reduce costs of international borrowing from the international financial market and boost the confidence of global lenders as well as investors. Along with the opportunities, the graduation will bring forth some challenges which albeit, are not insurmountable but may result in exacerbation of overall export of Bangladesh, since the country as an LDC will lose some of the S&DTs mentioned in the previous Chapter. The primary impact of TRIPS waiver phase-out is likely to be felt in the pharmaceutical sector of the country whereas, the Agreement of Subsidies and Countervailing Measures (SCM) will prohibit Bangladesh to provide any export subsidy after graduation in 2026. Moreover, under the rules of WTO Agreement on Agriculture, only if Bangladesh is admitted to the group of the Net Food Importing Developing Countries (NFIDCs), maintaining export subsidies on agricultural products until 2030 would be a possibility. The graduation will also lead to preference erosion. UNCTAD estimates that exports proceeds may fall 5.5 % to 7.5%² in the post-LDC graduation period and exporters will face an additional 6.7% tariff which could result in an estimated export loss of \$2.7 billion.

In **Chapter 4** the existing status of the only six nations graduated from the LDC group till 2021 (Botswana (1994), Cape Verde (2007), Maldives (2011), Equatorial Guinea (2012), Samoa (2014) and Vanuatu (2020) have been showcased and the challenges faced by the Graduated LDCs have been discussed along with the initiatives taken to address the challenges.

Chapter 5 explores the possible strategies for graduating LDCs against the loss of S&DT benefit. Possible negotiations at WTO for extension of LDC-specific S&DT benefits, opportunities with regard to WTO Ministerial Conference (MC12) Outcome with respect to graduating LDCs have been emphasized and the possibilities to introduce Special S&DTs for Graduating LDCs have been explored. The Chapter also suggests negotiation with trading partners to get transition period and availing GSP+ like facilities for new market access and identifying potential FTA partner countries and developing strategy

² UNCTAD Handbook of Statistics 2017, Published 26 January 2018

for engaging those countries in FTA negotiations as measures of retaining LDC-specific benefits beyond graduation.

Chapter 6 outlines Smooth Transition Strategies (STS) for Bangladesh to overcome the graduation challenges. The Chapter explored the STS approach and process for adopting a comprehensive STS focused on ensuring maximum S&DT facilities for a certain phase. The Chapter also includes the present STS measures of Bangladesh in light of 7 sectoral committees formed by the government of Bangladesh on LDC Graduation. These committees are working on determining the extent to which sectors of the country may be affected by the transition from LDCs to developing countries and mapping responsible and associate ministries/departments and organizations for each identified sector along with other relevant activities. The detailed terms of reference of these committees associated with preserving S&DT measures for the transition period and overcoming LDC graduation challenges have been illuminated in the Chapter.

The **Chapter 7** shows the insights gathered from FGDs, Public Consultation and KIIs. Bangladesh needs to formulate comprehensive strategies for overcoming Bangladesh's graduation challenges. Based on the findings of the KIIs, FGDs and Public Consultation, it was acknowledged that S&DT benefits are enjoyed by Bangladesh as an LDC in the form of: Extended period for Implementation of obligations through granting of transition period (e.g., TRIPS till end of 2032), flexibility of commitment regarding the use of policy instruments and obligations (e.g. Category A, B and C Trade Facilitation Agreement). Presently, more than 70 percent of the external trade of Bangladesh enjoys duty-free access as an LDC. In the absence of GSP facilities after LDC graduation, exports to the EU markets may decline significantly. Bangladesh needs to strengthen its economic diplomacy and may continue negotiation with its trade partners for signing PTA, FTA, and CEPA. Joining of regional blocs such as RCEP (ASEAN), Russia-CIS (EAEU) block, GCC, African Continental Free Trade Agreement, APEC, MERCOSUR (Southern Common Market) etc. may also be way out to regain preferential treatments in trade.

Chapter 8 shows recommendation and way forward to pursue for retention of S&DT under WTO agreements, formulating policy support and incentives alternative to export subsidies, strengthening the implementation of a prudent macroeconomic framework through tax and tariff policy reform and ensuring resource mobilization to increase the tax-to-GDP ratio, rationalizing the large trade protection through tariffs and para tariffs, facilitating private sector investment and creating an investment-friendly environment etc. Special importance should be given to focus on how to deal with alternatives to export subsidies as an instrument for export promotion after graduation. Examples of countries such as India, Vietnam may be followed as they provide alternative incentives

other than export subsidies. Bangladesh could target FTA with countries that have already shown interest, such as Malaysia, Japan, India and Thailand. Moreover, Bangladesh needs to strengthen its competitiveness and diversify its export to improve export performance to engender faster growth.

Chapter 1: Introduction

1.1 Background of the Study

Since independence, Bangladesh has reached to a newer height of development unleashing newer opportunities and overcoming huge bottlenecks. Bangladesh has made impressive socio-economic progress. The journey of Bangladesh so far is starkly commendable. Bangladesh joined the list of Least Developed Countries (LDC) in April 1975. As a newly independent nation, Bangladesh faced numerous economical and geopolitical challenges at that time soon after its independence.

But gradually, Bangladesh made great advancements and emerged as one of the fastest growing economies of the world. According to IMF, it is the 41st largest economy in the world in terms of GDP and 2nd largest economy in the South Asia. The continuous economic growth of Bangladesh is a model for the rest of the world. The development progress has been rapid in terms of GDP growth. Continuing on its path of growth hike, the per capita income in Bangladesh has reached a value of US\$ 2,824 in Fiscal Year (FY) 2021-22. Bangladesh on its path of unwavering development is going to graduate from the LDC status in 2026.

This graduation is highly anticipated and welcomed by the entire nation. It will enhance the confidence of the country in creating a positive and idiosyncratic image as a whole and dealing with the international financial bodies. Bangladesh as an LDC has been enjoying several Special and Differential Treatments (S&DT) benefits related to the world which might not be available after the graduation from the LDC status. Before going for final celebration of this achievement, Bangladesh needs to prepare at the policy, regulatory, and functional level to cope up with the challenges that graduating to a developing country will bring forth for her before, during and after the graduation. Under the assistance of an umbrella project supported by the International Development Association (IDA) - a member of the World Bank Group - for financing the cost of the Bangladesh Regional Connectivity Project 1 (BRCP-1), a part of which is being implemented by the Ministry of Commerce, Bangladesh Foreign Trade Institute (BFTI) carried out this study, to support the government of Bangladesh in identifying the specific areas of challenges the country has to face in the post-graduation period due to the loss of S&DT benefits and for developing strategies to cope up with the challenges.

1.2 Objective and Scope of the Study

Objective of the Study

To overcome the loss of WTO Special and Differential Treatment (S&DT) and Challenges of LDC Graduation, this review will provide policy feedback to the government for advancing to formulate the negotiation template for Bangladesh. This review will analyze the following:

- Overcoming the Graduation Challenges, how Bangladesh may retain LDC specific S&DTs beyond graduation;
- Identifying how graduated LDCs will be pursuing negotiation in extending all LDC-specific S&DTs for 12 years beyond the graduation. How graduated LDCs will be pursuing the proposals strongly for adoption in the WTO platform;
- Mapping existing S&DT benefits for major exporting products and countries enjoyed by Bangladesh.
- Assessing potential opportunities and losses of S&DT benefits after graduation and how Bangladesh will deal with and give policy recommendations.
- Identifying possibilities to negotiate with the trading partners to get transition period, like in EBA for the graduating LDCs;
- Examining the possibilities to introduce Special International Support Measures (SISM) for the graduating LDCs;
- Analyzing creation of new market access Bangladesh may be availing GSP+ like facilities;
- Analyzing the challenges faced by the graduated LDCs and the initiatives undertaken by them to fill up the gaps. Since 1971 six countries have graduated from LDC status. They are Botswana (1994), Cabo Verde (2007), Maldives (2011), Samoa (2014), Equatorial Guinea (2017) and Vanuatu (2020).;
- How Bangladesh formulates a Smooth Transition Strategy (STS) keeping maximum S&DT facilities for a certain phase or period

Scope of the study

LDCs draw significant benefits as members of the WTO, especially from international support measures (ISMs) in place specifically for this group of countries. These ISMs include special and differential (S&D) provisions. There are 183 S&DT provisions in 16 WTO Agreements, of which 25 are exclusively for the LDCs. These are in the form of flexibilities in terms of commitment, enforcement of compliance requirements, and longer transition period for implementation of obligations and technical assistance and

aid for trade, and many others. The countries within this bracket also benefit from the preferential market access provided by developed and developing countries under the various Generalized System of Preferences (GSP) schemes, often in the form of duty-free, quota-free market access and with relaxed rules of origin criteria. Such preferential market access, provided either unilaterally or under different regional trading arrangements, are allowed in the WTO under the Enabling Clause. Also, there is already a number of support measures in place within the ambit of the WTO which extends specific support to LDCs following their graduation. Other countries can offer similar extension as a part of support towards sustainable graduation. However, once they graduate, LDCs will not be eligible to enjoy the benefits accruing from the LDC-specific ISMs. This will have implications in four areas:

- (a) Domestic Policymaking;
- (b) Policy Compliance and Enforcement;
- (c) Terms of Market Access; and
- (d) Degree of Reciprocity in Dealing with Partners.

Thus, loss of ISMs will likely result in shrinkage of domestic policy space and have important repercussions while dealing with in the regional and global transactions of goods and services. In order to keep the growth momentum and address post-LDC graduation challenges, Bangladesh intends to engage further in trade policy reforms as well as comprehensive socio-economic activities. The proposed study 1 (WTO Special and Differential Treatment (S&DT) and Graduation Challenges) is being conducted to explore the existing opportunities within WTO Special and Differential Treatment (S & DT) framework of the WTO before, during and after graduation. In the process, empirical evidence of likely preference erosion, basis of competitive advantages and leverages arising from withdrawal of ISM will also be tested to find out new avenues for sustainable position for Bangladesh in the global supply chain for goods and services. Here the study should map existing S&DT benefits for major exporting products and countries enjoyed by Bangladesh and to assess potential opportunities and losses of S&DT benefits after graduation. Likewise, the objective, to provide policy support for easier market access and consistent economic growth after graduation so that Bangladesh can formulate a Smooth Transition Strategy (STS) keeping maximum S&DT facilities for a certain phase or period. It will further identify graduating LDCs' challenges and the initiatives undertaken by Botswana (1994), Cabo Verde (2007), Maldives (2011), Samoa (2014), Equatorial Guinea (2017) and Vanuatu (2020) have graduated from LDC status. It will further explore major challenges in trade competitiveness, and various structural and

non-structural challenges along with business compliance too due to graduation. It will analyze the trade loss due to removal of lower tariff structure and quota-free access, in major export market in the USA, EU, Canada, Japan, and Australia. The following are the scopes of the study in brief:

1. Twelve LDCs are in the pipeline over the coming five years. To overcoming Graduation Challenges how Bangladesh may retain LDC-specific S&DTs beyond graduation will be discussed;
2. Negotiations in the WTO- the most important one is for extending all LDC-specific S&DTs for 12 years beyond the graduation. The study will explore ways in which graduated LDCs may pursue the proposals strongly for adoption in the WTO platform;
3. Mapping of existing S&DT benefits for major exporting products and countries enjoyed by Bangladesh.
4. Assessment of potential opportunities and losses of S&DT benefits after graduation. How Bangladesh will deal with and give policy recommendations.
5. Identifying possibilities to negotiate with the trading partners to get transition period, like in EBA for the graduating LDCs;
6. Examining the possibilities to introduce Special International Support Measures (SISM) for the graduating LDCs;
7. Analyzing how Bangladesh may availing GSP+ like facilities for creating new market access;
8. Since 1971 six countries have graduated from LDC status. They are Botswana (1994), Cabo Verde (2007), Maldives (2011), Samoa (2014), Equatorial Guinea (2017) and Vanuatu (2020). The study will analyze the challenges faced by the graduating LDCs and the initiatives undertaken by them to fill up the gaps;
9. To analyze how Bangladesh may formulate a Smooth Transition Strategy (STS) keeping maximum S&DT facilities for a certain phase or period.

1.3 Rationale of the Study

Graduation from LDC will pose a multifaceted pressure for market access, preference erosion, value addition conditions, additional tariff and likely reduction of overall export and employment of LDC like Bangladesh. In the post-LDC graduation period, Bangladesh has to face diverse challenges arising from withdrawal of preferential market access based on duty-free, quota-free facilities, relaxed minimum value addition conditions and other leverages enjoyed so far from most developed countries. The economy will face major challenges in trade competitiveness, and encounter various

structural and non-structural challenges along with business compliance too. In order to keep the growth momentum and address post-LDC graduation challenges, Bangladesh needs to engage further in trade policy reforms as well as comprehensive socio-economic activities. The objective of the research is to clarify the (S&DT) related challenges of graduation especially exploring the growth where export plays a significant role to leap forward from the LDC to developing countries.

Preference erosion becomes a significant challenge for Bangladesh, due to lower tariff structure and quota-free access, Bangladesh can export its' major share of products in the USA, EU, Canada, Japan, and Australia. Changes in tariff structure can change the whole economic structure of the country. UNCTAD estimates that exports proceeds may fall 5.5 % to 7.5%³ in the post-LDC graduation period and exporters will face an additional 6.7% tariff which could result in an estimated export loss of \$2.7 billion.

In FY 2021-22, the total export earning in goods of Bangladesh was \$52.08 billion. While analyzing the major export destinations of Bangladesh it was identified that 70.13% (\$36.52 billion) of the export earnings of Bangladesh came from only four export destinations (EU \$23.23 billion (44.61%), USA \$10.41 billion (20.00%), Canada \$1.52 billion (2.92%) and Japan \$1.35 billion (2.60%).⁴ Except USA, Bangladesh gets DFQF facility for export to the EU and the mentioned countries. Khan, I. T (2016) urged that Bangladesh enjoys a 12% preference margin for its apparel industry under the EU's everything but Arms (EBA) Initiative which gives a substantial price advantage. With the preferential treatment and under the respective DFQF schemes, Bangladesh exported products worth \$1.52 billion in Canada, \$1.35 billion in Japan and \$0.91 billion in Australia in FY 2021-22. Thus, preferential market access has a special significance on Bangladeshi Product Export.

However, such estimates have the underlying assumption that export volume has a direct inverse co-relation with the tariff rates, but often do not consider the co-efficient of this assumed relationship, if any. The loss of 5.5%-7% loss in export will result in loss of export earning worth US\$ 1.7-2.2 billion.

³ UNCTAD Handbook of Statistics 2017, Published 26 January 2018

⁴ EPB report on export of goods for FY 2021-22

1.4 Methodology

The general approach of the study was based on qualitative research method. The study design, including selection of data collection methods and tools, sampling approaches, analysis and dissemination format and strategy aims to answer to the study objectives and the study questions.

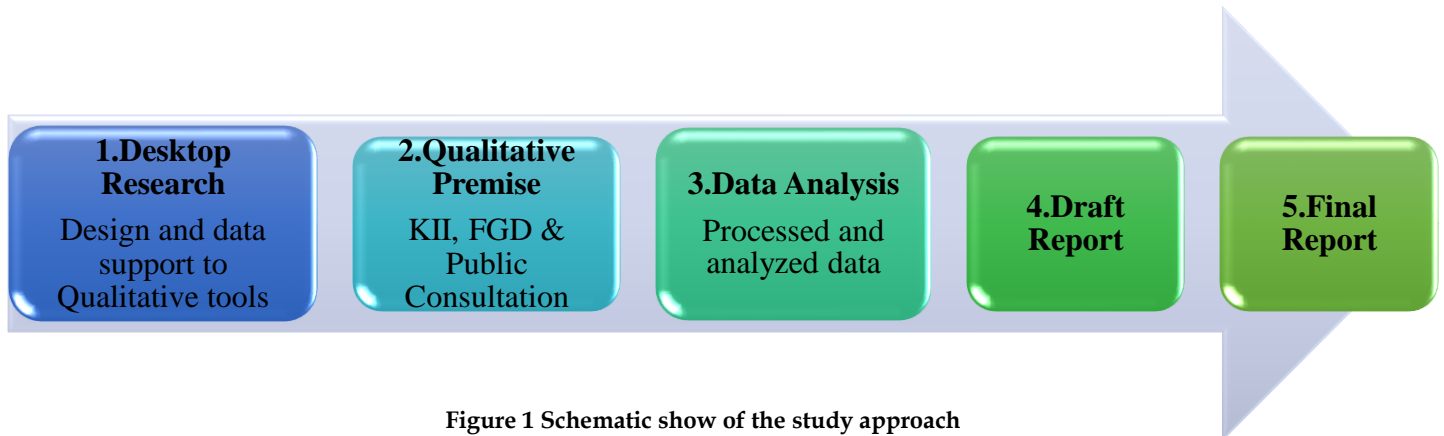


Figure 1 Schematic show of the study approach

Our substantial data analysis approach, while data were being collected through the qualitative method, has been divided into several broad stages. The study involved the following:

- 1) A desk review of existing literature like relevant rules/regulations/policies and journal articles;
- 2) Key Informant Interviews (KII), Focus Group Discussions (FGD) and Public Consultations with policy level officials, think tanks, academia and other trade related agencies as decided by the client. The stakeholders were identified by a mapping exercise. The most relevant stakeholders are the Ministry of Commerce, Ministry of Industries, National Board of Revenue (NBR). The main trade Bodies of Bangladesh (FBCCI, DCCI, MCCI, ICCI, BGMEA, BKMEA etc.) are also valuable stakeholders for the study.
- 3) Data Analysis utilizing readily available data from suitable national (Export Promotion Bureau, Bangladesh Bank, National Board of Revenue, etc.) and international (UN Comrade, UNCTAD, World Bank, etc.) sources, for a fair time span of at least the most recent 5 years;

The sequential steps were as follows:

- **Review of Existing Literature:** Available literature including the document bilateral trade agreements, journal article and regulatory related documents of different countries will be reviewed. Moreover, BFTI's expert will review official reports, published papers and policy documents of the GoB, think-tank organizations and other international bodies, as available, will be analyzed.
- **Key Informants interviews (KII):** A round of exploratory interviews was conducted for the study with the representatives of relevant stakeholders that primarily included government institutions, business associations, chambers, think-tank organizations, etc. Semi-structured interviews were carried out via purposeful rather than random sampling method. Appropriate measures were taken to avoid any risks of bias through sampling, response and the behavior of the interviewer. Three common techniques were used to conduct key informant interviews: Telephone Interviews, Face-to-Face Interviews, Email interviews. All selected questionnaires were evaluated by the relevant experts. For this study, 22 KII were conducted to assess LDC graduation and challenges related to S& DT.
- **Focus Group Discussions (FGD):** Two FGDs, relevant to the study were organized targeting mainly the people concerned with the particular study. During discussions, participants were facilitated to discuss different aspects of the particular field amongst themselves. A total of 17 participants took part in two FGD sessions.
- **Public Consultations:** One public consultation with the stakeholders was carried out with participation by 25 stakeholders.
- **Data Analysis:** All the information and data collected from various sources and through in-depth interviews, focused group discussions, public consultations, etc. with relevant stakeholders were analyzed separately.

1.5 Overview of LDC Graduation

The least developed country (LDC) category is comprised of the most disadvantaged of the developing countries. There are currently 46 economies designated by the United Nations as the least developed countries (LDCs), entitling them to -

- Aid,
- Preferential market access and
- Special technical assistance, among other concessions⁵

⁵ CDP, UNDESA, October 2021, Handbook on the Least Developed Country Category: Inclusion, Graduation and Special Support Measures, Fourth Edition

LDCs comprise approximately 14 per cent of the world's population, but account for less than 1.3 per cent of global gross domestic product (GDP) and for approximately 1 per cent of global trade.⁶

The LDC category was established by the General Assembly in 1971, in its resolution 2768 (XXVI), as a result of the acknowledgement by the international community that special support measures were needed to assist the least developed among the developing countries. The United Nations defines LDCs as countries that have low levels of income and face severe structural impediments to sustainable development. The countries categorized as LDCs are identified based on specific criteria and procedures, described in detail below.

The initial list of LDCs contained 25 countries and 28 additional countries were added throughout the years, as countries gained independence and faced severe development challenges. Till 2021, Botswana (1994), Cape Verde (2007), Maldives (2011), Equatorial Guinea (2012), Samoa (2014) and Vanuatu (2020) are the only six nations to have graduated from the LDC group.

The Committee for Development Policy (CDP), a committee of independent specialists that reports to the Economic and Social Council (ECOSOC) of the United Nations, reviews the list of LDCs every three years. Following a triennial review of the list, the CDP may suggest countries for accession to the list or graduation from LDC status in its report to ECOSOC. The CDP conducted a complete study of the LDC criteria between 2017 and 2020, and the resulting adjustments were first implemented at the triennial review in February 2021.⁷

Based on recommendations by the Committee for Development Policy (CDP) endorsed by the Economic and Social Council (ECOSOC), the UN General Assembly makes decision regarding the inclusion in and graduation from the list of LDCs.

Committee for Development Policy and the least developed countries

The Committee for Development Policy (CDP) is a subsidiary advisory body of the Economic and Social Council (ECOSOC). Its 24 members are nominated in their personal capacity by the Secretary-General and are appointed by the Council for a period of three years. Several functions of CDP are related to the LDC category. The Committee is mandated to make recommendations to ECOSOC on countries that qualify to be added to the LDC category and those that are candidates for graduation. The recommendations are based on analyses undertaken every three years at triennial reviews of the LDC

⁶ UNCTAD, 2021

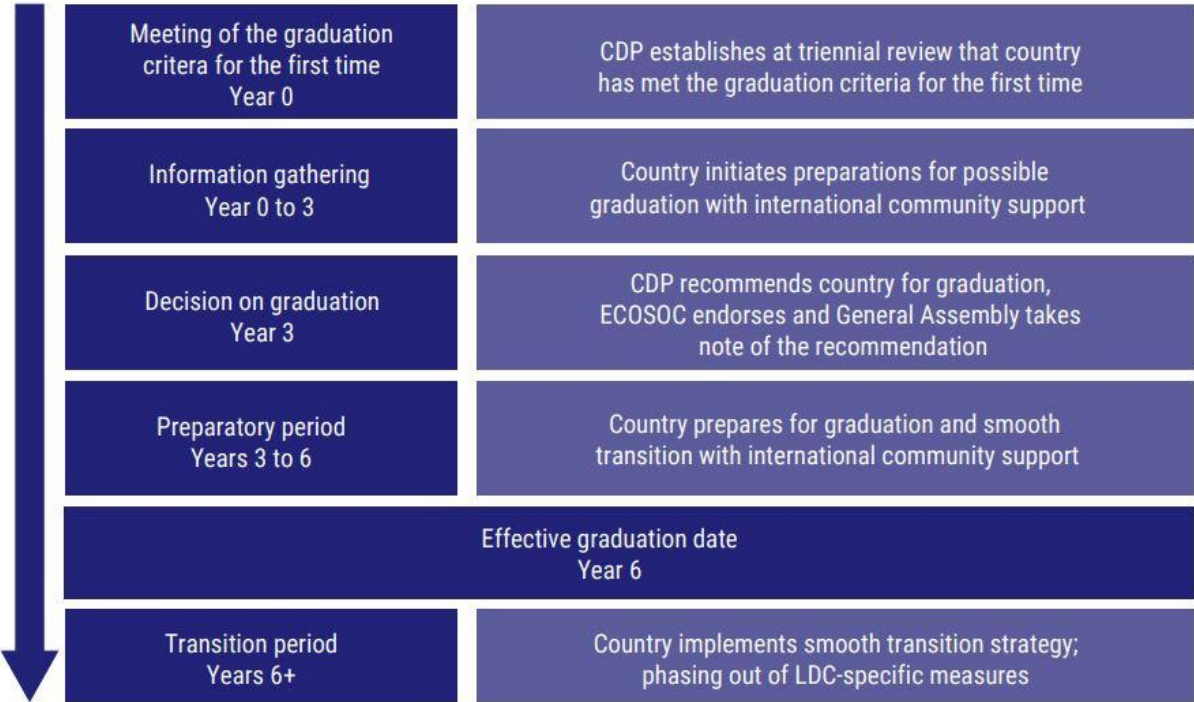
⁷ https://unctad.org/system/files/official-document/lcd2021_en.pdf

category. In addition, CDP monitors the development progress of LDCs that are graduating and of countries that have graduated from the category; conducts reviews of the LDC identification criteria; reviews the application of the LDC category by the United Nations development system; and undertakes analytical studies on LDC issues.

LDC Graduation Process:

Graduation from the LDC category is a multi-year process involving different stages and multiple actors, thereby providing an LDC and its international partners with the time needed to adapt to its new status as a developing country and minimizing the risk of premature graduations. Though graduation does not depend on the Government’s consent, the process ensures that the views of the country are taken into consideration in the decision on the country’s graduation. The graduation procedures have evolved over time, shaped by General Assembly resolutions, specific requests by ECOSOC and guidelines and additional recommendations by CDP. Figure 2 summarizes the standard graduation process:

Figure 2 Overview of graduation process



Source: CDP Handbook of LDC, 4th Edition, 2021

The Committee for Development Policy uses three criteria to identify LDCs, which it defines as low-income countries suffering from the most severe impediments to sustainable development.

Gross national income (GNI) per capita reflects the low-income aspect; two other criteria reflect key structural impediments related to a low level of human assets (**Human Assets Index, HAI**) and a high vulnerability to economic and environmental shocks (**Economic and Environmental Vulnerability Index, EVI**). The LDC criteria are applied by CDP every three years to all Member States in developing regions. Countries are identified for inclusion in and graduation from the LDC list by comparing their criteria scores with thresholds established by CDP.

The criteria for LDC graduation in brief:

Gross national income per capita: GNI per capita provides information on the income status and the overall level of resources available to a country. GNI is equal to the gross domestic product (GDP), less primary incomes payable to non-resident units (e.g. investment income flowing to foreigners), plus primary incomes receivable from non-resident units (e.g. wages and salaries received by residents who temporarily work abroad for foreign companies.⁸ In the 2021 review, the threshold for graduation was \$1,222. The income-only graduation threshold (which enables a country to be eligible for graduation, even if none of the other two criteria are met) is twice the normal graduation threshold and was set at \$2,444 in the 2021 review. The GNI per capita is calculated based on the World Bank Atlas method and as the World Bank adjusts its income threshold every year, the graduation thresholds of the GNI criterion are correspondingly adjusted from triennial review to triennial review.

Human assets index (HAI): HAI is a measure of the level of human capital. A lower HAI represents a lower development of human capital. Low levels of human assets are major structural impediments, not only because they are a manifestation of unsustainable development, but also because they limit the possibilities for production and economic growth, prevent poverty eradication, exacerbate inequalities and hamper resilience to external shocks. As a result, UNCDP started using absolute thresholds for the HAI to determine inclusion and graduation eligibility of an LDC. HAI is divided into two sections. The health index consisting percentage of the under-5 mortality rate, prevalence of stunting and maternal mortality ratio carries half of the weights. On the other hand, education index including gross secondary school enrolment ratio, adult literacy rate and gender parity index of gross secondary school enrolment carries rest of the weight for

⁸ UN DESA, CDP, Handbook on the Least Developed Country Category, 2021

HAI. The HAI threshold for inclusion in the LDC category at the 2021 triennial review was set at 60, the same value as in 2012, and the graduation threshold was set at 10 per cent above the inclusion threshold, at 66 or above.

Economic and environmental vulnerability index (EVI): EVI is a composition of economic vulnerability index and environmental vulnerability index, each carrying equal weights. The Economic vulnerability index includes sub-indices such as share of agriculture, forestry and fishing in GDP, remoteness and landlockedness, merchandise export concentration, instability of exports of goods and services. The environmental vulnerability index contains sub-indices as share of population living in low elevated coastal zones, share of population living in drylands, instability of agricultural production, victims of disasters. The EVI threshold for inclusion in the LDC category has been set at 36 in the 2021 triennial review, the same value as in 2012. The graduation threshold has been set at 10 per cent below the inclusion threshold, at 32 or below. The lower the EVI the less the vulnerability and the higher the resilience of a country.

1.6 Bangladesh's Remarkable Journey to LDC Graduation

The graduation from LDC status is a game-changer for Bangladesh's economy and society. In Bangladesh's early years of independence, international critics viewed the country as an international basket case. The development progress that led to the readiness for LDC graduation has demonstrated that with a strong dedication, excellent economic management, and resiliency in the face of formidable obstacles, economic growth is extremely achievable. Bangladesh is currently seen as a model for socioeconomic development, offering numerous lessons for other developing nations. In addition to the great advancements in human development and poverty reduction, the GDP growth rate is among the quickest in the world today.⁹

Bangladesh intends to achieve upper middle-income status by fiscal year 2031 and high-income status by fiscal year 2041. However, advancement carries its own problems. Bangladesh's exceptional advantages in its international commercial and financial interactions with the global world as an LDC will cease to exist as a result of the country's successful graduation from the LDC status. Bangladesh has made the most of the International Support Measures, (ISMs) granted to LDCs. Some LDC benefits have been exceptionally advantageous for Bangladesh, especially duty-free access to European export markets under the Everything but Arms initiative. In honor of its 50th anniversary

⁹ General Economics Division (GED), Bangladesh Planning Commission, Ministry of Planning, Government of the People's Republic of Bangladesh. (March, 2020). Impact Assessment and Coping up Strategies of Graduation from LDC Status for Bangladesh.

of independence, Bangladesh has made significant progress toward its development goals.

Bangladesh's graduation process:

In March of 2018, Bangladesh became the first LDC to satisfy all three requirements for upgrading to developing nation status. An LDC must meet two UN criteria in order to graduate. Up till now, only Bangladesh has fulfilled all three requirements. A country must maintain compliance with the LDC graduation criteria for two UN triennial evaluations in a row before it can graduate. In the 2018 triennial review, CDP established that Bangladesh has met all the three graduation criteria for the first time. Later on, Bangladesh was recommended for graduation from the least developed nation (LDC) category during the UNCDP second triennial assessment, which took place from February 22nd to the 26th 2021. For the second time in 2021, the nation has satisfied all three requirements for graduation, including per capita income, the human assets index (HAI), and the economic and environmental vulnerability index (EVI). In its second triennial evaluation, the UN CDP evaluated Bangladesh's economy and discovered that all three prerequisites for graduation had been successfully met. CDP commends Bangladesh for graduation in 2026. CDP recommended Bangladesh for graduation, which was endorsed by ECOSOC and General Assembly took note of the recommendation.

GNI per capita of Bangladesh in 2021 and 2018 Triennial review:

In the 2021 review, the threshold for graduation was \$1,222. The GNI per capita of Bangladesh was US\$ 1,827 in the 2021 review which is above the threshold level making the country eligible to be graduated from LDC status. In the 2018 triennial review the threshold for LDC graduation was \$1,230 whereas Bangladesh had a GNI per capita of US\$ 1,274.

Based on the UN CDP 2021 triennial review, the overall HAI score of Bangladesh on 2021 Review was 75.3 which is above the threshold of 66 making the country eligible to be graduated from the LDC status.

Economic and environmental vulnerability index (EVI) of Bangladesh in 2021 and 2018 triennial review

Based on the UN CDP 2021 triennial review the composite EVI score of Bangladesh on 2021 Review was 27.2 which is below the threshold of 32 making the country eligible to be graduated from the LDC status.

In the previous triennial review of 2018, the EVI index previously known as the Economic Vulnerability Index of Bangladesh was 25.2. The exacerbation in the index value in 2021 than that of 2018 is due to the impact of the COVID-19 which has been visible in almost all the countries of the world. Nevertheless, the EVI score of Bangladesh has been below the threshold level to be eligible to be graduated in 2026.

The performance of Bangladesh in the triennial reviews in the three criteria of graduation are summarized below:

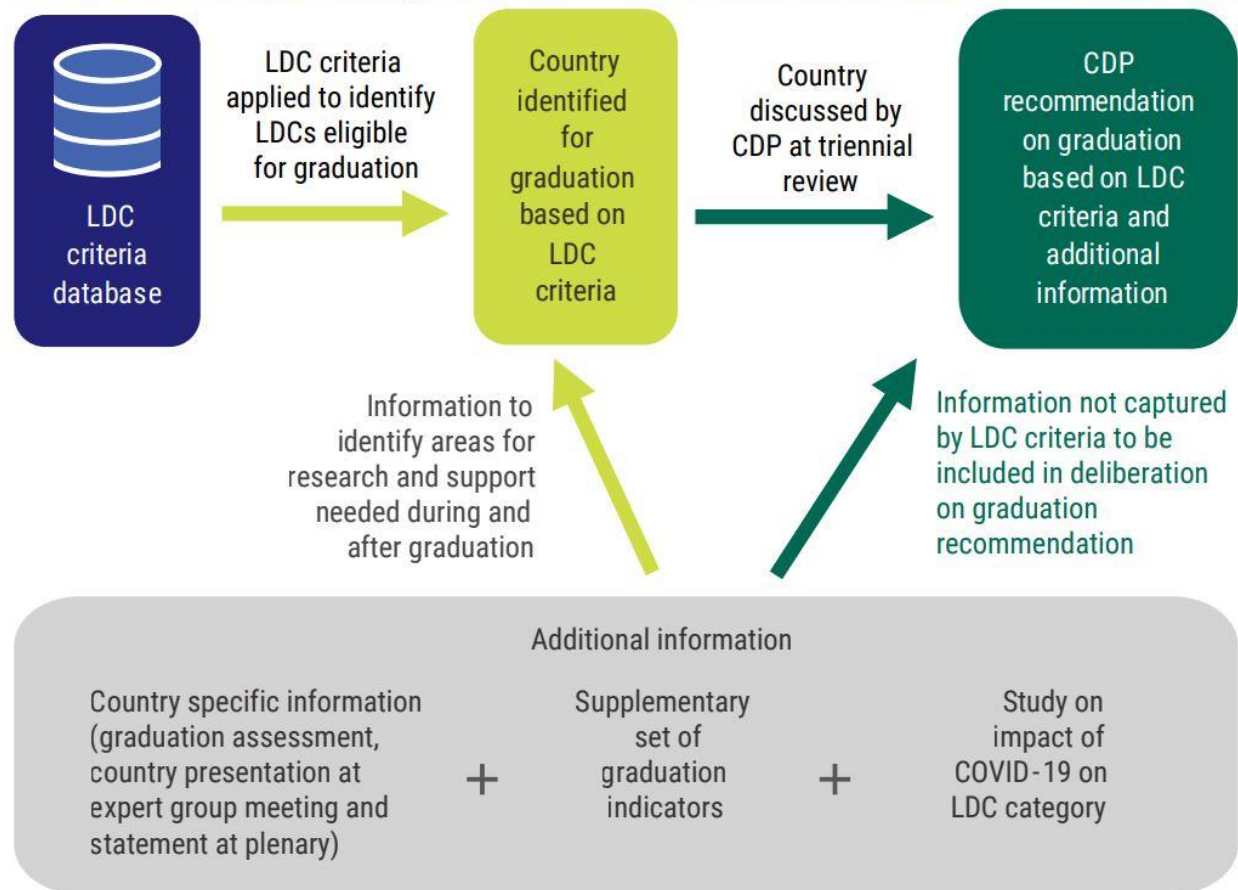
Table 1 Performance of Bangladesh in the triennial reviews in the three criteria

Triennial Review	2018		2021	
	Graduation Threshold	Performance of Bangladesh	Graduation Threshold	Performance of Bangladesh
Gross national income (GNI) per capita	US\$ 1,230 or above	US\$ 1,274	US\$ 1,222 or above	US\$ 1,827
Human assets index (HAI)	66 or above	73.2	66 or above	75.3
Economic and environmental vulnerability index (EVI)	32 or below	25.2	32 or below	27.2

The above table indicates Bangladesh has successfully met all three criteria for graduation. Usually, a graduating country is given a 3 years' preparatory period. In 2020, ECOSOC requested CDP to undertake a comprehensive study on the impact of the coronavirus disease (COVID-19) on the LDC category. The study assisted CDP in fully incorporating into the 2021 triennial review the impacts of COVID-19 on LDCs, including graduating countries. Figure 3 illustrates the role of LDC criteria and additional information in the decision-making process.

Figure 3 Role of least developed country criteria and additional information in the 2021 triennial review

Role of least developed country criteria and additional information in the 2021 triennial review



Source: CDP LDC Handbook 2021

In the 2021 triennial review, information that were not captured by the three criteria were included in the deliberation on graduation recommendation which included issues related to graduation assessment of Bangladesh, the country’s presentation at expert group meeting, supplementary set of graduation indicators, identification of areas for research and support needed during and after graduation of Bangladesh and impact of COVID-19 on the country’s economy. Taking all these areas into consideration, Bangladesh has been provided a preparatory period of 5 years and has been recommended to be graduated in 2026.

1.7 Limitations of the Study

The main limitation of the study was the assumptions based upon which discussions were held on the graduation consequences, such as preference erosion, a continuation of preferential treatment beyond the standard 3-year transition period allowed, and so forth, without any empirical evidence for the validity of such assumptions, and whether

graduation experiences of other countries would be replicated in case of Bangladesh. Due to time limits, the study team attempted to mostly highlight the WTO Special and Differential Treatment (S & DT) and Graduation Challenges from the literature review. In addition, if the study was sector-based, it would be more beneficial to make a substantial contribution to the trade field.

Chapter 2: Overview of S&DT under WTO and S&DT Benefits of Bangladesh

Under the purview of WTO, special and differential international support measures are provided to the countries belonging to the least developed country (LDC) category beyond those available to the developing countries. There are mainly three types of support measures 1. International trade related support measures, 2. Development cooperation and 3. Support for participation in international forums. The trade related international support measures (ISMs) that the LDCs have access to, in other words are termed as special and differential treatments (S&DT) for the LDCs. As our study focuses on the special and differential treatments (S&DT) and LDC graduation, the sections below present an overview of the trade related special and differential treatments available to the LDCs.

Overview of S&DTs for LDC

The Special and Differential treatments or trade-related international support measures for the LDCs aim at supporting and proliferating the integration of LDCs into the global economy. The S&DTs are based on the commitments and decisions set out in World Trade Organization (WTO) ministerial declarations and internationally agreed commitments as part of global development agendas such as the 2030 Agenda for Sustainable Development and the successive programmes of action for LDCs

Developing countries and LDCs benefit from S&D provisions in WTO Agreements and Decisions which take into account their particular needs and interests. These S&D provisions can be classified into five types:

- 1 Provisions for increasing market access;
- 2 Safeguard interests of developing countries;
- 3 Flexibility for developing countries in taking commitments;
- 4 Transitional time periods for implementing obligations;
- 5 Technical assistance for trade-related capacity buildings.

WTO members are asked to give special priority to LDCs, especially in the context of safeguarding their interests and increasing their trade capacity. In addition, a number of S&D provisions are specific to LDCs, providing them with enhanced market access, greater flexibility in the implementation of rules, and specific attention to their technical assistance needs. Table 9 contains these LDC-specific provisions in WTO Agreements and Decisions, respectively. Graduation from LDC status will result in the loss of this special treatment.

S&DT that is exclusive to LDCs can be mainly found in WTO Agreements and related Decisions. In total there are 186 S&DTs for developing countries under the WTO agreements and decision among which 26 are exclusively for LDCs. Table 2 shows a synopsis of the S&DTs for Developing and LDCs as a whole. The 8th column shows the S&DTs available for only the LDCs.

Table 2: Special and Differential Treatment provisions by type and agreement ¹⁰

1	2	3	4	5	6	7	8	9
SL. No	Agreement	Provisions aimed at increasing the trade opportunities of developing country Members	Provisions that require WTO Members to safeguard the interests of developing country Members	Flexibility of commitments, of action, and use of policy instruments	Transitional time-periods	Technical assistance	Provisions relating to Least developed country Members	Total by Agreement ¹¹
1.	General Agreement on Tariffs and Trade 1994	8	13	4				25/25
2.	Understanding on Balance of Payments of GATT 1994			1		1		2/2
3.	Agreement on Agriculture	1		9	1		3	14/13
4.	Agreement on the Application of Sanitary and		2		2	2		6/6

¹⁰ WTO, WT/COMTD/W/271, March 2023, Special and differential treatment provisions in WTO agreements and decisions. Retrieved from <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/WT/COMTD/W271.pdf&Open=True>

¹¹ The first figure reported in this column is the sum over all categories of the listed number of S&D provisions in each Agreement. This figure is obtained by counting each appearance of a provision, including when a provision is classified in more than one category. There are 22 provisions across the WTO Agreements which are classified in more than one category: one provision in the Agreement on Agriculture, three in the TBT Agreement, one in the TRIMs Agreement, three in the SCM Agreement, nine in the TFA, two in the GATS and three in the GPA 2012 (the details can be found in the relevant sections). The second figure in this column, on the other hand, reports the number of provisions in each Agreement when each provision is counted only once. The total of 157 over all the Agreements counts the provisions once, while the total of 186 is the total of all listed provisions.

1	2	3	4	5	6	7	8	9
SL. No	Agreement	Provisions aimed at increasing the trade opportunities of developing country Members	Provisions that require WTO Members to safeguard the interests of developing country Members	Flexibility of commitments, of action, and use of policy instruments	Transitional time-periods	Technical assistance	Provisions relating to Least developed country Members	Total by Agreement ¹¹
	Phytosanitary (SPS) Measures							
5.	Agreement on Technical Barriers to Trade	3	10	2	1	9	3	28/25
6.	Agreement on Trade-Related Investment Measures (TRIMs)			1	2		1	4/3
7.	Agreement on Implementation of Article VI of GATT 1994		1					1/1
8.	Agreement on Implementation of Article VII of GATT 1994		1	2	4	1		8/8
9.	Agreement on Import Licensing Procedures		3		1			4/4
10.	Agreement on Subsidies and		2	10	7			19/16

1	2	3	4	5	6	7	8	9
SL. No	Agreement	Provisions aimed at increasing the trade opportunities of developing country Members	Provisions that require WTO Members to safeguard the interests of developing country Members	Flexibility of commitments, of action, and use of policy instruments	Transitional time-periods	Technical assistance	Provisions relating to Least developed country Members	Total by Agreement ¹¹
	Countervailing Measures (SCM)							
11.	Agreement on Safeguards		1	1				2/2
12.	Agreement on Trade Facilitation (TFA)			3	7	7	9	26/10
13.	General Agreement on Trade in Services (GATS)	3	4	4		2	2	15/13
14.	Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)				2	1	3	6/6
15.	Understanding on Rules and Procedures Governing the Settlement of Disputes.		7	1		1	2	11/11

1	2	3	4	5	6	7	8	9
SL. No	Agreement	Provisions aimed at increasing the trade opportunities of developing country Members	Provisions that require WTO Members to safeguard the interests of developing country Members	Flexibility of commitments, of action, and use of policy instruments	Transitional time-periods	Technical assistance	Provisions relating to Least developed country Members	Total by Agreement ¹¹
16.	Agreement on Government Procurement (2012) (GPA 2012)		5	6		1	3	15/12
	TOTAL	15	49	44	27	25	26	186/157

2.1 Agreement on Agriculture (AoA)

The agreement of agriculture has three S&DT provisions for LDCs¹² (Article 15.2, Article 16.1¹³ and Article 16.2¹⁴). The Agreement on Agriculture (AoA), resulting from the successful Uruguay Round negotiations, provides for a framework for reductions in agricultural support and protection by establishing binding commitments in three main pillars: market access, domestic support and export competition.

2.1.1. Pillar 1: Market Access:

Market Access refers to the reduction of tariffs or NTBs (non-tariff barriers) to trade by WTO members. Developed countries were given a goal to cut down tariffs by 36 percent, while developing countries were to cut it down by 24 percent. LDCs did not have to make any commitments on tariff cuts. Market access provision also include the elements of tariffication and special safeguard measures.

2.1.2. Pillar 2: Domestic Support in Agriculture:

Under the Agreement on Agriculture, all domestic support in favour of agricultural producers is subject to rules.¹⁵

In WTO terminology, subsidies in general are identified by “boxes” which are given the colours of traffic lights: green (permitted), amber (slow down – i.e. need to be reduced), red (forbidden). The Agriculture Agreement has no red box, although domestic support exceeding the reduction commitment levels in the amber box is prohibited; and there is a blue box for subsidies that are tied to programmes that limit production. There are also exemptions for developing countries (sometimes called an “S&D box” or “development box”, including provisions in Article 6.2 of the Agreement).

The domestic support under ‘Green box’ have no, or minimal, distortive effect on trade and ‘Amber Box’ measures are generally trade-distorting. For example, government provided agricultural research or training is considered to be of Green Box measures having no or minimal distortive effects and while government buying-in at a guaranteed price (“market price support”) falls into the “Amber Box” measures category indicating

¹² WTO, WT/COMTD/W/271, March 2023, Special and differential treatment provisions in WTO agreements and decisions. Retrieved from

<https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/WT/COMTD/W271.pdf&Open=True>

¹³ This provision is also available to NFIDCs.

¹⁴ This provision is also available to NFIDCs.

¹⁵ WTO, Agreement of Agriculture, Domestic Support. Retrieved from https://www.wto.org/english/tratop_e/agric_e/ag_intro03_domestic_e.htm#top

trade-distorting supports. The aggregate monetary value of Amber Box measures is, with certain exceptions, subject to reduction commitments as specified in the schedule of each WTO Member providing such support. The LDCs and NFIDCs are exempted from this reduction commitment.

The Green Box¹⁶

The Agreement on Agriculture sets out a number of general and measure-specific criteria which, when met, allow measures to be placed in the Green Box (Annex 2 of AoA). These measures are exempt from reduction commitments and, indeed, can even be increased without any financial limitation under the WTO. The Green Box applies to both developed and developing country Members but in the case of developing countries and LDCs special treatment is provided in respect of governmental stockholding programmes for food security purposes and subsidized food prices for urban and rural poor. The general criteria are that the measures must have no or minimal trade-distorting effects or effects on production. They must be provided through a publicly-funded government programme (including government revenue foregone) not involving transfers from consumers and must not have the effect of providing price support to producers.

Government service programmes

The Green Box covers many government service programmes including general services provided by governments, public stockholding programmes for food security purposes and domestic food aid -as long as the general criteria and some other measure-specific criteria are met by each measure concerned. The Green Box thus provides for the continuation (and enhancement) of programmes such as research, including general research, research in connection with environmental programmes, and research programmes relating to particular products; pest and disease control programmes, including general and product-specific pest and disease control measures; agricultural training services and extension and advisory services; inspection services, including general inspection services and the inspection of particular products for health, safety, grading or standardization purposes; marketing and promotion services; infrastructural services, including electricity reticulation, roads and other means of transport, market and port facilities, water supply facilities, etc; expenditures in relation to the accumulation and holding of public stocks for food security purposes; and expenditures in relation to the provision of domestic food aid to sections of the population in need.

¹⁶ WTO, Agreement of Agriculture, Domestic Support. Retrieved from https://www.wto.org/english/tratop_e/agric_e/ag_intro03_domestic_e.htm#top

Many of the regular programmes of governments are thus given the “green light” to continue.

Other exempt measures of AoA

In addition to measures covered by the Green Box, two other categories of domestic support measures are exempt from reduction commitments under the Agreement on Agriculture (Article 6). These are certain developmental measures in developing countries and certain direct payments under production-limiting programmes. Such de minimis levels of support are exempted from reduction.¹⁷

Developmental measures

The special and differential treatment under the Green Box aside, the type of support that fits into the developmental category are measures of direct or indirect assistance, designed to encourage agricultural and rural development and that are an integral part of the development programmes of developing countries and LDCs. They include investment subsidies which are generally available to agriculture in developing countries, agricultural input subsidies generally available to low-income or resource-poor producers in developing and LDC countries, and domestic support to producers in developing and LDC countries to encourage diversification from growing illicit narcotic crops.

Blue Box

This is the “amber box with conditions” – conditions designed to reduce distortion. Any support that would normally be in the amber box, is placed in the blue box if the support also requires farmers to limit production (details set out in Paragraph 5 of Article 6 of the Agriculture Agreement). At present there are no limits on spending on blue box subsidies.¹⁸

De minimis

All domestic support measures in favour of agricultural producers that do not fit into any of the above exempt categories are subject to reduction commitments. This domestic support category captures policies, such as market price support measures, direct production subsidies or input subsidies. However, under the de minimis provisions of

¹⁷ WTO, Agreement of Agriculture, Domestic Support. Retrieved from https://www.wto.org/english/tratop_e/agric_e/ag_intro03_domestic_e.htm#top

¹⁸ Domestic support in agriculture: The boxes. Retrieved from https://www.wto.org/english/tratop_e/agric_e/agboxes_e.htm

the Agreement there is no requirement to reduce such trade-distorting domestic support in any year in which the aggregate value of the product-specific support does not exceed 5 per cent of the total value of production of the agricultural product in question. In addition, non-product specific support which is less than 5 per cent of the value of total agricultural production is also exempt from reduction. The 5 per cent threshold applies to developed countries whereas in the case of developing countries the de minimis ceiling is 10 per cent.

Reduction commitments

The reduction commitments are expressed in terms of a “Total Aggregate Measurement of Support” (Total AMS) which includes all supports for specified products together with supports that are not for specific products, in one single figure. In the Agriculture Agreement, AMS is defined in Article 1 and Annexes 3 and 4.¹⁹ Developing country Members with a Total AMS have to reduce 13 per cent over 10 years. In any year of the implementation period, the Current Total AMS value of non-exempt measures must not exceed the scheduled Total AMS limit as specified in the schedule for that year. In other words, the maximum levels of such support are bound in the WTO.

2.1.3 Aggregate Measurement of Support

Price support measures have been the most important type of policy measure within the non-exempt category. Price support can be provided either through administered prices (involving transfers from consumers) or through certain types of direct payments from governments. For the purpose of Current Total AMS calculations, price support is generally measured by multiplying the gap between the applied administered price and a specified fixed external reference price (“world market price”) by the quantity of production eligible to receive the administered price. Calculation details are specified in Annexes 3 and 4 of the Agreement on Agriculture and also incorporated into Members’ schedules by way of references to Supporting Material. For each product, the implicit subsidy of price support measures is added to other product-specific subsidies – a product-specific fertiliser subsidy, for example – to arrive at a product-specific AMS which is then evaluated against the applicable de minimis threshold. Non-product-specific subsidies are calculated separately and, as in the former case, are included in the Current Total AMS only if they exceed the relevant de minimis level. The example in the

¹⁹ Domestic support in agriculture: The boxes. Retrieved from https://www.wto.org/english/tratop_e/agric_e/agboxes_e.htm

box illustrates the calculation of the Current Total AMS for a developed country (5 per cent de minimis threshold) in year

Table 3: Domestic Support in agriculture: S&DTs for LDCs

SL.	S&DTs under Agreement on Agriculture (AoA)	Comment
S&DT Type: Flexibility of commitments, of action and use of policy instruments		
1.	<p>Article 6.2 (Domestic Support Commitments)</p> <p>In accordance with the Mid-Term Review Agreement that government measures of assistance, whether direct or indirect, to encourage agricultural and rural development are an integral part of the development programmes of developing countries, investment subsidies which are generally available to agriculture in developing country members and agricultural input subsidies generally available to low-income or resource-poor producers in developing country members shall be exempt from domestic support reduction commitments that would otherwise be applicable to such measures, as shall domestic support to producers in developing country members to encourage diversification from growing illicit narcotic crops.</p> <p>Domestic support meeting the criteria of this paragraph shall not be required to be included in a member's calculation of its Current Total AMS.</p>	<p>A number of developing countries took account of the provision when submitting the constituent data and methodologies in support of their respective Schedules. Individual notifications reflect the extent to which some Members have actually taken recourse to this provision during the implementation years.</p> <p>These include: Bahrain, Kingdom of; Bangladesh; Barbados; Botswana, Brazil; Burundi; Chile, Colombia; Costa Rica; Cuba; Ecuador; Egypt; Fiji; The Gambia; Honduras; India; Indonesia; Jordan; Korea, Republic of; Malawi; Malaysia; Maldives; Mauritius; Mexico; Morocco; Namibia; Nepal; Oman; Panama; Paraguay, Peru, Philippines; Qatar; Sri Lanka; Thailand; Tunisia; Turkey; United Arab Emirate; Uruguay and Venezuela, Bolivarian Republic of.²⁰</p>
2.	<p>Article 6.4 (b) (Domestic Support Commitments- calculation of current total AMS)</p> <p>For developing country Members, the de minimis percentage under this paragraph shall be 10%.</p>	<p>A number of developing countries took account of the de minimis clause when calculating their Base Total AMS in order to schedule domestic support reduction commitments.</p> <p>Actual recourse to the de minimis clause for the specified percentage, whether on a product-specific or non-</p>

²⁰ WTO, WT/COMTD/W/271, March 2023, Special and differential treatment provisions in WTO agreements and decisions. Retrieved from <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/WT/COMTD/W271.pdf&Open=True>

SL.	S&DTs under Agreement on Agriculture (AoA)	Comment
		product specific basis, is reflected in the notifications submitted by a number of developing country Members, including: Bangladesh; Barbados; Brazil; Chile; India; Israel; Jordan; Korea, Republic of; Mexico; Mauritius; Pakistan; Panama; Peru; Philippines; Saudi Arabia, Kingdom of; Thailand; Tunisia; Turkey and Uruguay.

After LDC graduation there will be no change in S&DT under the AMS.

2.1.4 Pillar 3: Export competition/ Export Subsidy:

Initially in 1995, the AoA required developed countries to reduce export subsidies by at least 36 percent (by value) or by 21 percent (by volume) over six years. For developing countries, the agreement required cuts were 14 percent (by volume) and 24 percent (by value) over ten years. But in the Nairobi package of 2015 (10th Ministerial Conference), all members finally agreed upon termination of export subsidies. The Nairobi package stated “developed country members shall immediately eliminate their remaining scheduled export subsidy entitlements as of the date of adoption of this decision” and “developing country members shall eliminate their export subsidy entitlements by the end of 2018.” LDCs are exempt from making on cuts on export subsidies. But all WTO members also agreed upon “undertake not to provide export credit guarantees, or insurance programs” for agricultural products.

Simultaneously, the 1994 Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food Importing Developing Countries (the Marrakesh NFIDC Decision) includes specific provisions and mechanisms in favour of LDCs and NFIDCs to facilitate their access to food.

The LDCs were exempt from undertaking reduction commitments under all three pillars during the Uruguay Round, as specified in Article 15.2 of the AoA. For instance, while developing countries were required to undertake tariff reduction commitments during the Uruguay Round, LDCs were only expected to bind all of their agricultural tariffs. As a result, many LDCs, including a number of graduating LDCs, bound their agricultural tariff lines at ceiling levels, although the recently acceded LDCs, which also include some graduating LDCs, did not receive such flexible treatment.

Table 4: Summary of S&DTs exclusively for LDCs under AoA

SL.	S&DTs under Agreement on Agriculture (AoA)	Comment
S&DT Type: Transitional time periods for implementing obligations under AoA		
1.	Article 15.2: LDCs are exempt from undertaking reduction commitments.	Used by LDCs in the establishment of scheduled commitments in market access, domestic support, and export subsidies.
2.	Article 16.1: Developed country Members shall take such action as is provided for within the framework of the Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least Developed and Net Food-Importing Developing Countries.	Information on actions undertaken within the framework of the decision is contained in the comments relating to paragraph 3(iii) of the Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on LDCs and NFIDCs.
	S&DT Type: Technical assistance: Paragraph 3(iii) of LDCs and NFIDCs: To give full consideration in the context of their aid programmes to requests for the provision of technical and financial assistance to least developed and net food-importing developing countries to improve their agricultural productivity and infrastructure.	
3.	Article 16.2 The Committee on Agriculture shall monitor, as appropriate, the follow-up to this Decision.	

2.1.5 Export Competition Decision of WTO Under Agreement of Agriculture (AoA):

In the export competition decision, LDCs and NFIDCs enjoy a more favourable treatment than other developing countries in the following three areas:²¹

²¹ Covered respectively by paragraphs 8, 17 and 27 of WT/MIN(15)/45- WT/L/980.

1. According to **Article 9.4** of Agreement of Agriculture, LDCs and NFIDCs listed in G/AG/5/Rev.10 can provide certain export subsidies (i.e. to reduce the costs of marketing exports, costs of international transport and freight as well as internal transport and freight charges) until 2030, whereas other developing countries will have to end these subsidies by 2023. Thus as per the Article 9.4 of the Agreement on Agriculture, the LDCs, unlike the developed are exempted from undertaking reduction commitments in respect of the export subsidies listed in subparagraphs (d) and (e) of Article 9.1 of AoA. This allows the LDCs to subsidize marketing, including handling and upgrading as well as internal or international transportation provided that these are not applied in a manner that would circumvent reduction commitments.
2. Importing LDCs and NFIDCs listed in G/AG/5/Rev.10 also enjoy S&DT over and above other developing country members in the context of maximum repayment terms for export financing support. For instance, LDCs and NFIDCs benefit from a longer repayment term for the acquisition of basic foodstuffs, with a maximum term of 36–54 months, instead of the generally applicable period of 18 months.
3. LDCs and NFIDCs can benefit from the monetization of international food aid to redress short- or long-term food deficit requirements or to address insufficient agricultural production situations that give rise to chronic hunger and malnutrition.

Table 5 LDC Graduation and timeframes under the Decision on Export Competition

Sl.	Provisions	LDCs/NFIDC	Developing members
1.	Phasing out agricultural export subsidies (i.e. marketing costs and transport and freight charges in line with Article 9.4 of the AoA)	2030	2023
2.	Maximum repayment term for imports benefitting from export financing support	36–54 months (longer in exceptional circumstances)	18 months

Source: Export Competition, Ministerial Decision, 19 December 2015, WT/MIN(15)/45-WT/L/980.

2.2 Agreement on Subsidies and Countervailing Measures

The agreement on Subsidies and Countervailing Measures (SCM) addresses two separate but closely related topics: multilateral disciplines regulating the provision of subsidies, and the use of countervailing measures to offset injury caused by subsidized

imports. Multilateral disciplines are the rules regarding whether or not a subsidy may be provided by a member.

According to this agreement, a measure falls under the definition of subsidy if it contains the three following elements:

- a) A financial contribution;
- b) Provided by a government or any public body within the territory of a member state; and
- c) the contribution confers a benefit.

In principle, the WTO-led multilateralism believes “specific” subsidies distort the allocation of resources in global economic system, and therefore should be subject to international regulatory discipline. Article 3 to 6 of SCM Agreement delineates about prohibited and actionable subsidies, and possible remedies to challenge them. Four kinds of subsidies can be considered distortionary: enterprise-specific, industry-specific, region-specific and subsidies that are completely prohibited by international agreements (such as export performance-based subsidies and subsidies that depend on local content bias).²²

The text of SCM agreement acknowledges three different types of damages which can allow a party to take legal retributions-either unilateral measures (countervailing duties on imports) or seek multilateral support through WTO’s dispute settlement system. First, if a domestic industry complains about subsidized imports in the territory of the complaining Member. This is the sole basis for countervailing action. Second, there is “serious prejudice”, which usually arises as a result of adverse effects (e.g., export displacement) in the market of the subsidizing Member or in a third country market. Thus, unlike injury, it can serve as the basis for a complaint related to harm to a member’s export interests. Finally, there is nullification or impairment of benefits accruing under the GATT 1994. Nullification or impairment arises most typically where the improved market access presumed to flow from a bound tariff reduction is undercut by subsidization.

The SCM Agreement also prohibits the use of export subsidies for non-agricultural products. The Article 27 provides S&DT to developing and LDC signatories of the WTO. According to Article 27.2 and Annex VII(a) of the SCM Agreement, LDC members are

²² Impact Assessment and Coping up Strategies of Graduation from LDC Status for Bangladesh, General Economics Division (GED), Bangladesh Planning Commission, Ministry of Planning, Government of the People's Republic of Bangladesh, March 2020

exempt from the prohibition of export subsidies. This part of the agreement acknowledges that subsidies (especially export oriented) can play crucial role in economic development and trade expansion in developing countries. In addition to the LDCs, developing country members that are listed in Annex VII (b) are also exempt from this prohibition until their GNI per capita reaches US\$1,000 in constant 1990 dollars. This list of countries allowed to provide export subsidies in the Annex VII (b) is subject to an annual review. According to the 2001 Doha Ministerial Decision on Implementation-Related Issues and Concerns, a member would remain listed in Annex VII (b) until its GNI per capita reaches US\$1,000 in constant 1990 dollars for three consecutive years and any member that had been excluded from Annex VII (b) would be re-included if its GNI per capita falls back below US\$1,000 after every yearly review by the WTO secretariat.²³

The LDCs attach high importance to the flexibility of being able to use export subsidies as a policy instrument. In line with the Declaration of LDC Trade Ministers at the 2017 Buenos Aires Ministerial Conference, the LDC Group submitted a proposal to General Council in 2018 to allow graduated LDCs with a GNI per capita below US\$1,000 (constant 1990 dollars) to remain eligible for providing non-agricultural export subsidies under Article 27.2(a) and Annex VII (b) of the SCM Agreement.

As per the WTO ANALYTICAL INDEX of SCM Agreement - Annex VII (Practice) published in December 2021²⁴, Least-developed countries designated as such by the United Nations which are Members of the WTO will be consider under Annex VII (b) of the SCM Agreement. Along with this, each of the following developing countries which are Members of the WTO shall be subject to the provisions which are applicable to other developing country Members according to paragraph 2(b) of Article 27 when GNP per capita has reached \$1,000 per annum. Bolivia, Cameroon, Congo, Côte d'Ivoire, Dominican Republic, Egypt, Ghana, Guatemala, Guyana, Honduras, India, Indonesia, Kenya, Morocco, Nicaragua, Nigeria, Pakistan, Philippines, Senegal, Sri Lanka and Zimbabwe. The inclusion of developing country Members in the list in paragraph (b) is based on the most recent data from the World Bank on GNP per capita.

²³ WTO. (2019) Document: G/SCM/38, G/SCM/110/Add.16. Retrieved from file:///C:/Users/USER/Downloads/110A16.pdf

²⁴ WTO ANALYTICAL INDEX of SCM Agreement – Annex VII (Practice) Retrieved from https://www.wto.org/english/res_e/publications_e/ai17_e/subsidies_annvii_oth.pdf

2.3 Trade-related Aspects of Intellectual Property Rights (TRIPS) Agreement:

The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement):

- Covers the main categories of intellectual property rights;
- Incorporates certain other intellectual property treaties;
- Sets minimum standards of protection, enforcement and administration; and
- Provides for the application of the WTO dispute settlement mechanism.

The TRIPS Agreement contains special provisions for LDCs and recognizes “the special needs of the least-developed country Members in respect of maximum flexibility in the domestic implementation of laws and regulations in order to enable them to create a sound and viable technological base”.²⁵LDC members benefit from a general transition period and a transition period with regard to pharmaceuticals. The TRIPS agreement also includes provisions requiring developed countries to provide incentives to their enterprises and institutions to transfer technology to LDCs.

General transition period

LDCs receive special flexibility in the implementation of the TRIPS Agreement. The TRIPS Agreement originally provided LDCs with an 11-year transition period, allowing them to delay the implementation of the Agreement's provisions until 2005. The transition period was extended three times (2005, 2013, 2021), with the latest extension valid until 1 July 2034 or the date on which a member ceases to be an LDC, whichever is earlier.

Transition period concerning patent protection for pharmaceutical products: In addition to the general transition period, LDCs have benefited from a specific transition period for pharmaceutical products. The Doha Ministerial Declaration on the TRIPS Agreement and Public Health exempted LDCs from protecting patents and undisclosed information for pharmaceutical products until 1 January 2016. This transition period was further extended until 1 January 2033, or until the date on which a member ceases to be an LDC, whichever is earlier. This extension was complemented by a waiver of the General Council has exempted LDCs from the application of mailbox requirements and exclusive marketing rights for the same time period.

²⁵ WTO 2022, Trade Impacts of LDC Graduation

Table 6 Transition periods for pharmaceutical products for LDC WTO members

2002 to 2016	2016 to 2033
No obligation to protect patents and undisclosed information, Doha Declaration on TRIPS and Public Health (WT/MIN(01)/DEC/2) and TRIPS Council Decision (IP/C/25)	No obligation to protect patents and undisclosed information, Doha Declaration on TRIPS and Public Health (WT/MIN(01)/DEC/2) and TRIPS Council Decision (IP/C/73)
Waiver for Article 70.9 (exclusive marketing rights), General Council Decision (WT/L/478)	Waiver for Articles 70.8 (mailbox requirements) and 70.9 (exclusive marketing rights), General Council Decision (WT/L/971)

Source: WTO Documents: IP/C/40, IP/C/64

Access to medicines

Under the TRIPS Amendment, LDCs have been given special consideration in terms of opportunities for regional exports and certain notification requirements. The TRIPS Amendment has ensured that a developing country member or an LDC that produces or imports pharmaceuticals under compulsory licences and that is party to a regional trade agreement (RTA) with half of the members being LDCs can export pharmaceuticals to other members of the RTA that share the same health problem. The use of the special system of compulsory licensing is subject to notification requirements. When notifying its need for a pharmaceutical, an importing member is required to notify its intention to use the system and to confirm that it has insufficient or no manufacturing capacity in the pharmaceutical sector. LDCs are exempt from those requirements as they are deemed to be eligible importing members and to have insufficient manufacturing capacity in the pharmaceutical sector.

Technology transfer

The TRIPS Agreement also aims to foster technology transfer to LDCs to enable them to create a sound and viable technology base. Article 66.2 obliges developed country members to provide incentives to enterprises and institutions in their territories to promote technology transfer to LDCs. Developed country members are required to submit annual reports on actions taken or planned in pursuance of their commitments

under Article 66.2²⁶. Since 2008, the WTO Secretariat has held annual workshops to enhance the benefits of the transparency mechanism concerning technology transfer measures under Article 66.2 and to promote coordination and dialogue between LDC beneficiaries and developed country reporting members.

Compulsory Licences for Export of Medicines

The flexibilities identified in the Doha Declaration include “the right to grant compulsory licences”. A compulsory license is issued by a government authority or a court to make certain use of a patented invention without the consent of the patent holder. This mechanism is generally present in most patent laws, is recognized as a permissible option or flexibility under the TRIPS Agreement, and has been used by a number of WTO members in the pharmaceutical field. However, TRIPS rules originally restricted compulsory licences to serve mainly the domestic market, unless they were issued to deal with anti-competitive behaviour. This mechanism was sometimes termed the 'paragraph 6 system', from its origins in the Doha Declaration. The new Article 31bis²⁷ of the TRIPS Agreement gives full legal effect to this system and allows low-cost generic medicines to be produced and exported under a compulsory licence exclusively for the purpose of serving the needs of countries that cannot manufacture those products themselves. For the minority of WTO members yet to accept the amendment, an interim waiver will continue to apply.

Decision on Least Developed Country Members - Obligations under Article 70.8 and Article 70.9 of the TRIPS Agreement

Decision on Least Developed Country Members – Obligations under Article 70.8 and Article 70.9 of the TRIPS Agreement with Respect to Pharmaceutical Products adopted by the General Council on 30 November 2015 following a recommendation by the Council for TRIPS²⁸. This Decision complements the aforementioned decision to extend the transition period for least developed country Members by waiving certain obligations that would have otherwise been applicable during the transition period. This includes an extension of the waiver to give exclusive marketing rights to pharmaceutical products that was initially put in place in 2002, and also adds a new waiver of the obligation to provide for the possibility of filing mailbox applications. Both waivers apply until 1 January 2033. The Decision was taken with a view to ensuring attainment of the objectives of paragraph 7 of the Doha Declaration on the TRIPS Agreement and Public Health. This waiver shall be reviewed by the Ministerial Conference not later than one year after it is

²⁶ WTO Document: IP/C/28

²⁷ https://www.wto.org/english/tratop_e/trips_e/pharmpatent_e.htm

²⁸ https://www.wto.org/english/tratop_e/trips_e/pharmpatent_e.htm

granted, and thereafter annually until the waiver terminates, in accordance with the provisions of paragraph 4 of Article IX of the WTO Agreement.

2.4 Trade Facilitation Agreement (TFA)

The TFA is the most recent multilateral trade agreement and aims to further expedite the movement, release and clearance of goods, including goods in transit. It also aims to promote effective cooperation among members on trade facilitation and customs compliance issues.

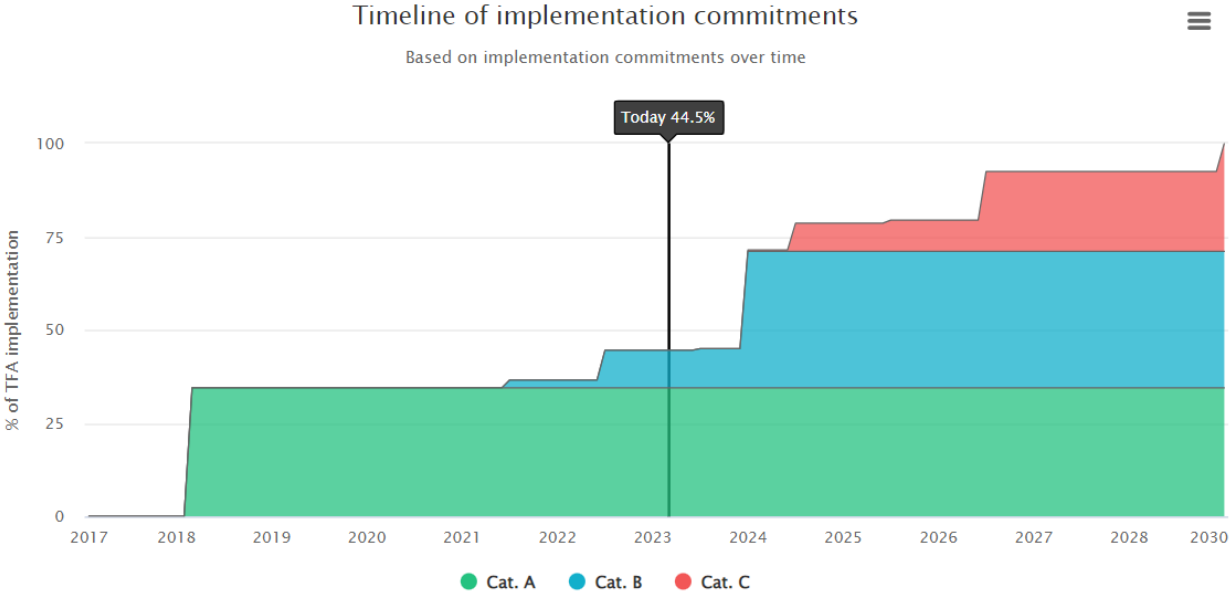
The Trade Facilitation Agreement requires Members to provide a number of notifications to the WTO Trade Facilitation Committee. These can be broadly classified into three groups. The groups are as follows:

- 1) Implementation notifications (categories A, B, C)
- 2) Transparency notifications
- 3) Information on technical assistance and capacity building

2.4.1 Future TFA Implementation Commitments of Bangladesh

As of February 2023, Bangladesh has been able to implement 44.5% of all commitments under the TFA, as shown in the Figure 4 below:

Figure 4: Timeline of Implementation Commitments of Bangladesh



Source: WTO Trade Facilitation Agreement Database- Bangladesh, accessed at 20 Feb 2023.²⁹

²⁹ Trade Facilitation Agreement Database, available at- <https://tfadatabase.org/en/members/bangladesh#information-for-traders>

Bangladesh has notified the notification 66.7% & 33.3% under category B and C respectively. 100% comments and information before entry into force notified under category C, 100% Notifications for enhanced controls or inspections notified under category C, 100% general disciplines on fees and charges notified under category B, 100% specific disciplines on fees and charges notified under category B, 100% penalty Disciplines notified under category B, 100% Temporary admission of goods and inward and outward processing under category B. As the TFA agenda is not fully implemented and practiced yet those criteria are not being practiced rigorously by the authority. Following table illustrates the TFA implementation status based on notifications:

Table 7: Implementation Commitment Status

Article	Detailed notification breakdown	Category	Indicative implementation date	Definitive implementation date
1.1	Publication	Ap, Bp	from 22 February 2018 to 20 February 2020	from 22 February 2018 to 31 December 2023
1.2	Information available through internet	Ap, Bp	from 22 February 2018 to 20 February 2022	from 22 February 2018 to 31 December 2023
1.3	Enquiry points	C	by 30 June 2026	by 30 June 2026
1.4	Notification	Bp, CP, B»C	from 20 February 2020 to 30 June 2026	by 31 December 2023
2.1	Comments and information before entry into force	B	by 20 February 2020	by 30 June 2022
2.2	Consultations	B	by 20 February 2020	by 30 June 2022
3	Advance rulings	A		by 22 February 2018
4	Procedures for appeal or review	Ap, Bp	from 22 February 2018 to 20 February 2020	from 22 February 2018 to 31 December 2023
5.1	Notifications for enhanced controls or inspections	B	by 20 February 2020	by 31 December 2023
5.2	Detention	A		by 22 February 2018
5.3	Test procedures	C, B»C	by 30 June 2030	by 30 June 2030
6.1	General disciplines on fees and charges	B	by 20 February 2020	by 30 June 2021
6.2	Specific disciplines on fees and charges	B	by 20 February 2020	by 31 December 2023
6.3	Penalty Disciplines	B	by 20 February 2020	by 30 June 2022
7.1	Pre-arrival processing	C	by 30 June 2025	by 30 June 2025
7.2	Electronic payment	B	by 20 February 2020	by 30 June 2022

7.3	Separation of release	A		by 22 February 2018
7.4	Risk management	C	by 30 June 2030	by 30 June 2026
7.5	Post-clearance audit	C	by 30 June 2026	by 30 June 2026
7.6	Average release times	A		by 22 February 2018
7.7	Authorized operators	C	by 30 June 2026	by 30 June 2024
7.8	Expedited shipments	C	by 30 June 2026	by 30 June 2026
7.9	Perishable goods	C	by 30 June 2030	by 30 June 2026
8	Border Agency Cooperation	C	by 30 June 2030	by 30 June 2030
9	Movement of goods	A		by 22 February 2018
10.1	Formalities	Ap, Cp	from 22 February 2018 to 30 June 2030	from 22 February 2018 to 30 June 2026
10.2	Acceptance of copies	Ap, Bp	from 22 February 2018 to 20 February 2020	from 22 February 2018 to 30 June 2022
10.3	Use of international standards	A		by 22 February 2018
10.4	Single window	C	by 30 June 2030	by 30 June 2030
10.5	Pre-shipment inspection	Ap, Bp	from 22 February 2018 to 20 February 2020	from 22 February 2018 to 31 December 2023
10.6	Use of customs brokers	A		by 22 February 2018
10.7	Common border procedures	A		by 22 February 2018
10.8	Rejected Goods	A		by 22 February 2018
10.9	Temporary admission of goods and inward and outward processing	B	by 20 February 2020	by 30 June 2022
11	Transit	Ap, Bp, Cp	from 22 February 2018 to 30 June 2030	from 22 February 2018 to 30 June 2030
12	Customs cooperation	B	by 20 February 2020	by 31 December 2023

Source: TFA Database

A= Notified in Category A; B= Notified in Category B; C= Notified in Category C; Ap= Partially notified in A; Bp= Partially notified in B; Cp= Partially notified in C; C» B= Shift from C to B; B»C= Shift from B to C.

Developing and LDC Members can request more time and capacity building support to implement the Agreement. To benefit from these flexibilities, member countries must designate all measures into categories A, B and C which have the following implementation timings:

Table 8: Categories of Trade Facilitation Agreement

Categories	Definition
Category A	developing Members will implement the measure by 22/02/2017 and LDCs by 22/02/2018
Category B	Members will need additional time to implement the measure
Category C	Members will need additional time and capacity building support to implement the measures

The LDCs in short have been given extra time compared to developing countries to notify various categories of commitments. LDCs benefit from a longer timeline for the notification of information with regard to indicative as well as definitive implementation dates for category B and C commitments.

LDCs also benefit from longer grace periods for dispute settlement i.e. six years for category A commitments and eight years for category B and C.³⁰ LDCs also receive greater flexibility in extending implementation dates of category B or C commitments under the Early Warning Mechanism.

LDC get benefits from the TFA under the following Articles:

- **Article 15: Notification and implementation of category A**
- **Article 16: Notification of definitive dates for implementation of category B and category C**
- **Article 17: Early warning mechanism: extension of implementation dates for provisions in categories B and C**
- **Article 19: Shifting between categories B and C**
- **Article 20: Grace period for the application of the understanding on rules and procedures governing the settlement of disputes**

The Agreement also provides additional protections for LDC Members such as:

- **Early Warning Mechanism:** whereby a member can request an extension from the WTO Trade Facilitation Committee if it experiences difficulties in implementing a provision in Category B or C by the date it had notified. The extension will be automatic if the additional time requested does not exceed 3 years.
- **Expert Group:** where a requested extension has not been granted and a member lacks capacity to implement, The TF committee will establish an Expert Group to examine the issue and to make a recommendation.

³⁰ Trade impacts of LDC graduation, WTO 2021

- **Shifting between Categories:** Members may shift provisions between Categories B and C.
- **Grace Period:** following entry into force of the Agreement, LDCs will not be subject to the Dispute Settlement Understanding for a period of 6 years for Category A provisions and for 8 years for Categories B and C.
- The Agreement provides even greater flexibility in implementation for LDCs than for developing countries. It also recognizes the need for donor Members to **enhance assistance and support for capacity building.**

****Detailed articles under the TFA Agreement have been mentioned in table 13.**

2.5 Trade in services: General Agreement on Trade in Services (GATS)

The Eighth Ministerial Conference of WTO, held in Geneva in 2011, adopted the decision on special and differential treatment to services and services suppliers of LDCs, also known as the “LDC services waiver”. The LDC services waiver, valid until December 2030, allows WTO members to grant LDCs market access preferences and other preferential measures by exempting them from the obligation of extending equal treatment to all members (MFN principle).

The level of services commitments taken by WTO members corresponds to their level of development, with an average of 34 sub-sectors (of a possible 160) for LDCs, 44 for developing country members, and 105 for developed country members.³¹

WTO has received 24 notifications (from 23 countries and the European Union), indicating sectors and modes of supply where they were providing or intended to provide preferential treatment to LDC services and service suppliers. It is to be noted that during the Uruguay Round, the countries submitted schedules of their commitments towards liberalization of trade in services. Those schedules are known as the GATS Schedule of Commitments.

Table 9 provides detailed information on the sector-specific commitments by Bangladesh

Table 9: Services schedules of sector-specific commitments of Bangladesh

Sl.	Bangladesh’s Commitments in 2 sectors and 9 sub-sectors
1.	Tourism and travel-related services (2)

³¹ WTO Trade impacts of LDC graduation. (2022). Retrieved from https://www.wto.org/english/news_e/news20_e/rese_08may20_e.pdf

	- Five-star hotel and lodging services
2.	<p>Communications (7)</p> <ul style="list-style-type: none"> - Telecommunication services - Facsimile services - Other (Internet access services) - Mobile services (terrestrial) - Gateway earth station services - Teleconferencing services - Telecommunications terminal equipment (telephone sets, fax machines, private automatic branch exchange [PABX], cellular handsets) sales, rental, maintenance, connection, repair and consulting services

Under GATS, LDCs get S&DT benefits under two Provisions (Article IV:3; Article XIX:3)

Table 10: S&DT for LDCs under GATS

SL.	S&DT for LDCs	Status
	<p>Article IV:3 Increasing Participation of Developing Countries Special priority shall be given to the least developed country Members in the implementation of Article IV:1 and 2. Particular account shall be taken of the serious difficulty of the least developed countries in accepting negotiated specific commitments in view of their special economic situation and their development, trade and financial needs.</p>	<p>For the negotiations on trade in services pursuant to Article XIX, the requirements of the provisions of this Article are reflected in S/L/93 "Guidelines and Procedures for the Negotiations on Trade in Services", Section I relating to "Objectives and Principles", paragraph 2.</p> <p>In paragraph 26 of the Hong Kong Ministerial Declaration (WT/MIN (05)/DEC), Ministers "recognize the particular economic situation of LDCs, including the difficulties they face, and acknowledge that they are not expected to undertake new commitments."</p> <p>Paragraph 3 of Annex C to the Hong Kong Ministerial declaration provides that "Members shall pursue full and</p>

SL.	S&DT for LDCs	Status
		<p>effective implementation of the Modalities for the Special Treatment for Least Developed Country Members in the Negotiations on Trade in Services (LDC Modalities) adopted by the Special Session of the Council for Trade in Services on 3 September 2003, with a view to the beneficial and meaningful integration of LDCs into the multilateral trading system". Paragraph 9 of Annex C to the Declaration expands on methods through which the LDC Modalities are to be implemented.</p> <p>By virtue of the Decision of 17 December 2011 on "Preferential Treatment to Services and Service Suppliers of Least Developed Countries" (WT/L/847) ("Waiver"), Members may under certain conditions grant to LDC services or service suppliers preferential treatment that would otherwise be inconsistent with Article II (MFN) of the GATS (see Section 7.13). The Decision on the "Implementation of Preferential Treatment in Favour of Services and Service Suppliers of Least Developed Countries and Increasing LDC Participation in Services Trade" (WT/L/982) extends the duration of the Waiver, originally agreed for a 15-year period, by four years, until 31 December 2030 (see Section 7.30).</p>

SL.	S&DT for LDCs	Status
	<p>Article XIX:3 For each round, negotiating guidelines and procedures shall be established. For purposes of establishing such guidelines, the Council for Trade in Services shall carry out an assessment of trade in services in overall terms and on a sectoral basis with reference to the objectives of this Agreement, including those set out in paragraph 1 of Article IV. Negotiating guidelines shall establish modalities for the treatment of liberalization undertaken autonomously by Members since previous negotiations, as well as for the special treatment for least developed country Members under the provisions of paragraph 3 of Article IV.</p>	<p>For the negotiations on trade in services, the requirements of the provisions of this Article are reflected in S/L/93 "Guidelines and Procedures for the Negotiations on Trade in Services", paragraph 2 of Section I relating to "Objectives and Principles"; and paragraphs 14-15 of Section III relating to "Modalities and Procedures". The "Modalities for the Special Treatment of Least Developed Country Members in the Negotiations on Trade in Services" were adopted on 3 September 2003 (TN/S/13, as set out in Section 7.8 below).</p>

2.6 SPS and TBT Agreements

For developing countries, S&D treatment is now regarded as essential if they are to participate in and accept the additional obligations resulting from multilateral trade negotiations. In the absence of S&D treatment, many developing countries would find it extremely difficult to accept strict disciplines and higher liberalization commitments or be willing to join new negotiations. S&D treatment should give them more flexibility and discretion in the use of public policies to enhance their prospects for industrialization, diversification of production and exports, export promotion and overall growth and development. Crucially, S&D treatment also provides a means through which developed countries could offer enhanced trading opportunities to developing countries. Thus, for developing countries, S&D treatment constitutes an integral part of the balance of rights and obligations of the Uruguay Round Agreements as a whole. They accepted the obligations in the expectation that some of their concerns would be addressed and dealt with through S&D provisions.³²

³² Special and Differential Treatment for Developing Countries in the WTO, Hesham Youssef, Special and Differential Treatment for Developing Countries in the Multilateral Trading System, WT/GC/W/109, WT/COMTD/49, 5 November 1998).

Table 11 S&D Treatment for Developing Countries in SPS

SL No.	Area of S&D Treatment in SPS	Specific Articles	Implications
1.	Longer time-frame for implementation	<ul style="list-style-type: none"> <li data-bbox="527 365 976 856">• Article 10 (2) SPS- Where the appropriate level of sanitary or phytosanitary protection allows scope for the phased introduction of new sanitary or phytosanitary measures, longer time-frames for compliance should be accorded on products of interest to developing country Members so as to maintain opportunities for their exports. <li data-bbox="527 909 976 1898">• Article 14 SPS- The least-developed country Members may delay application of the provisions of this Agreement for a period of five years following the date of entry into force of the WTO Agreement with respect to their sanitary or phytosanitary measures affecting importation or imported products. Other developing country Members may delay application of the provisions of this Agreement, other than paragraph 8 of Article 5 and Article 7, for two years following the date of entry into force of the WTO Agreement with respect to their existing sanitary or phytosanitary measures affecting importation or imported products, where such application is prevented 	Granting longer time-frames for compliance on products of interest to developing countries. Developing countries (other than LDCs) may delay for 2 years and the least-developed country Members may delay application of the provisions of this Agreement for a period of five years.

SL No.	Area of S&D Treatment in SPS	Specific Articles	Implications
		by a lack of technical expertise, technical infrastructure or resources.	
2.	Flexibility	<ul style="list-style-type: none"> • Article 10 (3) SPS- With a view to ensuring that developing country Members are able to comply with the Provisions of this Agreement, the Committee is enabled to grant to such countries, upon request, specified, time-limited exceptions in whole or in part from obligations under this Agreement, taking into account their technical, trade and development needs. • Article 10 (4) SPS- Members should encourage and facilitate the active participation of developing country Members in the relevant international organizations. 	The notification procedures for proposed SPS measures should provide developing countries with the possibility of identifying where they may have potential problems meeting new requirements affecting their exports, and the opportunity to request a phased introduction of the proposed measures where this is possible.
3.	Technical assistance	<ul style="list-style-type: none"> • Article 9 (1) SPS- Members agree to facilitate the provision of technical assistance to other Members, especially developing country Members, either bilaterally or through the appropriate international organizations. Such assistance may be, inter alia, in the areas of processing technologies, research and infrastructure, including in the establishment of national regulatory bodies, and may take the form of 	Providing technical assistance to developing country members [Where substantial investments are required for an exporting developing country to fulfil the SPS requirements of an importing country, the latter shall consider providing such technical assistance as will permit the developing country to maintain and expand its market access opportunities

SL No.	Area of S&D Treatment in SPS	Specific Articles	Implications
		<p>advice, credits, donations and grants, including for the purpose of seeking technical expertise, training and equipment to allow such countries to adjust to, and comply with, sanitary or phytosanitary measures necessary to achieve the appropriate level of sanitary or phytosanitary protection in their export markets.</p> <ul style="list-style-type: none"> • Article 9 (2) SPS- Where substantial investments are required in order for an exporting developing country Member to fulfil the sanitary or phytosanitary requirements of an importing Member, the latter (Developed Country) shall consider providing such technical assistance as will permit the developing country Member to maintain and expand its market access opportunities for the product involved. 	
4.	Notifications	<p>Annex B: Paragraph 9: The Secretariat shall promptly circulate copies of the notification to all Members and interested international organizations and draw the attention of developing country Members to any notifications relating to products of particular interest to them.</p>	<p>The WTO Secretariat should draw the attention of developing countries to any notifications relating to products of particular interest to them. However, in view of the fact that this provision has not been implemented in an effective or systematic manner, a more effective mechanism should be devised to ensure the</p>

SL No.	Area of S&D Treatment in SPS	Specific Articles	Implications
			full implementation of this provision.

2.6.1 S&DT Provision for Developing and LDCs Countries under TBT Agreement

Standards are increasingly being used as a cover for clandestine protectionism. National, regional, and global levels are developing environmental, health, and safety standards. Developing nations are not forced to adhere to international norms that conflict with their goals for development or that could jeopardize the survival of local technologies. However, despite the impact and actual need for these higher levels of standards from the perspective of developing countries, there are numerous activities, particularly among developed countries, in relation to standard setting and mutual recognition of standards that may inadvertently impose a requirement on developing countries to modify their standards in order to conform to those of developed countries. The most important provisions are as follows³³:

Table 12 S&D Treatment for Developing and LDCs Countries in TBT

SL No.	Area of S&D Treatment in TBT	Specific Articles	Implications
1.	Flexibility	<ul style="list-style-type: none"> TBT Articles 12 (4)- Members recognize that, although international standards, guides or recommendations may exist, in their particular technological and socio-economic conditions, developing country Members adopt certain technical regulations, standards or conformity assessment procedures aimed at preserving indigenous technology and production methods and processes compatible with their development needs. Members 	Developing countries should not be expected to use international standards as a basis for their technical regulations or standards, including test methods, which are not appropriate to their development, financial and trade needs. The Committee on TBT may grant, upon request,

³³Special and Differential Treatment for Developing Countries in the WTO, Hesham Youssef, Special and Differential Treatment for Developing Countries in the Multilateral Trading System, WT/GC/W/109, WT/COMTD/49, 5 November 1998).

SL No.	Area of S&D Treatment in TBT	Specific Articles	Implications
		<p>therefore recognize that developing country Members should not be expected to use international standards as a basis for their technical regulations or standards, including test methods, which are not appropriate to their development, technical and trade needs.</p> <p>TBT Articles 12 (8)- It is recognized that developing country Members may face special problems, including institutional and infrastructural problems, in the end of preparation and application of technical regulations, standards and conformity assessment procedures. It is further recognized that the special development and trade needs of developing country Members, as well as their stage of technological development, may hinder their ability to discharge fully their obligations under this Agreement. Members, therefore, shall take this fact fully into account. Accordingly, with a view to ensuring that developing country Members are able to comply with this Agreement, the Committee on Technical Barriers to Trade provided for in Article 13 (referred to in this Agreement as the "Committee") is enabled to grant, upon request, specified, time-limited exceptions in whole or in part from obligations under this Agreement. When considering such requests, the Committee shall take into account the special problems, in the end of preparation and application of technical regulations, standards and conformity assessment procedures, and the special</p>	<p>specified, time-limited exceptions in whole or in part from obligations under this Agreement.</p> <p>Taking account of the special problems of LDCs in the preparation and application of technical regulations, standards and conformity assessment procedures</p>

SL No.	Area of S&D Treatment in TBT	Specific Articles	Implications
		development and trade needs of the developing country Member, as well as its stage of technological development, which may hinder its ability to discharge fully its obligations under this Agreement. The Committee shall, in particular, take into account the special problems of the least-developed country Members.	
2.	Technical assistance	<p>Article 12 (7)-TBT: Members shall give particular attention to the provisions of this Agreement concerning developing country Members' rights and obligations and shall take into account the special development, technical and trade needs of developing country Members in the implementation of this Agreement, both nationally and in the operation of this Agreement's institutional arrangements.</p> <p>Article 11 TBT- TBT Agreement stipulates that technical assistance should be provided to developing countries in the preparation of technical regulations, the establishment of national standards bodies, regulatory or conformity assessment bodies, and for participation in international standards setting bodies. Developed countries should also provide technical assistance to developing countries on ways in which the technical regulations of the developed</p>	<p>Members to advise other Members, especially developing countries, on request, on the preparation of technical regulations Members to provide technical assistance to developing countries to ensure that the preparation and application of technical regulations, standards and conformity assessment procedures do not create unnecessary obstacles to the expansion and diversification of exports from developing countries</p> <p>The terms and conditions of the technical assistance will be determined in light of the stage of development of the</p>

SL No.	Area of S&D Treatment in TBT	Specific Articles	Implications
		countries can best be fulfilled.	requesting Members, particularly in the case of LDCs
3.	Financial and trade needs development	Article 12 (2) TBT- Members shall give particular attention to the provisions of this Agreement concerning developing country Members rights and obligations and shall take into account the special development, financial and trade needs of developing country Members in the implementation of this Agreement, both nationally and in the operation of this Agreements institutional arrangements.	Develop Country should help developing countries to develop financial and trade needs development at national and international levels
4.	Reasonable measures to ensure international standard and monitoring	<p>Article 12 (3) TBT- Members shall, in the preparation and application of technical regulations, standards and conformity assessment procedures, take account of the special development, financial and trade needs of developing country Members, with a view to ensuring that such technical regulations, standards and conformity assessment procedures do not create unnecessary obstacles to exports from developing country Members.</p> <p>Article 12 (5) TBT- Members shall take such reasonable measures as may be available to them to ensure that international standardizing bodies and international systems for conformity assessment are organized and operated in a way which facilitates active and representative participation of relevant bodies in all Members, considering the special problems of developing country Members.</p>	Developing country's difficulties experienced faced to formulating and implementing standards and technical regulations and conformity assessment procedures. Developed countries should help develop standards and technical regulations and conformity assessment procedures regarding the financial and trade needs of developing country Members to implement both national and international levels to ensure that such technical regulations, standards, and conformity assessment procedures would not

SL No.	Area of S&D Treatment in TBT	Specific Articles	Implications
		<p>Article 12 (6) TBT- Members shall take such reasonable measures as may be available to them to ensure that international standardizing bodies, upon request of developing country Members, examine the possibility of, and, if practicable, prepare international standards concerning products of special interest to developing country Members.</p> <p>Article 12 (9) TBT- During consultations, developed country Members shall bear in mind the special difficulties experienced by developing country Members in formulating and implementing standards and technical regulations and conformity assessment procedures, and in their desire to assist developing country Members with their efforts in this direction, developed country Members shall take account of the special needs of the former in regard to financing, trade and development.</p> <p>Article 12 (10) TBT- The Committee shall examine periodically the special and differential treatment, as laid down in this Agreement, granted to developing country Members on national and international levels.</p>	<p>create unnecessary obstacles to exports from developing country Members.</p>

2.6.2 LDC Specific Issues and Related Concern for Bangladesh in SPS

SPS and TBT measures, in many instances, have acted as market access barriers to exports from these countries. In addition, owing to lack of adequate resources, developing countries and LDCs were not being able to ensure compliance with many of the SPS and TBT provisions. As a result, their export potentials have continued to remain

unrealized³⁴. The experience of Bangladesh for example **Ban on Imports of Bangladesh Shrimp** by the EU may serve as an example of how LDCs may end up in a situation where the opportunities and risks stemming from globalization could be unevenly distributed as a result of differential capacities to

- (a) ensure compliance and
- (b) review and revise the relevant regulations by taking into cognizance the emerging difficulties.

2.7 Agreement on Trade-Related Investment Measures (TRIMs)

The Agreement on Trade-Related Investment Measures (TRIMs) does not allow members to apply investment measures inconsistent with Articles III (national treatment) and XI (prohibition of quantitative restrictions) of the GATT and the provisions of the TRIMs Agreement.

The LDCs were initially granted a transition period of seven years for the elimination of nonconforming TRIMs, ending in 2002. With the adoption of the Hong Kong Ministerial Declaration in 2005 (Annex F),³⁵ LDCs were granted a new transition period to maintain existing TRIMs for a period of seven years. They were also allowed to introduce new measures for a possible duration of five years. LDCs have been given until the end of 2020 to phase out all measures inconsistent with the TRIMs Agreement. The Hong Kong Decision requires LDC members to notify any measure that deviates from the obligations under the TRIMs Agreement. So far, no notification from any LDC has been provided.³⁶

2.8. Balance-of-Payments provisions of General Agreements on Tariffs and Trade (GATT) under Articles XII and XVIII

Recognizing the provisions of Articles XII and XVIII³⁷: B of GATT 1994 and of the Declaration on Trade Measures Taken for Balance-of-Payments Purposes adopted on 28 November 1979 (BISD 26S/205-209, referred to in this Understanding as the “1979 Declaration”).

³⁴ Market Access Implications of SPS and TBT: Bangladesh Perspective, Prof. Mustafizur Rahman, 81-87222-69-7 CULT, 2002

³⁵ Hong Kong Ministerial Declaration, 22 December 2005, WT/MIN(05)/ DEC

³⁶ WTO 2022, Trade Impacts of LDC graduation, matters related to WTO agreements. Retrieved from https://www.wto.org/english/res_e/booksp_e/ldc_graduation_pocket_e.pdf

³⁷ GENERAL AGREEMENT ON TARIFFS AND TRADE 1994

According to the paragraph 1 under Articles XII and XVIII: B of GATT 1994 and of the Declaration on Trade Measures Taken for Balance-of-Payments Purposes adopted, members need to confirm their commitment to announce publicly time- schedules for the removal of restrictive import measures taken for Balance-of-Payments purposes. Whenever a time- schedule is not publicly announced by a Member, that Member shall provide justification as to the reasons therefor. Being LDC, Bangladesh announces publicly the possible schedule of removal of restrictive import measures to tackle the balance of payment situation and notify General Council about it not the justification.

According paragraph 3 of the same article, after graduation, member would have to avoid the imposition of new quantitative restrictions for Balance-of-Payments purposes unless, because of a critical Balance-of-Payment's situation, price-based measures cannot arrest a sharp deterioration in the external payments position. In those cases, in which a member applies quantitative restrictions, it shall provide justification as to the reasons why price-based measures are not an adequate instrument to deal with the Balance-of-Payments. Now Bangladesh has the leverage in that issue and can impose quantitative restrictions for Balance-of-Payments without providing justification to the General Council.

After graduation, the country has to provide justification titled 'Basic Document' for the consultations which should include: (a) an overview of the Balance-of-Payments situation and prospects, including a consideration of the internal and external factors having a bearing on the Balance-of-Payments situation and the domestic policy measures taken in order to restore equilibrium on a sound and lasting basis; (b) a full description of the restrictions applied for Balance-of-Payments purposes, their legal basis and steps taken to reduce incidental protective effects; (c) measures taken since the last consultation to liberalize import restrictions, in the light of the conclusions of the Committee; (d) a plan for the elimination and progressive relaxation of remaining restrictions according the paragraph 11 of the same article.

2.9. Rules for the Valuation of Goods at Customs Article VII of General Agreement on Tariffs and Trade (GATT) 1994

As per agreement on implementation of article VII of general agreement on tariffs and trade (GATT) 1994 of Uruguay Round, the customs value of imported goods shall be the transaction value, that is the price actually paid or payable for the goods when sold for export to the country of importation adjusted in accordance with the provisions of Article 7, Paragraph (2) b of the agreement. Bangladesh, as a member of the World Trade

Organization, adopted the Agreement on Customs Valuation, and accordingly follow the transaction value concept for its customs valuation purposes. Bangladesh has amended the Customs Act to accommodate GATT provisions (section 25 of the Customs Act 1969). As urged in the section 25 of the Customs Act, 1969 stipules that 'the actual price, that is, the price actually paid or payable, or the nearest ascertainable equivalent of such price, at which such or like goods are ordinarily sold, or offered for sale, for delivery at the time and place of importation or exportation, as the case may be, in course of international trade under fully competitive conditions, where the seller and the buyer have no interest in the business of each other and the price is the sole consideration for sale or offer for sale shall be the value for customs assessment purpose'. This is basically the transaction value of the goods³⁸. Despite the general use of transaction value for customs valuation, in the case of some goods, the Government often fixes tariff values or minimum values for the purpose of levying customs duties.

Minimum Value or Tariff Value Issues: Customs Act 1969 in 1975 under section 25(7) instructed to follow tariff value. The valuation regime under Section 25(7) of the 1969 Customs Act empowered the government to fix tariff values for the purpose of levying customs duty for a number of imported products; that is, wherever tariff values are available, they replaced the lower invoiced price. The previous provision of Customs Act 1969(Section25(7) mentioned, customs duty is payable by the importer respondent on the basis of tariff value in force on the date of presentation of the bill of entry and not on the basis of invoice or tariff value in force at the time of opening of letter of credit. In 2000 under section 25(3)³⁹, the words "or minimum values" has been included. It is written that notwithstanding anything contained in this section, the Government may, by notification in the official Gazette, fix, for the purpose of levying customs duties, tariff values [or minimum values], for any goods imported or exported as chargeable with customs-duty ad valorem.

Fixation of minimum value was a deviation from the internationally aligned system. Transaction value is a trade friendly system while minimum value is a notional value which can be termed as a revenue friendly system. The process for introduction of transaction value requires transparency in data and information processing so that a competitive price can be fixed for imported goods. Private sector also needs to ready to use technology as it is also possible for them to check the prices of the imported goods

³⁸ <http://bangladeshcustoms.gov.bd/procedures/valuation/123>

³⁹ [http://bangladeshcustoms.gov.bd/sro/9._SRO57-Law-2000-1821-Cus_2000_CustomsValuation\(DeterminationOfValueForImportedGoods\)Rules-2000_.pdf](http://bangladeshcustoms.gov.bd/sro/9._SRO57-Law-2000-1821-Cus_2000_CustomsValuation(DeterminationOfValueForImportedGoods)Rules-2000_.pdf)

available online. Rapid modernization of customs policies is one of the priorities now to face challenges of LDC graduation.

Table 13 Special and differential treatment to least developed countries under World Trade Organization agreements

SL.	S&DT Provisions under agreements of WTO	S&DT Type
Agreement on Agriculture (AoA)		
Three provisions (Article 15.2, Article 16.1 and Article 16.2)		
1.	Article 15.2: LDCs are exempt from undertaking reduction commitments.	Transitional time-periods
2.	Article 16.1: Members to take action in line with the Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on LDCs and NFIDCs. ⁴⁰	Technical assistance
	Article 16.2 The Committee on Agriculture shall monitor, as appropriate, the follow-up to this Decision.	Technical assistance
Application of Sanitary and Phytosanitary Measures (SPS)		
3.	Article 10 Members are required to take a particular account of LDCs in preparing and applying SPS measures.	Provisions under which WTO Members should safeguard the interests of developing country Members
4.	Article 14 LDCs had the possibility of delaying, for up to five years, the implementation of provisions of the Agreement with respect to their sanitary and phytosanitary measures affecting imports. The transition period expired on 1 January 2000.	Flexibility of commitments, Transitional time-periods
Agreement on Technical Barriers to Trade (Three provisions (Article 11.8; Article 12.7 and Article 12.8) ⁴¹		

⁴⁰ Information on actions undertaken within the framework of the decision is contained in the comments relating to paragraph 3(iii) of the Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on LDCs and NFIDCs. Paragraph 3(iii) of LDCs and NFIDCs: To give full consideration in the context of their aid programmes to requests for the provision of technical and financial assistance to least developed and net food-importing developing countries to improve their agricultural productivity and infrastructure.

⁴¹ WTO, WT/COMTD/W/271, March 2023, Special and differential treatment provisions in WTO agreements and decisions. Retrieved from <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/WT/COMTD/W271.pdf&Open=True>

SL.	S&DT Provisions under agreements of WTO	S&DT Type
5.	Article 11.8: In providing advice and technical assistance to other members in terms of Article 11:1 to 11:7, members shall give priority to the needs of the LDCs.	Technical assistance
6.	Article 12.7: Particular account to be taken of LDCs in the provision of technical assistance with respect to the preparation and application of technical regulations.	Technical assistance
7.	Article 12.8: TBT Committee is required to take into account special problems of LDCs in granting time-limited exceptions under the TBT Agreement.	Safeguard the interests of LDC Members
Agreement on Trade-Related Investment Measures (TRIMs)		
8.	Article 5: LDCs had a seven-year transitional period to eliminate TRIMs that are inconsistent with the Agreement. The transition period expired on 1 January 2002. The adoption of the Hong Kong Ministerial Declaration in 2005 (Annex F) allowed to introduce new transition periods.	Transitional time period
Agreement on Trade Facilitation		
Nine articles related to S&DTs for LDCs (Articles 13, 14, 15, 16, 17, 18, 19, 20 and 21)		
9.	Article 13: General Principles 13.3. Least-developed country Members will only be required to undertake commitments to the extent consistent with their individual development, financial and trade needs or their administrative and institutional capabilities.	Flexibility of commitments, of action, and use of policy
10.	Article 14: Categories of Provisions: 14.1 (a) Category A contains provisions that a least-developed country Member designates for implementation upon entry into force of this Agreement, or in the case of a least-developed country Member within one year after entry into force, as provided in Article 15.	Transitional time period
11.	Article 15: Notification and Implementation of Category A: 15.2. An LDC may notify the Committee of the provisions it has designated in Category A for up to one year after entry into force of this Agreement. Each LDC Member's commitments designated under Category A will thereby be made an integral part of this Agreement.	Transitional time period

SL.	S&DT Provisions under agreements of WTO	S&DT Type
12.	<p>Article 16: Notification of Definitive Dates for Implementation of Category B And Category C:</p> <p>16.2. With respect to those provisions that a least-developed country Member has not designated under Category A, least-developed country Members may delay implementation in accordance with the process set forth in this Article.</p>	Transitional time period
	<p>Least-Developed Country Member Category B</p> <p>16.2. (a) No later than one year after entry into force of this Agreement, a less-developed country Member shall notify the Committee of its Category B provisions and may notify their corresponding indicative dates for implementation of these provisions, taking into account maximum flexibilities for least-developed country Members.</p>	
	<p>16.2. (b) No later than two years after the notification date stipulated under subparagraph (a) above, each least-developed country Member shall notify the Committee to confirm designations of provisions and notify its dates for implementation. If a least-developed country Member, before this deadline, believes it requires additional time to notify its definitive dates, the Member may request that the Committee extend the period sufficiently to notify its dates.</p>	
	<p>Least-Developed Country Member Category C</p> <p>16.2. (c) For transparency purposes and to facilitate arrangements with donors, one year after entry into force of this Agreement, each least-developed country Member shall notify the Committee of the provisions it has designated in Category C, taking into account maximum flexibilities for least-developed country Members.</p>	Transitional time period
	<p>16.2. (d) One year after the date stipulated in subparagraph (c) above, least-developed country Members shall notify</p>	Transitional time period and Technical Assistance

SL.	S&DT Provisions under agreements of WTO	S&DT Type
	information on assistance and support for capacity building that the Member requires in order to implement. ⁴²	
	16.2. (e) No later than two years after the notification under subparagraph (d) above, least-developed country Members and relevant donor Members, taking into account information submitted pursuant to subparagraph (d) above, shall provide information to the Committee on the arrangements maintained or entered into that are necessary to provide assistance and support for capacity building to enable implementation of Category C. ⁴³ The participating least-developed country Member shall promptly inform the Committee of such arrangements. The least-developed country Member shall, at the same time, notify indicative dates for implementation of corresponding Category C commitments covered by the assistance and support arrangements. The Committee shall also invite non-Member donors to provide information on existing and concluded arrangements.	Technical Assistance
	16.2. (f) No later than 18 months from the date of the provision of the information stipulated in subparagraph (e), relevant donor Members and respective least-developed country Members shall inform the Committee of the progress in the provision of assistance and support for capacity building. Each least-developed country Member shall, at the same time, notify the Committee of its list of definitive dates for implementation.	Technical Assistance
13.	Article 17: Early Warning Mechanism: Extension of Implementation Dates for Provisions in Categories B And C 17.1 (a). A developing country Member or least-developed country Member that considers itself to be experiencing	Transitional Time Periods

⁴² Members may also include information on national trade facilitation implementation plans or projects, the domestic agency or entity responsible for implementation, and the donors with which the Member may have an arrangement in place to provide assistance.

⁴³ Such arrangements will be on mutually agreed terms, either bilaterally or through appropriate international organizations, consistent with paragraph 3 of Article 21.

SL.	S&DT Provisions under agreements of WTO	S&DT Type
	<p>difficulty in implementing a provision that it has designated in Category B or Category C by the definitive date established under subparagraphs 1(b) or (e) of Article 16, or in the case of a least-developed country Member subparagraphs 2(b) or (f) of Article 16, should notify the Committee. Developing country Members shall notify the Committee no later than 120 days before the expiration of the implementation date. Least-developed country Members shall notify the Committee no later than 90 days before such date.</p>	
	<p>17.2. Where a developing country Member's request for additional time for implementation does not exceed 18 months or a least-developed country Member's request for additional time does not exceed 3 years, the requesting Member is entitled to such additional time without any further action by the Committee.</p>	<p>Transitional Time Periods</p>
	<p>17.3. Where a developing country or least developed country Member considers that it requires a first extension longer than that provided for in paragraph 2 or a second or any subsequent extension, it shall submit to the Committee a request for an extension containing the information described in subparagraph 1(b) no later than 120 days in respect of a developing country Member and 90 days in respect of a least developed country Member before the expiration of the original definitive implementation date or that date as subsequently extended.</p>	<p>Transitional Time Periods</p>
14.	<p>Article 18: Implementation of Category B And Category C</p>	
	<p>18.4. The Expert Group shall consider the Member's self-assessment of lack of capacity and shall make a recommendation to the Committee. When considering the Expert Group's recommendation concerning a least developed country Member, the Committee shall, as appropriate, take action that will facilitate the acquisition of sustainable implementation capacity.</p>	<p>Transitional time periods</p>

SL.	S&DT Provisions under agreements of WTO	S&DT Type
	Article 19: Shifting Between Categories B and C	
	19.2 (c) In the event that additional time is required to implement a provision shifted from Category B to Category C, in case of a least developed country Member, any new implementation date of more than four years after the original date notified under Category B shall require approval by the Committee. In addition, a least developed country Member shall continue to have recourse to Article 17. It is understood that assistance and support for capacity building is required for a least developed country Member so shifting	Flexibility
15.	Article 20: Grace Period for the Application of The Understanding on Rules and Procedures Governing the Settlement of Disputes	Flexibility of commitments, of action, and use of policy instruments
20.2. For a period of six years after entry into force of this Agreement, the provisions of Articles XXII and XXIII of GATT 1994 as elaborated and applied by the Understanding on Rules and Procedures Governing the Settlement of Disputes shall not apply to the settlement of disputes against a least developed country Member concerning any provision that the Member has designated in Category A.		
20.3. For a period of eight years after implementation of a provision under Category B or C by a least developed country Member, the provisions of Articles XXII and XXIII of GATT 1994 as elaborated and applied by the Understanding on Rules and Procedures Governing the Settlement of Disputes shall not apply to the settlement of disputes against that least developed country Member concerning that provision.		
20.4. Notwithstanding the grace period for the application of the Understanding on Rules and Procedures Governing the Settlement of Disputes, before making a request for consultations pursuant to Articles XXII or XXIII of GATT 1994, and at all stages of dispute settlement procedures with regard to a measure of		

SL.	S&DT Provisions under agreements of WTO	S&DT Type
	a least developed country Member, a Member shall give particular consideration to the special situation of least developed country Members. In this regard, Members shall exercise due restraint in raising matters under the Understanding on Rules and Procedures Governing the Settlement of Disputes involving least developed country Members.	
16.	Article 21: Provision of Assistance and Support for Capacity Building	
	21.2. Given the special needs of least developed country Members, targeted assistance and support should be provided to the least developed country Members so as to help them build sustainable capacity to implement their commitments. Through the relevant development cooperation mechanisms and consistent with the principles of technical assistance and support for capacity building as referred to in paragraph 3, development partners shall endeavour to provide assistance and support for capacity building in this area in a way that does not compromise existing development priorities.	Technical Assistance
	21.3.d(ii) Members shall endeavour to apply the following principles for providing assistance and support for capacity building with regard to the implementation of this Agreement: Members shall endeavour to apply the following principles for providing assistance and support for capacity building with regard to the implementation of this Agreement: for least developed country Members, the Enhanced Integrated Framework for trade -related assistance for the least developed countries should be a part of this coordination process;	Technical Assistance
General Agreement on Trade In Services (GATS) Two Provisions (Article IV: 3; Article XIX: 3).		
17.	Article IV:3 Special priority given to LDCs in implementing Article IV of GATS (increasing participation	Technical Assistance for

SL.	S&DT Provisions under agreements of WTO	S&DT Type
	of developing countries), and particular account to be taken of the difficulties encountered by LDCs in accepting negotiated commitments, owing to their particular needs. Special consideration is given to LDCs with regard to encouraging foreign suppliers to assist in technology transfers, training and other activities for developing telecommunications.	Trade related capacity development
18.	Article XIX:3 For each round, negotiating guidelines and procedures shall be established. For purposes of establishing such guidelines, the Council for Trade in Services shall carry out an assessment of trade in services in overall terms and on a sectoral basis with reference to the objectives of this Agreement. Negotiating guidelines shall establish modalities for the special treatment for LDCs under the provisions of Article IV:3.	Provisions under which WTO Members should safeguard the interests of developing country Members
Agreement On Trade-Related Aspects of Intellectual Property Rights (TRIPS)		
19.	Preamble recognizes the special needs of LDCs with respect to maximum flexibility in the domestic implementation of laws and regulations, in order to enable them to create a sound and viable technological base.	Provisions under which WTO Members should safeguard the interests of developing country Members and LDCs
20.	Article 66.1 In view of the special needs and requirements of least developed country Members, their economic, financial and administrative constraints, and their need for flexibility to create a viable technological base, such Members shall not be required to apply the provisions of this Agreement, other than Articles 3, 4 and 5, for a period of 10 years from the date of application as defined under Article 65.1. The Council for TRIPS shall, upon duly motivated request by a least developed country Member, accord extensions of this period.	

SL.	S&DT Provisions under agreements of WTO	S&DT Type
21.	<p>Article 66.2</p> <p>Developed country Members shall provide incentives to enterprises and institutions in their territories for the purpose of promoting and encouraging technology transfer to least developed country Members in order to enable them to create a sound and viable technological base.</p>	<p>Technical Assistance</p>
	<p>Article 31 bis. 3:⁴⁴ If developing country or LDC members is a party to a Regional Trade Agreement in which at least half of the members are LDCs, Art 31(f) shall not apply to the extent necessary to enable a pharmaceutical product produced or imported under a compulsory licence in that member to be exported to the markets of those other developing or LDC parties to the regional trade agreement that share the health problem in question.</p>	
	<p>Annex para. 1.b. “Eligible importing member” means any LDC member, and any other member that has made a notification to the Council for TRIPS of its intention to use the system set out in Article 31bis and this Annex (“system”) as an importer, it being understood that a member may notify at any time that it will use the system in whole or in a limited way, e.g. only in the case of a national emergency or other circumstances of extreme urgency, or in cases of public non-commercial use.⁴⁵</p>	
	<p>Annex 2.a(2) Exempts LDCs from providing notification confirming that the eligible importing member has established that it has insufficient or no manufacturing capacities in the pharmaceutical sector for the product(s) in question in one of the ways set out in the Appendix to this Annex.⁴⁶</p>	
	<p>Appendix Least-developed country members are deemed to have insufficient or no manufacturing capacities in the pharmaceutical sector.⁴⁷</p>	

⁴⁴ WTO Trade impacts of LDC graduation 2022.

⁴⁵ WTO Trade impacts of LDC graduation 2022.

⁴⁶ WTO Trade impacts of LDC graduation 2022.

⁴⁷ WTO Trade impacts of LDC graduation 2022.

SL.	S&DT Provisions under agreements of WTO	S&DT Type
Understanding on rules and procedures governing the settlement of disputes.		
Two provisions (Article 24.1 and Article 24.2).		
22.	<p>Article 24.1</p> <p>Particular consideration should be given to the special situation of LDCs in all stages of a dispute involving an LDC. Members should exercise due restraint in raising matters involving an LDC.</p>	
23.	<p>Article 24.2</p> <p>LDCs may request use of the offices of the Director-General or the Chairman of the Dispute Settlement Body.</p>	
The Agreement on Government Procurement (2012) (GPA 2012)		
(Three provisions (Preamble to the GPA 2012 (5th recital); Article V.1; and Article V.4))		
24.	<p>Preamble (5th recital) to the GPA 2012:</p> <p>"Recognizing the need to take into account the development, financial and trade needs of developing countries, in particular the least developed countries"</p>	
25.	<p>Article V.1. - In negotiations on accession to, and in the implementation and administration of, this Agreement, the Parties shall give special consideration to the development, financial and trade needs and circumstances of developing countries and least developed countries (collectively referred to hereinafter as "developing countries", unless specifically identified otherwise), recognizing that these may differ significantly from country to country. As provided for in this Article and on request, the Parties shall accord S&D to:</p> <p>(a) least developed countries; and</p> <p>[...]</p>	
26.	<p>Article V.4. - In negotiations on accession to this Agreement, the Parties may agree to the delayed application of any specific obligation in this Agreement, other than Article IV:1(b), by the acceding developing country while that country implements the obligation. The implementation period shall be:</p> <p>(a) for a least developed country, five years after its accession to this Agreement;</p>	

SL.	S&DT Provisions under agreements of WTO	S&DT Type
General S&DT for both LDC and developing country		
Understanding on the Balance-of-Payments Provisions of the General Agreement on Tariffs and Trade (GATT) 1994		
<p>Para. 8 and 9 Simplified consultation procedures may be used. 8. Consultations may be held under the simplified procedures approved on 19 December 1972 (BISD 20S/47-49, referred to in this Understanding as "simplified consultation procedures") in the case of least developed country Members or in the case of developing country Members which are pursuing liberalization efforts in conformity with the schedule presented to the Committee in previous consultations. Simplified consultation procedures may also be used when the Trade Policy Review of a developing country Member is scheduled for the same calendar year as the date fixed for the consultations. In such cases the decision as to whether full consultation procedures should be used will be made on the basis of the factors enumerated in paragraph 8 of the 1979 Declaration. Except in the case of least developed country Members, no more than two successive consultations may be held under simplified consultation procedures.</p>	Flexibility of commitments, of action, and use of policy instruments	
Agreement on Subsidies and Countervailing Measures (SCM)		
Article 27.2(a) LDCs are exempt from prohibition of export subsidies.	Flexibility of commitments, of action, and use of policy instruments	
Article 27.3 LDCs had an eight-year transition period regarding the prohibition of domestic content subsidies. The transition period expired on 1 January 2003.	Transitional time	

Source: WTO Trade impacts of LDC graduation 2022.

In addition to special and differential treatment provisions under the WTO agreements and related decisions, there are measures to support LDCs within WTO. Discussions in the Subcommittee on the Least Developed Countries follow the work programme for the LDCs, which covers systemic issues of interest to LDCs in the multilateral trading system.

2.10 S&DT in WTO Ministerial Conference, General Council and other Relevant Decisions or Declarations

The following section includes Ministerial, General Council and other relevant Decisions or Declarations providing S&DT or making reference to least developed countries. The left-hand column of the table shows the relevant provisions from each included Decision or Declaration, and in the right-hand column titled "Comment", any relevant information including on their implementation:

Table 14: S&DT in WTO Ministerial Conference, General Council and other relevant decisions or declarations

Date/MC	Provision	Comments
S&DT Type: Special treatment of the least developed among the developing countries in the context of any general or specific measures in favour of developing countries		
28 November 1979 (Enabling Clause - L/4903)	Differential and More Favorable Treatment, Reciprocity and Fuller Participation of Developing Countries.	Most developed countries accord special preferences to LDCs through LDC-specific components of their GSP schemes. In particular, nearly all developed country Members provide either full or significant DFQF market access to LDC products ⁴⁸
S&DT Type: Decision on Measures in Favour of Least Developed Countries.		
15 December 1993	Expeditious implementation of all special and differential measures taken in favour of least developed countries including those taken within the context of the Uruguay Round shall be ensured through, inter alia, regular reviews	The Decision asks Members to continue to seek the adoption of positive measures to facilitate expansion of trading opportunities for LDCs. One among the three significant LDC Agreement-specific proposals under the S&D work program is the comprehensive decision on duty-free and quota-free (DFQF) market access for LDC products. ⁴⁹
S&DT Type: Adaptation of the guidelines to ensure that an increasing proportion of basic foodstuffs is provided to least developed and net food-importing developing countries in fully grant form and/or on appropriate concessional terms in line with Article IV of the Food Aid Convention 1986		
15 December 1993	Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least Developed and Net Food-Importing Developing Countries	Under the Food Aid Convention 1999, all food aid provided to LDCs was to be in the form of grants. Overall, food aid in the form of grants is to represent, at a minimum, 80% of FAC member's contributions and donors are to seek to progressively exceed this share.

⁴⁸ SPECIAL AND DIFFERENTIAL TREATMENT PROVISIONS IN WTO AGREEMENTS AND DECISIONS, WT/COMTD/W/271, page 119

⁴⁹ SPECIAL AND DIFFERENTIAL TREATMENT PROVISIONS IN WTO AGREEMENTS AND DECISIONS, WT/COMTD/W/271, page 121

Date/MC	Provision	Comments
	<p>To give full consideration in the context of their aid programmes to requests for the provision of technical and financial assistance to least developed and net food-importing developing countries to improve their agricultural productivity and infrastructure.</p>	<p>Similarly, under the Food Assistance Convention, no less than 80% of a party's committed food assistance to eligible countries and vulnerable populations shall be in fully grant form⁵⁰</p> <p>During the Committee's annual monitoring exercise of the Marrakesh NFIDC Decision, the provision of technical and financial assistance continues to be subject of review.⁵¹</p>
S&DT Type: Preferential Tariff Treatment for Least Developed Countries – Decision on Waiver ⁵²		
General Council-15 June 1999 (WT/L/304)	Considering the 1979 Decision on Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries and the 1994 Decision on Measures in Favour of Least Developed Countries, and without prejudice to rights of Members to continue to act pursuant to the provisions contained in those Decisions.	Six developing Members-China, Chile, India, Korea, Chinese Taipei and Thailand have notified DFQF schemes in favour of LDCs to the WTO.
	Members, acting pursuant to the provisions of paragraph 3 of Article IX of the WTO Agreement, Decide that Any preferential tariff treatment implemented pursuant to this Waiver shall be designed to facilitate and promote the trade of least developed countries and not to raise barriers or create undue difficulties for the trade of any other Member. Such preferential tariff treatment shall not constitute an impediment to the reduction or elimination of tariffs on a most -favoured -nation basis.	
S&DT Type: Accession of Least Developed Countries ⁵³		
General Council-10 December 2002 (WT/L/508)	<p>Market access - WTO Members shall exercise restraint in seeking concessions and commitments on trade in goods and services from acceding LDCs, taking into account the levels of concessions and commitments undertaken by existing WTO LDCs' Members;</p> <p>WTO rules - S&D, as set out in the Multilateral Trade Agreements, Ministerial Decisions, and other relevant WTO legal instruments, shall be applicable to all acceding LDCs, from the date of entry into force of their respective Protocols of Accession</p>	The adoption of the Guidelines on LDCs' Accessions in December 2002 marked a concrete step in favour of acceding LDCs. In addition, building on the 2002 guidelines a new set of provisions were adopted by the General Council in 2012 to further facilitate the accession of LDCs to the WTO. Accession terms of LDCs are to be negotiated in accordance with these two important decisions by WTO Members. WTO Members

⁵⁰ SPECIAL AND DIFFERENTIAL TREATMENT PROVISIONS IN WTO AGREEMENTS AND DECISIONS, WT/COMTD/W/271, page 126

⁵¹ SPECIAL AND DIFFERENTIAL TREATMENT PROVISIONS IN WTO AGREEMENTS AND DECISIONS, WT/COMTD/W/271, page 127

⁵² SPECIAL AND DIFFERENTIAL TREATMENT PROVISIONS IN WTO AGREEMENTS AND DECISIONS, WT/COMTD/W/271, page 128

⁵³ SPECIAL AND DIFFERENTIAL TREATMENT PROVISIONS IN WTO AGREEMENTS AND DECISIONS, WT/COMTD/W/271, page 130

Date/MC	Provision	Comments
	<p>Process - The good offices of the Director -General shall be available to assist acceding LDCs and Chairpersons of the LDCs' Accession Working Parties in implementing this decision</p> <p>Trade -related technical assistance and capacity building - Targeted and coordinated technical assistance and capacity building, by WTO and other relevant multilateral, regional and bilateral development partners, including inter alia under the Integrated Framework (IF), shall be provided, on a priority basis, to assist acceding LDCs. Assistance shall be WT/COMTD/W/271 - 132 - PROVISION COMMENT accorded with the objective of effectively integrating the acceding LDC into the multilateral trading system</p>	have emphasized their commitment to implement these guidelines.
S&DT Type: The implementation of Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health (WT/L/540 and WT/L/540/Corr.1) ⁵⁴		
General Council-30 August 2003, GC	An eligible importing Member that is a developing country Member or a least developed country Member experiences difficulty in implementing this provision, developed country Members shall provide, on request and on mutually agreed terms and conditions, technical and financial cooperation in order to facilitate its implementation.	The Decision provides for an annual review of the functioning of the System by the TRIPS Council and an annual report on its operation to the General Council (most recently in document IP/C/90). In 2010 and 2011, those reviews had been framed by a more structured debate which, beyond the narrow aspects of the System's operation, extended to broader issues related to the innovation of and access to medical technologies.
S&DT Type: Modalities for the Special Treatment for Least Developed Country Members in the Negotiations on Trade in Services – Adopted by the Special Session of the Council for Trade in Services ⁵⁵		
Council for Trade in Services Special Session- 3 September 2003 (TN/S/13)	<p>Objectives of the principles: In pursuance of the objectives of the GATS and as required by Article XIX:3 of the GATS special treatment for least developed country Members (LDCs) shall be granted by providing special priority to LDCs in the implementation of paragraphs 1 and 2 of Article IV of the GATS</p> <p>Scope: Members shall take into account the serious difficulty of LDCs in undertaking negotiated specific commitments in view of their special economic situation, and therefore shall exercise restraint in seeking commitments from LDCs</p>	In paragraph 26 of the Hong Kong Ministerial Declaration (WT/MIN(05)/DEC), Ministers "recognize the particular economic situation of LDCs, including the difficulties they face, and acknowledge that they are not expected to undertake new commitments.

⁵⁴ SPECIAL AND DIFFERENTIAL TREATMENT PROVISIONS IN WTO AGREEMENTS AND DECISIONS, WT/COMTD/W/271Page 133

⁵⁵ SPECIAL AND DIFFERENTIAL TREATMENT PROVISIONS IN WTO AGREEMENTS AND DECISIONS, WT/COMTD/W/271Page 134

Date/MC	Provision	Comments
	<p>Principles for the provision of technical assistance with regard to trade in services: Targeted and coordinated technical assistance and capacity building programmes shall continue to be provided to LDCs in order to strengthen their domestic services capacity, build institutional and human capacity, and enable them to undertake appropriate regulatory reforms</p>	
S&DT Type: Other Decisions in Favour of Least Developed Countries – Annex F of the Hong Kong Ministerial Declaration ⁵⁶		
<p>6th Ministerial Conference, Hong Kong, 18 December 2005 (WT/MIN(05)/DEC)</p>	<p>Understanding in Respect of Waivers of Obligations under the GATT 1994</p> <p>(i) Requesting for waivers by least developed country Members under Article IX of the WTO Agreement and the Understanding in respect of Waivers of Obligations under the GATT 1994 shall be given positive consideration and a decision taken within 60 days.</p> <p>(ii) When considering requests for waivers by other Members exclusively in favour of least developed country Members, a decision shall be taken within 60 days, or in exceptional circumstances as expeditiously as possible thereafter</p>	<p>WTO Members have been responsive in relation to requests for waivers by LDCs or by other Members. In 2009 and 2019, Members adopted Decisions to extend the waiver on "Preferential Tariff Treatment for Least Developed Countries" (WT/L/759 and WT/L/1069).</p>
	<p>Decision on Measures in Favour of Least Developed Countries- Provide duty-free and quota-free market access on a lasting basis, for all products originating from all LDCs by 2008 or no later than the start of the implementation period. Members facing difficulties at this time to provide market access as set out above shall provide duty-free and quota-free market access for at least 97% of products originating from LDCs, defined at the tariff line level, by 2008 or no later than the start of the implementation period</p>	<p>An item concerning DFQF market access for LDCs is reflected on the agenda of each regular CTD meeting. In addition, as per the Ministerial Decision, annual reviews are carried out in the CTD, typically in the last meeting of the calendar year. Members have provided information on the steps they are taking, or have already taken, to provide DFQF market access to LDCs. At the Bali Ministerial Conference in 2013, Members adopted a decision that provided further impetus to provide DFQF market access for LDC products (WT/L/919; see Section 7.21, including for more recent developments).</p>
	<p>Agreement on Trade-Related Investment Measures LDCs shall be allowed to maintain on a temporary basis existing measures that deviate from their obligations under the TRIMs Agreement</p>	<p>The two-year period for notification referred to in the first paragraph expired on 18 January 2008 with no notifications received from any least developed countries. So far, no notifications have been received under the second paragraph.</p>

⁵⁶ SPECIAL AND DIFFERENTIAL TREATMENT PROVISIONS IN WTO AGREEMENTS AND DECISIONS, WT/COMTD/W/271,Page 138

Date/MC	Provision	Comments
	Least developed country Members, will only be required to undertake commitments and concessions to the extent consistent with their individual development, financial and trade needs, their administrative and institutional capabilities	Aid-for-Trade commitments to LDCs amounted to USD 19.7 billion in 2020, constituting a 179.5% increase compared to the yearly amount for 2006. Aidfor-Trade disbursements to LDCs amounted to USD 14.0 billion in 2020, constituting a 169.2% increase in real terms as compared to the 2006 figure.
S&DT Type: Transparency Mechanism for Regional Trade Agreements		
General Council, 14 December 2006 (WT/L/671)	Upon request, the WTO Secretariat shall provide technical support to least developed countries, in the implementation of this Transparency Mechanism, particularly with respect to the preparation of RTA-related data	Recognizing the resource and technical constraints of developing country Members, the Decision provides for the provisions of technical support to developing country Members for the implementation of the Transparency Mechanism.
S&DT Type: Preferential Treatment to Services and Service Suppliers of Least Developed Countries ⁵⁷		
General Council -17 December 2011 (WT/L/847)	Members may provide preferential treatment to services and service suppliers of least developed countries with respect to the application of measures described in Article XVI and any other measures as may be annexed to this waiver, than to like services and service suppliers of other Members. Any such treatment shall be granted immediately and unconditionally to like services and service suppliers of all least developed country Members. Preferential treatment with respect to the application of measures other than those described in Article XVI, is subject to approval by the Council for Trade in Services in accordance with its procedures and will be annexed to this waiver.	Twenty-five notifications of preferential treatment under the LDC Waiver have been submitted to date. At the meetings of the Council for Trade in Services on 2 November 2015 and 18 March 2016, preferential treatment with respect to the application of measures other than those described in Article XVI set out in the notifications by Switzerland, Iceland, Turkey Norway, India, China, the European Union, South Africa, Canada, and Thailand was approved by the Council for Trade in Services. ⁵⁸
S&DT Type: Accession of Least Developed Countries ⁵⁹		
General Council -25 July 2012 (WT/L/508/Add.1)	The 2002 LDC Accession Guidelines shall be strengthened, streamlined and operationalized in accordance with the provisions- BENCHMARKS ON GOODS (Agriculture and non-agriculture), benchmarks on services, transparency in accession negotiations, S&D and transition periods, technical assistance. This Decision is to be considered as an Addendum to the 2002 LDC Accession Guidelines.	In the MC12 Outcome Document adopted on 17 June 2022 (WT/MIN(22)/24 - WT/L/1135), Ministers reiterated their commitment to facilitate the conclusion of ongoing accession negotiations, especially for LDCs fully in line with the General Council guidelines on LDC accessions.
S&DT Type: Cotton – Ministerial Decision ⁶⁰		

⁵⁷ SPECIAL AND DIFFERENTIAL TREATMENT PROVISIONS IN WTO AGREEMENTS AND DECISIONS, WT/COMTD/W/271, Page 145

⁵⁸ S/C/M/125, paragraph 1.62, and S/C/M/126, paragraph 3.15, respectively

⁵⁹SPECIAL AND DIFFERENTIAL TREATMENT PROVISIONS IN WTO AGREEMENTS AND DECISIONS, WT/COMTD/W/271, Page 147

⁶⁰ SPECIAL AND DIFFERENTIAL TREATMENT PROVISIONS IN WTO AGREEMENTS AND DECISIONS, WT/COMTD/W/271, Page 156

Date/MC	Provision	Comments
9 th Ministerial conference, Bali, 7 December 2013 (WT/MIN(13)/41 - WT/L/916)	All forms of export subsidies for cotton and all export measures with equivalent effect, domestic support for cotton and tariff measures and non-tariff measures applied to cotton exports from LDCs in markets of interest to them.	Between the Bali Ministerial Conference and the Nairobi Ministerial Conference (see Section 7.28 below), four dedicated discussions of the relevant trade related developments for cotton took place on 20 June 2014, 28 November 2014, 9 July 2015, and 26 November 2015.
S&DT Type : Preferential Rules of Origin for Least Developed Countries⁶¹		
9 th Ministerial conference, Bali, 7 December 2013 (WT/MIN(13)/42 - WT/L/917)	With a view to facilitating market access for LDCs provided under non-reciprocal preferential trade arrangements for LDCs, Members should endeavor to develop or build on their individual rules of origin arrangements applicable to imports from LDCs in accordance with elements for preferential rules of origin, documentary requirements and transparency.	By adopting this Ministerial Decision, Members broke new ground as they agreed, for the first time, on a set of multilateral guidelines on preferential rules of origin.
S&DT Type: Operationalization of the Waiver Concerning Preferential Treatment to Services and Service Suppliers of Least Developed Countries⁶²		
9 th Ministerial conference, Bali, 7 December 2013 (WT/MIN(13)/43 - WT/L/918)	With a view to accelerating the process of securing meaningful preferences for LDCs' services and service suppliers, the Council for Trade in Services shall convene a High-level meeting six months after the submission of an LDC collective request identifying the sectors and modes of supply of particular export interest to them	The LDC collective request was submitted on 23 July 2014 (S/C/W/356 and S/C/W/356/Corr.1, and S/C/W/356/Corr.2). The High-level meeting was held on 5 February 2015 (S/C/M/121).
S&DT Type: Duty-Free and Quota-Free Market Access for Least Developed Countries⁶³		
9 th Ministerial conference, Bali, 7 December 2013 (WT/MIN(13)/44 - WT/L/919)	Developed country Members that do not yet provide duty-free and quota-free market access for at least 97% of products originating from LDCs, defined at the tariff line level, shall seek to improve their existing duty-free and quota free coverage for such products, so as to provide increasingly greater market access to LDCs, prior to the next Ministerial Conference; Developing country Members, declaring themselves in a position to do so, shall seek to provide duty-free and quota-free market access for products originating from LDCs, or shall seek to improve their existing duty-free and quota-free coverage for such products, to provide increasingly greater market access to LDCs, prior to the next Ministerial Conference;	Progress in preferential market access for LDCs, including DFQF market access, is also registered in an annual Secretariat Note, which is prepared to facilitate the annual review of the Sub-Committee on LDCs of market access for products originating from LDCs. The 2022 version of this Note is contained in document WT/COMTD/LDC/W/70.

⁶¹ SPECIAL AND DIFFERENTIAL TREATMENT PROVISIONS IN WTO AGREEMENTS AND DECISIONS, WT/COMTD/W/271, Page 157

⁶² SPECIAL AND DIFFERENTIAL TREATMENT PROVISIONS IN WTO AGREEMENTS AND DECISIONS, WT/COMTD/W/271, Page 160

⁶³ SPECIAL AND DIFFERENTIAL TREATMENT PROVISIONS IN WTO AGREEMENTS AND DECISIONS, WT/COMTD/W/271, Page 161

Date/MC	Provision	Comments
	Members shall notify duty-free and quota-free schemes for LDCs and any other relevant changes pursuant to the Transparency Mechanism for Preferential Trade Arrangements; The Committee on Trade and Development shall continue to annually review the steps taken to provide duty-free and quota-free market access to the LDCs, and report to the General Council for appropriate action	
S&DT Type: Extension of the Transition Period under Article 66.1 of the TRIPS Agreement for Least Developed Country Members for Certain Obligations with Respect to Pharmaceutical Products ⁶⁴		
Decision of the Council for TRIPS of 6 November 2015 (IP/C/73)	Least developed country Members will not be obliged, with respect to pharmaceutical products, to implement or apply Sections 5 and 7 of Part II of the TRIPS Agreement or to enforce rights provided for under these Sections until 1 January 2033, or until such a date on which they cease to be a least developed country Member, whichever date is earlier.	When Rwanda made use of the System established under the Decision of 30 August 2003 on the Implementation of Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health, it referred to the earlier TRIPS Council Decision of 27 June 2002 that had initially extended the transition period in the pharmaceutical sector until 1 January 2016 (IP/C/25) as constituting the basis for its decision not to enforce patent rights that may have been granted within its territory with respect to pharmaceutical products to be imported under the system (IP/N/9/RWA/1).
S&DT Type: Least Developed Country Members - Obligations under Article 70.8 and Article 70.9 of the TRIPS Agreement with Respect to Pharmaceutical Products ⁶⁵		
General Council Decision of 30 November 2015 (WT/L/971)	Recalling the decision of the General Council on LDCs - Obligations Under Article 70.9 of the TRIPS Agreement With Respect to Pharmaceutical Products (WT/L/478), adopted by the General Council at its meeting of 8 July 2002; Having regard to the request from LDCs, dated 23 February 2015, for a waiver from obligations under paragraph 8 of Article 70 of the TRIPS Agreement and a further extension of the waiver from obligations under paragraph 9 of Article 70 of the TRIPS Agreement with respect to pharmaceutical products (IP/C/W/605); Noting the decision of the Council for TRIPS on the Extension of the Transition Period under Article 66.1 of the TRIPS Agreement for Least Developed Country Members for Certain Obligations with Respect to	

⁶⁴SPECIAL AND DIFFERENTIAL TREATMENT PROVISIONS IN WTO AGREEMENTS AND DECISIONS, WT/COMTD/W/271 Page 164

⁶⁵ SPECIAL AND DIFFERENTIAL TREATMENT PROVISIONS IN WTO AGREEMENTS AND DECISIONS, WT/COMTD/W/271Page 165

Date/MC	Provision	Comments
	<p>Pharmaceutical Products, adopted by the Council for TRIPS at its meeting of 6 November 2015 (IP/C/73); Recalling the decision of the Council for TRIPS on the Extension of the Transition Period under Article 66.1 of the TRIPS Agreement for Least Developed Country Members for Certain Obligations with Respect to Pharmaceutical Products (IP/C/25), adopted by the Council for TRIPS at its meeting of 25-27 June 2002, pursuant to the instructions of the Ministerial Conference contained in paragraph 7 of the Declaration on the TRIPS Agreement and Public Health (WT/MIN(01)/DEC/2) (the "Declaration")</p>	
S&DT Type: Export Competition - Ministerial Decision		
<p>10th Ministerial Conference Nairobi, 19 December 2015 (WT/MIN/(15)/45 - WT/L/980)⁶⁶</p>	<p>Special and Differential Treatment: Developing country Member providers of export financing support shall be eligible to benefit from the following: Maximum repayment terms: the developing country Members concerned shall have a phase-in period of four years after the first day of the implementation period by the end of which to fully implement the maximum repayment term of 18 months. This shall be achieved as follows: (a) on the first day of implementation, the maximum repayment term for any new support entered into shall be 36 months; (b) two years after implementation, the maximum repayment term for any new support to be entered into shall be 27 months; (c) four years after implementation, the maximum repayment term of 18 months shall apply.</p>	
S&DT Type: Preferential Rules of Origin for Least Developed Countries ⁶⁷		
<p>10th Ministerial Conference Nairobi, 19 December 2015 (WT/MIN(15)/47 - WT/L/917/Add.1)</p>	<p>Recalling the "Decision on Measures in Favour of Least Developed Countries" (Annex F of the Hong Kong Ministerial Declaration): "Developed country Members shall, and developing country Members declaring themselves in a position to do so should: ensure that preferential rules of origin applicable to imports from LDCs are transparent and simple, and contribute to facilitating market access"</p>	<p>Building on the 2013 Decision, the 2015 Decision adopted in Nairobi contains specific commitments and recommendations concerning the design of rules of origin and origin requirements. It only governs the rules applicable to nonreciprocal preferences for LDCs.</p>

⁶⁶ WTO. (2023). Special And Differential Treatment Provisions In WTO Agreements And Decisions, WT/COMTD/W/271, Page 169

⁶⁷ WTO. (2023). Special And Differential Treatment Provisions In WTO Agreements And Decisions, WT/COMTD/W/271, Page 175

Date/MC	Provision	Comments
S&DT Type: Implementation of Preferential Treatment in favour of Services and Service Suppliers of Least Developed Countries and Increasing LDC Participation in Services Trade		
10 th Ministerial Conference Nairobi,19 December 2015 (WT/MIN(15)/48 - WT/L/982)	<p>The Council for Trade in Services shall:</p> <ul style="list-style-type: none"> • maintain a standing agenda item to review and promote the operationalization of the Waiver; • expeditiously consider approval of notified preferences relating to measures other than those described in GATS Article XVI, in accordance with the Waiver; • with a view to furthering the objectives of GATS Article IV, facilitate an exchange of information by Members on technical assistance measures undertaken to promote the increasing participation of LDCs in world services trade; • initiate a process to review the operation of notified preferences, on the basis of information provided by Members. In support of that process, Members may request WTO Secretariat inputs, as appropriate; and • further discuss any issues that may facilitate benefits provided under the notified preferences 	The Operationalization of the LDC services Waiver has been made a standing item on the Council's agenda. All preferences relating to measures other than those described in GATS Article XVI notified thus far have been expeditiously considered and approved.
S & DT Type: Extension of the Transition Period under Article 66.1 for Least Developed Country Members ⁶⁸		
Decision of the Council for TRIPS of 29 June 2021 (IP/C/88)	Least developed country Members shall not be required to apply the provisions of the Agreement, other than Articles 3, 4 and 5, until 1 July 2034, or until such a date on which they cease to be a least developed country Member, whichever date is earlier	The general transition period for least developed country Members was initially due to expire on 1 January 2006. Recognizing their special needs and requirements, the TRIPS Council adopted a Decision on 29 November 2005 that extended the transition period under Article 66.1 for least developed country Members until 1 July 2013 (IP/C/40). The TRIPS Council adopted a Decision on 11 June 2013 that further extended the transition period until 1 July 2021 (IP/C/64). Subsequently, a further Decision was adopted on 29 June 2021 to extend the transition period until 1 July 2034 (IP/C/W/88).
S&DT type: Ministerial Decision on the TRIPS Agreement		
12 th Ministerial Conference Geneva,17	1. Under the provision of patent rights under its domestic legislation, an eligible member may limit the rights provided for under Article	country Members except those that made a binding commitment not to avail themselves of this Decision, to

⁶⁸ SPECIAL AND DIFFERENTIAL TREATMENT PROVISIONS IN WTO AGREEMENTS AND DECISIONS, WT/COMTD/W/271,Page 182

Date/MC	Provision	Comments
June 2022 (WT/MIN(22)/30 - WT/L/1141)	<p>28.1 of the TRIPS Agreement by authorizing the use of the subject matter of a patent required for the production and supply of COVID-19 vaccines without the consent of the right holder to the extent necessary to address the COVID-19 pandemic, in accordance with the provisions of Article 31 of the Agreement.</p> <ol style="list-style-type: none"> 2. An eligible Member may authorize the use of the subject matter of a patent under Article 31 without the right holder's consent through any instrument available in the law of the Member such as executive orders, emergency decrees, government use authorizations, and judicial or administrative orders, whether or not a Member has a compulsory license regime in place. 3. Recognizing the importance of the timely availability of and access to COVID-19 vaccines, it is understood that Article 39.3 of the Agreement does not prevent an eligible Member from enabling the rapid approval for use of a COVID-19 vaccine produced under this Decision. 4. For purposes of transparency, as soon as possible after the adoption of the measure, an eligible Member shall communicate to the Council for TRIPS any measure related to the implementation of this Decision, including the granting of an authorization. 5. An eligible Member may apply the provisions of this Decision until 5 years from the date of this Decision. The General Council may extend such a period taking into consideration the exceptional circumstances of the COVID-19 pandemic. The General Council will review annually the operation of this Decision. 6. Members shall not challenge any measures taken in conformity with this Decision under subparagraphs 1(b) and 1(c) of Article XXIII of the GATT 1994. 	<p>work together to overcome potential intellectual property obstacles to expanding and geographically diversifying COVID-19 vaccine production capacity, with a view to promoting access and resilience. To do this, it creates an additional, streamlined avenue for developing country Members to export production of generic vaccines to Members in need, without the requirement for those needs to be communicated in advance</p>

Date/MC	Provision	Comments
	7. No later than six months from the date of this Decision, Members will decide on its extension to cover the production and supply of COVID-19 diagnostics and therapeutics.	
S& DT Type: 7 Agreement on Fisheries Subsidies		
12 th Ministerial Conference Geneva,17 June 2022 (WT/MIN(22)/33 - WT/L/1144)	Recalling the mandate given to Members at the Eleventh WTO Ministerial Conference in 2017 in Buenos Aires that the next Ministerial Conference should adopt an agreement on comprehensive and effective disciplines that prohibits certain forms of fisheries subsidies that contribute to overcapacity and overfishing, and eliminates subsidies that contribute to IUU-fishing recognizing that appropriate and effective special and differential treatment for developing country Members and least developed country Members should be an integral part of these negotiations.	

2.11 Preferential Market Access for Goods

Most major trading partners provide duty-free, quota-free (DFQF) market access or preferential tariffs and preferential rules of origin for products imported from LDCs. Since giving certain countries preference over others is a violation of the most-favoured-nation (MFN) principle of the WTO, hence specific provisions have been put into place to enable these preferences to be given to the LDCs. It is important to note that LDCs do not need to be members of WTO to benefit from preferential market access granted by other countries.

2.11.1 Duty-free & Quota-free (DFQF) Market Access and Preferential Tariffs

Almost all developed countries and an increasing number of developing countries provide DFQF market access to a significant number of products from LDCs. In some cases, access to DFQF arrangements is contingent on the fulfilment of certain conditions additional to LDC status such as, in the case of the Everything But Arms initiative of the European Union, the non-violation of principles laid down in human rights and labour rights conventions. Table 15 summarizes the main existing multilateral non-reciprocal preference schemes available for the LDCs. In addition, the South Asian Free Trade Area (SAFTA) and Asia-Pacific Trade Agreement (APTA) grant greater preference (coverage and tariff margins) to LDC members which will be discussed later in this Chapter (see section 2.2.4 on special treatment under regional agreements).

Table 15 Major multilateral non-reciprocal preference schemes for least developed countries undertaken by World Trade Organization members, 2020 (or latest available year)

Market	Sector	MFN		LDC		Number of tariff lines	
		% lines DFQF	Simple avg. duty	% lines DFQF	Simple avg. duty	Total	With imports from LDCs
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Armenia	Total	19.6	6.1	-	-	12,178	-
	Ag	8.0	8.2	-	-	2,703	-
	Non-Ag	22.9	5.6	-	-	9,475	-
Australia	Total	49.4	2.5	100	0	6,480	1,107
	Ag	72.8	1.3	100	0	856	170
	Non-Ag	45.8	2.7	100	0	5,624	937
Canada	Total	69.4	2.7	98.5	0.1	6,986	2,436
	Ag	51.6	3.5	92.6	0.6	1,425	457
	Non-Ag	73.9	2.5	100	0	5,561	1,979
Chile	Total	0.4	6.0	99.5	0	8,561	5,16
	Ag	0	6.0	97.2	0	1,465	46

Market	Sector	MFN		LDC		Number of tariff lines	
		% lines DFQF	Simple avg. duty	% lines DFQF	Simple avg. duty	Total	With imports from LDCs
	Non-Ag	0.5	6.0	100	0	7,096	470
China	Total	10.2	7.3	99.6	0.6	8,549	1,907
	Ag	7.8	13.0	93.5	2.3	1,169	175
	Non-Ag	10.5	6.4	9.1	0.3	7,380	1,732
European Union	Total	26.6	4.7	99.8	0	9,483	4,397
	Ag	19.0	7.7	100	0	2,101	827
	Non-Ag	28.8	4.3	99.8	0	7,382	3,570
Hong Kong, China	Total	100	0	-	-	7,584	-
	Ag	100	0	-	-	1,044	-
	Non-Ag	100	0	-	-	6,540	-
Iceland	Total	88.9	1.3	91.3	1.0	8,931	829
	Ag	57.2	6.4	62	5.3	2,046	115
	Non-Ag	98.3	0.2	100	0.0	6,885	714
India	Total	1.8	18.1	94.1	1.6	11,903	1,560
	Ag	2.4	43.4	76.4	10.5	1,523	240
	Non-Ag	1.7	14.1	96.7	0.3	10,380	1,320
Japan	Total	40.1	4.6	97.8	0.2	9,371	1,138
	Ag	24.3	10.6	96.2	0.4	1,978	207
	Non-Ag	44.3	3.2	98.2	0.2	7,393	931
Kazakhstan	Total	18.1	5.6	62.8	2.9	12,284	-
	Ag	7	8.1	70.5	1.9	2,703	-
	Non-Ag	21.3	5.0	60.6	3.2	9,581	-
Korea, Rep. of	Total	19.2	12.7	89.9	6.8	12,234	1,764
	Ag	5.4	53.1	59.3	44.8	1,726	258
	Non-Ag	21.5	6.3	94.9	0.7	10,508	1,506
Kyrgyz Rep.	Total	15.5	6.5	57.6	3.6	12,285	-
	Ag	6.3	8.8	51.9	3.0	2,703	-
	Non-Ag	18.1	6.1	59.2	3.7	9,582	-
Macao, China	Total	100	0	-	-	6,641	-
	Ag	100	0	-	-	900	-
	Non-Ag	100	0	-	-	5,741	-
Montenegro	Total	29.3	4.9	93.5	0.6	6,641	419
	Ag	17	11.6	93.3	0.9	900	34
	Non-Ag	32.9	3.0	93.5	0.6	5,741	385
Morocco	Total	0.1	13.3	1.6	13.2	10,019	-
	Ag	0	30.6	5.5	30.0	2,315	-
	Non-Ag	0.1	10.5	1	10.4	7,704	-
New Zealand	Total	61.1	2.2	100	0	18,280	1,139
	Ag	64.6	1.8	100	0	2,580	149

Market	Sector	MFN		LDC		Number of tariff lines	
		% lines DFQF	Simple avg. duty	% lines DFQF	Simple avg. duty	Total	With imports from LDCs
	Non-Ag	60.5	2.3	100	0	15,700	990
Norway	Total	84.4	2.6	100	0	7,926	-
	Ag	43.5	19.5	100	0	1,082	-
	Non-Ag	94.4	0.4	100	0	6,844	-
Russian Federation	Total	15.9	6.4	62.1	3.3	7,175	-
	Ag	7.6	8.1	70.6	1.9	1,410	-
	Non-Ag	18.3	6.1	58.6	3.7	5,765	-
Singapore	Total	99.9	0	-	-	12,288	-
	Ag	99.4	0	-	-	2,703	-
	Non-Ag	100	0	-	-	9,585	-
Switzerland	Total	26	-	100	0	10,813	1,720
	Ag	17.4	-	100	0	1,369	360
	Non-Ag	29.3	-	100	0	9,444	1,360
Chinese Taipei	Total	30.5	6.3	32.1	6.2	8,843	707
	Ag	22.4	13.8	23.3	13.7	2,464	97
	Non-Ag	32.1	4.9	33.8	4.8	6,379	610
Tajikistan	Total	11.7	7.8	11.7	3.9	9,136	-
	Ag	0.4	10.5	0.4	5.3	1,505	-
	Non-Ag	14.9	7.1	14.9	3.6	7,631	-
Thailand	Total	30.4	13.7	71.1	8.6	11,442	-
	Ag	9.9	31.6	75.7	13.2	2,508	-
	Non-Ag	33.4	11.7	70.4	8.0	8,934	-
Turkiya	Total	22.6	14.2	78.7	11.1	10,813	987
	Ag	14.1	48.8	27.1	47.4	1,369	122
	Non-Ag	24.7	5.9	91	2.4	9,444	865
United Kingdom	Total	26.6	4.7	99.8	0	11,800	1,473
	Ag	19	7.7	100	0	2,271	316
	Non-Ag	28.8	4.3	99.8	0	9,529	1,157
United States	Total	37.8	4.8	82.4	2.6	9,483	2,358
	Ag	20.6	9.4	85.7	5.2	2,101	337
	Non-Ag	41.4	3.8	81.7	2.0	7,382	2,021

Note: Simple average duties exclude non-*ad valorem* duties, except for the United States, for which *ad valorem* equivalents are available. Beneficiaries are countries eligible to the national LDC scheme; some UN-LDC countries may be excluded.

Source: WTO-Integrated Database (IDB)

Not all LDCs utilize LDC-specific preferential schemes. Some export products of LDCs are already subject to zero MFN tariffs in the most significant markets or the exporting country may have access to other, non-LDC specific preference regimes such as the African Growth and Opportunity Act (AGOA), in the United States of America, for African LDCs, Economic Partnership Agreements between the European Union and several countries in Africa, or regional trading arrangements such as the Association of Southeast Asian Nations (ASEAN) Free Trade Area. Moreover, Exporters in LDCs may also have difficulty in fulfilling the requirements to determine compliance with the preferential rules of origin.

i. Preferential Rules of Origin (RoO) for goods

Rules of origin are the criteria used to define whether a product is considered to originate in a certain country and thereby whether it can benefit from preferential market access. For products produced through global value chains, rules of origin determine the extent to which a product needs to be produced in a certain country in order to be eligible for preferential treatment.

Strict rules of origin can be a barrier to utilizing preferential market access. In recognition of this, and particularly since the WTO Ministerial Conferences held in Bali and Nairobi in 2013 and 2015, respectively, in many countries, LDCs benefit from less stringent rules of origin. For example:

In the European Union, since 2011, the general threshold for non-originating materials is 70 per cent for LDCs and 50 per cent for other Generalized System of Preferences (GSP) beneficiaries which means the value addition requirement for LDCs for availing the preferential schemes under EBA is 30%. In some cases, and product-specific origin requirements are more lenient. In textile and apparel products, the rules of origin permit single-stage processing for LDCs while for developing countries they require double transformation. In the United States, an article produced in an LDC beneficiary of its GSP may count inputs from least developed and other beneficiary countries in its regional association towards the 35 per cent domestic content requirement for satisfying the rules of origin on certain articles.

For the main value-added rule of origin, which covers all goods except certain textile and apparel goods, **Canada** allows the use of up to 80 per cent non-originating materials (e.g., 60 per cent of the value may originate anywhere, 20 per cent must originate from a current or former GSP beneficiary, the remaining 20 per cent must originate in an LDC).⁶⁹

⁶⁹ UNCTAD. 2021. Generalized System of Preferences Handbook on The Scheme of Canada Third Edition. (Page 12). Retrieved from, https://unctad.org/system/files/official-document/itcdtsbmisc66rev2_en.pdf.

The **United Kingdom** had less stringent rules of origin for LDCs on a number of products, similar to those of the European Union till 2022. During early 2023 UK introduced Developing Countries Trading Scheme (DCTS) under which value addition criteria for LDCs is 25% that for developing countries is same.

There are also LDC-specific rules of origin under regional agreements. For example, under the South Asian Free Trade Area (SAFTA), the general criteria are change of tariff heading plus 30 per cent for LDCs as opposed to 40 per cent for non-LDCs. Under the Asia-Pacific Trade Agreement (APTA), the value-addition threshold for LDCs is 35 per cent as opposed to 45 per cent for non-LDCs and regional cumulation is allowed where the regional value addition is 50 per cent for LDCs as opposed to 60 per cent for non-LDCs.

Table 16: Rules of origin in some export destinations

Countries/Blocs	RoO for LDCs	RoO for developing countries
European Union	For textile and apparel products: single-stage transformation	For textile and apparel products: double-stage transformation
	30%	50%
USA	35%	35%
Canada	20% ⁷⁰ 25% for Apparel ⁷¹	60% for General Preferential Tariff (GPT) ⁷²

⁷⁰ For the main value-added rule of origin, which covers all goods except certain textile and apparel goods, Canada allows the use of up to 80 per cent non-originating materials (e.g., 60 per cent of the value may originate anywhere, 20 per cent must originate from a current or former GSP beneficiary, the remaining 20 per cent must originate in an LDC).

UNCTAD. 2021. Generalized System of Preferences Handbook on The Scheme of Canada Third Edition. (Page 12). Retrieved from, https://unctad.org/system/files/official-document/itcdtsbmisc66rev2_en.pdf.

⁷¹ The apparel goods (listed in Parts A1 or A2 of Schedule 1 to the Regulations) are deemed originating in an LDC if they are assembled in an LDC from fabric cut in that LDC or in Canada, or from parts knit to shape, provided that the fabric, or the parts knit to shape, are produced in any LDC, provided that, The value of any materials, including packing, that are used in the manufacture of the goods and that originate outside the LDC in which the goods are assembled is no more than 75 per cent of the ex-factory price of the goods as packed for shipment to Canada.

⁷² At least 60 per cent of the ex-factory price of goods as packed for shipment to Canada must originate in one or more GPT beneficiary countries or Canada.

UNCTAD. 2021. Generalized System of Preferences Handbook on The Scheme of Canada Third Edition. (Page 12). Retrieved from, https://unctad.org/system/files/official-document/itcdtsbmisc66rev2_en.pdf.

Countries/Blocs	RoO for LDCs	RoO for developing countries
United Kingdom	For textile and apparel products: single-stage transformation	For textile and apparel products: double-stage transformation
	25% under New GSP scheme "Developing Countries Trading Scheme (DCTS)	50% for all other products
SAFTA	30% Change of Tariff Heading (CTH)	40% (CTH)
APTA	35%	45%

2.11.2 Preferential Market Access Under Regional Trade Agreements (RTAs)

In addition to the preferential tariffs and rules of origin, special preferential provisions are available for LDCs in some regional trade agreements.

South Asian Free Trade Area (SAFTA): In order to expand trade and economic cooperation among the South Asian countries (Afghanistan, Bangladesh, Bhutan, Maldives, Nepal, India, Pakistan and Sri Lanka), South Asian Free Trade Area (SAFTA) was signed during the 12th SAARC summit held from 4-6 January 2004 in Islamabad, Pakistan. The agreement was effective from 1 January 2006. In the South Asian Free Trade Area (SAFTA), among other measures, LDCs benefit from smaller sensitive lists adopted by some of the partners (meaning they receive tariff concessions on a larger number of products) and preferential rules of origin (requirement of change of tariff heading and value addition of 10 per cent less than the requirement for non-LDCs).

Export-import facilities under SAFTA

- All products except only 25 products including tobacco and wine can be exported to India duty free.
- All products except those included in the sensitive list of other SAARC countries except India, can be exported to the countries duty free.
- Bangladesh can import raw materials necessary for exported products from the SAARC countries duty free or in reduced tariff rates.
- All products except those included on the sensitive list of Bangladesh can be imported from the SAARC Countries duty free.

Table 17: Products with tariff concession under SAFTA⁷³

Countries	Number of Products with tariff concession	
	For Non-LDCs	For LDCs
Afghanistan	4,400	4,400
Bangladesh	4,217	4,228
Bhutan	5,094	5,094
India	4636	5,225
Sri Lanka	4,287	4,413
Maldives	5,096	5,096
Nepal	4,214	4,252
Pakistan	4,314	4,314

Sensitive lists:

Since 1 January 2006 (the time of the SAFTA agreement being effective), each member country has maintained a sensitive list. In each member country, for import of products in the sensitive lists, duties in MFN tariff rates will have to be paid. No duty free facility can be get in case of export of products in the sensitive list to the respective countries. LDCs benefit from smaller sensitive lists adopted by some of the partners (meaning they receive tariff concessions on a larger number of products).

After 2006, the member countries reduced their respective sensitive products' list in the 2nd phase in 2012. Since 9 November, 2011, India has reduced its sensitive products' list from 480 to 25 products including tobacco and wine for LDCs. But the list is large in case of non-LDCs. Moreover, Maldives and Bhutan have limited number of products in their sensitive list. Bangladesh in its sensitive list has 1033 products for non-LDCs and 1022 products for LDCs.

Table 18: Products in the sensitive lists of member countries of SAFTA

Countries	Duty Payable Products Number	
	For Non-LDCs	For LDCs
Afghanistan	850	850
Bangladesh	1033	1022
Bhutan	156	156
India	614	25
Sri Lanka	963	837
Maldives	154	154

⁷³ Guidebook on preferential duties of Bangladesh under bilateral and regional trade agreements, FTA Wing Ministry of Commerce, May 2019.

Countries	Duty Payable Products Number	
	For Non-LDCs	For LDCs
Nepal	1036	998
Pakistan	936	936

Source: SAARC Secretariat and BTTC.

SAFTA Rules of Origin:

For availing preferential duties for export of Wholly and Non Wholly Obtained products under the SAFTA, Certificate of Origin (CoO) can be received from Export Promotion Bureau (EPB). Rules of origin criteria under the SAFTA agreement can be fulfilled upon submission of the CoO with export documents. According to the Rules of Origin (RoO) conditions of the SAFTA, for export of Non Wholly Obtained products, as an LDC, Bangladesh has to fulfill condition of 30% value addition along with Change of Tariff Heading (CTH). For example, for export of T-shirt to Nepal under SAFTA, the following process needs to be followed for availing duty free facility:

Suppose, cotton, under the tariff heading 5201, has been imported as a raw material for making T-shirt. A manufacturing company from Bangladesh, after completing several steps of production of T-shirt through import and use of raw materials including cotton, has manufactured and exported the T-shirt to Nepal under tariff heading 6204. Suppose, the export price (FoB) of each T-shirt is BDT 100 in which raw materials worth BDT 60 were imported. Hence, the rate of value addition is 40%. In this scenario, tariff heading has been changed from 5201 to 6204. In this case, the product (T-shirt) can be exported to Nepal under the zero/reduced tariff facility of SAFTA since the condition of 30% value addition along with the change in tariff heading have been fulfilled.

In addition, under the SAFTA agreement, Product Specific Rules of Origin (PSR) are applicable for 187 products.

The SAFTA agreement contains a special provision for Maldives (article 12), which graduated from the LDC list in 2011, granting it LDC-equivalent treatment in the Agreement and in any subsequent contractual undertakings;

2.11.3 Asia Pacific Trade Agreement (APTA)

The Asia-Pacific Trade Agreement (APTA), formerly known as the Bangkok Agreement (1975-2005), is a regional preferential trade agreement (PTA) among developing countries in Asia and the Pacific region. The objective of the Agreement is to promote economic development of its members through the adoption of mutually beneficial trade

liberalization measures that contribute to regional trade expansion and economic cooperation. The current members of APTA are Bangladesh, China, India, the Lao Peoples Democratic Republic, Mongolia, the Republic of Korea and Sri Lanka. Over time it expanded its coverage from the initial negotiation of tariff concessions on trade in goods to at present negotiating liberalization in investment, services trade and trade facilitation.

Export-import preferences under APTA:

- Under the APTA, products can be exported from Bangladesh to the APTA member countries including larger economies such as China and Korea under different rates of preference margin or preferential tariff rates.
- Bangladesh can import raw materials necessary for export sectors from member countries in reduced or zero tariff rates.

Tariff concession under APTA: APTA is not a closed end negotiation and aims at gradual tariff reduction among its Participating States. It launches and continues to negotiate a new Round after the conclusion of a Round. So far, four Rounds of negotiations have been completed under APTA, and currently it is in the process of initiating the Fifth Round of negotiations.

Table 19: Development of APTA tariff concessions ⁷⁴

Countries	Products' Number under different margin of preference							
	3 rd Round				4 th Round			
	No. of Products		MoP (%)		No. of Products		MoP (%)	
	General	Specialized (for LDCs)	General	for LDCs	General	Specialized (for LDCs)	General	for LDCs
Bangladesh	209	-	14.1		598	04	21.76	27.50
India	570	48	23.9	39.7	3,142	48	33.45	65.48
China	1,697	161	26.7	77.9	2,191	181	33.09	79.58
Lao PDR	-	-	-	-	999	-	30.17	-
South Korea	1,367	306	35.4	64.6	2,797	951	33.39	94.47
Sri Lanka	427	72	14.0	12.0	568	75	22.06	18.17
Mongolia	-	-	-	-	366	-		
Total	4,270	587	27.2	59.8	10,661	1,255	31.73	86.44

⁷⁴ Farhad, M. (2022). Asia-Pacific Trade Agreement an evolving preferential regional trade agreement. UNESCAP. Retrieved from, unescap.org/kp/2022/asia-pacific-trade-agreement-evolving-preferential-regional-trade-agreement

MoP= the percentage difference between the Most- Favoured-Nation (MFN) rate of duty and the preferential rate of duty. MoP is estimated as a simple average of all items in the list of concessions.

Source: UNESCAP 2022.

The Fourth Round of negotiations was launched in October 2007, and following decade long negotiations, successfully concluded in the Fourth Ministerial Council Meeting in January 2017. The result of the Fourth round of negotiations became effective on 1st of July 2018. This Round significantly widens the coverage of preferences of total tariff lines for each Member State and led to the exchange of tariff concessions on 10,294 items, compared to 4,270 items under the Third Round. The Fourth round deepens the tariff concessions by at least 31-34% measured as an average MoP for products covered under APTA, except for least developed Participating States and Sri Lanka, who were granted greater flexibility in meeting these requirements.

LDCs benefit from larger lists of tariff concession items as well as deeper tariff concessions (higher margin of preference for market access) in some of the partners.

Rules of Origin (RoO) under APTA:

Under APTA, LDCs have additional flexibility in rules of origin (domestic value requirement of 35 per cent instead of 45 per cent). For value addition of 35%, LDCs may avail the respective margin of preference for export to the APTA member states (as per the tariff concessions set by respective member states).

Table 20 APTA Rules of Origin (RoO)⁷⁵

Rule 2	Rule 3	Rule 3(b)	Rule 4	Rule 10
Wholly Produced or Obtained	Not Wholly Produced or Obtained	Change in Tariff Heading (CTH)	Cumulative Rules of Origin	S&D Provisions for LDCs
100% produced or obtained in APTA Participating State	Minimum 45% local value-added content in APTA Participating State [For LDC, minimum local value-added contents requirement is 35%]	156 items (at 4-digit HS Code)	Minimum of 60% of originating contents in APTA Participating States [For LDC, minimum originating contents requirement is 50%]	10% additional concession on Rule 3 and 4 for APTA Least Developed Participating States

Developing-8 (D-8):

D-8 is a Preferential Tariff Arrangement (PTA) among of Eight Developing Countries (D8) Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan, Turkey.

⁷⁵ Farhad, M. (2022). Asia-Pacific Trade Agreement an evolving preferential regional trade agreement. UNESCAP. Retrieved from, unescap.org/kp/2022/asia-pacific-trade-agreement-evolving-preferential-regional-trade-agreement

Bangladesh being the only LDC, enjoyed a longer implementation period for tariff reduction under the PTA.

2.12 Technical Assistance for Trade Related Capacity Building

A number of mechanisms are in place to support LDCs through technical assistance and capacity-building related to trade.

- The Enhanced Integrated Framework (EIF), an Aid for Trade mechanism dedicated specifically to LDCs and recent graduates, supports LDCs through analytical work, institutional support and productive capacity-building projects.
- The WTO secretariat provides technical assistance on the issues covered by WTO agreements and on accession. LDCs benefit from specific courses that address their needs, are entitled to participate in a greater number of national activities per year than other developing countries and are the main beneficiaries of WTO and mission internship programmes. Several WTO agreements contain provisions on technical assistance to LDCs. For example:
 - LDCs have priority in technical assistance delivered by WTO members and the secretariat under the Agreement on the Application of Sanitary and Phytosanitary Measures. The Standards and Trade Development Facility (STDF) has a target of allocating at least 40 per cent of total project financing to LDCs or other low-income countries (OLICs). There is also a lower co-financing requirement for technical assistance. The minimum required contribution from LDCs and OLICS is 10 per cent, as opposed to 20 per cent for lower-middle-income countries and 60 per cent for upper-middle-income countries.
 - Provisions under the WTO agreement state that the WTO secretariat shall make available technical assistance on request to developing country members, and in particular to the least developed country members, as part of the preparation of the Trade Policy Reviews. Developing countries need to do trade policy review in every 3 years whereas LDCs may do so in every 7 years.
 - A Trade Facilitation Agreement Facility has been created to deliver support to LDCs and developing countries so that they may fully benefit from the Trade Facilitation Agreement.
 - LDCs are to be given priority in technical assistance under the Agreement on Technical Barriers to Trade.

- The Advisory Centre on WTO Law provides legal advice on issues related to WTO, WTO dispute settlement support and capacity-building, and LDCs do not have to join as members in order to benefit from its services.
- ITC works to build the capacity of private actors in LDCs so they can take advantage of the global trading system

2.13. Utilization of S&DT Under Agreements of WTO

Bangladesh is beneficiary of S&DT benefits under several agreements of WTO. This section in brief discusses Bangladesh’s utilization of S&DT in various agreements.

2.13.1 Agreement on Subsidies and Countervailing Measures: Export Subsidy Provided by Bangladesh

As mentioned in the previous section, as per the Agreement on Subsidies and Countervailing Measures, LDCs and developing countries (Annex VII (b) countries) with GNP per capita lower than \$1,000 at 1990 prices are exempted from abiding by prohibitive subsidies unless the product is globally competitive (has 3.25% share of global export). When an Annex VII country has reached export competitiveness in one or more products, export subsidies on such products shall be gradually phased out over a period of eight years. After graduation, whether Bangladesh would remain under the USD 1000 threshold (GNI/GNP per capita) would depend not only on economic and population growth, but also on the way the methodology to calculate GNI/GNP per capita in 1990 dollars is applied. The government has indicated that Bangladesh provides cash incentives to promote exports. Cash assistance to exporters are available for 35 different products ranging from 2 to 20 per cent of FoB export value. Bangladesh has already gained global competitiveness in RMG and continues to provide export subsidies in the sector. Currently the country is providing the following incentives/ export subsidies to the RMG and textile sector:

Table 21 Current Export Subsidy/ cash incentive to the RMG and textile sector in Bangladesh

Sl	Export Subsidy/ cash incentive	Applicable rate
1.	Special cash incentive for all the export oriented RMG industries	1%

Sl	Export Subsidy/ cash incentive	Applicable rate
2.	Additional cash incentive for all the export-oriented small and medium RMG (Knit, woven and sweater) industries	4%
3.	Alternative cash incentive instead of customs bond and duty drawback for Export oriented domestic textile industries	4%
4.	Additional cash incentive for export of non-traditional textile products and export of textiles to non-traditional markets (other than USA/Canada/EU/UK)	4%
5.	Additional special incentive for export of textile products to the Euro Zone in addition to the existing 4% cash incentives	2%

Source: Bangladesh Bank FE Circular 26, September 2022

In addition to the above-mentioned export subsidies, Bangladesh is currently providing subsidies for exporters of many other sectors including plastics, leather and leathers goods, furniture, pharmaceuticals and many more. After LDC graduation, these export subsidies will not be allowed to be provided.

2.13.2 TRIPS related Advantage of Bangladesh

As discussed in chapter 2, for graduation, there are three main aspects to consider under the TRIPS Agreement⁷⁶: the need to comply fully with the TRIPS Agreement when the extension of the general transition period granted to LDCs no longer applies; impacts on the pharmaceutical sector, which currently benefits from significant LDC-specific exemptions extending to 2033 in case of Bangladesh; and impacts of no longer being having access to technology transfer under Article 66.2.

The Article 70.8 of the TRIPS agreement states that WTO member states must maintain regulatory arrangements that allow the filing of patents, which is also known as "mailbox provision", so that when TRIPS protection commences upon implementation of the TRIPS, the filed applications can get patent protection right away and remain valid for the rest of the time (20 years) while Article 70.9 emphasizes the importance of ensuring exclusive marketing rights for a period of five years. Bangladesh as an LDC received waiver in implementing these articles which contributed to boosting the pharmaceutical sector.

⁷⁶ <https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/IA-Bangladesh-2019.pdf>

Owing to the flexibilities offered by WTO TRIPS agreement and the support granted by the National Drug Control Ordinance (1982), Bangladeshi firms have enjoyed advantageous provisions, boosting domestic pharmaceutical production with import substitution and thus saving foreign currency on pharmaceutical imports. The current pharmaceutical industry of Bangladesh is valued at more than \$3 billion⁷⁷, which is about 1 percent of GDP. In FY2021-22, the export of pharmaceuticals from Bangladesh was \$188.78 million which was \$169.02 million in the previous FY 2020-21.⁷⁸

Due to TRIPS' flexibility, businesses operating in Bangladesh have been able to create generic versions of drugs that are patented elsewhere and to sell these products in local markets or to other LDCs or non-members of WTO which have not implemented patent protection.

Reaping the TRIPS Benefit: The proper utilization of this patent waiver flexibility made Bangladesh become the only LDC country with adequate pharmaceutical manufacturing ability and almost self-reliant. Starkly after graduation, such exemption will not prevail. The TRIPS agreement has turned Bangladesh into a center for affordable and high-quality generic medicines and contract manufacturing, with exports to potentially more than 100 countries across the world. Even, more than ten leading Bangladeshi pharmaceutical companies are exporting generics to international markets. A number of these firms are also evolving as contenders to high-ranked Indian companies in certain areas. Pharmaceutical firms in the country are modernizing their factories and receiving certifications from the US, Australia, Canada, and EU. They are able to enter both regulated and uncontrolled markets because of their ability to maintain compliance. Top-tier businesses have already built world class pharmaceutical plants using.

2.13.3 Agriculture Subsidies Provided by Bangladesh

According to the Agreement on Agriculture (AoA), LDCs and Net Food Importing Developing Countries (NFIDCs) may provide certain forms of agricultural export subsidies until 2030. The following is the WTO list of developing countries eligible as beneficiaries in respect of the measures provided within the framework of the Decision, revised to include Tonga as decided at the meeting of the Committee on Agriculture on 27-28 March 2023

- a) Least developed countries as recognized by the Economic and Social Council of the United Nations; plus
- b) Antigua and Barbuda, Barbados, Botswana, Côte d'Ivoire, Cuba, Dominica, Dominican Republic, Egypt, El Salvador, Eswatini, Gabon, Grenada, Honduras,

⁷⁷ BAPI

⁷⁸ EPB

Jamaica, Jordan, Kenya, Maldives, Mauritius, Mongolia, Morocco, Namibia, Pakistan, Peru, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Senegal, Sri Lanka, Trinidad and Tobago, Tonga, Tunisia and the Bolivarian Republic of Venezuela⁷⁹.

Table 22: List of NFIDC Countries

S.L.	Name	S.L.	Name	S.L.	Name	S.L.	Name
1	Afghanistan	21	Egypt	41	Malawi	61	Senegal
2	Angola	22	El Salvador	42	Maldives	62	Sierra Leone
3	Antigua and Barbuda	23	Eritrea	43	Mali	63	Solomon Islands
4	Bangladesh	24	Eswatini	44	Mauritania	64	Somalia
5	Barbados	25	Ethiopia	45	Mauritius	65	South Sudan
6	Benin	26	Gabon	46	Mongolia	66	Sri Lanka
7	Bhutan	27	Gambia	47	Morocco	67	Sudan
8	Bolivarian Republic of Venezuela	28	Grenada	48	Mozambique	68	Timor-Leste
9	Botswana	29	Guinea	49	Myanmar	69	Togo
10	Burkina Faso	30	Guinea-Bissau	50	Namibia	70	Tonga
11	Burundi	31	Haiti	51	Nepal	71	Trinidad and Tobago
12	Cambodia	32	Honduras	52	Niger	72	Tunisia
13	Central African Republic	33	Jamaica	53	Pakistan	73	Tuvalu
14	Chad	34	Jordan	54	Peru	74	Uganda
15	Comoros	35	Kenya	55	Rwanda	75	United Republic of Tanzania
16	Côte d'Ivoire	36	Kiribati	56	Saint Kitts and Nevis	76	Yemen
17	Cuba	37	Lao People's Democratic Republic	57	Saint Lucia	77	Zambia
18	Democratic Republic of the Congo	38	Lesotho	58	Saint Vincent and the Grenadines		
19	Djibouti	39	Liberia	59	Samoa		
20	Dominican Republic	40	Madagascar	60	Sao Tome and Principe		

⁷⁹ WTO LIST OF NET FOOD-IMPORTING DEVELOPING COUNTRIES, G/AG/5/Rev.12, WTO Website

Bangladesh can apply to be included in that group after graduation. Bangladesh as an LDC has been providing subsidies in the following agricultural sectors for FY 2022-23:

Export Subsidy

- 20% Export subsidy for the agro products (vegetables and fruits) and agro-processed food in the fiscal year (2022-23)
- 20% export subsidy for export of grains and seeds of vegetables
- 20% cash incentive for export of potatoes

The above mentioned direct export subsidy will not be applicable after graduation. Under the AoA, no country, even the LDCs, can provide export subsidies for agricultural products. The above-mentioned export subsidies that Bangladesh provides to exporters could come under strict scrutiny after graduation. Bangladesh could provide subsidies for marketing related activities by enrolling as a net food importing developing country (NFIDC) list.

In addition to these, Bangladesh government also provides subsidy on fertilizer. In FY 2021-22 subsidies worth Tk. 12,000 crore were provided for all types of fertilizers. The subsidy in FY 2022-23 has been proposed to be Tk. 16,000 crore. This subsidy will be allowed after graduation.

2.13.4 Major Exporting Products of Bangladesh Under S&DT

According to Bangladesh shipment figures, the United States accounted for approximately 20% of the value of the country's exports. Bangladesh's other major export partners include Germany (14.6%), the United Kingdom (9.3%), Spain (6.1%), France (5.2%), Poland (4.1%), India (3.8%), Netherlands (3.4%), Italy (3.3%), Canada (2.9%), Japan (2.6%), Australia (1.8%), Belgium (1.7%), China (1.3%), Russia (1.2%) and Turkey (0.88%). Apart from USA, Bangladesh as an LDC enjoys duty free and quota free export of its products to all the export destinations. In addition to this, the government has been providing export subsidy/cash incentive to all the major export items.

Bangladesh has a number of important export destinations. The following Table shows the comparative position of Export Earnings from major trading partners during the July-June of Fiscal Year 2021-22 along with their trade shares and major items exported to the countries.

Table 23 Export earnings from major trading partners

United States: Largest importer of Bangladeshi exports. (Source: EPB)

Sl.	Products	Hs Code	Export Value(in million US\$)	Percentage share
1.	Woven garments	62	5892.92	30.38% of total woven export
2.	Knitwear	61	3120.17	13.44% of total knit export
3.	Home textile	63	310.71	17.85% of total home textile export
4.	Footwear	64	352.94	
5.	Cap	65	281.03	
6.	Leather and Leather Manufactures		92.03	
7.	Crustaceans	0306	38.87	
	Total export		10417.72	20% of total export income

1. **Germany:** Second largest importer of Bangladeshi exports.

Sl.	Products	Hs Code	Export Value(in million US\$)	Percentage share
1.	Woven garments	62	2,987.71	15.40% of woven garments export
2.	Knitwear	61	4,181.83	18.01% of the total knitwear exports
3.	Home textile	63	112.91	6.48% of total home textiles export
4.	Bicycle	8712	63.47	-
5.	Footwear	64	106.85	-
6.	Crustaceans	0306	60.83	14.52% of total crustaceans export
	Total export		7,590.97	14.57% of the total export income

3. United Kingdom: Third largest importer of Bangladeshi exports.

Sl.	Products	Hs Code	Export Value (in million US\$)	Percentage share
1.	Woven garments	62	1,805.87	-
2.	Knitwear	61	2,691.35	-
3.	Home textile	63	90.08	-
4.	Bicycle	8712	43.18	-
5.	Crustaceans	0306	55.32	-
	Total export		4,828.08	9.27% of the total export income

4. France:

Sl.	Products	Hs Code	Export Value (in million US\$)	Percentage share
1.	Woven garments	62	849.32	-
2.	Knitwear	61	1,541.67	-
3.	Home textile	63	88.19	-
4.	Footwear	64	167.53	-
5.	Crustaceans	0306	21.36	-
	Total export		2711.06	5.21% of the total export income

5. Spain:

Sl.	Products	Hs Code	Export Value(in million US\$)	Percentage share
1.	Woven garments	62	1280.29	-
2.	Knitwear	61	1738.24	-
3.	Home textile	63	33.60	-
4.	Leather and Leather Products	(41 -43, 6403)	15.41	-
5.	Footwear	64	47.45	-

Sl.	Products	Hs Code	Export Value(in million US\$)	Percentage share
	Total export		3166.37	6.08% of the total export income

6. Italy:

Sl.	Products	Hs Code	Export Value (in million US\$)	Percentage share
1.	Woven garments	62	506.14	-
2.	Knitwear	61	1090.63	-
3.	Home textile	63	19.48	-
4.	Leather and Leather Products	(41 -43, 6403)	32.45	
5.	Footwear	64	26.52	-
	Total export		1702.29	3.27% of the total export income

7. Canada

Sl.	Products	Hs Code	Export Value(in million US\$)	Percentage share
1.	Woven garments	62	646.90	-
2.	Knitwear	61	679.46	-
3.	Home textile	63	93.60	-
	Total export		1522.96	2.92 % of the total export income

8. Belgium

Sl.	Products	Hs Code	Export Value (in million US\$)	Percentage share
1.	Woven garments	62	226.06	-
2.	Knitwear	61	496.45	-
3.	Home textile	63	18.26	-
4.	Crustaceans	(0306)	73.10	

Sl.	Products	Hs Code	Export Value (in million US\$)	Percentage share
5.	Jute and jute products	(53, 630510)	9.20	
	Total export		900.03	1.73% of the total export income

9. Netherlands

Sl.	Products	Hs Code	Export Value(in million US\$)	Percentage share
1.	Woven garments	62	621.13	-
2.	Knitwear	61	853.19	-
3.	Home textile	63	59.95	-
4.	Crustaceans	(0306)	86.81	
5.	Footwear	(64)	83.97	
	Total export		1775.01	3.41% of the total export income

10. Japan

Sl.	Products	Hs Code	Export Value(in million US\$)	Percentage share
1.	Woven garments	62	507.94	-
2.	Knitwear	61	590.68	-
3.	Home textile	63	46.99	-
4.	Leather and Leather Products	41-43, 6403	93.64	
4.	Crustaceans	0306	13.09	
5.	Footwear	64	36.64	
	Total export		1353.85	2.60% of the total export income

11. Poland

Sl.	Products	Hs Code	Export Value(in million US\$)	Percentage share
1.	Woven garments	62	744.08	-

Sl.	Products	Hs Code	Export Value(in million US\$)	Percentage share
2.	Knitwear	61	1261.97	-
3.	Home textile	63	40.02	-
4.	Leather and Leather Products	(41-43, 6403)	43.72	
5.	Footwear	(64)	58.40	
	Total export		2139.24	4.11 % of the total export income

12. India

Sl.	Products	Hs Code	Export Value(in million US\$)	Percentage share
1.	Woven garments	62	399.84	-
2.	Knitwear	61	315.57	-
3.	Cotton and Cotton Products	(52)	39.28	-
4.	Jute and Jute Products	(53, 630,510)	194.4	
5.	Plastic products	(39)	30.43	
6.	Leather and Leather Products	(41-43, 6403)	101.02	
	Total export		1991.39	3.82 % of the total export income

13. Russia

Sl.	Products	Hs Code	Export Value(in million US\$)	Percentage share
1.	Woven garments	62	207.54	-
2.	Knitwear	61	376.24	-
3.	Home textile	63	10.66	-
4.	Crustaceans	(0306)	8.64	
5.	Jute and Jute Products	(53, 630,510)	17.12	
	Total export		638.31	1.23 % of the total export income

14. Australia

Sl.	Products	Hs Code	Export Value(in million US\$)	Percentage share
1.	Woven garments	62	312.06	-
2.	Knitwear	61	500.18	-
3.	Home textile	63	66.02	-
	Total export		916.24	1.76 % of the total export income

15. China

Sl.	Products	Hs Code	Export Value(in million US\$)	Percentage share
1.	Woven garments	62	138.13	-
2.	Knitwear	61	84.20	-
3.	Home textile	63	7.40	
4.	Leather and Leather Products	(41-43 , 6403)	97.92	
5.	Footwear	(64)	17.72	-
6.	Jute and jute goods	(53, 630510)	170.75	
7.	Plastic products	(39)	14.49	
	Total export		683.43	1.31 % of the total export income

16. Turkey

Sl.	Products	Hs Code	Export Value(in million US\$)	Percentage share
1.	Woven garments	62	98.28	-
2.	Knitwear	61	95.41	-
3.	Jute and jute goods	(53, 630510)	215.34	

Sl.	Products	Hs Code	Export Value(in million US\$)	Percentage share
	Total export		458.15	0.88 % of the total export income

Although the textile and apparel industry still makes up the majority of the nation's export revenues, other industries such as frozen fish, pharmaceuticals, home textile, leather products, agro-products, and plastics are gradually taking over. Overall, Bangladesh is gradually advancing toward being a significant exporter of these items in South Asia and is poised to play a significant role in these industries.

2.14 S&DT After Graduation

Graduating LDCs have the possibility to request waivers at WTO that provide them with transition periods to phase out flexibilities or phase in obligations. Such waivers must be negotiated with members. Specific attention can be sought in WTO committees regarding difficulties encountered in the implementation of any agreement. Because WTO is a member-driven organization, such negotiations require active engagement by the graduating LDCs in WTO committees, as well as in bilateral discussions. Graduated LDCs still benefit from a range of special and differential treatment provisions that apply to all developing members.

Flexibilities under Agreement on Agriculture (AoA): As per the provisions of the AoA, graduating LDCs could continue to benefit from some of the flexibilities under the agreement (mentioned in section 2.2.1 of the study) following their graduation from the LDC status if they are included in the WTO list of NFIDCs after graduation. The Committee on Agriculture maintains the list of WTO NFIDCs within the framework of the Marrakesh NFIDC Decision.⁸⁰ Any developing country member that is a net importer of basic foodstuffs can request, substantiated by the relevant statistical data, to be included in the list. Hence, graduating LDCs will have the option to request from the Committee on Agriculture to be included in the WTO NFIDC list as per the agreed procedure.⁸¹ One precedent for such a situation is Maldives, which upon graduation was included in the WTO NFIDC List in 2011 based on their request to the Committee on Agriculture. LDCs also enjoy some flexibility in terms of frequency of notifications, in particular in the area of domestic support notifications (namely the “Table DS: 1”

⁸⁰ WTO list of NFIDCs: G/AG/5/Rev.10 (last updated 2012).

⁸¹ Decision by the Committee on Agriculture at its meeting on 21 November 1995 relating to the establishment of a list of WTO NFIDCs for the purposes of the Marrakesh Ministerial Decision on measures concerning the possible negative effects of the reform programme on the LDCs and NFIDCs, G/AG/3.

notifications).⁸² LDCs are required to report to the WTO every two years on their use of domestic support. Developing country members are required to submit their domestic support notifications annually. Graduation from the LDC status would therefore require a change in the periodicity of domestic support notifications.

Bangladesh could pursue to be enlisted amongst NFIDCs

- A developing country member of WTO can be considered as a NFIDC if the country has been a net food importer of basic foodstuff in three years of the most recent five years.
- As an NFIDC, Bangladesh could provide marketing related subsidy on exports until 2030

TRIPS waiver after graduation:

According to the TRIPS agreement under WTO, as a least developed country, Bangladesh would get patent exemption on pharmaceutical products till 2026. Bangladesh is likely to enjoy the benefit of TRIPS waiver till 2033 in patent right as the WTO Ministerial Conference (MC-12) has adopted the decision below:

“An eligible member may apply the provisions of this Decision until 5 years from the date of this decision. The general council may extend such a period taking into consideration the exceptional circumstances of the Covid-19 pandemic⁸³”

Because of including this clause, opportunity is created for Bangladesh to enjoy the LDC trade benefit even after graduation in 2026. Albeit, further negotiation is required. As the declaration does not specify the decision of extending the specific period of time, but it will make benefitted the developing countries.

The ministerial conference (MC-12) further state that

“We recognize the role that certain measures in the WTO can play in facilitating smooth and sustainable transition for these members after graduation from the LDC Category⁸⁴”

It indicates that the eligible country including Bangladesh may enjoy the TRIPS waiver facility for extra five years.

⁸² Notification Requirements and Formats, 30 June 1995, G/AG/2

⁸³ Ministerial Conference (MC12) of the WTO declaration

⁸⁴ Ministerial Conference (MC12) of the WTO declaration

Preferential treatment for services and service suppliers after graduation:

Upon graduation, countries are no longer eligible for preferential treatment under the services waiver. However, graduating LDCs can request preference-granting WTO members to extend the LDC benefits for a certain period. An extension of such preferential treatment would require a special waiver, to which members would need to agree. However, a recent study found that the services waiver has not yet generated the desired impacts and that graduating LDCs are unlikely to lose much in services preferences after graduation.⁸⁵

Special treatment regarding obligations and flexibilities under World Trade Organization rules after graduation

Some Country-specific preferential market access during graduation:

Upon graduation, and after any applicable transition periods, countries are no longer eligible for LDC-specific preferential market access arrangements. In developed country markets, countries that have graduated from the LDC category will normally become beneficiaries of standard GSP schemes. LDC-specific rules of origin no longer apply. In developing country markets, graduated countries may continue to have preferential market access only if they are members of regional or bilateral trade agreements but no longer have access to non-reciprocal preferential market access schemes. The Everything But Arms initiative in the European Union contains a smooth transition provision, which automatically grants an additional period of eligibility. In other countries, some graduated countries have been able to maintain preferential treatment for a period after the date of graduation even though there are no automatic smooth transition provisions. The General Assembly, in its resolution 67/221, invited trading partners to establish procedures for extending or phasing out preferential market access in a predictable manner with provision for specific number of years of the extension or the details concerning the gradual phasing out of the measures.

Table 24 shows the countries that have smooth transition provisions for LDCs.

Markets	Smooth transition clauses
European Union and Turkey	Smooth transition period of 3 years after the entering into force of a delegated act adopted by the Commission after the date of graduation

⁸⁵ WTO and Enhanced Integrated Framework (EIF), Trade Impacts of LDC Graduation (Geneva, 2020).

Markets	Smooth transition clauses
Australia, Canada, China, India, New Zealand, Norway, Republic of Korea, Switzerland, United States	No formal smooth transition provision. Some graduates have been able to maintain the GSP for LDCs for a period past the date of graduation.
Chile, Eurasian Economic Union, Japan, Thailand	No formal smooth transition provision and no record of flexibility in extending eligibility beyond graduation.

Source: Based on information contained in the LDC Portal.

The European Union, the United Kingdom and Norway provide non-reciprocal preferential market access schemes which are in between the LDC-specific ones and the standard GSP ones. The provision in EU is known as GSP+. The United Kingdom’s enhanced framework within its GSP has similar terms. Norway’s GSP+ scheme grants duty-free access for all industrial goods and higher preferences on a number of agricultural goods in comparison with standard GSP beneficiaries. All lower-middle-income countries with populations of less than 75 million and low-income countries are eligible for GSP+.

2.14.1 S&DT Before Graduation- During Graduation Phase- After Graduation Phase

The S&DTs available before graduation can be availed during the graduation process. The following table summarizes the S&DTs before and after graduation phase

Table 25: Summary of S&DTs before and after graduation phase

S&DT type	For LDCs before/during graduation	After graduation
Preferential market access in goods	<ul style="list-style-type: none"> Benefit from duty-free and quota-free (DFQF) market access of developed and developing members till 2026. Benefit from EU EBA- till 2029 UK DCTS- till 2029 	Benefit from generalised system of preferences (GSP) schemes of developed members applicable to developing countries after graduation in 2026 and after 2029 from EU and UK.
Preferential treatment in services	Benefit from commitments made by developed and developing members under the LDC Services Waiver until 2030	Current benefits of the LDC services waiver will not be available after graduation.

S&DT type	For LDCs before/during graduation	After graduation
		<p>However, LDCs after graduation, will have ⁸⁶</p> <ul style="list-style-type: none"> • Technical capacity development support in service trade. • Technical assistance provided by the Secretariat at the multilateral level.
General transition period regarding the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS)	Exempted from implementing the TRIPS Agreement other than the core non-discrimination principles until 1 July 2034	Will have to implement the TRIPS ⁸⁷ agreement other than the core non-discrimination principles after graduation in 2026 and in 2029 in EU and UK (3 years' transition period has been provided by EU and UK).
Transition period for pharmaceuticals in the TRIPS Agreement	Exempted from providing patent protection for pharmaceutical products until 1 January 2033	Required to provide patent protection on pharmaceutical products after graduation in 2026. 3 years' transition period has been provided EU and UK.
Flexibility to use policy instruments under the Agreement on Subsidies and Countervailing Measures (SCM)	Pursuant to Article 27.2 and Annex VII(a) of the SCM Agreement, LDCs have the flexibility to use export subsidies	Except for LDCs and other countries included in Annex VII(b), export subsidies are prohibited for graduated/developing countries.
Technical assistance (TA) provided by the WTO	LDCs benefit from specific courses designed for their needs	No smooth transition periods under the WTO agreements. Countries continue to benefit from training and other

⁸⁶ WT/COMTD/W/271. WTO. 2023. Special and Differential Treatment Provisions In WTO Agreements and Decisions (Page 96-98).

⁸⁷ According to Bali Ministerial Conference, WTO

S&DT type	For LDCs before/during graduation	After graduation
		opportunities available to non-LDC developing countries.
TA from the Enhanced Integrated Framework (EIF)	The EIF programme exclusively assists LDCs in using trade as an engine for growth and sustainable development (until graduation, no specific time limit)	<ul style="list-style-type: none"> • Possibility of additional support for up to five years for graduated countries till 2031 for Bangladesh. • Reduced financial assistance from (EIF) for non-LDCs

Source: Compiled from WTO website.

Chapter 3: Assessment of Challenges and Losses of S&DT Benefits after Graduation

3.1 Challenges and Impact of LDC graduation

After graduation from LDCs, a range of restrictive WTO rules and agreements that have been waived for LDCs under the Enabling Clause,⁸⁸ will be enforced once Bangladesh graduates. The Agreement on Subsidies and Countervailing Measures (SCMs), Agreement on Agriculture (AoA), General Agreement on Trade in Services (GATS), Agreement on Trade Related Investment Measures (TRIMS), and Trade Related Property Rights, are the major ones that Bangladesh will be required to comply with in the post-graduation era.

3.1.1 Impact of Agreement on Trade-Related Investment Measures (TRIMs)

There are three S&D provisions in the Agreement on Trade-Related Investment Measures (TRIMs Agreement), which fall into three separate categories:

a) Flexibility of commitments, of action, and use of policy instruments- (Article 4):

Under the article 4, LDC countries are opportune to have the “flexibility of commitments from Development countries, of action, and use of policy instruments”.

Article 4 (Developing Country Members)

A developing country Member shall be free to deviate temporarily from the provisions of Article 2 to the extent and in such a manner as Article XVIII of GATT 1994, the Understanding on the Balance-of-Payments Provisions of GATT 1994, and the Declaration on Trade Measures Taken for Balance-of-Payments Purposes adopted on 28 November 1979 (BISD 26S/205-209) permit the Member to deviate from the provisions of Articles III and XI of GATT 1994.

As article III of GATT 1994 stipulates the general principle that Members must not apply internal taxes or other internal charges, laws, regulations, and requirements affecting imported or domestic products so as to afford protection to domestic production.

b) Transitional time-periods: Two provisions (Article 5.2 and 5.3):

Under the TRIMs Agreement, Member countries are required to notify the WTO Council for Trade in Goods of their existing TRIMs that are inconsistent with the TRIMs Agreement within 90 days from the date of entry into force of the WTO Agreement (Article 5.1). According to the article 5.2, each Member shall eliminate all TRIMs which

⁸⁸ The GATT’s “Enabling Clause” acts as the WTO’s legal basis for the Generalized System of Preferences (GSP) under which developed countries offer non-reciprocal preferential treatment (such as zero or low duties on imports) to products originating in developing/LDC countries.

are notified under Article 5.1, within two years of the date of entry into force of the WTO Agreement in the case of a developed country Member, within five years in the case of a developing country Member, and within seven years in the case of a least developed country Member. After Graduation, the flexibility will be end. Bangladesh now currently enjoying this issue which will be ended after graduation.

Impact on graduating LDCs

Unless another transition period is negotiated, after 2020 LDCs will not be allowed to introduce new measures that are inconsistent with the TRIMs Agreement. However, the fact that there have been no notifications of any such measure since the 2005 Hong Kong Decision suggests that the loss of this flexibility would have a limited impact on graduating LDCs.

3.1.2 Impact of Losing TRIPS Waiver

The primary impact of TRIPS waiver phase-out is likely to be felt in the pharmaceutical sector of the country. Unlike other LDCs, Bangladesh has a unique and highly functioning pharmaceutical export sector. While most least developed economies suffer from technological capacity constraints and shortage of skilled manpower to effectively produce medicines domestically, Bangladesh has acquired a large capacity in fulfilling more than 90 percent of the local market demands for drugs.

The end of TRIPS waiver will likely trigger two types of potential consequences for the industry: production and export related impacts and significant changes in the local legal framework to make it compatible with the WTO regime.

On economic impacts, several things could happen. The current industry of Bangladesh mostly depends on exporting generic drugs, or patented versions of generic drugs. In simple terms, since Bangladesh is a member of the LDC group, it is allowed to produce drugs and export them regardless of active patents. In post-LDC era, local firms may face cutbacks in production and export of patented generics because that will be the violation of TRIPS argument. This may lead to a loss of some export earnings for local manufacturers. There needs to be more empirical research on this issue to find out exact potential impact on market as it is not known to what extent patented drugs are produced and exported.

The potential impacts of graduation can also affect prices of drugs and market concentration, and they both can affect each other. The demand for medicines is price inelastic and largely influenced by physicians and retail pharmacies. As Rahman and Farin (2018) indicate, while impact on prices are somewhat unpredictable, they will be

determined by net effect of different forces and are likely to vary across genres of medicines. But if productions of generic drugs are hampered, then price of such drugs would go up. It is important to notice that, for some life-saving drugs (such as those related to cancer & HIV/AIDS), local producers can sell drugs at a fraction of the price of patent holders. They may not be able to do so in post-TRIPS era. Since local producers now manufacture 97 percent drugs demanded by Bangladeshi consumers, market may get unstable. Drugs that already have their patents expired are not likely to cause abrupt price changes.

For market concentration, there is a chance that smaller firms may become unprofitable and lose their market share. Bigger firms are likely to get a bigger grip on market as they have the technological knowhow and ability to invest in research & development to produce new drugs. They are more prepared for TRIPS waiver phasing out after LDC graduation. The pharmaceutical market is already quite concentrated in Bangladesh as the top 20 companies together account for a close to 90 percent of market share. Foreign multinationals currently hold 9.4 percent of the industry. Their share is expected to grow in post-TRIPS era as government will be forced to make changes in legal framework, allowing them opportunities to invest and do business at more liberal terms.

Quite apart from the impact on the pharmaceutical industry, one other implication needs to be recognized. In fact, there are two exemptions for LDCs under the TRIPS Agreement. One is general exemption and the other is related to pharmaceutical products. The general exemption exempted the LDCs from implementing all substantive TRIPS obligations, such as providing and ensuring various Intellectual Property Rights (IPRs). It will remain in force until 01 July, 2021, which is very likely to be extended further as it happened twice in the past. The main objective of the general exemption is to allow LDCs time to develop their IP regimes through enacting laws and enhancing enforcement capacities. Though Bangladesh has enacted several IP laws or amended the previous ones, in most cases enforcement is still very weak. This is partly due to capacity constraints and partly due to economic unaffordability. For example, copied books and software are being widely used with affordable prices taking the advantage of exemption from the IPR obligations.

3.1.3 Impact of Relaxed Disciplines as Regards Subsidies in Agriculture and Export

a) Impact on Agreement of Subsidies and Countervailing Measures (SCM)

As explained before, the agreement of SCM deals with consistency of subsidies and international provision for using countervailing measures. As an LDC, Bangladesh is exempt from maintaining the high standards of self-restrain regarding trade distortionary subsidies. At the same time, the country is eligible for receiving free

technical assistance support in the WTO's dispute settlement process. The biggest impact Bangladesh is likely to face is for using the prohibited or actionable subsidies, or any subsidies that are provided upon export performance. The government of Bangladesh currently provides cash subsidies on exports. Since this is done to incentivize exports, it falls under the prohibited subsidies. According to the WTO Trade Policy Review of Bangladesh (2019), these take the form of cash incentives, and are provided to exporters who do not avail of the duty drawback facility or the bonded warehousing facility. It needs to be pointed out that duty-drawback and bonded warehouse facilities should not be regarded as export subsidies. However, the problem is when cash assistance is provided to exporters that are not using duty drawbacks and bonded warehouses, it is difficult to assess the genuine subsidy elements in the scheme. Therefore, although not the entire cash assistance can be regarded as export subsidies, any WTO member could raise the question about the current policy of supporting export as being non-compliant with WTO rules. In FY22, the Finance Ministry of the government provided Tk 7,350 crore as cash incentives against exports of various goods and services, with nearly half of it going to the apparel industry. In addition to that, the government also makes several industry or sector specific fiscal contribution including grants and tax holidays. In post-graduation era, these subsidies will be considered actionable. Any WTO member will be able to lodge official complaints against Bangladesh. Recent developments in the WTO suggest that developed countries are proactively pursuing legal actions against developing economies that violate restraints on such prohibited or actionable subsidies.

In 2018, USA lodged official complaint against India about the latter's supporting garment and some other exports, stating that India provides actionable subsidies in special economic zones, which are not in line with Article 3.1(a) of SCM agreement. This has now been a subject of dispute settlement (DS541). WTO members have generally been reluctant about raising complaints against LDCs with a very few exceptions. However, after graduation such a situation can change dramatically.

Bangladesh needs to closely study such issues and learn what can be done about making the export support policy regime WTO-consistent. Government authorities and other stakeholders should prepare for phasing out export subsidies and other actionable subsidies. Since subsidies will remain important and necessary for incentivizing trade, all concerned bodies should work closely to find out areas of subsidy provisions which are not consistent with WTO's SCM and other agreements.

Currently, it is very difficult to ascertain what portion of cash assistance to exporters can be considered as 'true' subsidies (as mentioned above, these subsidies are often available for firms that do not use bonded warehouses and duty drawback facilities). The cash

assistance rates also differ between export sectors. One way of assessing the potential impact of discontinuing cash assistance support is to make use of two assumptions: first, to consider the 'true' subsidy element in the export policy, and second, to consider that export subsidy rates can be treated as equivalent of tariff rates (since both of them promote export competitiveness). In FY18, the government provided around \$560 million as export subsidy to 36 items, with nearly half of it going to the apparel industry. According to Razzaque and Rahman, 2019, assuming that half of the total cash assistance went to the RMG sector in 2018 (i.e. \$280 million), with the help of partial equilibrium model referred to in the report, it was estimated that the potential export loss could be as high as \$131 million or 0.36 percent of total exports in 2018.

b) Impact for Agreement on Agriculture

As per the WTO's Agreement on Agriculture (AoA), Bangladesh will have to address a few issues.

A primary concern will emerge from subsidies that falls under the so-called amber box. Agricultural subsidies in terms of price support will have to be completely avoided in the future. In FY23, the government proposed an agricultural subsidy package of approximately \$9.2 billion.⁸⁹ These subsidies do not include any type of price support. But they are mostly implicit support on fertilizers, seeds and fuels used for irrigation. There are also subsidies on farming techniques, farming production, agricultural export, agriculture processing, etc. After graduation, Bangladesh might have to rationalize bound tariff rates for agricultural items. With the average bound tariff rates of around 200 percent for agriculture, the applied MFN tariffs (around 25 percent) are much less than those of the bound rates⁹⁰. Unlike for other developing and developed country members of the WTO, Bangladesh did not have to make any cut or pledge in the earlier stage of AoA negotiations. Nonetheless, given the huge water in the tariff, any required adjustments in the bound tariff rates for agricultural items should not present any major issue for Bangladesh (i.e. there is hardly going to be any discernible impact for domestic producers).

Another issue is the Aggregate Measurement of Support (AMS). It is the indicator of the domestic support on which discipline for the AoA is required. The AMS calculation depends on the value of products and market prices. Developing countries, including

⁸⁹ According to Budget speech 2022-23, Subsidy for agriculture is 9500 Crore tk. The budget amount has been converted to \$ taking US\$ rate as 103.

⁹⁰ Impact Assessment and Coping up Strategies of Graduation from LDC Status for Bangladesh, Impact for Agreement on Agriculture, Page 58, Published by ERD 2020; & Bound Tariff rates in Bangladesh, retrieved from, https://www.wto.org/english/res_e/statis_e/daily_update_e/tariff_profiles/BD_E.PDF

LDCs are allowed to provide domestic supports up to 10% (de minimis ceiling) of the value of total agricultural production. Estimates from early 2000's suggests that Bangladesh's product subsidy (PS-AMS) is negative, while non-product subsidy (NPS-AMS) is around 1 percent of value of production (VoP) (FAO, 2002). While this may indicate Bangladesh has some wiggling room in terms of AMS and subsidy provision, it is also true that a lot of support that is currently provided are not included in AMS.

Nevertheless, it is generally recognized that the total amount of these subsidies is below 5% of the value of total agricultural production of the country. Therefore, the domestic support Bangladesh is now providing in agriculture sector is well within the de minimis ceiling, i.e., 10%. This should allow Bangladesh to continue with subsidies in fertilizer, irrigation fuel, etc. As regards agricultural export subsidies, LDCs and the Net Food Importing Developing Countries (NFIDCs) are allowed to provide certain forms of export subsidies until 2030, according to the decision taken in the Nairobi Ministerial Conference of the WTO. One issue for Bangladesh is if after graduation from LDCs it will be automatically included in the list of NFIDC. This is a matter of a clarification from the WTO. If Bangladesh is admitted to the group of NFIDC, maintaining export subsidies on agricultural products until 2030 would be a possibility. In any case, the relative significance of agricultural exports in Bangladesh's total exports is quite small and thus any relevant changes in the policy issues are unlikely to generate a significant impact.

If Bangladesh is included in the list of NFIDC of AoA, subsidies related to transport, handling, and packaging under article 9.4 will be allowed to be provided until 2030. Based on the data from five years before the graduation year 2026, Bangladesh will be included in the list of NFIDC if at least 3 out of the latest 5 years' data show Bangladesh to be a net food importer. NFIDC facility may be extended after 2030 for graduated countries. Some agricultural products of India are under the NFIDC list of WTO. Bangladesh is dependent on the import of agro-food products such as onion, sugar, and edible oil and has many possibilities to be included in the NFIDC list.

3.1.4. Impact on General Agreement on Trade in Services

Non-factor services export from Bangladesh remains around 10 percent of total export from the country. In FY2021-22, Bangladesh exported services worth of \$8.6 billion. Graduation is unlikely to cause significant impact on graduating LDCs services and service suppliers. The graduating LDCs account for 0.22 per cent of the world's services exports, with a 31 per cent share in LDC exports. So far, 25 countries have announced certain services areas for special treatment of LDCs. These opportunities have just started opening up. LDCs often lack technical capacity to understand what these opportunities really mean and how to operationalize these opportunities through legal procedures.

3.1.5. Impact of Losing Trade-related Technical and Financial Support

- Bangladesh would continue to have access to the EIF for up to 5 years after graduation. Considering the fact that the EIF corresponds to a very small fraction of Aid for Trade flows worldwide and in Bangladesh, and withdrawal of EIF support from Bangladesh will hardly have any impact.
- The Technology Bank for the LDCs was established by the General Assembly in December 2015. Its premises were officially inaugurated in June 2018 in Gebze, Turkey, to implement projects and activities in the LDCs and serve as a knowledge hub connecting LDCs' Science, Technology and Innovation (STI) needs, available resources, and actors who can respond to these needs (UN-OHRLLS, 2018). After graduation from the LDC category, Bangladesh would continue to have access to the LDC Technology Bank for a period of five years, the UNDESA 2019 report⁹¹ mentions.
- After graduating from the LDC category, Bangladesh would no longer have access to the support mechanisms that have been put in place specifically for LDCs to address climate change-related challenges under the Climate Change Fund⁹². However, the mechanisms under the UNFCCC will allow Bangladesh would continue to have access to the Special Climate Change Fund (SCCF) and, more significantly, to the Green Climate Fund (GCF). The SCCF is open to all vulnerable developing countries and currently has a portfolio of \$350 million.

3.1.6 Preference Erosion and Their Impact on Export after the End of S&DT

Bangladesh faces a unique post-graduation challenge in the international market when it comes to preference erosion in trade. In FY18, Bangladesh accounted for approximately a quarter of total merchandise exports by all LDCs (\$36.66 billion out of a total of \$145.44 billion from all LDCs combined). Compared to any other LDCs. Bangladesh has a higher dependence on preferential market access for its exports. Moreover, because of sole export dependency on a single product (RMG), two risks may arise. One is the export margin, which may decline after 2026 and another is the less diversified export basket which may reduce competitiveness

The loss of preferences in the markets of European Union Canada, Australia, Japan, India and China in 2026 (the year which will mark the end of preferences for Bangladesh if the

⁹¹ <https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/IA-Bangladesh-2019.pdf>

⁹² <https://unfccc.int/topics/resilience/workstreams/national-adaptation-programmes-of-action/ldc-portal>

country can officially graduate from the LDC status in 2026) might lead to a reduction in total exports of Bangladesh. The MFN tariff would not be applied to Bangladesh by China but after graduation Bangladesh would continue to receive APTA benefits from China

Much of the preference erosion or loss of preferences will originate from the fact that Bangladesh will no longer be considered for concessional tariff rates as it enjoys as an LDC. But. In most cases, there are transitional preferences between tariff rates for LDCs and MFN tariffs implying that tariff escalations could be significant after graduation. Besides, many of the exemptions of WTO provisions will no longer be available after 2026 potentially undermining external competitiveness further. Table 26 provides a summary of various benefits Bangladesh's now avail vis-à-vis the provisions available in the post-graduation era.

Table 26: LDC-specific preferences before and after graduation in prominent export destinations

Countries	LDC-Specific Schemes	Applicable schemes after graduation
European Union	Everything But Arms (DFQF)	Standard GSP or GSP+ (after 3-year smooth transition)
Turkey	Everything But Arms (DFQF)	Standard GSP or GSP+ (after 3-year smooth transition)
USA	GSP for LDCs (Bangladesh currently received no preferences)	Standard GSP; AGOA for African states. Bangladesh will continue to face MFN tariffs.
China	Preferential tariffs for LDCs	MFN for WTO members, general duty rates for non-members The MFN tariff would not be applied to Bangladesh by China but after graduation Bangladesh would continue to receive APTA benefits from China

Countries	LDC-Specific Schemes	Applicable schemes after graduation
Japan	GSP for LDCs	Standard GSP (no transition support)
Canada	GSP for LDCs	Standard GSP (no transition support)
Republic of Korea	Preferential tariffs for LDCs	MFN
India	Preferential tariffs for LDCs	MFN (Bangladesh to face SAFTA tariffs)
Switzerland	GSP for LDCs	Standard GSP
Russia	GSP for LDCs	Standard GSP
Australia	GSP for LDCs	Standard GSP/MFN Tariff

Source: UNCDP 2018

It is anticipated that the highest impact of preference erosion will generate from the EU market. The EU is the destination for approximately two-thirds of all goods exported from Bangladesh. On the other hand, no impact of LDC-graduation is likely to be felt in the US market given that Bangladesh presently does not get any preferences in that market. Among other developed country markets,

Canada, Japan, Australia, Switzerland and Russia under their respective standard GSP schemes do not cover an important part of Bangladesh's exports which will face MFN tariffs (UNDESA 2019). But the biggest issue with post-graduation preferential systems like standard GSP in developed country markets (including in the EU) is that Bangladesh would no longer be able to use dedicated rules of origin for LDCs, making it more difficult to use preferences for the tariff lines covered by the standard GSPs than it is to use GSP for LDCs.

In the case of Bangladesh's two other largest trading partners, viz, India and China, Bangladesh can export to India under the South Asian Free Trade Agreement and to China under the Asia-Pacific Trade Agreement. The tariff lines and preferences granted by Turkey aligns with the EU. In other countries, exporters will be subject to MFN tariffs (e.g. South Korea). These countries however account for very insignificant amount of export earnings than advanced economies. Therefore, post-graduation export impacts are likely to be trivial.

Bangladesh's market access in Australia even after LDC graduation:

According to the meeting of the first joint working group (JWG) on trade and investment held on 22 February 2023 at Canberra under the Trade and Investment Framework Arrangement (TIFA) signed between Australia and Bangladesh, Australia has officially assured that exports from Bangladesh will officially continue to get duty and quota-free access to the Australian market even after the former graduates from the least developed country (LDC) status in 2026⁹³.

Significance of the European Union Market for Bangladesh and EBA Scheme:

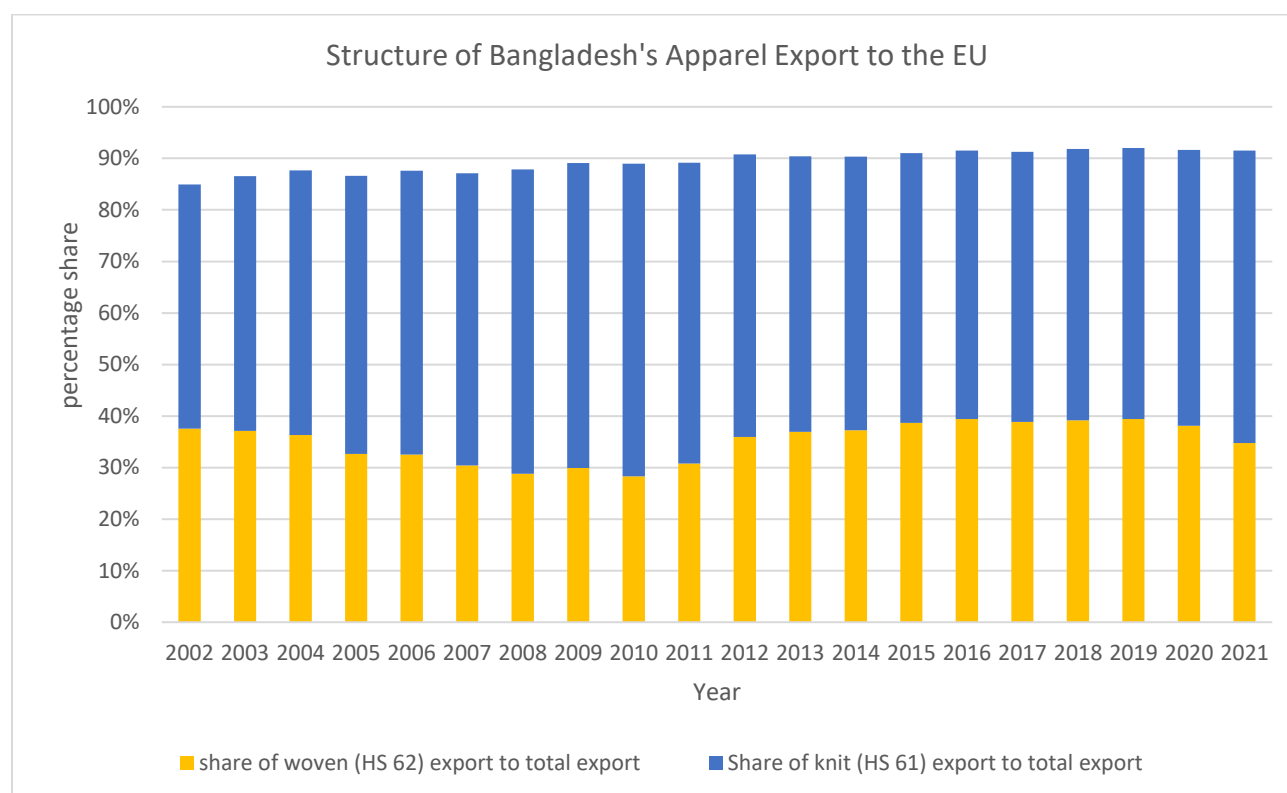
The Everything But Arms (EBA) preferential market access to LDCs offered by the European Union has played a key role in boosting export growth of Bangladesh. The EU is the largest market for Bangladeshi export products. In FY2021, out of \$52.08 billion, the EU alone accounted for more than \$29 billion. Out of which, \$27.29 billion were income from apparel exports to the EU market (70 percent of total apparel exports from Bangladesh). It is worth noting that Bangladesh is a dominant supplier in the EU market as an apparel exporter. Over the past decade (since 2008) its average yearly growth in exports to the EU was 12 percent. While at the same time, apparel exports by rest of the world to EU grew at a rate of only 2.4 percent per annum (Razzaque and Rahman 2019).

Owing to strong backward linkages, Bangladesh's apparel exports to the EU are dominated by knitwear items under the Harmonized System (HS) of product classification category 61 accounting for a share of about 57 percent of the total export to EU in 2021, which was around 47 percent in 2002. While EBA itself has been an active preferential system since 2001, it initially specified rules of origin (RoO) requirements with a double transformation for clothing items as a precondition for tariff-free market access.

Although knitwear did well in the EU, for woven apparels (under HS 62), this would imply domestically produced fabrics to be used in garment making hindering Bangladesh's capacity to utilize EU preferences. The derogation of EU RoO in 2011 allowed single transformation for LDC clothing exports prompting reinvigorated supply response from the woven garment sector. As shown in Figure 5 following a noticeable decline in relative significance between 2002 and 2010, the share of woven exports to the EU bounced back after 2011 when the rules of origin changed.

⁹³ Bangladesh High Commission in Canberra, under the Trade and Investment Framework Arrangement (TIFA) between Australia and Bangladesh.

Figure 5 Structure of Bangladesh's apparel export to the EU



The derogated RoO of EBA preferential system is one of the most favourable preferential treatments enjoyed by Bangladesh. In the post-graduation era, Bangladesh can apply for two lesser preferential systems in the EU, the GSP+ and general GSP.

Table 27 Post-graduation Tariff Rates in the European Union

HS Chapter	Product	Share of total export to the EU (2021)	Post-graduation Tariffs		
			Under GSP	Under GSP+	Under MFN
61	Knitwear	57%	6.4%-9.6% under GSP. 9.6% for most products, including all or most products within HS 6109, 6110, 6104, 6105, 6111 and 6108; which together account for approximately 90% of Bangladesh exports to the EU under HS 61.	0% under GSP+	12 percent for most products
62	Woven Garments	35%	5%-9.6% under GSP. 9.6% for most products, including all products within HS 6203, 6204, 6205, 6206, which together account for	0% under GSP+	12 percent for most products

HS Chapter	Product	Share of total export to the EU (2021)	Post-graduation Tariffs		
			Under GSP	Under GSP+	Under MFN
			approximately 85% of products exports to the EU under HS 62.		
64	Footwear	2%	0%-11.9% under GSP. 4.5% on most products in HS 6403 (62% exports in this group). 11.9% on all products in HS 6404 (18% of exports) and 6402 (16% of exports).	0% under GSP+	8 or 17 percent for most products
63	Home Textiles	2%	1.6%-9.6% under GSP. 9.6% for most products in HS 6302 and 6303 (77% of exports to the EU under 63). Lower (1.6-5.7%) for most products in HS 6305 (16% of exports to the EU under Chapter 63)	0% under GSP+	12-20 percent for most products
03	Fish and Crustaceans	1%	0%-18.5%. Most exports are under HS 030617. Within that group, GSP tariffs on most products are 4.2%; 7% in one product; 14.5% in another product.	0% under GSP+	12-20 percent for most products

Source: UNDESA 2019

3.1.7 Other Related Impacts

Impact of LDC-graduation on other WTO agreements are likely to be minimal, or non-existent for Bangladesh. The Agreement on TRIMs does not have massive LDC-specific implications for Bangladesh. But successfully graduating out of LDC status will surely require reviewing provisions carefully and reevaluating options for investment-related engagements in the private sector. As an LDC, Bangladesh did not have any commitment for opening up services under the TRIMs, but in reality, Bangladesh has already been opening up to selected service sectors for investments, such as, tourism, hospitality, education, and healthcare. There have been foreign investments in the financial and banking sectors, and in the capital market too. So, Bangladesh is fairly open to investments in the services sector, and post-graduation opening up should not pose any additional challenges for the time being.

Among other agreements, the TFA has some LDC-specific support measures of Bangladesh's interest. According to Article 18 and 20 of TFA, LDC members can avail 3 years additional implementation time for certain facilitation act. Bangladesh has already

pledged timelines for implementation in category A, B and C. The National Board of Revenue (NBR) is currently working on developing the Bangladesh National Single Window and facilitating Authorized Economic Operator or Trusted Traders system in Bangladesh, as part of customs modernization programme.

A National Enquiry Point has been established and an MoU has been signed for the National Single Window. If necessary, Bangladesh can unveil technical support for any facilitation project. Bangladesh already has the capacity to materialise commitments under category A. Implementation of activities in category B and category C must be sped up and finished before LDC graduation, if necessary, by utilizing available window for special support. Bangladesh as an LDC can shift from category B to category C or from category C to category B, but after LDC graduation, this may not be possible.

Chapter 4: Challenges Faced by Other Graduated LDCs and Taken Initiatives

Although Graduation for the LDC status is a remarkable achievement that exhibits the robust economic and overall development scenario of the country, graduating LDC status brings more tangible challenges than benefits. As part of the LDC league, LDC countries enjoy support measures that can broadly be categorized into three areas – international trade, development assistance, and support in international forums⁹⁴. After leaving the LDC category, countries would no longer have access to these support measures, which leads to potential issues in trade, financing, and development support. However, to overcome the complexities of LDC graduation and lessen the transition challenges, countries adopt different measures and initiatives.

4.1 Existing Status of Graduated LDCs (Botswana, Cabo Verde, Maldives, Samoa, Equatorial Guinea and Vanuatu)

Since 1971, the United Nations has recognized least developed countries (LDCs) as a category of States that are deemed highly disadvantaged in their development process, for structural, historical and also geographical reasons. Approximately 880 million people live in the current 46 LDCs, which make up 12% of the global population and have substantial structural growth barriers. The LDCs only represent 1% of global commerce and less than 2% of global GDP⁹⁵. However, as of 2022, 16 out of 46 LDCs have met the graduation criteria at least once, seven of which are officially graduating⁹⁶ and six countries namely Botswana, Cape Verde, Maldives, Samoa, and Equatorial Guinea have so far graduated from LDC status. The following table represents the LDC graduated countries and their graduation year:

Table 28 Graduation timeline of LDC Graduated countries

Sl.	Country	Graduating Year
1.	Vanuatu	2020
2.	Equatorial Guinea	2017

⁹⁴ Handbook on the Least Developed Country Category: Inclusion, Graduation and Special Support Measures, Fourth Edition, United Nations (2021)

⁹⁵ UN recognition of the least developed countries, UNCTAD. Available at- <https://unctad.org/topic/least-developed-countries/recognition>

⁹⁶ Least Developed Country graduation: Past, present and future, OECD (2022) available at- <https://oecd-development-matters.org/2022/01/07/least-developed-country-graduation-past-present-and-future/>

Sl.	Country	Graduating Year
3.	Samoa	2014
4.	Maldives	2011
5.	Cabo Verde	2007
6.	Botswana	1994

Source: Timeline of country's graduation from the LDC category, UN⁹⁷

For these countries, LDC graduation status served as a double edge sword presenting both risks as well as opportunities. The following discussion explores the status of these six LDC graduated countries.

4.1.1 Existing Status of Vanuatu

With a population of only approximately 300,000, Vanuatu is a small country in the southwest Pacific Ocean made up of about 80 islands. Despite obstacles caused by continuous natural disasters and other circumstances, Vanuatu has recently graduated from the list of least developed countries (LDC). The country was first identified as an LDC in 1985 and on December 4, 2020, it officially left the LDC category. The following table illustrates the Data from the 2021 triennial review compared to the graduation threshold:

Table 29 Vanuatu's LDC graduation status

LDC graduation criteria	Vanuatu's status in the 2021 triennial review	Graduation threshold (2021 triennial review)
Gross national income (GNI) per capita	2,992 USD	1,222 USD
Human Assets Index (HAI)	78.4	66 and above
Economic and Environmental Vulnerability Index (EVI)	39.6	32 and below

Source: Committee for Development Policy Report on the twenty-third session (22–26 February 2021), United Nations.

The gross national income per capita of the country is more than double the least developed countries graduation threshold, and the human assets index score is high. The economic and environmental vulnerability index score has been improving, albeit slowly. Vanuatu still needs to catch up with other developing countries in terms of productive capacity. The country has limited policy space, with already low tax revenue. Its major

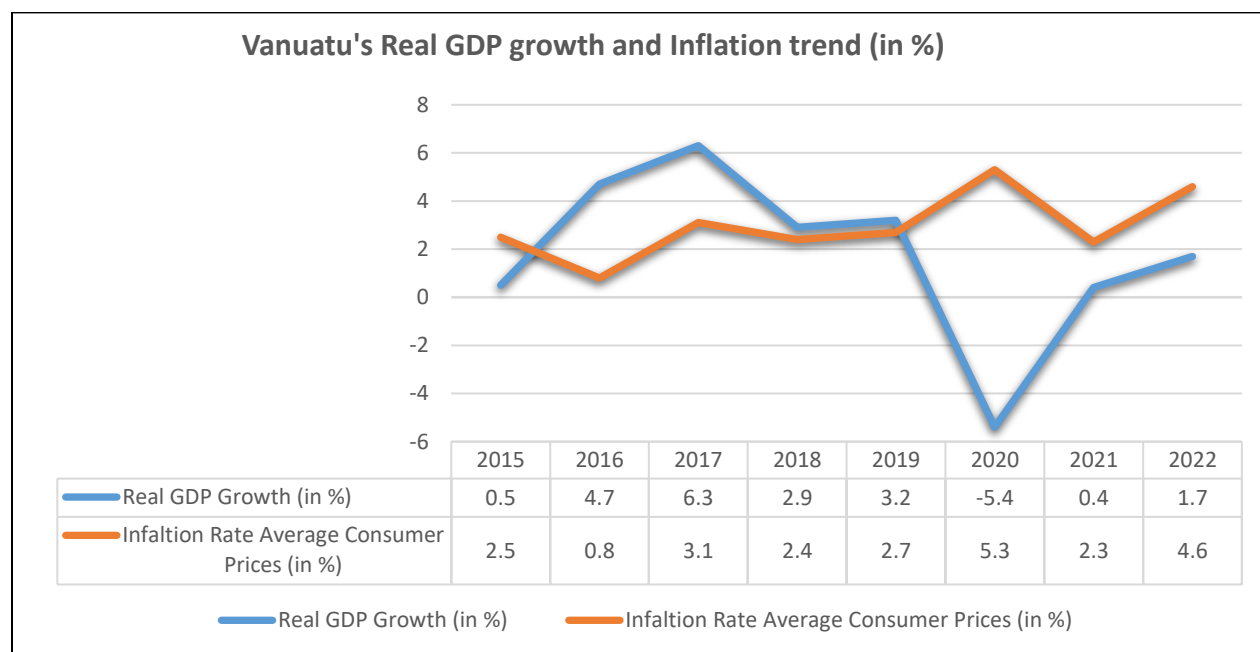
⁹⁷ Graduation from the LDC category, United Nations. Available at- <https://www.un.org/development/desa/dpad/least-developed-country-category/ldc-graduation.html>

income sources, namely, ODA (Official development assistance), tourism and remittances⁹⁸.

Vanuatu graduated from the least developed country list despite major setbacks due to climate change, natural disasters and the COVID-19 pandemic. Similar to other countries that graduated, most of Vanuatu’s success is as a result of the international aid which enabled the country’s stable economic growth. In addition to the aid, Vanuatu has also had success in its strong agriculture sector. The increased diversification in agricultural crops and stocks has helped with the per capita income and human assets criteria for the least developed countries list. When it comes to the economic vulnerability criteria, Vanuatu is still at risk despite graduating. The risk of economic vulnerability stems from the prevalent natural disasters. Even though the country has shown consistent economic growth, the external shocks from natural disasters are out of the country’s control as it faces about two to three disasters a year.

The country’s real GDP growth and inflation rate (annual percent change) data from 2015 to 2022 shows following trends:

Figure 6 Vanuatu's Real GDP growth and Inflation trend



Source: IMF DataMapper, October 2022

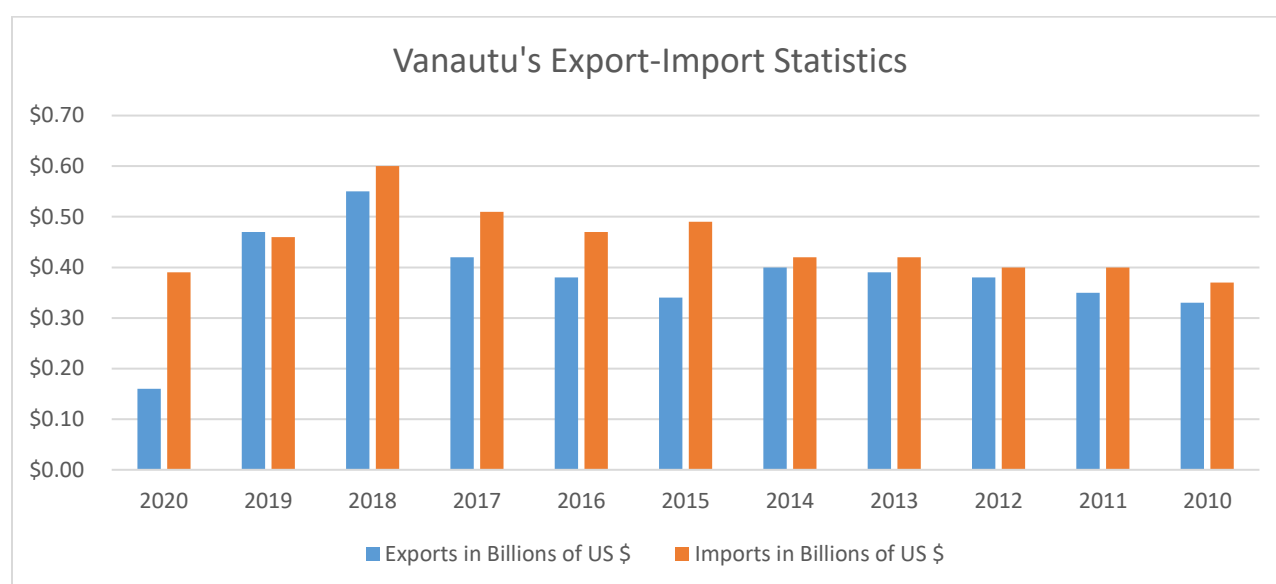
In 2020, Vanuatu was hit by Cyclone Harold and then struck by COVID-19, resulting in a significant reduction in its gross domestic product. This figure indicates that in 2020

⁹⁸ Committee for Development Policy, Report on the twenty-third session (22–26 February 2021), United Nations.

GDP took a significant downturn, and the inflation rate also increased. After the graduation year 2020, in 2021, Real GDP started to grow and became 1.7%. However, the inflation rate reduced to 1.7% in 2021 after the graduation year but increased again in 2022. According to the ADB data, Vanuatu's GDP growth is expected at 2% in 2022 and 4% in 2023 also, the country's inflation rates forecasted at 4.8% in 2022 and 3.2% in 2023⁹⁹.

Vanuatu's economy is expected to recover further in 2023, with a gradual revival in tourism and continued expansion in agriculture and construction. Although the graduation signifies major growth, there is still more economic stability that is needed before the country can significantly reduce its economic vulnerability.

Figure 7 Vanuatu's Export-Import Statistics



Source: Macrotrends and World Bank

This figure shows that till 2018 Vanuatu's trade amount increased gradually and due to pandemic shock in 2019, in the latter years trade decreased for the country.

In 2020, the country's main exports were non-fillet frozen fish (70.5% of all exports), perfume plants (8.1%) and passengers and cargo ships (6.6%); while the country mainly imports fuels (8.7% of all imports in 2020), poultry meat (3.3%) and rice with 3.3%. In January 2020, the government decided to suspend the issuing and renewal of all kava export licenses, due to concerns that exporters were taking advantage of farmers, paying them too low prices (in some cases -90% compared to normal prices). The country main trading partners in 2020 were Thailand (38.9% of all exports), Japan (24.8%), Indonesia

⁹⁹ Economic indicators for Vanuatu, ADB. Available at-<https://www.adb.org/countries/vanuatu/economy>

(8.2%) and South Korea (6.5%); while imports came mainly from China (34.6%), Australia (18.4%), New Zealand (11.1%) and New Zealand with 13.6%¹⁰⁰.

4.1.2 Existing Status of Equatorial Guinea

Equatorial Guinea (EQG) is a developing Central African country with a population of estimated 1.5 million people in 2021. It is well endowed with arable land and mineral resources ranging from gold, uranium, diamond, columbite-tantalite, and gas and oil, discovered in the 1990s. The discovery of large oil reserves in the 1990s has allowed Equatorial Guinea to become the third-largest producer of oil in Sub-Saharan Africa, after Nigeria and Angola. The country's macroeconomic and fiscal situation has deteriorated since the end of the last commodity super cycle of 2014, with an average negative GDP growth from 2015 to 2021. However, On 4th June 2017, Equatorial Guinea graduated from Least Developed Country (LDC) status. The country was first identified as an LDC in 1982. The following table depicts the current status of Equatorial Guinea compared to the recent LDC graduation threshold:

Table 30 Equatorial Guinea's current status in LDC thresholds

LDC graduation criteria	EQG's status in the 2021 triennial review	Graduation threshold (2021 triennial review)
Gross national income (GNI) per capita	7,617 USD	1,222 USD
Human Assets Index (HAI)	67.0	66 and above
Economic and Environmental Vulnerability Index (EVI)	18.7	32 and below

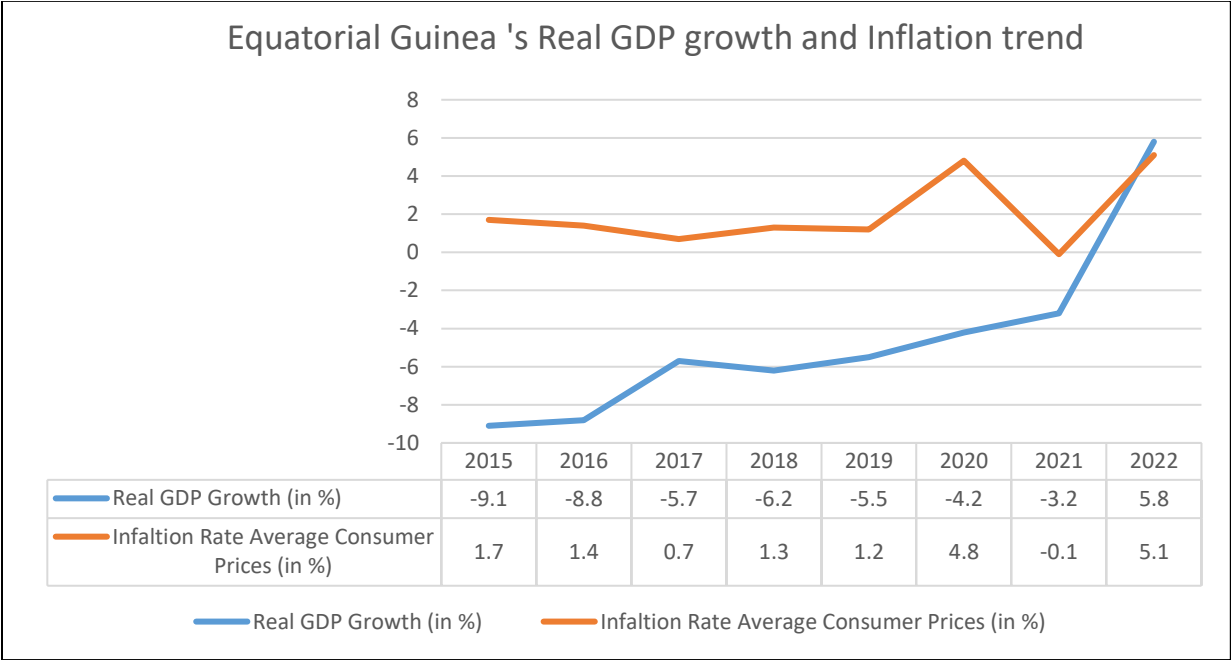
Source: Committee for Development Policy Report on the twenty-third session (22–26 February 2021), United Nations.

This table data indicates that the gross national income per capita is six times higher than the graduation threshold, but the human assets index score is far lower than other countries with similar income levels. After the graduation became effective, Equatorial Guinea expressed interest in possible postponement of graduation. Moreover, the country has not yet submitted a report on its implementation of a smooth transition strategy since its graduation in 2017.

¹⁰⁰ Vanuatu country profile by OEC, available at- <https://oec.world/en/profile/country/vut>

Equatorial Guinea is highly dependent on oil and continues to face serious challenges due to the decline in hydrocarbon production, compounded by low investment and the impact of COVID-19. Real gross domestic product has contracted rapidly since 2015 and other macroeconomic indicators also show a steady deterioration. The country's Prospects for a rebound in oil production and exports remain unclear. The following figure shows the country's real GDP growth and inflation rate (annual percent change) data from 2015 to 2022:

Figure 8 Equatorial Guinea 's Real GDP growth and Inflation trend



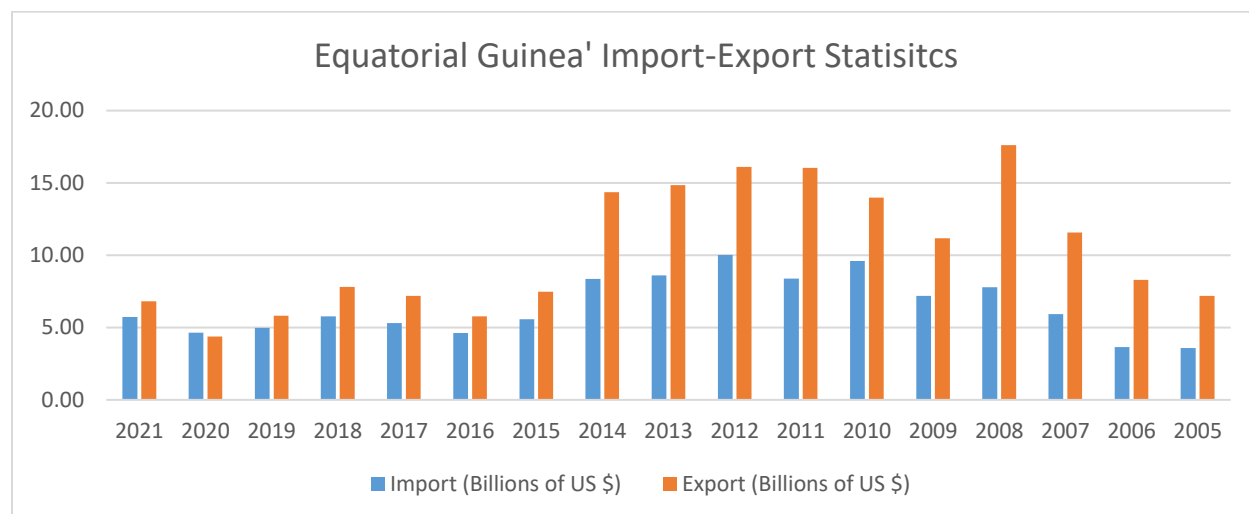
Source: IMF DataMapper, October 2022

This figure shows that Equatorial Guinea is having continuous negative GDP growth from 2015. After its graduation year in 2018, from 2019 the negative growth has begun to reduce and in 2022 a positive growth of 5.8% is expected. The country's inflation rate is almost controlled but it is expected to rise to 5.1% in the 2022.

According to the AFDB (African Development Bank) the country's growth is forecast to continue in 2022 at more than 5.0%, followed by a contraction of 1.9% in 2023. Inflation can ebb from its high in 2020, settling to 3.7% in 2022 and 3.8% in 2023, due to decreases in imported inflation. The budget balance is expected to be in surplus of 3.8% of GDP in 2022 and 4.4% in 2023, on the assumption that the oil price per barrel will increase from \$63.20 in 2021 to \$66.20 in 2022, given that 81.4% of tax revenue stems from petroleum income. Improvements in the trade balance should lead to a sharp decrease in the current

account deficit by 2023¹⁰¹. The economy of the country is slowly emerging from the ravages of the 2020-21 shocks, buoyed by higher international oil prices. However, substantial challenges like surging food prices and banking sector vulnerabilities, implied decline in external reserves, declining hydrocarbon production still remains¹⁰².

Figure 9 Equatorial Guinea' Import-Export Statistics



Source: *Macrotrends and World Bank*

This graph indicates that after 2014, the country's import-export reduced, however, after LDC graduation in 2017, the country's trade is sustaining the usual trend without any significant disruptions.

In Equatorial Guinea, oil accounts for 80 percent of total exports and 90 percent of government revenues. Equatorial Guinea also exports timber, natural gas, cocoa and fish. Equatorial Guinea's main export partner is Spain (15 percent of total exports). Others include: China, United States and Japan.

4.1.3 Existing Status of Samoa

Samoa is a small country in Oceania with a population of estimated 195,000 people. The economy of this country revolves around fishing and agriculture, which is vulnerable to cyclones and disease. However, its attempts at diversification have met with success. Tourism is growing in the country, because of the islands' scenic attractions and fine

¹⁰¹ Equatorial Guinea Economic Outlook, AFDB. Available at- <https://www.afdb.org/en/countries/central-africa/equatorial-guinea/equatorial-guinea-economic-outlook>

¹⁰² Republic of Equatorial Guinea: 2022 Article IV Consultation—Press Release; Staff Report; And Statement By The Executive Director for Republic of Equatorial Guinea, IMF Staff Country Report.

beaches. Offshore banking spearheads an expanding services sector. Despite this, many younger Samoans are leaving for New Zealand, the US and American Samoa. Money or remittances sent home by Samoans living abroad are being a key source of household income. Also, light manufacturing is expanding and has attracted foreign investment. Samoa was first identified as an LDC in 1971 and in 2014, it officially left the LDC category. The following table depicts the current status of Samoa compared to the recent LDC graduation threshold:

Table 31 Samoa’s current status in LDC thresholds

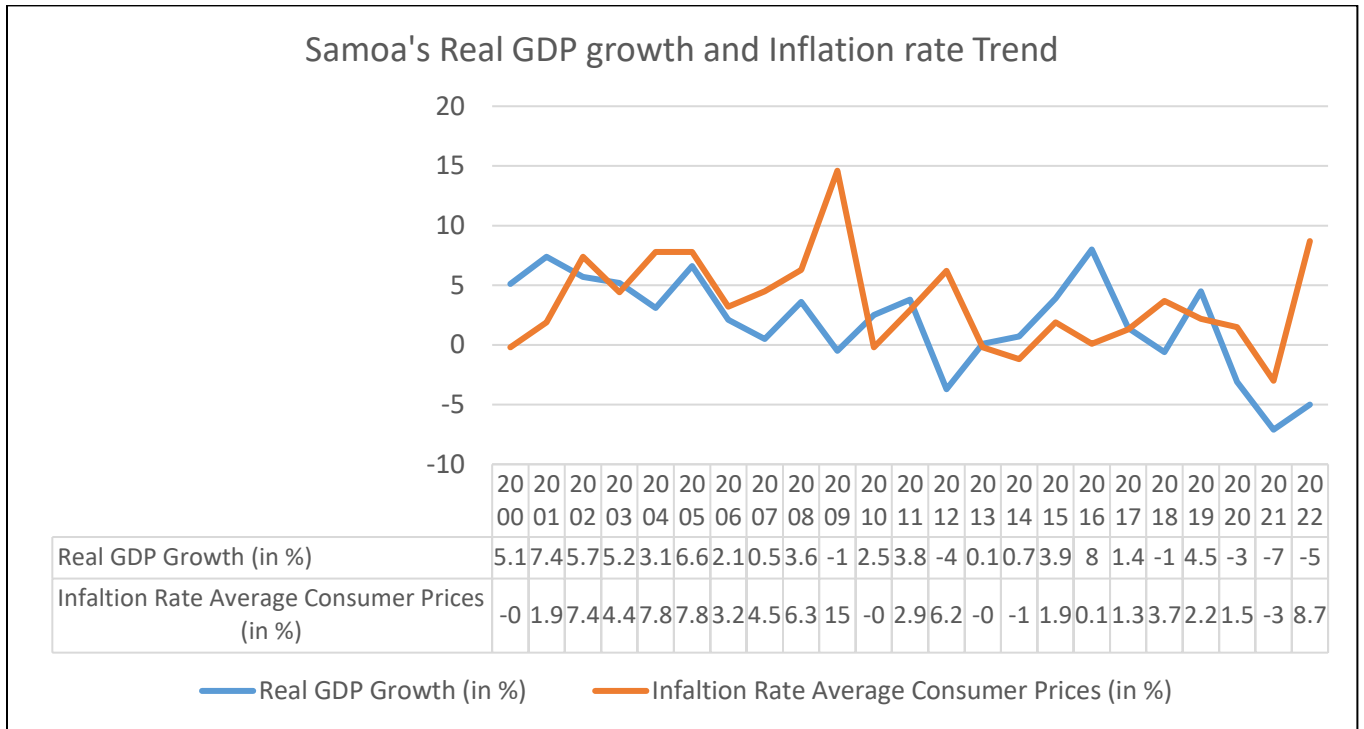
LDC graduation criteria	Samoa’s status in the 2021 triennial review	Graduation threshold (2021 triennial review)
Gross national income (GNI) per capita	4,118 USD	1,222 USD
Human Assets Index (HAI)	96.3	66 and above
Economic and Environmental Vulnerability Index (EVI)	28.2	32 or below

Source: Committee for Development Policy Report on the twenty-third session (22–26 February 2021), United Nations.

Latest Committee for Development Policy (CDP) Report indicates that Samoa has continued to make progress since its graduation in 2014, although the country is facing serious challenges in recovering from the impacts of COVID19, particularly in the tourism sector. The country is making progress in its gross national income per capita, and its human assets index and economic and environmental vulnerability index scores. The government of Samoa continued to engage with its trading and development partners to minimize the negative impacts of graduation. After the transition period, Samoa still has continued to receive preferential market access based on general trade preference schemes, regional trade agreements or WTO arrangements¹⁰³. Samoa is now actively seeking financing to increase its resilience to natural disasters and climate change. The following figure shows the country’s real GDP growth and inflation rate (annual percent change) data from 2000 to 2022:

¹⁰³ Monitoring of countries that are graduating and have graduated from the list of least developed countries, United Nation 2021, Committee for Development Policy, 2021. Retrieved from, file:///C:/Users/USER/Downloads/CDP-excerpt-2021-4%20(1).pdf

Figure 10 Samoa's Real GDP growth and Inflation rate trend



Source: IMF DataMapper, October 2022

This figure indicates that after Samoa’s LDC graduation in 2014, Real GDP increased consecutively for 3 years. However, since 2020 the country’s GDP has been facing negative growth. After graduation, the country’s inflation rate is also relatively low but in 2022 it is expected to increase. After-graduation data shows controlled inflation and good GDP growth compared to the before-graduation situation. However, the pandemic impacts and global war crisis have made unfavorable turns in the country’s GDP and inflation trends.

Based on the ADB’s indication, Samoa’s GDP is expected to contract by 5.3% in 2022 and grow by 2.0% in 2023. The country’s inflation rates forecasted at 8.8% in 2022 and 3.2% in 2023.

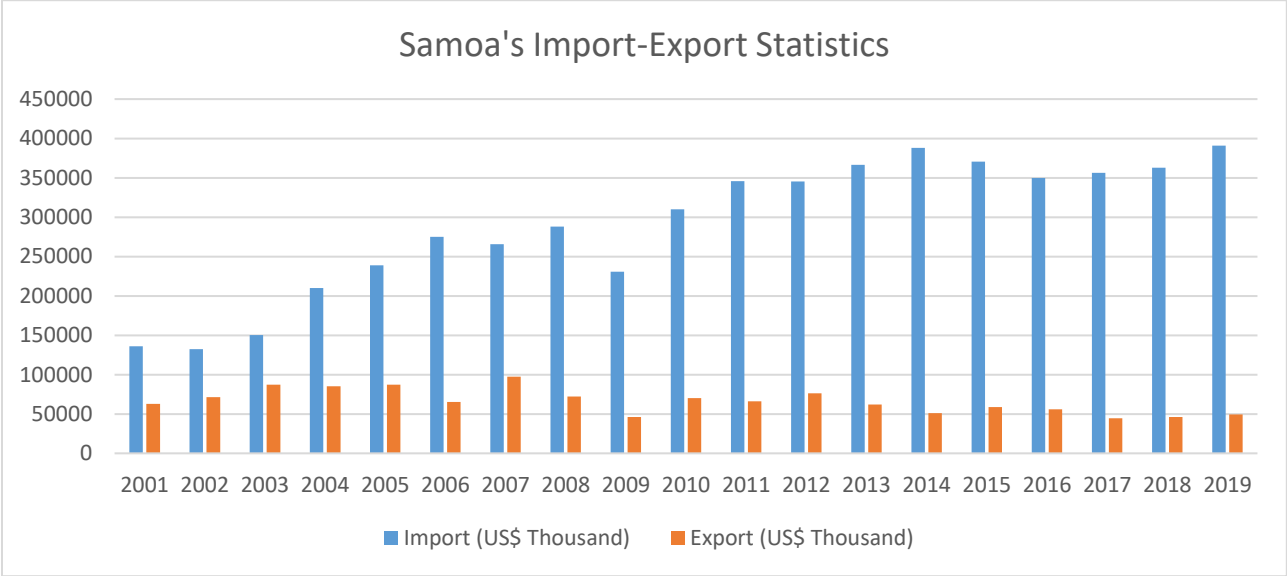
The economy of Samoa has traditionally been dependent on development aid, family remittances from overseas, tourism, agriculture, and fishing. It has a nominal GDP of \$844 million. Agriculture, including fishing, furnishes 90% of exports, featuring fish, coconut oil, nonu products, and taro. The manufacturing sector mainly processes agricultural products. Industry accounts for nearly 22% of GDP while employing less than 6% of the work force. The service sector accounts for nearly two-thirds of GDP and

employs approximately 50% of the labor force. Tourism is an expanding sector accounting for 25% of GDP; 132,000 tourists visited the islands in 2013.

The country is vulnerable to devastating storms. In September 2009, an earthquake and the resulting tsunami severely damaged Samoa and nearby American Samoa, disrupting transportation and power generation, and resulting in about 200 deaths. In December 2012, extensive flooding and wind damage from Tropical Cyclone Evan killed four people, displaced over 6,000, and damaged or destroyed an estimated 1,500 homes on Samoa's Upolu Island.

The Samoan Government has called for deregulation of the country's financial sector, encouragement of investment, and continued fiscal discipline, while at the same time protecting the environment. Foreign reserves are relatively healthy and inflation is low, but external debt is approximately 45% of GDP¹⁰⁴.

Figure 11 Samoa's Import-Export Statistics (products)



Source: WITS (World Integrated Trade Statistics), World Bank

This figure indicates Samoa’s consistency in the import and export level after LDC graduation in 2014.

Currently Samoa’s top export destinations include New Zealand, American Samoa, USA, Australia, Tokelau and some Asian countries.

Samoa’s top export products are

¹⁰⁴ Samoa Economy Profile, IndexMundi. Available at- https://www.indexmundi.com/samoa/economy_profile.html

Fish and crustaceans, mollusks and other aquatic invertebrates, Animal, vegetable or microbial fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes, Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes, Edible vegetables and certain roots and tubers, Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles, Beverages, spirits and vinegar¹⁰⁵.

4.1.4 Existing Status of Maldives

The Maldives is a country of around 550,000 people dispersed across 185 islands. The country is located in the Indian sub-continent. The economy revolves around tourism, and scores of islands have been developed for the top end of the tourist market. Maldives was included in the LDC category in 1971 and the country graduated from the LDC in 2011. In the latest (2021) LDC graduation threshold level, Maldives' standings are following:

Table 32 Maldives' current status in LDC thresholds

LDC graduation criteria	Maldives's status in the 2021 triennial review	Graduation threshold (2021 triennial review)
Gross national income (GNI) per capita	9,189 USD	1,222 USD
Human Assets Index (HAI)	89.4	66 and above
Economic and Environmental Vulnerability Index (EVI)	42.7	32 or below

Source: Least Developed Country Category: Maldives Profile, UN

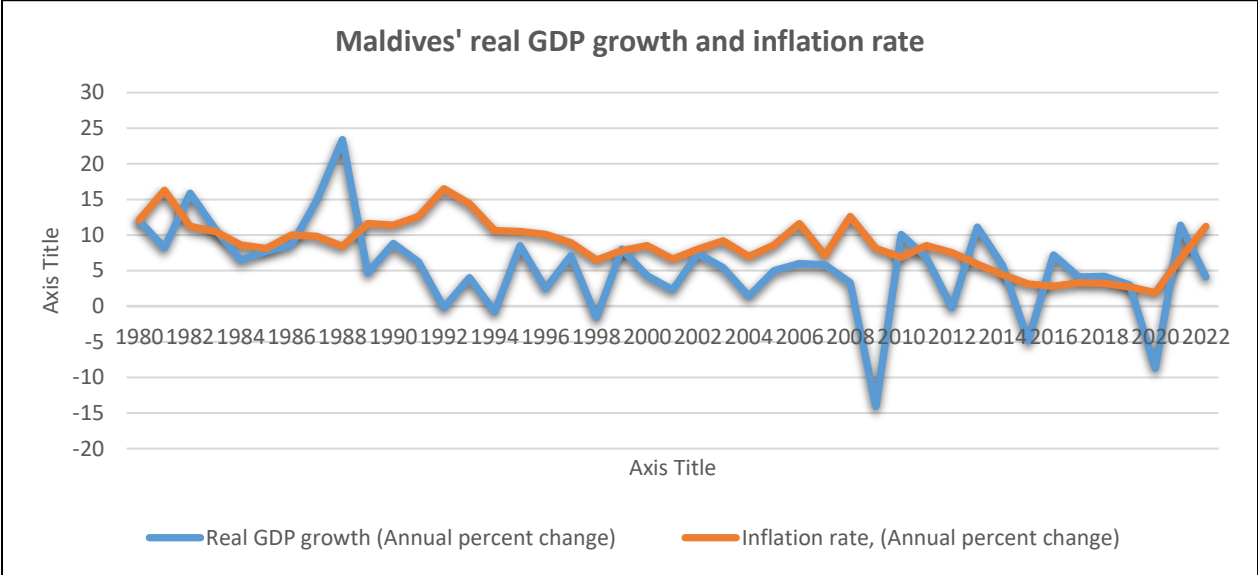
Maldives GNI per capita was 7.5 times higher than the income graduation threshold, and the human assets index score reached almost 90. The economic vulnerability index score, however, has not improved, in fact is above the current threshold indicating that the country remained highly vulnerable to environmental and external economic factors.

In its twentieth session, United Nations' Committee for Development Policy found that graduation had not caused significant disruption to the development path of the Maldives. The termination of trade preferences extended to Maldives by its major trading partners after graduation had no major effects on expanding exports of fish, and development assistance flows have not been significantly reduced following graduation.

¹⁰⁵ Trend Economy, Samoa's Annual International Trade Statistics by Country (HS), (2021)

Maldives Real GDP growth rate and inflation rate over the last decades shows following trends:

Figure 12 Maldives’ real GDP growth and inflation rate



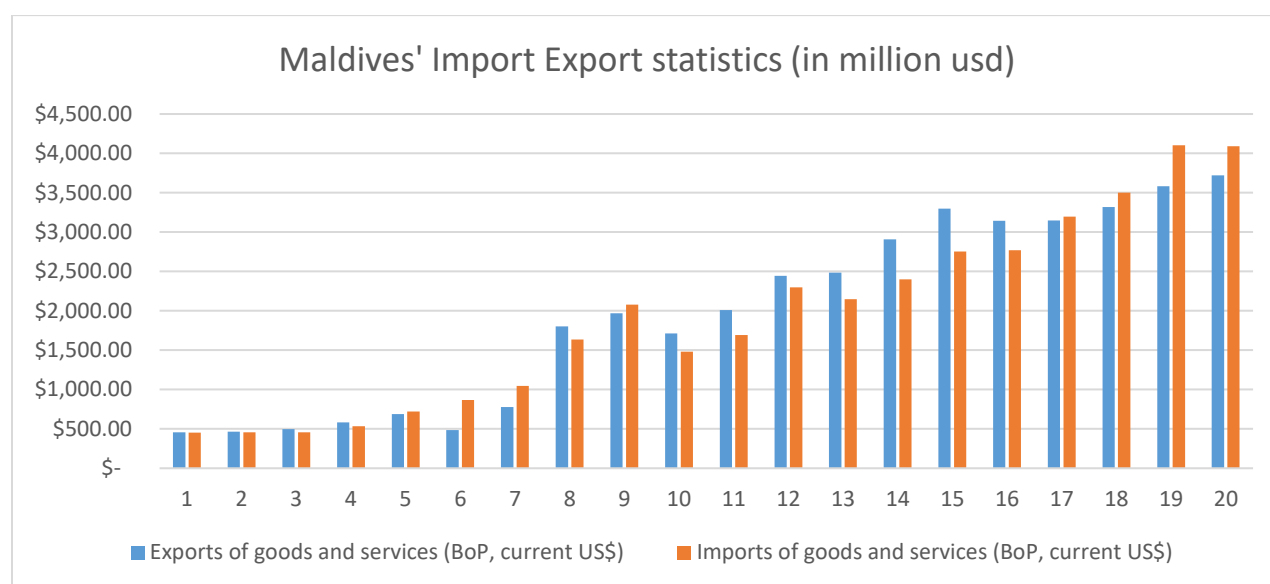
Source: IMF DataMapper October 2022

This figure shows that after the LDC graduation in 2011, Maldives managed to sustain its positive GDP growth successfully. The country’s inflation rate is also relatively low and consistent. However, Maldives took a strong blow in 2020 as due to the pandemic its GDP growth declined by about 33% but in the following year, it achieved a 37% increase which signifies the agility of the economy.

ADB estimates that Maldives' GDP growth is expected at 8.2% in 2022 and 10.4% in 2023. Also the inflation rates forecasted at 3.3% in 2022 and 2.8% in 2023. Despite sharp fall in economic activity in 2020 during the Covid-19 pandemic, the economic growth recovered quickly in 2021. Overall, sustained growth performance in the last decade has significantly reduced poverty, and Maldives performs well on poverty outcomes compared to its regional, income, and small island peers. The economy is heavily dependent on tourism which has been the main driver of economic growth in Maldives.

The countries import-export statistics can be contemplated in the figure below:

Figure 13 Maldives' Import-Export Statistics (products)



Source: WITS

The figure indicates Maldives continuous increase of trade over the years even after the LDC graduation in 2011. As a service depended economy, in 2017, the country’s service export was \$3.15Billion and import was \$1.3Billion.

The top exports of Maldives are Non-fillet Frozen Fish, Fish Fillets, Processed Fish, Non-fillet Fresh Fish, and Special Purpose Ships, exporting mostly to Thailand, France, Germany, India, and United States.

The top imports of Maldives are Refined Petroleum, broadcasting Equipment, Other Fruits, Packaged Medicaments and Other Furniture importing mostly from China, India, United Arab Emirates, Singapore, and Sri Lanka.

4.1.5 Existing Status of Cabo Verde

Cabo Verde is an island country in the central Atlantic Ocean. With a population of about 491,233 (2021 Census), only 10% of its territory is classified as arable land, and its mineral resources are limited¹⁰⁶. Cabo Verde has witnessed significant economic progress since 1990, driven in large part by the rapid development of tourism (25% of GDP), coupled with considerable social development thanks to strong social policies since the 1970s. Cabo Verde’s inclusion to LDC was in 1977 and in 2007 the country graduated from LDC status. In the latest (2021) LDC graduation threshold level, Cabo Verde’s standings are following:

¹⁰⁶ The World Bank in Cabo Verde, available at- <https://www.worldbank.org/en/country/caboverde/overview>

Table 33 Cabo Verde's current status in LDC thresholds

LDC graduation criteria	Cabo Verde's status in the 2021 triennial review	Graduation threshold (2021 triennial review)
Gross national income (GNI) per capita	3,371USD	1,222 USD
Human Assets Index (HAI)	91.2	66 and above
Economic and Environmental Vulnerability Index (EVI)	39.9	32 or below

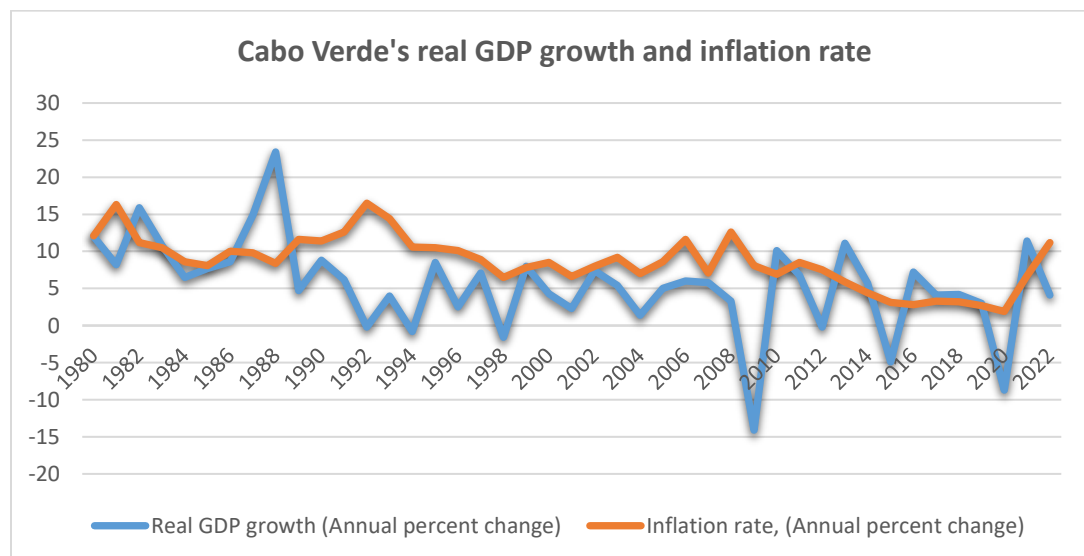
Source: Cabo Verde Profile, UN

Cape Verde, which graduated in 2007, showed no signs of a reversal of its development progress. Both its GNI and GDP continued to grow steadily, and the HAI shows further progress. The economic vulnerability of Cape Verde, as measured by the EVI currently remains high compared to recent graduation required level.

The smooth transition of Cape Verde was supported by a transition strategy devised by the Government in cooperation with a donor support group. Even though some donors reduced support, overall ODA actually increased since graduation. This support proved important in offsetting the negative impact of the global economic and financial crisis on the country's tourism sector, foreign direct investment and remittances.

Cabo Verde's Real GDP growth rate and inflation rate over the last decades shows following trends:

Figure 14 Cabo Verde's real GDP growth and inflation rate



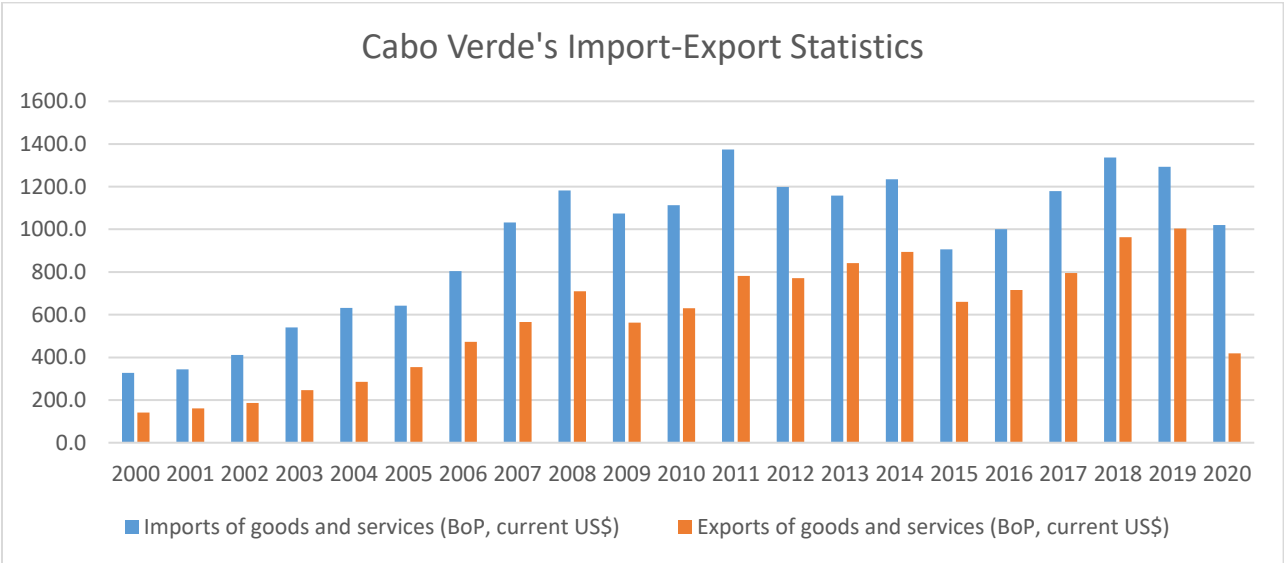
Source: IMF DataMapper

The figure depicts that since Cabo Verde’s LDC graduation in 2007 GDP growth declined slowly over the years but hit 14.6% increase in 2018. However, in 2020 it reached record low of 14.8% decline. The inflation rate remained low and controlled after the graduation years and expected to reach high in 2022.

The country’s economic activity expanded 7% in 2021, magnified by base effects after a contraction of 14.8% in 2020. On the supply side, manufacturing and construction led growth, while private and public consumption led on the demand side. Inflation rose from 0.6% in 2020 to 1.9% in 2021, due to higher international oil and food prices. The fiscal deficit remained high at 7.3% of GDP in 2021. Public debt increased slightly to 143% of GDP, driven by sustained current expenditures ¹⁰⁷.

Cabo Verde is heavily dependent on imported food and services account for a substantial proportion of the gross domestic product. The draw of nautical sports such as sailing and fishing and the attraction of the islands’ biodiversity have contributed to an increase in tourism to the islands, particularly by European visitors. The country’s export-import statistics is presented in the following figure:

Figure 15 Cabo Verde’s Import-Export Statistics



Source: WITS

The figure indicates that Cabo Verde’s trade growth sustained positively after its LDC graduation in 2007. In 2009 and 2010 trade reduced compared to previous years but achieved growth momentum through 2011-2014. Trade was reduced in 2015 but again

¹⁰⁷ The World Bank in Cabo Verde, October 2022

gradually increased in the following years. The recent pandemic shock adversely impacted the trade scenario in latest years.

The top exports of Cape Verde are Processed Fish, Non-fillet Frozen Fish, Mollusks, Footwear Parts, and Knit Men's Undergarments, exporting mostly to Spain, Portugal, Italy, United States, and Germany.

The top imports of Cape Verde are Refined Petroleum, Delivery Trucks, Cars, Railway Cargo Containers, and Cement, importing mostly from Portugal, Netherlands, Spain, China, and Italy¹⁰⁸.

4.1.6 Existing Status of Botswana

Botswana is a country in Southern Africa which was one of the world's poorest countries at independence in 1966. However, it rapidly became one of the world's development success stories. Significant mineral (diamond) wealth, good governance, prudent economic management, and a relatively small population of about 2.4 million (2021), have made it an upper middle-income country with an agenda of becoming a high-income country by 2036. Botswana was included in the LDC category in 1971 and graduated from the LDC status in 1994. In the latest (2021) LDC graduation threshold level, Botswana's standings are following:

Table 34 Botswana's current status in LDC thresholds

LDC graduation criteria	Botswana's status in the 2021 triennial review	Graduation threshold (2021 triennial review)
Gross national income (GNI) per capita	7,304 USD	1,222 USD
Human Assets Index (HAI)	83.1	66 and above
Economic and Environmental Vulnerability Index (EVI)	50.9	32 or below

Source: Least Developed Country Category: Botswana Profile, UN

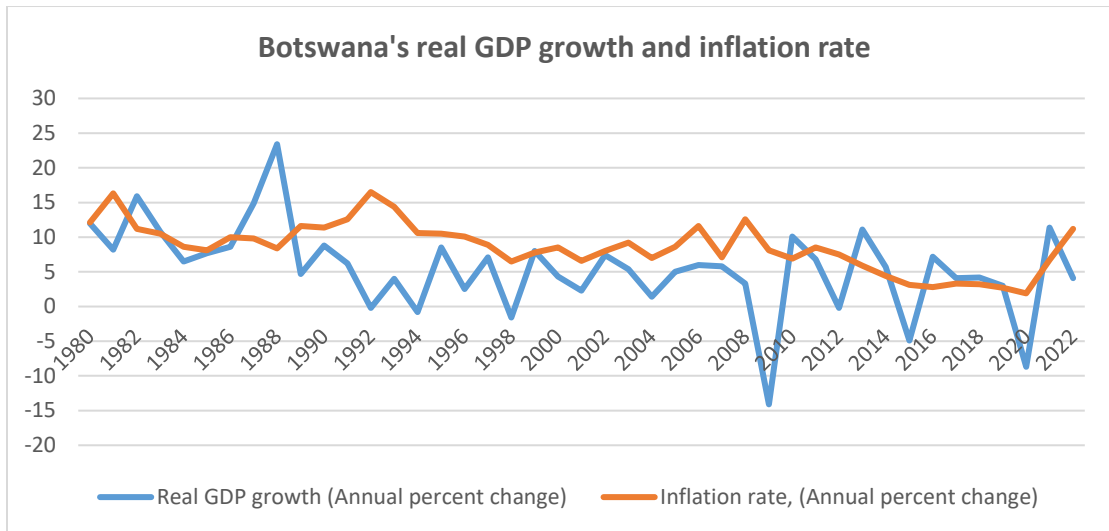
Botswana's GNI is currently about 6 times higher than graduation required GNI and HAI is still above the required level. However, the country's EVI is way higher than the current graduation threshold that indicates more economic and environmental risk and vulnerability in the country. Inequality in Botswana remains among the highest in the world, job creation lags, and unemployment is structurally high at 26% at the end of 2021. The success of Botswana was achieved due to its adoption of good policies. These have

¹⁰⁸ Cape Verde Profile-OEC

prompted rapid accumulation, investment and the socially efficient exploitation of resource rents.

Botswana’s Real GDP growth rate and inflation rate over the last decades shows following trends:

Figure 16 Botswana’s real GDP growth and inflation rate



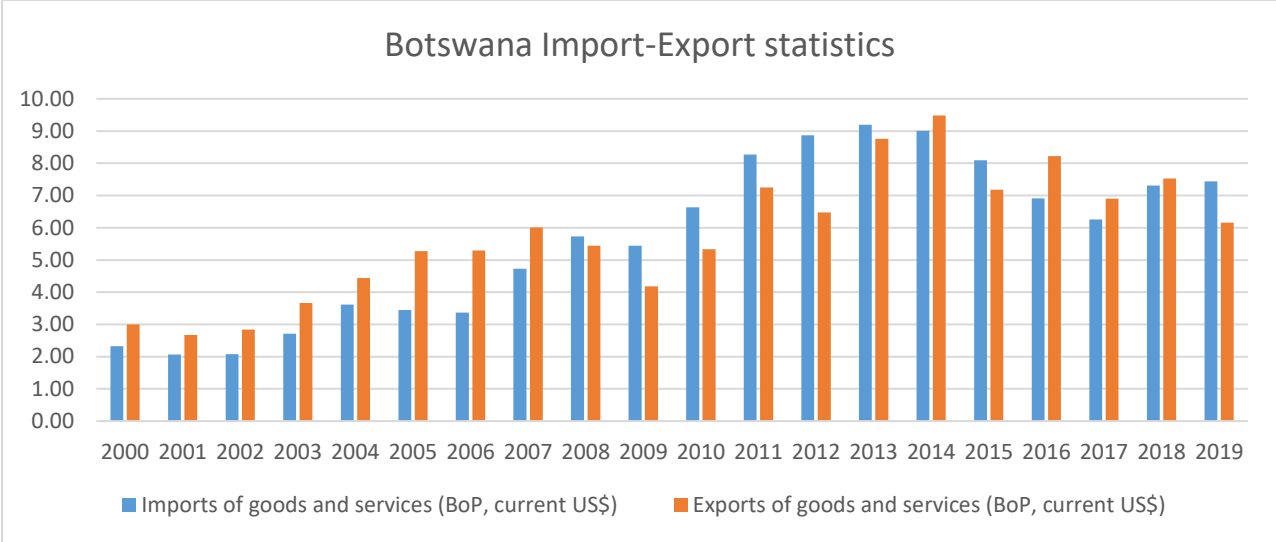
Source: IMF DataMapper

Since its graduation from the LDC category in 1994, Botswana showed continued improvement and sustained GDP growth. In 2009 the country hit record-low GDP growth but its economy was agile enough to recover it in the following year. Again in 2020 pandemic adversities reduced the GDP growth significantly but the economic situation recovered in the next year. The inflation rate trend shows a high level of inflation from graduation year (1994) which began to reduce in 2012 but is again expected to rise from 2022.

Botswana’s macroeconomic policy framework is anchored in prudent macroeconomic policies and good governance, but despite having maintained positive political and economic levels over the years, challenges remain. Botswana's reliance on diamonds and a public sector-driven model makes the economy vulnerable to external shocks, as diamonds contribute over 80% of total exports and are a major source of fiscal revenues. This vulnerability was evident during the COVID-19 pandemic when the economy contracted by 8.7% in 2020 and fiscal pressures rose.

Botswana’s trade balance is tied largely to the global demand for diamonds, which represents over 80 percent of the country’s export revenues. The country’s export-import statistics is presented in the following figure:

Figure 17 Botswana’s Import-Export statistics



Source: WITS

This figure shows that over the years Botswana’s export level has remained higher than the import and both import-export elevated gradually indicating sustained growth of foreign trade.

The top exports of Botswana are Diamonds, Gold, Insulated Wire, Bovine, and Carbonates, exporting mostly to Belgium, United Arab Emirates, India, South Africa, and Singapore.

The top imports of Botswana are Diamonds, Refined Petroleum, Electricity, Tanks and Armored vehicles, and Cars, importing mostly from South Africa, Namibia, Belgium, United Arab Emirates, and Canada.

4.2 Challenges Faced by the Graduated Countries and Initiatives Taken

From preference erosion to support fund loss, LDC graduation can present a country with diverse set of adversities. Some of the challenges faced by the graduated countries are:

4.2.1 Challenges Faced by Vanuatu

According to national reporting, Vanuatu’s main exports are fishery products, coconut products, kava, beef, timber, and cocoa. Over half of Vanuatu’s main exports are currently traded duty-free. With the exception of beef sent to Japan and coconut oil to Taiwan, this duty-free treatment has not been afforded under LDC concessional

measures provided by most members of the World Trade Organization, under what is known as the generalized system of preferences (GSP). Rather, it is due to the market access arrangements Vanuatu has negotiated. However, global trade liberalization has eroded much of the preferential tariff treatment provided to LDCs as evidenced by the number of countries that do no longer charge import tariffs on a number of Vanuatu's main export commodities. For those products that may be impacted by future tariff changes, it is noted that LDC concessional treatment does not disappear immediately upon graduation and since Vanuatu graduated recently its still enjoying the LDC provisions for a transition period.

In the absence of any bilateral arrangements After LDC provisions, Vanuatu's to Thailand, Japan and other major export destination will face a higher tariff rate imposed by Japan on all countries that do not have preferential access. But based on current trading patterns, the Committee for Development Policy estimated that the overall impact of losing access to the LDC duty-free and quota-free provisions will have minimal impact on Vanuatu exports.

However, over recent years geopolitical tensions, protectionist policies, and shifting views on globalization have destabilized global trading systems. The current climate of trade uncertainty has unpredictable consequences for investment behavior and international supply chains. Although currently used to a limited extent, the LDC preferential measures do offer a degree of surety, and act as something of a safeguard measure to major market changes. In their absence, it will be more important than even for Vanuatu to continually assess its exposure to changing circumstances in relation to the key markets it is, or wants to be, part of.

The main LDC-specific resource that Vanuatu has accessed is the Least Developed Countries Fund established under the United Nations Framework Convention on Climate Change, and dispersed through the Global Environment Facility (GEF). This has been an important means to help develop the National Adaptation Programme of Action, and implement some of its priority actions. To date, Vanuatu has received USD 19.4m (contributing to co-financing four projects worth USD 82.7 million). Vanuatu will maintain access to resources for projects already approved, but will not be able to apply for new projects under this fund after it has graduated.

In summary, Vanuatu will face following challenges once the LDC graduation transition period is over¹⁰⁹:

¹⁰⁹ LDC Graduation: Challenges and Opportunities for Vanuatu, UNESCAP

- Although most of Vanuatu's main exports do not avail of the LDC specific duty-free and quota-free exemptions available in many markets, access to these exemptions will be lost.
- Most notably the loss of duty-free, quota-free access will affect current trading arrangements in relation to beef exports to Japan and coconut oil to Taiwan.
- Increased exposure to the risk of getting caught up in trade disputes of others and potential tariff and other trade policy changes that arise from these, requiring increased human and technical resources to keep abreast of and respond to changes.
- Loss of access to funding under the Enhanced Integrated Framework.
- Loss of access to the LDC Fund under the Global Environment Facility (GEF).
- Loss of LDC preferential allocation of aid and potentially higher costs associated with concessional loans (i.e., higher interest rates and shorter repayment periods).
- Loss of LDC caps to UN contributions and funding for travel to participate in UN meetings.
- Loss of access to the Technology Bank for LDCs.
- Increased human and technical resources associated with WTO obligations.

Initiatives and Opportunities of Vanuatu

- Vanuatu adopted a smooth transition strategy to graduate from the least developed country category, despite the impacts of disasters and COVID-19.
- Vanuatu is adopting alternative measures available under frameworks designed to support (non LDC) developing countries, for example the European Union's 'GSP Plus', which is a special incentive arrangement geared towards rewarding governance, human rights and environmental protection standards.
- Vanuatu is trying to identify and negotiate the most appropriate future preferential trading arrangements for target sectors, working closely with industry representatives from the main export sectors.
- Vanuatu has made extensive use of 'Enhanced Integrated Framework' (EIF) facilities and improved the operation of the National Trade Development Committee.
- As the country rolls out its revised sector strategies under the framework of *Vanuatu 2030*, it focused more deeply on the nontariff issues that have held back growth in both export and domestic markets. Expanding the focus beyond tariff preferences, and armed with more detailed product strategies to boost both quality and supply are likely to open doors to new markets for high quality, niche products.

- Vanuatu is trying to use LDC graduation transition period to leverage future funding and capacity building activities through alternative sources. This may provide an opportunity to better integrate activities undertaken through the Ministry of Trade (the focal point for EIF) with other arms of government, linking to machinery of government reforms and cross-sectoral implementation of *Vanuatu 2030*.

4.2.2 Challenges Faced by Equatorial Guinea

With an oil-propelled GNI per capita (\$16,089) six times above the "income-only" graduation threshold (\$2,484), Equatorial Guinea is the first LDC to graduate thanks to a rapidly growing national income.

The country still faces serious challenges due to low oil production and prices. Its heavy reliance on oil exports (over 90% of total merchandise exports) leaves it highly vulnerable to oil price-related shocks and reserves are expected to be exhausted in a couple of decades.

Except for Equatorial Guinea, all the former LDCs have maintained steady progress in the GNI per capita. Equatorial Guinea's fall in income level can be attributed to price instability of its primary export, crude oil. It also faced other problems like unemployment, underemployment, automation and inadequate working opportunities since it could not measure the human assets and the economic vulnerability indicators accurately.

China, the EU, and the USA are the most important trading partners for Equatorial Guinea and together account for almost 65% of total trade. Less than one percent of overall imports from Equatorial Guinea make use of EBA preferences. The country did not take advantage of EBA preferences in 2020¹¹⁰.

The country left the LDC category in 2017, completed its Diagnostic Trade Integration Study (DTIS) in 2019. While the DTIS didn't not make explicit reference to the postgraduation strategy, it mentioned that limited progress in advancing the Economic Partnership Agreement with the European Union (EU) could have an adverse effect on export performance and slow down economic diversification efforts, as the three-year transition period under the EU's Everything But Arms (EBA) initiative ended in January 2021¹¹¹.

¹¹⁰ Equatorial Guinea, GSP hub, available at- <https://gsphub.eu/country-info/Equatorial%20Guinea>

¹¹¹ Trade impacts of LDC graduation, WTO

Equatorial Guinea also exceeds the criteria for the Standard GSP. China, the EU, and China are the most important trading partners for Equatorial Guinea and together account for almost 65% of total trade. The country will face preferential market access and tariff benefit to some countries since LDC provisions has ended but its oil product export may be insensitive to these circumstances.

Initiatives and Opportunities of Equatorial Guinea

- Equatorial Guinea developed a National Economic Development Plan: Horizon 2020, the country's long-term development strategy that highlighted two objectives: (1) transition from an oil dominated to a diversified economy; and (2) the reduction of poverty and enhancement of social cohesion. During the Phase I of the plan (2008-2012), road, port and airport infrastructure were created, the electricity supply network was improved public housing and buildings were built. The Phase II of the plan (2013-2020) aims at improving governance, the business climate and human capital formation
- Although there is no significant negative impact of graduation is foreseen on Equatorial Guinea, the country empathized economic diversification, including expanding export destinations and strengthening the service sector, and social development in its policy level. The following possible actions were considered regarding the diversification and enhancing productivity: (1) participate in EIF and conduct a diagnostic trade integration study (DTIS); (2) conclude negotiations for accession to the WTO as soon as possible; (3) liberalization of trade in services; (4) improve the business environment.
- The country proposed a smooth transitions strategy for overcoming graduation challenges with three phases. The first phase is to establish a consultation mechanism for the development, monitoring and evaluation of the strategy. In the second phase, the strategy could be implemented by proactive actions by the Government (such as participating in EIF, or communicate with various investments funds with the help of the ADB), or by arrangement of the Government with relevant international organizations (such as WTO negotiations). In the third phase, monitoring and evaluation of the smooth transition would be done by the consultation mechanism together with CDP and its secretariat¹¹².

¹¹² Monitoring of Graduated and Graduating Countries from the Least Developed Country Category: Equatorial Guinea, Committee for Development Policy (2016)

4.2.3 Challenges Faced by Samoa

With small transition strategy, Samoa effectively encountered its graduation challenges. The country is highly vulnerable to external shocks due to the export structure of the country, a high portion of low-lying areas, and its small population size. Samoa managed to secure most of the aid flows in grant form in 2014, but the increasing loans from multilateral financial institutions and emerging bilateral donors raised concerns on the level of country's external debt.

Also, Samoa's balance of payment is characterized by a large deficit in the balance of goods and a significant surplus in the balance of services, as well as a substantial transfer inflow. But expanding remittances and tourism earnings have been key to the economy.

The Samoan economy is largely dependent on agriculture and tourism. In 2020, total EU imports from Samoa amounted to about €578,000, of which about 55% were eligible for the reduced tariffs granted under the Standard GSP. Samoa did not take advantage of GSP preferences in 2020.

Initiatives and Opportunities of Samoa

- Samoa's smooth transition strategy has been an integral part of its national development strategy, the Strategy for the Development of Samoa (SDS) which provides an overarching framework in planning and implementing policies to sustain economic growth and human capital development. A mid-term review for the SDS has been started to be implemented in 2014 in 14 different sectors. Investments have been focused on infrastructural development, in particular transportation, and securing cost effective renewable energy options by 2017. With focus on the tourism and agriculture/fisheries sectors, extensive programs to revitalize agricultural and fisheries exports were launched in 2014. Market opportunities for primary produce are explored, by making improvement in compliance to product requirements in importing countries. An agribusiness facility was also launched in 2014 to provide support for commercial agriculture as well as subsistence farmers.
- In November 2014, Samoa became a signatory of the Tokelau Arrangement, along with Australia, New Zealand, Niue, the Cook Islands, Tokelau, Tonga, Tuvalu, and Vanuatu, which aims to set catch limits and develop sustainable commercial fisheries for tuna species in the exclusive economic zones of Pacific nations. Most of Samoa's tuna catch is exported and a large proportion of households rely on fisheries income to some degree. Under the Tuna Management and Development Plan 2011-15, the Government attempted to boost exports by encouraging private-sector development and joint ventures with foreign firms in the fishing sector,

looking to add value by promoting local processing. The Government also planned to improve the local regulatory regime to encourage sustainable tuna exports to the EU. In the long run, however, promoting fisheries sector heavily depends on the sustainability of fish stocks.

- The Government continued to engage in consultation with the private sector on the compliance obligations following WTO accession in 2012. The Diagnostic Trade Integration Study conducted in 2010 pointed out that there might be significant adjustment costs in agriculture, food-processing, and manufacturing sectors, related to issue of intellectual property rights, sanitary and phytosanitary systems, subsidies and countervailing measures, and technical barriers to trade.
- The Government has successfully negotiated with some of its export trading partners on the continuation of DFQF schemes beyond graduation. China agreed to extend zero tariff treatment on noni juice and other agro-processing products until 2017. Discussions are still ongoing with the Government of Japan on a similar arrangement for noni juice, fish exports and organic products such as honey, vanilla and cocoa.
- Samoa continued to receive preferential market access to Australia under the Australian system of Tariff Preferences as well as the South Pacific Regional Trade and Economic Cooperation Agreement (SPARTECA). For New Zealand, Samoa retains preferential market access under SPARTECA and WTO arrangements. Negotiation is ongoing on the free trade agreements in the region such as The Pacific Island Countries Trade Agreement (PICTA), Pacific Agreement on Closer Economic Relations (PACER), and PACER plus.
- In 2011, the majority of Samoa's development partners agreed to working with the Government on a Joint Policy matrix (JPM) which would be the basis for delivery of performance linked aid. Year 2014 was the third year of the JPM and the assistance provided has helped meet Samoa's budgetary deficits. The Government of Samoa reported that most of the financial support by multilateral financial institutions has been delivered in the form of grants in 2014. It is likely, though, further assistance in the future will be composed of grant and loan, due to the improved economic performance of the country.
- EU continued to support Samoa after its graduation, with an indicative amount of €20 million provided under the 11th European Development Fund, with focus on the water and sanitation sector, within the framework of the National Indicative Programme signed on 2 September 2014 in Samoa.
- Countries in the Pacific region, including Samoa, received assistance and attention increasingly from the emerging donors. India and China both held Pacific summits

in November 2014 in Fiji and commitments were made for additional grants injections and increased concessional financing as well as strategic technical assistance. Chinese assistance to the region has increasingly moved from grants and interest-free loans toward loans with concessional interest rates¹¹³.

4.2.4 Challenges Faced by Maldives

After LDC graduation, The Maldives also experienced slow growth, particularly due to the slow performance of its main export items (fish fillets and frozen fish) to key export destinations (European Union and Japan). Loss of Duty-Free and Quota Free (DFQF) status in the European market created adverse pressure on the Maldivian economy. However, for a smooth transition, UNCTAD's technical assistance to national policy makers helped the country overcome graduation challenges. Some of the challenges faced by the country following the LDC graduation include:

- A shortage of skills, the impossibility of developing significant agriculture, and high transport costs combine to make it difficult to diversify the economy.
- the need to continuously import petroleum products and the pressure to protect consumers from the most severe effects of oil price increases have created a demand for subsidies on utilities, particularly electricity.
- Although the country provided many incentives for investment after the graduation, the range of sectors with foreign investment remains narrow. Except tourism, the incentives failed to attract significant investments in other sectors. The Foreign Services Investment Bureau noted that foreign investments have been made in some other sectors like transport and telecommunications, water production and distribution, and finance but they only account for a small percentage of the total foreign investments.
- The fishing industry, a major sector of the economy did not significant foreign or domestic investment in the last 2 decades.
- Domestic credit to the private sector became highly concentrated in larger firms and in the tourism industry.
- Maldives' export basket has shown relatively more sophistication than that of neighboring countries in recent years, it still shows little diversification. The Maldives' export basket can be characterized as relatively sophisticated but insufficiently diversified¹¹⁴.

¹¹³ Monitoring of Graduated Countries from the Least Developed Country Category: Samoa, Committee for Development Policy (2015)

¹¹⁴ Maldives overcoming the challenges of a small island state- country diagnostic study, ADB (2015)

Initiatives and Opportunities of Maldives

- The Maldivian government acknowledged that loss of preferences was a great challenge for the country, however, the government through creating appropriate policies to sustain the export volume managed to sustain the smooth transition. This moderate stability was caused by the initiatives taken by the government and the private sectors. This initiative allowed Maldives to participate in new markets and introduced Maldives' fish as a high-quality product to the world. While Maldives lost preferential market access following its graduation from the LDC status, however, Maldives effectively managed the loss of preferences by increasing its 'productive capacity'¹¹⁵.
- The strategies that led to the graduation of Maldives from the LDC status were also developing tourism-led growth as the government greatly invested in constructions related to tourism, communication, transport and resort developments. Maldives also revived its fisheries sector. Maldives also proactively used microeconomic policies and strengthened its education and health services.
- Maldives developed a smooth transition strategy identifying key action points for each impact areas identified. For instance, the country drawn policy strategies with a view to mitigate immediate and medium-term impacts.
- The smooth transition strategy developed for the Maldives focused primarily on trade development with a secondary objective of maintaining development financing.
- The country put in place mechanisms to ensure continuity of achievements. For instance, it continued high level of public spending on health & education sectors, introduction of news social protection schemes to address social vulnerabilities.
- It developed short to long-term plans to address structural issues, like National Plans, sectoral plans etc.
- It made a zero-tariff agreement with China for 60% of Maldives' exports.
- The country was very active in engaging the international community in continuing to extend support. It received higher ODA from Japan and the EU. Social infrastructure attracted the largest share of total ODA during the first decade of the new millennium.
- Maldives National (transition) strategies/actions included:
 - Establishing national coordination mechanism;

¹¹⁵ Gradation from LDC Status: Lessons That Could Be Learned from Best Practices, Sebghatullah Qazi Zada et. all (2019)

- Plan of action for key areas such as trade and investment;
- Ensuring environmental sustainability;
- Cooperation for Facilitation of donors' engagement'
- Strengthening the national trade policy coordination mechanism;
- Building national capacity for trade-related issues;
- Developing a trade information system;
- Technical advice to government on its negotiations with SAARC/WTO.

4.2.5 Challenges Faced by Cabo Verde

Cape/Cabo Verde didn't have a three-year grace period for preferential access, international support measures (ISMs) and other LDC-specific preferences. Cape Verde undertook good planning prior to graduation. Cape Verde experienced a slowdown of economic growth as its growth cut down by more than one-third. LDC graduation threatened the country with following challenges:

- The loss of LDC-related advantages (specifically related to ODA and international market access). Given the dependence on aid, the country's GDP performance was put at risk, which would, ultimately, implied an increase of unemployment and poverty and less social investment as ODA decreased with the country's exit from the LDC list.
- In terms of the trade benefits and special conditions associated with LDC status, these were also lost once Cape Verde graduated. This had a relatively negative consequences on the national export sector. However, the weight of exports in the economy was not significant.
- Cape Verde's graduation signified the loss of eligibility for the European Union's Everything But Arms (EBA) initiative, but did not put at risk the benefits accrued through the United States' African Growth and Opportunity Act (AGOA)¹¹⁶.

Initiatives and Opportunities of Cabo Verde

- The continued growth achieved by Cabo Verde since its graduation is a result of policy measures taken during the graduating process. For example, the tourism sector saw a range of sectoral and investment policies that attracted productive investment and boosted growth years before it graduated.
- Remittances supplement investment and expenditure in the social sector helped the country overcome some challenges. Its Ministry of Diaspora Affairs focused

¹¹⁶ Status upgrade: the case of Cape Verde's graduation from the least developed country (LDC) category, Djalita N. Fialho.

on incentivizing remittance inflows through formal channels and seeks to facilitate diaspora investment.

- Since 2007, Cabo Verde managed to increase its bilateral and multilateral ODA flow. Its major bilateral donors were Japan, Luxembourg, the Netherlands, Portugal, Spain and USA. The African Development Bank, European Union, United Nations and the World Bank were the major multilateral partners who helped with consistent ODA.
- In October 2011, Cape Verde applied for benefits under the EU's GSP+, a special incentive arrangement which provides preferential market access to EU markets to countries that commit to effectively implement 27 international Conventions related to human and labour rights, the environment and good governance. In December 2011 the EU confirmed that Cape Verde fulfils the provisions to enjoy preferential access under GSP+. This initiative assisted the country to sustain trade growth¹¹⁷.
- Cape Verde continued to be part of negotiations for a comprehensive Economic Partnership Agreement (EPA) between the EU and West Africa. This agreement offered much broader trade and development prospects because it extends to areas beyond trade in goods, including tourism and investment.
- Cape Verde undertook good planning prior to graduation. The country successfully negotiated with European Union (EU) for additional two-year grace period for 'Everything But Arms' (EBA) above the original three-year grace period, and some other transition period deals with prominent trade partners like China.

4.2.6 Challenges Faced by Botswana

In the immediate post-graduation era, Botswana saw its growth cut down. Despite a fall in the gross domestic product (GDP) growth rate, Botswana's mining industry boomed in post-graduation era and the government maintained a high current account surplus and high tax revenue earning owing to successful diamond mining industry. The country is closely integrated with the global trade and cyclical factors are determinants of growth. But overall, the economic performance of the country has been good since graduation. Its high concentration of diamonds in merchandise exports, along with the geographical constraints imposed by its small size and landlocked Ness, make the country vulnerable to external shocks however, with proper pre-planning Botswana has experienced substantial economic diversification away from natural resources: household consumption, along with the services sector, have become major contributors to national

¹¹⁷ Monitoring the progress of graduated countries Cape Verde, CDP

output. The country faced less challenges since LDC graduation since it was successful in laying a stronger foundation for structural transformation and productive capacity¹¹⁸.

Initiatives and Opportunities of Botswana

- Growth in Botswana was spearheaded by mining (particularly diamond extraction) in the 1970s and 1980s, but the country put efforts on service sector development as services have emerged as a significant sector since the 1990s.
- The country has shifted towards substantial economic diversification away from natural resources. This is an opportunity for the country.
- Botswana partnered with the United States and regional actors to develop and diversify its economy sustainably, inclusively, and equitably, while building resilience and adaptability to environmental and socioeconomic change that benefits all¹¹⁹.
- The country laid a stronger foundation for structural transformation and productive capacity. Resources shifted from low-productivity primary sectors such as small-scale fishing and agriculture to sectors with higher value added, such as tourism and fish processing.
- This graduated LDC kept the process of structural transformation rolling by directing investment, ODA and FDI towards greater diversification and the social sector.

Botswana prioritized 'soft industrial policies' such as liberalization of trade and investment, creating a business-friendly environment and offering tax-based incentives; and the setting up of special economic zones¹²⁰.

¹¹⁸ Graduation of African Least Developed Countries (LDCs)- Emerging issues in a new development landscape, UNDP (2020)

¹¹⁹ Integrated Country Strategy, BOTSWANA (2022)

¹²⁰ Graduation of African Least Developed Countries (LDCs)- UNDP

Chapter 5: Strategies for Graduating LDCs against the Loss of S&DT Benefit

While graduation does testify to commendable socioeconomic progress made by Bangladesh and other graduating LDCs, one will have to remember that graduation is conditional to meeting any two of three specific criteria (GNI per capita, human asset index and economic vulnerability index) or doubling the income threshold. The scores are based on average numbers and don't consider distributional aspects. Also, the HAI and EVI scores were fixed in 2012 (previously these were moving numbers) making an increasing number of LDCs eligible for graduation. The graduating countries continue to suffer from embedded structural weaknesses manifested in lack of productivity and low productive capacities, low levels of industrialization, weak institutions, weak technological readiness, rising income inequality and uneven nature of growth and climate vulnerabilities.

Besides, these countries are graduating under the long shadow of the pandemic, with its adverse and multidimensional impacts already manifest in various macroeconomic-performance indicators, including poverty, employment, capacity utilization and production and the GDP growth rate, as also in health, nutrition and education overcomes. Hence, the graduating countries need to come up with strategies for sustainable development after graduation.

5.1 Retaining LDC-specific S&DT benefits beyond graduation

5.1.1 Retention of S&DT under Agreement of Agriculture (AoA) of WTO

As per the provisions of the Agreement of Agriculture (AoA), Bangladesh could continue to benefit from some of the flexibilities under the agreement following its graduation from the LDC status if it can be included in the WTO list of Net Food-Importing Developing Countries (NFIDCs) after graduation till 2030. As the Committee on Agriculture maintains the list of WTO NFIDCs, Bangladesh being a net importer of basic foodstuffs can request to be included in the WTO NFIDC list as per the agreed procedure.¹²¹ One precedent for such a situation is Maldives, which upon graduation was included in the WTO NFIDC List in 2011 based on their request to the Committee on Agriculture.

¹²¹ WTO list of NFIDCs: G/AG/5/Rev.10 (last updated 2012).

5.1.2 Retention of S&DT under Agreement on Subsidies and Countervailing Measures

As discussed in Chapter 2, according to the SCM Agreement, LDCs and developing country members listed in Annex VII (b) are exempt from the prohibition of export subsidies for non-agricultural products. The developing countries are exempted until their GNI per capita reaches US\$1,000 in constant 1990 dollars. Given the current provisions, it is not clear if a graduating LDCs (with per capita income less than \$1,000 in 1990 prices) will be automatically considered as a member of Annex VII country group. Bangladesh has already raised the issue in WTO for clarification and a further extension as Annex VII developing country after graduation. It needs to be pointed out that given the current growth trajectory, Bangladesh will cross the per capita income threshold of \$1,000 in 1990 prices by the time it graduates out in 2026. Therefore, automatic consideration of graduating LDCs as Annex VII countries may not provide any benefits for Bangladesh. Another issue is that, according to paragraph 27.8 of SCM agreement, serious prejudice falls under S&DT exemption. Therefore, these Annex VII member countries can still face repercussions for violating SCMs under serious prejudice. While no developed or developing country has ever acted against any LDC based on this particular ground, that favourable consideration is likely to change with a country's graduation. Therefore, Bangladesh will have to carefully consider its export support policy options in the post- graduation period. It is to be noted, many countries provide different subsidies and may not inform the WTO regularly. After LDC graduation, if subsidies are not eliminated, other WTO members could take action against Bangladesh under Article 4 of Subsidies and Countervailing Measures (SCM) of the WTO and ask for the withdrawal of the subsidy. So incentives alternatives to export subsidies should be explored.

5.1.3 Retention of S&DT under TRIPS Agreement of WTO

As discussed in Chapter 2, the TRIPS Agreement have exempted LDCs from applying the provisions of the Agreement and fulfilling certain notification requirement associated with the agreement. Bangladesh, after graduation, will have to comply with all the rules that it has been exempted from as an LDC. As the TRIPs waiver has been most beneficial for Bangladesh, after the termination of the TRIPs waiver, there might be some negative shocks on the pharmaceutical sector which might exacerbate export in the sector. One way out for this might be to engage bilaterally with developed country members granting similar.¹²²

¹²² WTO 2022, Trade impacts of LDC graduation

5.2 Retention of DFQF preferences: Negotiation with Trading Partners to get Transition Period

As Bangladesh is set to be graduated from the Least Developed Country (LDC) category by 2026, developing strategy for continuing the preferential market access after graduation is a key task for the country's policy makers. The government has already started to work in this regard along with developing strategy for retaining existing level of market access in the countries currently providing Duty-Free Quota-Free (DFQF) market access to Bangladesh as LDCs. It is to be noted that the EU has already offered the LDCs extension of preferential market access under EBA (everything but arms) arrangement for three years following the graduation from the group. Other countries can offer similar extension as part of support towards sustainable graduation. Hence, there is also the need to identify potential Free Trade Agreement (FTA) partner countries and develop strategy for engaging those countries in FTA negotiations.

In terms of loss of preference margins, the most relevant developed market for the graduating Bangladesh is the European Union (EU), and to some extent Canada and Japan. In these markets, most of our exports enter duty free. Around two-thirds of Bangladesh's exports (mainly clothing) are destined for these markets.

Bangladesh's exports are concentrated mainly in the EU and North America. This direction of exports, to a large extent, determines the market access scenario following graduation.

Bangladesh will have to face the challenging task of exporting on MFN tariff after the graduation in 2026, as unilateral Generalized System of Preference (GSP) schemes will be terminated immediately except for EU which will be extended for three more years under the present terms. Bangladesh would lose access to duty free quota free (DFQF) arrangements for LDCs and to simplified rules of origin reserved for LDCs, with especially important impacts on the garments in. In its main market, the European Union (EU), Bangladesh would remain eligible for duty-free quota free market access under the

Average tariff increases for Bangladesh after graduation would be 8.90 per cent which is the highest among LDCs. The graduation will have a big impact on the exports of Bangladesh, which is estimated to see decline by 14 per cent. However, for its major export products, which is ready made garments, the MFN tariff rates will be 9.6%, if the present tariff rates in the EU continues.

No important impacts are expected in the United States market, since Bangladesh's most important products are not covered by the LDC-specific preference scheme. Bangladesh has been suspended from the GSP scheme (including preferential tariffs for LDCs) since 2013 due to labour safety issues.

Graduation will also create challenge to Bangladesh as most of clothing sector is not in India's tariff liberalization schedule for non-LDC members of South Asia Free Trade Area (SAFTA). Thus, Bangladesh will have to export to India under the applied rate of duties.

Regarding clothing exports to the EU, LDC firms are only required to undertake a "single stage transformation" from fabric to clothing under the Everything But Arms (EBA) scheme, while a "double stage transformation" from fibres to fabric to clothing would be required under the standard GSP.

Under the SAFTA rules of origin, LDC participants are allowed up to 70 per cent of non-originating material, compared to 60 per cent for non-LDC parties. Graduation from LDC status would therefore not allow graduating LDCs to avail of such liberal treatment.

Graduation will also mean losing LDC preferences in Asia Pacific Trade Agreement (APTA) markets such as China and Republic of Korea to certain extent as the items on which preferences will be available will be reduced, the margin of preference will also be reduced, and Bangladesh will have to comply with a higher value addition (45 per cent instead of 35 per cent for LDCs).

Under APTA fourth round negotiations, Sri Lanka, a non-LDC, was allowed greater flexibility (to commit lower levels of commitment in tariff liberalisation) than other non-LDC members.

China still maintains LDC ISM measures in favor of Samoa which was graduated out from the UN list of LDCs in 2014. Bangladesh should also ask for similar concessions.

In the light of paragraphs 16, 17 and 18 of the UN General Assembly Resolution adopted on 21 December 2012 on smooth transition for countries graduating from the list of least developed countries (A/RES/67/221) Bangladesh may urge UN Committee for Development Policy (CDP) to extend the timeline for graduation from LDC status to nine years, as suggested by the United States (US), and continuation of ISMs for further three years from the time of graduation from the LDC category taking into account the

respective implementation of STS for each graduating LDC and phasing out the ISM in next three years after that.

The support measures available under WTO and unilaterally extended by its members to LDCs should be continued for a period of three years and will be phased out during next three years after the entry into force of a decision of the UN General Assembly to exclude the member from the LDC category. This is necessary in order to ensure that graduation does not cause abrupt disruption in the LDCs trade in goods and services.

In this connection, Bangladesh should take up a proactive action plan to negotiate with the trading partners under DFQF and GSP Schemes and in other preferential agreements for extension of all support measures.

Bangladesh should also negotiate for the extension of LDC treatment under SAFTA in the light of Article 12 of SAFTA which provides for a "Special Provision for Maldives" by granting LDC terms of trade even after graduation.

Bangladesh should also take up joint action plan for harmonization of mutual trade rules, regulatory measures and streamline bilateral institutional cooperation in the respective fields including the central banks, customs authorities, quality and standards bodies and other. The country also needs to actively engage with the trading partners to ensure harmonization of Technical Barriers to Trade (TBT) and Sanitary and Phyto-Sanitary (SPS) measures and signing of Mutual Recognition Agreement (MRA) to streamline flow of traded goods and services so that certificates on technical regulations and standards issued by the respective accredited national bodies are accepted on basis of MRA. These are necessary to avail the market access.

Bangladesh has kept open its Public Procurements for foreign participation on MFN basis. It is time to ask for reciprocal treatment from the trading partner countries. Moreover, the country needs to take up a proactive joint action plan with the trading partners for respective customs cooperation agreement to facilitate mutual trade as envisaged in the WTO Trade Facilitation Agreement and WCO protocols and annexes including gradual harmonization of customs documentation and clearance procedure.

5.3 Examining the Possibilities to Introduce Special S&DTs/ ISMs for Graduating LDCs

Graduating LDCs will need support to strengthen and complement their own efforts. In view of this, these LDCs are asking for a new set of ISMs to help make graduation sustainable. Some of the elements of this are as follows: (a) Extend S&DTs in the WTO for a time-bound period, as was noted above, in connection with the LDC submission to the WTO General Council (b) Extension of market-access preferences offered under GSP schemes on bilateral basis (EU, India, China, Japan, USA, Canada and others) or as part of regional agreements (e.g. India in SAFTA), (c) Design a Debt Relief Initiative for graduating LDCs to incentivize graduation and release funds to undertake activities in support of sustainable graduation (d) Put in place a Graduation Support Fund (e) Support the proposal floated to provide preferential access to the extent of Domestic Value Addition in exports of graduated LDCs.

There has been little progress in developing “new support measures” or “incentives” – beyond the existing International Support Measures (ISMs) – tailored specifically to help graduating LDCs with the transition period, or to encourage graduation.

One of the main reasons for this is that the potential category of “new support measures” or “incentives” is very broad. Donor countries could provide more finance and continue to ensure more is in the form of grants rather than loans, and the interest rates for loans is as low as possible. Both developed and developing countries can finance industries in LDCs and transport infrastructure that better connects them to global markets. They can provide more finance to help LDCs adapt to climate change and better manage their disaster risk and can consider new approaches that would make these funds easier to access. They can help LDCs access disaster insurance and other instruments aimed at managing risk such as catastrophe bonds and GDP-indexed bonds. Different, sometimes complex mixtures of public and private finance (e.g., blended finance) can be developed; blended finance is concentrated in sectors with high economic returns and so far has largely bypassed LDCs. LDCs themselves can take measures aimed at improving the business climate to attract more private sector investment, improving efficiency of their tax administration, improve their productive capacity – essentially become more developed – and international development partners can provide capacity development assistance with all of the above. The issue of financing will be discussed in details at an Expert Group Meeting on financing for graduating countries led by the Office of the Secretary General, 11-12 November 2019, New York.

New support measures could even be developed by and for individuals – by supporting tourism to and products from LDCs, or by governments providing direct cash transfers. Many potential options exist, and just as for the existing ISMs, it can be difficult to analyze which constitute a targeted response to the underlying constraints and vulnerabilities each country faces and which should better be offered to all developing countries. For instance, scaled up support to address climate change and disasters is of particular value to graduating LDCs that are Small Island Developing States (SIDS); at the same time, it can be of particular value to all SIDS.

5.4 WTO Ministerial Conference (MC12) Outcome with Respect to Graduating LDCs

The Twelfth Ministerial Conference of the World Trade Organization (WTO-MC12), held in Geneva during June 12-17, 2022, proved to be a litmus test as to what extent the global community was ready to extend support to these graduating LDCs, towards their sustainable graduation. LDCs, which are slated for graduation over the next few years, have argued that they were graduating under the long shadow of the pandemic, that in spite of their commendable economic achievements their economies continue to suffer from embedded structural weakness and that a number of earlier initiatives in the WTO in support of the LDCs are yet to be implemented. In this backdrop, LDCs had put forward a proposal for extension of LDC-specific support measures to be enjoyed by the graduated LDCs, for a time-bound period. LDCs have also argued in favour of a new set of ISMs which include, along with the call for the aforesaid extension, debt relief initiative and reflection of concerns of graduating LDCs in the built-in and ongoing negotiations in the WTO. Being a recognised member of the group of the LDCs in the WTO, Bangladesh has played a key role in articulating the demands of the graduating LDCs. In the MC 12 declaration, the WTO members also agreed to extend the trade benefit to the LDCs and graduating LDCs, although it was not specified yet how long and how the benefit would be delivered to the benefiting countries.

Some of the proposals regarding LDCs presented in the MC-12 are¹²³:

- To recognize the role that certain measures in the WTO can play in facilitating smooth and sustainable transition for these Members after graduation from the LDC Category should be.

¹²³ WTO MC 12 Documents, available at-
https://www.wto.org/english/thewto_e/minist_e/mc12_e/documents_e.htm

- To facilitate the conclusion of ongoing accessions, especially for least-developed countries fully in line with the General Council Guidelines on LDC Accessions, and to provide technical assistance, where appropriate, including in the post-accession phase.
- On implementation of preferential treatment in favour of services and service suppliers of least-developed countries and increasing LDC participation in services trade, and instructed the Council for Trade in Services to review and promote the operationalization of the waiver including to explore improvements in LDC services export data; to review information on LDC services suppliers and consumers of LDC services in preference providing Member markets; and to assess best practices in facilitating the use of the preferences.
- To assist the LDCs in meeting their definitive category C deadlines.
- Aid for Trade initiatives in trade-related capacity building for the LDCs type programmes should prioritise the objectives identified by the LDCs.
- the Trade Facilitation Committee should hold a Dedicated Session on transit issues annually until the next review of the Trade Facilitation Agreement is completed. These dedicated sessions will highlight the importance of transit and reserve time for the Committee to discuss best practices, as well as the constraints and challenges faced by all landlocked WTO Members, including landlocked developing countries and LDCs as outlined in G/TFA/W/53.
- For a period of 2 years from the date of entry into force of the fishery subsidy agreement proposed in MC 12, subsidies granted or maintained by developing country Members, including least-developed country (LDC) Members, up to and within the exclusive economic zone (EEZ) shall be exempt from actions based on Articles 3.1 and 10 of the Agreement.
- Agreement on fisheries subsidies also proposed specific provisions for LDC members that dictates- “A Member shall exercise due restraint in raising matters involving an LDC Member and solutions explored shall take into consideration the specific situation of the LDC Member involved, if any.” The same agreement also prescribed that targeted technical assistance and capacity building assistance to developing country Members, including LDC Members, shall be provided for the purpose of implementation of the disciplines under this Agreement. In support of this assistance, a voluntary WTO funding mechanism shall be established in cooperation with relevant international organizations such as the Food and Agriculture Organization of the United Nations (FAO) and International Fund for Agricultural Development. The contributions of WTO Members to the mechanism

shall be exclusively on a voluntary basis and shall not utilize regular budget resources¹²⁴.

- the Ministerial Conference envisioned that the SPS Committee should explore how the implementation and application of the SPS Agreement can support to increase participation of and support for the special needs of developing and least developed country Members in the development and application of SPS measures; and in particular, to increase awareness of and sensitivity to the impacts of SPS measures on the export possibilities of such Members.
- A dedicated work programme in the Committee on Agriculture was proposed to examine how the Marrakesh Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries could be made more effective and operational pursuant to Article 16 of the Agreement on Agriculture and to consider concerns raised by Members in their current and future submissions. The work programme shall consider the needs of LDCs and NFIDCs to increase their resilience in responding to acute food instability including by considering the best possible use of flexibilities to bolster their agricultural production and enhance their domestic food security as needed in an emergency.
- Emphasized was given on providing technical and financial assistance to LDCs and NFIDCs, including through international and regional financial institutions, with a view to improving their agricultural productive capacity, infrastructure and access to agricultural inputs.
- About TRPIS benefits, it was mentioned that “An eligible member may apply the provisions of this Decision until 5 years from the date of this decision. The general council may extend such a period taking into consideration the exceptional circumstances of the Covid-19 pandemic” The TRIPs waiver facility of Bangladesh was supposed to come to an end with the LDC graduation in 2026 but the waiver benefit is brightened further from the declaration. Because of the adoption of this clause, Bangladesh has the opportunity to enjoy the LDC trade benefit even after graduation to a developing country in 2026 although further negotiation is required, as the declaration does not specify yet but the paragraph of the benefit is included in the declaration.

¹²⁴ WTO Agreement on Fisheries Subsidies (MC12), available at-
<https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/WT/MIN22/33.pdf&Open=True>

5.5 Availing GSP+ like Facilities for new Market Access

The GSP Regulation is a unilateral trade tool that removes or reduces import duties from products coming into the EU from vulnerable low-income countries, supporting poverty eradication, sustainable development, and their participation in the global economy. The Commission's proposal makes the EU's GSP more focused on reducing poverty and increasing export opportunities for low-income countries. It aims to incentivize sustainable economic growth in low-income countries and offers new room for engagement on environmental and good governance issues.

In September 2021, the EU unveiled its newly proposed GSP for the period 2024-2034. Understanding various provisions of the proposed system is critical to assess preferential market access opportunities for different export products in the post LDC period. The new GSP framework for the period 2024-2034 has several features to make sure trade preferences go to countries that need them the most and to support their sustainable development. The new proposal further improves the current scheme by:

- Ensuring a smooth transition for all countries set to graduate from Least Developed Country (LDC) status in the next decade. They will be able to apply for the special incentive arrangement for sustainable development and good governance (GSP+) if they commit to strong sustainability standards and can thus retain generous tariff preferences to access to the EU market;
- Maximizing the opportunities for low-income countries to benefit from the GSP by lowering product graduation thresholds (that is, the temporary suspension of tariff preferences for highly competitive products) by ten percentage points so that the large industrialized producers leave more space in sectors where they are very competitive;
- Expanding the list of international conventions that need to be complied with by adding two additional human rights instruments on the rights of people with disabilities and the rights of the child, two labour rights conventions on labour inspections and tripartite dialogue, and one governance convention on transnational organised crime;
- Setting up a well-defined framework for the current GSP+ beneficiaries to adapt to the new requirements, offering an adequate transition period and requiring the presentation of implementation plans.
- Introduces the possibility to withdraw GSP benefits for serious and systematic violations of the principles of the conventions on climate change and environmental protection;

- Extends the list of international conventions that GSP+ countries must ratify beyond the current seven environmental and climate instruments, now including the Paris Agreement.

The EU offers three GSP arrangements which are:

- EBA (Everything But Arms) for least developed countries which benefit from duty-free, quota-free access to the EU market for all products except arms and ammunition;
- Standard GSP for low and lower-middle-income countries which are granted a partial or full removal of customs duties on two-thirds of tariff lines;
- GSP+, the special incentive arrangement for sustainable development and good governance which slashes tariffs to 0% for the same tariff lines as in the case of Standard GSP. The vulnerable low and lower-middle-income countries that implement 27 international conventions (32 in the new proposal), related to human rights, labour rights, protection of the environment and climate and good governance, benefit from this arrangement.

Everything but Arms initiative by EU

The EU's Generalized Scheme of Preferences (GSP) was first introduced in 1971, with the EU playing a leading role in establishing a policy of unilateral trade preferences for poverty reduction and development that has since been mirrored by most industrialized economies. Over time, the GSP has emerged as a core pillar of the EU's commitment to the role of trade in sustainable development. The modern GSP categorizes three tiers of tariff preferences and commitments based on a beneficiary country's level of development. Under the general GSP arrangement, eligible beneficiaries receive duty reductions on 66% of tariff lines imported into the EU. The second arrangement, GSP+, provides the incentive for developing countries to benefit from zero duties on 66% of tariff lines contingent on implementation of core human rights, labour, governance, and other sustainable development conventions. Finally, the Everything but Arms (EBA) arrangement provides duty free access for imports from Least Developed Countries (LDCs), except weapons¹²⁵.

Special arrangement for least developed countries: Everything but Arms initiative

The EBA initiative is a permanent arrangement and is not affected by the changes introduced in the current GSP scheme of the European Union. The 48 LDCs continue to benefit from EBA as of 2019. EBA beneficiaries (48) are - Afghanistan, Angola,

¹²⁵ EU, GSP Hub retrieved from <https://gsphub.eu/about-gsp>

Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Cambodia, the Central African Republic, Chad, Comoros, the Democratic Republic of the Congo, Djibouti, Equatorial Guinea, Eritrea, Ethiopia, the Gambia, Guinea, Guinea-Bissau, Haiti, Kiribati, the Lao People's Democratic Republic, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Myanmar, Nepal, Niger, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, the Solomon Islands, Somalia, South Sudan, the Sudan, Timor-Leste, Togo, Tuvalu, Uganda, the United Republic of Tanzania, Vanuatu, Yemen, and Zambia¹²⁶.

The EBA initiative covers all agricultural products, including sensitive products such as beef and other meat; dairy products; fruit and vegetables; processed fruit and vegetables; maize and other cereals; starch; oils; processed sugar products; cocoa products; pasta; and alcoholic beverages. For most of these products, the pre-EBA GSP scheme provided a percentage reduction of most-favoured-nation rates, which would apply solely to the ad valorem duties, thus making the specific duties still applicable in full.

Taking into account that products covered by the Common Agricultural Policy still face customs duties under the Cotonou Agreement, the EBA initiative made the GSP of the European Union a more favourable scheme for LDCs in terms of tariff treatment and product coverage than the preferential trade arrangements available under the Agreement. The possibility of cumulation under the GSP rules of origin of the European Union is, however, very much limited, while the Cotonou Agreement allows full cumulation with partners from African, Caribbean and Pacific (ACP) States. On the one hand, if an ACP State desires to take advantage of the EBA duty- and quota-free treatment, it will have to do so as a GSP beneficiary and will thus lose the opportunity for full cumulation with its ACP partners. On the other hand, if an LDC that is an ACP State wants to take advantage of the more favourable Cotonou cumulation system, it will be subject to the customs duties and quantitative limitations specified under the Cotonou Agreement, where applicable. Similarly, LDCs must be aware that, since the EBA initiative is an integral part of the GSP scheme of the European Union, such duty- and quota-free treatment is subject to the procedural rules of that scheme, such as the unilateral and unbound character of the GSP, the possibility of the temporary withdrawal of the preferences and its rules of origin. A beneficiary country should graduate from the EBA initiative when it is excluded from the United Nations list of LDCs. The Commission reviews the eligibility of countries continuously. It is the Commission, however, that will decide on the removal of the country from the EBA and the establishment of a three year transitional period.¹²⁷

¹²⁶ HANDBOOK ON THE SCHEME OF THE EUROPEAN UNION, Geneva 2022.

¹²⁷ ¹²⁷ HANDBOOK ON THE SCHEME OF THE EUROPEAN UNION, Geneva 2022.

Table 35 Everything but Arms initiative: Summary

	Before the initiative	Since the initiative (from March 2001)
Product coverage	<ul style="list-style-type: none"> • All GSP-covered products • Additional list of products for LDCs only • Certain sensitive agricultural products are excluded 	<ul style="list-style-type: none"> • All products but arms (HS chapter 93)
Depth of tariff cut	<ul style="list-style-type: none"> • Duty-free treatment of all GSP-covered products • For the additional list of products, different tariff cuts are available according to the import sensitivity of products (four product categories) • No preferences on the specific component of most-favoured-nation duties, entry price, agricultural component or other duties 	Duty-free treatment for all products
Rules of origin	<ul style="list-style-type: none"> • Regulation (EC) No. 02/200016 	<ul style="list-style-type: none"> • Commission Implementing Regulation (EU) 2015/2447

Sources: HANDBOOK ON THE SCHEME OF THE EUROPEAN UNION, Geneva 2022.

In case of duty reduction, this arrangement allows duty-free and quota-free access for all products (around 7,200), originating in LDC's, except for arms and ammunition. EBA scheme is different from Standard GSP and GSP+, LDC's are not excluded from the scheme if they benefit from other preferential arrangements and a graduation mechanism for individual products does not apply. LDC's leave the arrangement when they lose their status as 'Least Developed Country' as defined by the United Nations, but only after a three year transition period.¹²⁸

As Bangladesh is set to leave the group of the least developed countries (LDCs) in 2026, the most important change that it is going to face will be associated with preferential market access for exporters. Within the set of LDC-related privileges, Bangladesh has immensely benefited from unilateral trade preferences granted by various countries

¹²⁸ EU, GSP Hub retrieved from <https://gsphub.eu/about-gsp>

under their respective Generalised System of Preferences (GSP). Of these, none was more instrumental in making Bangladesh an LDC export success story than the EU GSP scheme. More than 90 per cent of Bangladesh's exports to the EU comprise textile and clothing items and almost all of it has benefited from EU GSP preferences. As a result, Bangladesh managed to steadily expand its apparel market share in the EU.¹²⁹ However, the current EU GSP regime will expire in 2023 and will be replaced a new one from the beginning of 2024.

One major implication arising from the newly proposed EU GSP scheme 2024- 34 is that Bangladesh, after its LDC graduation, is most likely to qualify for GSP+, which would not be possible for under the existing rules. While this is a welcome development, accessing GSP+, however, will not enable Bangladesh's apparel exporters to continue with duty-free market access.

Graduating LDCs can apply for the second-best preferential regime, GSP+, which grants duty-free access to 66 per cent of EU tariff lines and is of interest to Bangladesh after its LDC graduation. The new proposals have made certain changes to the eligibility criteria for this scheme. According to the existing regulations, a potential GSP+ beneficiary country must satisfy two broad criteria of vulnerability and sustainable development. The vulnerability criterion listed two specific preconditions: (i) the import share criterion would require a beneficiary country's share of GSP-covered import must remain below 7.4 per cent of GSP-covered imports of all GSP countries; and (ii) the diversification criterion, which stipulated that the seven largest sections of GSP-covered imports constituted at least 75 per cent of imports from the beneficiary country. Finally, the sustainable development criterion would require the applicant country to have ratified and effectively implemented 27 international conventions on labour rights, human rights, environmental protection, and good governance.

- The newly proposed GSP scheme removes the import-share condition from the GSP+ vulnerability criterion to ensure a smoother transition and continued access to GSP+ status as countries graduate from their LDC status.
- The new proposals also update the sustainable development criterion by expanding the list of international conventions to 32 (from the current list of 27). The new international conventions and agreements added to the GSP list include, the Paris Agreement on climate change 2015 (replacing the Kyoto Protocol); the Convention on the Rights of Persons with Disabilities (CRPD); the Optional Protocol to the Convention on the Rights of the Child on the Involvement of

¹²⁹ Mohammad Abdur Razzaque (2021) The proposed EU GSP Scheme for 2024-34: What Bangladesh Must Do Now, Bangladesh Trade Policy and Negotiation Capacity Building Support Project Phase I

Children in Armed Conflict (OP-CRC-AC); ILO Convention No 81 on Labour Inspection; ILO Convention No 144 on Tripartite Consultation; and the UN Convention against Transnational Organized Crime.¹³⁰

Bangladesh fulfills the diversification criterion as more than 90 per cent of Bangladesh's exports to the EU in woven and knit garments comprise just one section of GSP-covered imports. It is likely to qualify for the sustainable development criterion by the time of its graduation given that Bangladesh has already ratified all but one of the conventions specified.² The removal of the import share criterion is welcome news for Bangladesh as it has a much higher share, which would have made it ineligible for GSP+.

Table 36 Eligibility Criteria in the Previous and New GSP Proposal

Preference scheme	Eligibility criteria in the current regulation, 2013- 23	Eligibility criteria in the new proposal, 2024-34	Product graduation and safeguard mechanism in the new proposal, 2024-34	Non-sensitive goods	Sensitive goods	Rules of origin (important provisions only)
GSP+	Two criteria to meet: a) Vulnerability (for export diversification, and import volumes) b) Sustainability - beneficiary countries to ratify the 27 international conventions.	The new proposals remove the import share criterion but increased the number of international conventions for sustainability criterion to 32. a) Vulnerability (for export diversification) b) Sustainability - beneficiary	Product graduation is not applicable. However, according to article 29, automatic safeguard applies for textile, agriculture and fisheries if the share for the relevant products	Duty suspension for around 66% of all EU tariff lines.	Duty suspension	Double transformation for textile and clothing items. For all other products, a minimum local value-added of 50%.

¹³⁰ Commission proposes new EU Generalised Scheme of Preferences to promote sustainable development in low-income countries, available at-https://policy.trade.ec.europa.eu/news/commission-proposes-new-eu-generalised-scheme-preferences-promote-sustainable-development-low-income-2021-09-22_en

Preference scheme	Eligibility criteria in the current regulation, 2013- 23	Eligibility criteria in the new proposal, 2024-34	Product graduation and safeguard mechanism in the new proposal, 2024-34	Non-sensitive goods	Sensitive goods	Rules of origin (important provisions only)
		countries to ratify the 32 international conventions	not exceeding 6% of total Union imports of the same products and exceed the product graduation threshold.			

Some key takeaways for Bangladesh from the newly proposed GSP for the period 2024-2034 are:

- Bangladesh will graduate from the group of LDCs in 2026 and will continue to benefit from the EBA until 2029.
- Graduating LDCs can apply for GSP+ preferences subject to the fulfilment of two broad eligibility conditions, specified as the vulnerability and sustainable development criteria.
- The sustainable development criterion under the new proposal requires the exporting country to have ratified and effectively implemented 32 international conventions (increased from 27 under the existing GSP regulations) on labour rights, human rights, environmental protection and good governance.
- Under the proposed GSP provisions, Bangladesh is likely to qualify for GSP+. However, the new proposal maintains safeguard mechanisms in textile, agriculture and fisheries sectors (Section II, Article 29), which, if remain unchanged, will not make it possible for Bangladesh’s apparel exporters to continue with duty free market access.
- The new proposal has reduced the threshold for product graduation for apparels from 47 per cent of total GSP covered imports under the current regulation to 37 per cent. Bangladesh’s current share in EU GSP-covered import in the relevant

product group is almost 50 per cent. Thus, under the proposed regulation, Bangladesh's apparel exporters will not receive any duty-benefits.

- Accessing GSP+ or Standard GSP would require fulfilling more stringent rules of origin (RoO) provisions. RoO provisions for clothing items change from single to double transformation (i.e., domestically produced fabrics will be needed in garment making), while a minimum local value-added of 50 per cent for all other products will be a precondition for access GSP benefits.
- If apparel exporters would not be receiving any duty benefits, complying with RoO for the sector will not be needed. But such requirements for other export sectors would result in the need for increasing domestic value added significantly. This can further constrain the already weak export supply response.
- To summarise, as per the proposed EU GSP rules, Bangladesh, after its LDC graduation, is most likely to qualify for GSP+. However, this will not enable Bangladesh's apparel exporters to continuing with duty free market access.

Bangladesh may look for GSP+ like facilities from markets other than EU. For this, the country may go for bilateral or multilateral FTA signing with potential trade partners. As per the feedback from validation workshop, Bangladesh has ratified all 32 of the GSP conventions, albeit there are some concerns regarding few conventions such as equal rights of inheritance for both males and females which is not possible to be ratified in Bangladesh being a Muslim Country.

5.6 UK DCTS Scheme

The United Kingdom (UK) has introduced its preferential trading scheme for developing countries, called the Developing Countries Trading Scheme (DCTS), marking its departure from the EU's Generalized System of Preference (GSP). The DCTS could be a game changer for maintaining export competitiveness in apparel items and promoting non-apparel items for export diversification. The DCTS offers significant improvements over those offered under the previous UK system and the EU GSP scheme that can benefit Bangladesh. These include:¹³¹

Under the new scheme, Bangladesh as an LDC enjoys duty-free market access through the DCTS Comprehensive Preferences. After its LDC graduation in November 2026,

¹³¹ RAPID, March 2023, Policy Brief on Expanding and diversifying exports to the UK under the Developing Countries Trading Scheme

Bangladesh will continue to enjoy the same LDC benefit for another 3 years (until November 2029).

As an LDC, Bangladesh also stands to benefit from more generous UK Rules of Origin (RoO) requirements. The minimum value-added requirement for LDC non-garment products has been reduced to 25 per cent from 30 per cent under the previous GSP.

LDC textile and clothing exports to the UK will continue to benefit from the single-stage transformation.

The UK DCTS offers relaxed and liberal product-specific rules and extended cumulation facilities, allowing inputs to be imported from 95 countries and yet the LDC manufacturers of final products being eligible for duty-free exports.

After LDC graduation, Bangladesh will benefit from DCTS Enhanced Preferences, with most of its exports continuing to enjoy duty-free market access in the UK.

The DCTS removes the requirement for countries to ratify and implement certain international conventions as a precondition for trade preference. It also abolishes the safeguard measures on certain sectors under the previous regime and has scrapped the provision of product graduation events if some products of beneficiary countries enjoy a high market share.

After LDC graduation and an additional three-year transition period, Bangladesh will get duty-free benefits in more than 85 per cent of its UK-bound product lines under DCTS Enhanced Preferences.

However, RoO requirements for Enhanced Preferences will be similar to the previous GSP regime (i.e., 50 per cent value addition for most non-textile products and a double-stage transformation for apparel items).

The UK has specified more liberal product-specific rules (PSRs) only for LDCs. Almost all Chapters have alternative PSRs.

5.7 Identifying Potential FTA Partner Countries and Developing Strategy for Engaging those Countries in FTA Negotiations:

Identifying potential FTA partner countries and developing strategy for engaging those countries in FTA negotiations:

Taking into account the trends and practices of our competing exporting countries like India, Pakistan, Sri-Lanka, Vietnam, Cambodia, China, Korea, Malaysia, Philippines, Indonesia and others Bangladesh has no other option but to ensure predictable and

sustainable destinations of its exports in goods and services within the period 2021-2026 by entering into comprehensive free trade agreements in goods and services with potential countries and regional blocks.

5.7.1 Potential Countries for Signing FTA¹³²

India

Second largest trading partner: India, the 2nd largest trading partner of Bangladesh, is considered potential in terms of trade in goods, trade in services, investment and creating regional value chain. A Feasibility study on Comprehensive Economic Partnership Agreement (CEPA) with India has been conducted. The study concluded that the estimates and analysis of this study indicate that the proposed CEPA between India and Bangladesh is not only feasible but also mutually beneficial in terms of possible gains in the realms of Trade in Goods, Trade in Services and Investment.¹³³

Potential benefits of Trade in Goods: The Feasibility Study suggests that there exists an export potential for Bangladesh, ranging from USD 3 billion to USD 5 billion due to a possible Trade Agreement. This export potential in addition to existing exports could be achieved by Bangladesh in a time span of 7-10 years.

Potentials for Service Export: Using Michaely's Specialization (MS) Index, the study identified some potential Sectors for Bangladesh's service export to India, which includes Professional services, IT/ITeS services, Construction and related services, Financial services and Communication services. During the consultation of the study, Bangladeshi exporters expressed that there is a chance that Bangladeshi service provides may be crowded out by Indian counterparts. However, it has been highlighted that within the realm of Trade in Services, Indians working in Bangladesh could share their experiences to develop the human capital in Bangladesh.

Potential Source of Investment: India invested USD 505 million in Bangladesh between 2014-15 and 2018-2019, indicating that the FDI flows between Bangladesh and India are unidirectional, not bidirectional. As per the inputs from the workshop and a survey conducted with the participation of the relevant stakeholders, the sectors identified as the

¹³² Identification of Potential Countries for Signing Free Trade Agreements under Conducting 03 Studies Suggested by NTTFC in FY 2020-21, BFTI study for BRCP Study

¹³³ Joint Feasibility Study on CEPA between Bangladesh and India, 2022

highest potential for generating Indian investment in Bangladesh include Food, Pharmaceuticals, Leather and Leather Products, Agro-based Industries and farm machinery plants, Textile and Apparel Sector, Ceramics , Light Engineering and Electronics, Automobiles, Energy and power, Tourism, Healthcare, ICT Sector, Banking and Financial Services and Telecommunications. Regional proximity and long-standing positive political understanding were also considered to select the country.

Addressing Non-Tariff Barriers: For any success of the FTA, it would be essential to address non-tariff barriers. Thus, there is a need for regulatory support and cooperation between India and Bangladesh, which the FTA/CEPA could give due consideration to.

China

Largest trading partner: China is considered because it is the largest trading partner of Bangladesh and constitutes nearly 17 percent of total trade of Bangladesh. The country is also the largest import source of Bangladesh constituting 25.3 percent of total import of Bangladesh.

Opportunity for expanding market: The country is currently the largest economy in the world and contributing 18.8 percent of the world's GDP based on purchasing power parity (PPP) according to estimates from the IMF's World Economic Outlook 2022. The country also constitutes 15 percent of world export and import.¹³⁴ Since 2021, China has provided Bangladesh duty-free market access in almost 98 per cent of tariff lines. Nonetheless, Bangladesh's share in total Chinese goods import is a minuscule 0.04 per cent. Raising this share to just 1 per cent could lead to \$27 billion worth of additional exports for Bangladesh.¹³⁵ So Bangladesh can emphasize on the potential opportunity for expanding export market and entering into global supply chain.

Potential Source of Investment: In addition, FTA with China not only address the trade and business growth but also enhance investment, tourism, education and so on. China was the 2nd highest FDI sourcing country of Bangladesh after United States in the year 2021 amounting US\$407.88 million net FDI inflow which is 14.1% of total FDI in this year. China has been investing in Bangladesh mostly in power, textile and apparel, construction, leather and leather goods sector.

¹³⁴ <https://unctad.org/news/china-rise-trade-titan>

¹³⁵ MA Razzaque (2022), 'Making the Most of Market Access in China: What Needs to be Done?'

Potentials for Service Export: Besides, China is leading in the area of science and technology and it imports annually worth around \$2.7 trillion which can be a potential market for Bangladesh.

Bangladesh government is discussing a Free Trade Agreement (FTA) with China to boost exports to its massive market. However, joining the Regional Comprehensive Economic Partnership (RCEP) can be an alternative to an FTA with China as RCEP, being the largest trade block, can help Bangladesh promote export and welfare by trade and investment facilitation.

United Kingdom

Expanding export market: Existing export volume, a large number of Bangladeshi diaspora was the key aspects while choosing UK as the potential country. United Kingdom is the 3rd largest export destination of Bangladesh contributing 9.3% of total export of Bangladesh.

Potential source of FDI: Besides, the UK provides a considerable amount of foreign direct investment (FDI) for Bangladesh as more than 200 British companies currently have around \$2.5 billion invested in the country. In this regard, to increase the export oriented investment in Bangladesh, opportunity for more investment from United Kingdom can be assessed through FTA.

Destination for Bangladeshi diaspora: More than seven lakh Bangladeshis now reside in the UK for education or business-related purposes if not as naturalised citizens. Since the Bangladeshi population in the UK is quite large, the demand for local food items like rice, fruits and fish has risen there.

Hub for Bangladeshi shipments to Europe: Aside from being a major export destination, the UK acts as a hub for Bangladeshi shipments to other parts of Europe. Similar to other products, the UK could act as a bridge for Bangladeshi pharmaceuticals to reach other European countries as the country's Medicines and Healthcare products Regulatory Agency (MHRA) is well recognised in the region. If Bangladesh's pharmaceuticals companies are registered with the MHRA, it will take Bangladesh's drug manufacturing sector to new heights.

Sustaining opportunity for preferential trade: UK is currently providing GSP to Bangladesh as a LDC country. To continue preferential trade with UK, FTA can be considered even after GSP withdrawal in 2029.

Japan

Export, potential, technology transfer and investment were the key aspects of consideration while selecting the country.

Potentials for expanding trade: In FY2021-22, Japan was the 11th largest export destination contributing 2.60 percent to total export of Bangladesh. On the other hand, Japan is the 5th largest import sourcing country contributing 3.9 percent of total import of Bangladesh. Top five export products which includes Knitwear, Woven, Textile materials, Leather goods, footwear contributes 90% of total exports to Japan. Electronics and electrical machineries and parts, Furniture, frozen fish are among the potential export items for Japanese market.

Potential source of FDI: Bangladesh may consider Japanese investment in the manufacturing sector with a target for the Asian, the Japanese and the global market. Through FTA, Japanese investment can be channeled to investment in the value chain following the same manner in which Japan has extended their relationships with China and with the ASEAN Countries.

Willingness of the business groups: About 85 per cent of the local and Japanese companies with operations in both countries want their respective governments to sign a free trade agreement (FTA) so that they can continue enjoying duty benefits after Bangladesh graduates from the UN's list of least developed countries in 2026, according to a survey. Meanwhile, some 20 per cent or 26 Japanese companies want to relocate from Bangladesh to more competitive countries in the Association of Southeast Asian Nations (ASEAN) if an FTA is not signed.¹³⁶ Considering this context, Japan can be identified as the potential country for signing FTA.

Canada

Potentials for expanding trade: Canada is one of the largest trading partners and 10th largest export destination in FY2021-22 contributing 2.9 percent of total export of Bangladesh. The country is also one of the major import sourcing countries of Bangladesh contributing 2 percent of the total import. Bangladesh is the second largest importer of

¹³⁶ Joint Survey of the Japan External Trade Organization and Japan-Bangladesh Chamber of Commerce and Industry, 2021

Canadian food grains and other agricultural products in South Asia. Moreover, potential areas of trade from Bangladesh to Canada are shipbuilding, pharmaceuticals, leather and leather goods and IT. According to High Commission for Bangladesh in Canada, at present, around 1 lakh Bangladeshi-origin people are living there and the number is increasing.¹³⁷ So, demand for local foods and cultural products are increasing there.

Potential Source of Investment: Canada is also considered as the source of foreign investment. Bangladesh and Canada are currently negotiating Investment Protection Agreement (FIPA) which would help bring more direct investments from Canada to Bangladesh.¹³⁸

Sustaining preferential market access: Canada is currently, providing GSP facility to Bangladesh. To continue the duty free access to Canadian market after LDC graduation, Canada can be considered as the potential country for Bangladesh.

South Korea

Opportunity for expanding trade: South Korea is the 10th largest import sourcing country of Bangladesh contributing 2.2 percent of total import. Export potentials specially in Marine products, Leather goods, Footwear, Furniture, Textile products and Vegetable textile fibres can be harnessed through the FTA with the country.

Potential Source of Investment: In addition, FDI stock of South Korea in Bangladesh is about USD1.3 billion until 2021. About 150 South Korean companies are now in operation in Bangladesh and the investors are showing interest to invest in electronics, home appliances, automobile and high-tech industries. In addition, investment in technology, logistics and transport sector are the key consideration while choosing the country for FTA.

Willingness of the business groups: Bangladesh government may learn South Korea's experience in Free Trade Agreement (FTA) as the country is one of the highest ranked in the world in terms of FTA success rate. In addition, Business groups of both countries have shown interest to have FTA between these two countries.

Singapore

Opportunity for expanding trade and investment: During stakeholder consultations, the issue of signing FTA with Singapore got importance in discussions. In fact, Singapore is

¹³⁷ <https://www.bdhcottawa.ca/bilateral-relations/bangladesh-diaspora-in-canada>

¹³⁸ <https://www.bdhcottawa.ca/bilateral-relations/trade-relations>

an open economy driven by trade in goods and services supported by hi-tech management. It has forged an extensive network of 27 implemented agreements. FTA with Singapore will make trade and investment between two countries easier.

Preferential access to wide range of foreign markets: Since Singapore is a vital member of ASEAN and there are agreements on ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) as well as CEPA of ASEAN with India; FTA with Singapore will provide Bangladesh with preferential access to the wide range of foreign markets and hence to consumers based overseas. Therefore, Singapore may be specially treated as a potential country for FTA on the considerations of opportunity for opening up a wide network of market for trade, technology transfer, investment effect and confidence building of other potential countries.

Indonesia

Access to a large export market: The largest economy in Southeast Asia, Indonesia – a diverse archipelago nation has charted impressive economic growth since overcoming the Asian financial crisis of the late 1990s. At present, Indonesia is the world’s fourth most populous nation and 10th largest economy in terms of purchasing power parity. The country’s GDP growth is projected at 5.1 percent in 2022, supported by growing commodity exports and accommodative fiscal policy to weather the pandemic.¹³⁹

Opportunity for expanding trade: Indonesia, an ASEAN member country, primarily is an import sourcing country for Bangladesh. In 2021, Bangladesh became Indonesia's 15th export destination. Meanwhile, Indonesia ranks 62 for Bangladesh as the country of origin of imports. In FY2020-21, Indonesia's export value recorded at USD 1.85 billion while Indonesia's imports from Bangladesh are recorded at USD 68 million. The country is considered as potential one considering the export potential in RMG, halal food sector and their willingness for signing free trade deal with Bangladesh.

Morocco

Opportunity for expanding trade with African region: In FY2020-21, Morocco was the largest trading partner of Bangladesh in African region having trade volume USD249 million followed by South Africa and Egypt. GDP growth of Morocco rebounded to 7.4% in 2021. This rebound was driven by an exceptional cereal crop after two consecutive years of drought (agricultural value-added grew by 19%), supportive macro-economic policies, solid manufacturing exports, a surge in remittances etc.¹⁴⁰ Morocco experiences

¹³⁹ <https://www.worldbank.org/en/country/indonesia/overview>

¹⁴⁰ <https://www.worldbank.org/en/country/morocco/overview>

significant macroeconomic credibility and political stability, which is invaluable assets in a volatile region. WTO data shows GDP per capita of Morocco is about USD3291 and trade contributes 39.2% of GDP. Potential export products from Bangladesh to Morocco may include Agro-processed food products, light engineering products etc.

Willingness of the country: RTA policy of Bangladesh sets ‘willingness of potential trade partners’ as one of the criteria for choosing potential countries for FTA. In addition to bilateral trade potential, willingness of the country was considered while choosing the country as the potential one. At present, Morocco is willing to build economic relationship with Bangladesh. Very recently, the country has initiated a process to sign Bilateral Investment Protection and Promotion Agreement with Bangladesh.

United States of America

Expanding trade with the largest export destination as a single country: United States of America, the largest export destination of Bangladesh constituting 20% of the total export of Bangladesh.¹⁴¹ The country also the 4th largest import sourcing country after China, India and Singapore constituting 4.4% of total import of Bangladesh. Bangladesh is enjoying positive trade balance with USA.¹⁴²

Potential Source of FDI: USA is also potential for trade in services and investment. Bangladesh’s Foreign Direct Investment (FDI) stock was \$21.58 billion in 2021, with the United States being the top investing country with \$4.33 billion in accumulated investments.¹⁴³

Duty free access to the largest export market: USA is not providing GSP facilities to Bangladesh. Taking initiative of concluding FTA with USA, Bangladesh may get duty free access to the apparel market which is currently subject to average 13.17% duty for Knitwear and 10.23% for woven products. In addition to apparel products, export of leather and leather goods, frozen fish and Furniture products may expand their market share in USA due to FTA with the country.

Leveraging the experience of TICFA: The United States has free trade agreements (FTAs) in effect with 20 countries. Many of their FTAs are bilateral agreements between two governments. In addition, Bangladesh has experience of trade negotiation with USA through Trade and Investment Cooperation Forum Agreement (TICFA), signed in 2013

¹⁴¹ Export Promotion Bureau, Bangladesh FY2021-22

¹⁴² Import Payment provisional data from Bangladesh Bank FY2021-22

¹⁴³ Foreign Direct Investment Data from Bangladesh Bank, December 2021

between USA and Bangladesh. Since signing the agreement, 5 meetings have been held where issues for enhancing bilateral trade and investment were discussed. Bangladesh can leverage the experience of TICFA while negotiating for FTA.

Opportunity for improving social and environmental compliance: However, while negotiating for FTA, USA not only considers trade, it also assesses investment, public procurement, intellectual-property rights, governance, labor rights and environmental compliance among other standards. We may face obligations to improve the standards in this regard, which may help prepare the country for negotiating with other potential countries of the world.

5.7.2 Potential Regional Blocs:

European Union

Expanding trade in the largest export destination: EU is preferred for signing FTA as EU is the largest export destination of Bangladesh, and sustaining the market is the prime concern. The EU is Bangladesh's main trading partner, accounting for around 19.5% of Bangladesh's total trade in 2020. In 2020, Bangladesh was the EU's 34th largest trading partner in goods. EU imports from Bangladesh are dominated by clothing, accounting for over 90% of the EU's total imports from Bangladesh.¹⁴⁴ EU exports to Bangladesh are dominated by machinery and transport equipment.

Sustaining the preferential market access: In addition, opportunity for free trade with 28 member countries by one FTA is also considered. Vietnam, the competitor of Bangladesh in terms of RMG export, has signed FTA with EU in 2019. After graduation, it would be difficult for Bangladesh to compete with Vietnam in EU market as Vietnam would continue to have preferential access to the market through FTA. However, Bangladesh has trade preference in EU until 2029. So the country has time to strengthen the preparation for signing FTA with EU.

¹⁴⁴ https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/bangladesh_en

Regional Comprehensive Economic Partnership (RCEP)

Expanding trade with the largest trading bloc: The Regional Comprehensive Economic Partnership (RCEP) is a free trade agreement (FTA) between the ten member states of the Association of Southeast Asian Nations (ASEAN) (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Vietnam) and its five FTA partners (Australia, China, Japan, New Zealand and Republic of Korea). RCEP as the trade bloc accounts for about 30% of the world's population (2.2 billion people) and 30% of global GDP (\$26.2 trillion), making it the largest trade bloc in history. It is the first free trade agreement among the East Asian countries including China, Japan, and South Korea, three of the four largest economies in Asia. It would be a great opportunity for Bangladesh to expand trade and investment if the country can be member of RCEP.

Potential benefits: However, a feasibility study “Bangladesh’s Accession to RCEP” conducted by Bangladesh Trade and Tariff Commission (BTTC) found that there will be positive impact on GDP, global trade and bilateral Trade of Bangladesh with RCEP members. Most of the domestic industries may suffer (except Wearing Apparels and beverage- tobacco) as some of the industry output shows negative growth. Investment will be increased by 3.36%. The study mentions that the overall outcome depends on the extent Wearing Apparel industry can compensate for all the negative outcomes on other industries. BTTC concluded that RCEP is a comprehensive agreement covering issues beyond trade in goods. Therefore, before proceeding, sector wise assessment and country position needs to be determined through stakeholder consultation specifically in case of service, investment, and intellectual property.

ASEAN

Preferential access to a fast-expanding trading bloc: The Association of Southeast Asian Nations (ASEAN) is a fast-expanding trade bloc consisting of 10 member states, namely: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam. ASEAN averaged an annual GDP growth rate of 4.4% between 2011 and 2020. With a combined population of over 660 million, ASEAN’s aggregate economic size was about US\$3 trillion in 2020. If considered as a single entity, ASEAN is the third largest economy in Asia, and the fifth largest in the world after the US, China, Japan and Germany. ASEAN is, however, very diverse in terms of income levels and the bloc had an average per capita income of US\$4,533 in 2020. In 2020, the services sector was the leading economic sector in ASEAN, accounting for 50.6% of the bloc’s GDP, followed by manufacturing (35.8%) and agriculture (10.5%). ASEAN itself is the largest

market for exports of goods from the trade bloc, accounting for 21.3% of total ASEAN exports in 2020, followed by mainland China (15.7%), the US (15.2%), the EU (9.4%), Japan (7.2%) and Hong Kong (6.9%). For imports of goods into ASEAN, mainland China was the largest supplier with a share of 23.5% in 2020, followed by ASEAN (21.2%), Japan (7.8%), the US (7.7%), South Korea (7.7%) and the EU (7.6%).¹⁴⁵

Potential source of investment: Bangladesh may attract ASEAN investment by virtue of a huge South Asian market. Bangladesh exports will get duty-free quota-free (DFQF) market access till 2029, even after graduation, in various developed nations. The ASEAN members can take it as an opportunity, and by investing in Bangladesh, they also can export goods to other nations with DFQF facility.

The study also considered volume of intra-regional trade of ASEAN, geographic proximity for choosing ASEAN. If Bangladesh prioritize RCEP then the country could have free trade access to ASEAN countries, as the ASEAN countries are the members of RCEP also. Therefore, a separate endeavor to sign FTA with ASEAN may not be necessary.

Eurasian Economic Union (EAEU)

Opportunity for diversifying trade basket: The EAEU, a regional bloc of 5 Member-States, Russia, Belarus, Kazakhstan, Armenia and Kyrgyzstan, represents a significant chunk of the global economy. The volume of gross domestic product in the Eurasian Economic Union as a whole amounted to USD2.1 trillion at year-end 2021 or 104.6% to the level of 2020. GDP growth was registered in all the Union countries, Armenia where GDP increased by 5.7% takes the lead.¹⁴⁶ EAEU exports are dominated by mineral products (oil, gas, nonferrous metals, coal), which comprise 54 percent of the total volume. These are primarily produced by Russia, though Kazakhstan's contribution is also quite large. Through FTA, Bangladesh may explore trade potentials in these areas.¹⁴⁷

Potential for expanding trade: As an effort for market diversification, signing FTA with Eurasian Economic Union (EAEU), can be a good option for Bangladesh. These five Eastern European countries have over US\$1.5 billion annual bilateral trade with Bangladesh and the volume can be increased manifold if a free-trade pact is inked. In

¹⁴⁵ <https://research.hktdc.com/en/article/Mzk5MzcxNjEz>

¹⁴⁶ EAEU's GDP amounted to 2 trillion US dollars in 2021, accessed from- <https://eec.eaeunion.org/en/news/obem-vvp-eaes-sostavil-2-trln-dollarov-ssha-v-2021-godu/>

¹⁴⁷ A closer look at the Eurasian Economic Union (2021). accessed from - <https://www.gisreportsonline.com/r/eurasian-economic-union/>

addition, to explore Russian market Bangladesh has to go through EAEU, since Russia would not be able to sign any deal unilaterally. It is to be mentioned that in 2019 Bangladesh signed a Memorandum of Cooperation with Eurasian Economic Commission (EEC) to explore the export potentials with the member countries of EAEU.

MERCOSUR (Southern Common Market)

Opportunity to explore new areas of trade and investment:

The Southern Common Market – known as Mercosur in Spanish, is one of the world's leading economic blocs, its fifth-largest economy. Mercosur is an economic and political bloc of the big economies of South America consisting of Argentina, Brazil, Paraguay and Uruguay. The group encompasses 295 million people and has a combined GDP of nearly \$2 trillion. Mercosur also counts Bolivia, Chile, Colombia, Ecuador, Guyana, Peru, and Suriname as associate members. The bloc also has a number of free-trade agreements (FTAs) with third parties, including Chile, Colombia, and Peru, as well as Israel, Egypt, Lebanon and the Palestinian Authority. A trade agreement that doesn't involve all Mercosur members would contravene the group's rules. In FY 2021-22, Bangladesh exported USD163.33 million to Mercosur countries, mostly the RMG products. In addition, Bangladesh exported non-leather footwear and headgear to those countries. Bangladesh may consider signing a free trade agreement (FTA) with the Mercosur having a great opportunity to explore new areas of trade and investment.

5.8 Incentives of other Developing Countries such as India:

Some schemes in India for RMG sector:

India being a developing country has certain schemes as alternatives to export subsidies in the RMG and Textile sector. Some are explored below:

Remission of Duties and Taxes on Exported Products (RoDTEP)

RoDTEP stands for Remission of Duties and Taxes on Export Products. It is a new scheme that is applicable with effect from January 1st, 2021, formed to replace the previous MEIS (Merchandise Exports from India Scheme). The scheme ensure that the exporters receive the refunds on the embedded taxes and duties previously non-recoverable. The scheme was brought about with the intention to boost exports which were relatively poor in volume previously. The scheme rebates various Central, State and local duties/taxes/levies which are not refunded under other duty remission schemes. This is a measure towards zero-rating of exports.

Need for the RoDTEP Scheme

The US had challenged India's key export subsidy schemes in the WTO (World Trade Organization), claiming them to harm the American workers. A dispute panel in the WTO ruled against India, stating that the export subsidy programmes that were provided by the Government of India violated the provisions of the trade body's norms. The panel further recommended that the export subsidy programmes be withdrawn. This led to the birth of the RoDTEP Scheme, so as to ensure that India stays WTO-compliant.

The following were some of the export subsidy programmes recommended to be withdrawn:-

- Merchandise Exports from India Scheme
- Export Oriented Units Scheme
- Electronics Hardware Technology Parks Scheme
- Bio-Technology Parks Scheme
- Export Promotion Capital Goods Scheme
- Special Economic Zones (SEZ) Scheme
- Duty-Free Imports for Exporters Scheme

Features of the RoDTEP Scheme

- Refund of the previously non-refundable duties and taxes
- Mandi tax, VAT, Coal cess, Central Excise duty on fuel etc. are now refunded under this particular scheme. All the items under the MEIS and the RoSTCL (Rebate of State and Central Taxes and Levies) are now under the purview of the RoDTEP Scheme.
- Automated system of credit
- The refund is issued in the form of transferable electronic scrips. These duty credits are maintained and tracked through an electronic ledger.

Eligibility to get the facility

Under RoDTEP, all sectors, including the textiles sector, are covered, so as to ensure uniformity across all areas. Labor-intensive sectors that enjoy benefits under the MEIS Scheme are given a priority.

- Manufacturer exporters and merchant exporters (traders) are both eligible for the benefits of this scheme.
- There is no particular turnover threshold to claim the RoDTEP.
- Re-exported products are not eligible under this scheme.

- To be eligible to avail the benefits of this scheme, the exported products need to have the country of origin as India.
- Special Economic Zone Units and Export Oriented Units are also eligible to claim the benefits under this scheme.
- Where goods have been exported via courier through e-commerce platforms, RoDTEP scheme applies to them as well. ¹⁴⁸

The Production Linked Incentive (PLI) scheme for MMF¹⁴⁹

India has been traditionally focusing on Cotton textiles whereas the global mill fibre consumption is moving towards Manmade fibre (MMF). Recognizing the potential for growth and employment in MMF sector, the Production Linked Incentive (PLI) Scheme for Textiles has been formulated with an approved outlay of INR 10,683 crore over a five year period, to promote production of MMF Apparel, MMF Fabrics and Products of Technical Textiles in the country. The objective is to enable Textile sector to achieve size and scale and to become competitive. Increased availability of MMF and MMF yarn will contribute to the overall Growth in textile industry using mixed fibre/yarn.

Duration of the Scheme:

The Scheme is in operation from 24.09.2021 (Date of Notification) to 31st March 2030 and the incentive under the Scheme will be payable for a period of 5 years only.

Table 37 Scheme Part 1 and Part 2

Year	Gestation Period	Performance year	Incentives claim year
*	FY 2022-2023		
*	FY 2023-2024	Optional*	Optional*
1		FY 2024-2025	FY 2025-2026
2		FY 2025-2026	FY 2026-2027
3		FY 2026-2027	FY 2027-2028
4		FY 2027-2028	FY 2028-2029
5		FY 2028-2029	FY 2029-2030

Here, Gestation Period means, period allowed to the participating company for establishing the manufacturing and for commencement of production of Notified

¹⁴⁸ notification No. 76/2021- Customs (N.T.) dated 23.09.2021, retrieved from, <https://cleartax.in/s/rodtep-scheme>

¹⁴⁹ File No. 12015/03/2020-IT, Government of India, Ministry of Textiles, 28th December, 2021

Products by investing minimum prescribed investment as declared in the application. Under the Scheme, FY: 2022-23 to FY: 2023- 24 will be the gestation period for Part-1 and Part-2.

In case of fast paced investment when threshold investment and threshold turnover is achieved by FY 2023-24, incentive may be payable in FY 2024-25 itself. However, in such cases, benefits of the Scheme shall be available upto FY 2027-28 only i.e. a total of 5 years only.

Scheme Details

1. Scheme Part- 1: Any person including Company/Firm/LLP/Trust willing to create a separate manufacturing company under Companies Act 2013, and invest minimum ₹300 Crore (excluding land and administrative building cost) to manufacture Notified Products. Such company will be eligible to get incentive when they achieve a minimum of ₹600 Crore turnover by manufacturing and selling the Notified products by the first Performance Year.
2. Scheme Part- 2: Any person including Company/Firm/LLP/Trust willing to create separate manufacturing company under Companies Act 2013, and invest minimum ₹100 Crore (excluding land and administrative building cost) to manufacture Notified Products. Such company will be eligible to get incentive when they achieve a minimum of ₹200 Crore turnover by manufacturing and selling the Notified products by the first Performance Year.
3. The Participant shall be eligible for the incentives on achieving threshold investment and threshold/incremental turnover.
4. Incentive shall be calculated on achieving threshold turnover as mentioned above in para 1 and 2 under the respective scheme in the first Performance Year. In case the prescribed conditions are not met in time, the incentive will be available from the year these are met, for a lesser number of years but rate of incentive applicable will be as prescribed to first year of the scheme and so on for remaining period.
5. Manufacture and sale of textile Products will be considered as permitted activities. However, turnover /sale of only Notified Products shall be considered for computation and availing incentive under the scheme. Account for both Notified and non-Notified Products will be maintained separately.

Incremental turnover and Incentive Rate:

1. Incentive under the Scheme will accrue on fulfilling conditions of minimum investment and minimum turnover.

2. Rate of Incentives for a particular performance year are as indicated in the following table.
3. Incentives in a particular year will be provided on achieving turnover as prescribed in the Table below for that year and, 25% additional incremental turnover over the immediate preceding year's turnover, subject to a cap of maximum 35% admissible incremental turnover.
4. In case the participant company fails to achieve the prescribed turnover or 25% increase in turnover over immediate preceding year's turnover, they will not get any incentive under this scheme for that year.
5. Such participants will get incentive only when they achieve both, i.e. the prescribed turnover target for the year and 25% increase in turnover over immediate preceding year's turnover, in subsequent year for reduced number of years.

Table 38 Prescribed Turnover and Rate of incentive

Year	Gestation Period ¹⁵⁰	Performance year	Incentives claim year	Scheme Part 1 (minimum investment INR 300 Crore)		Scheme Part 2 (minimum investment INR 100 Crore)	
				Minimum Prescribed sales Turnover	Rate of incentive	Minimum Prescribed sales Turnover	Rate of incentive
*	FY 2022-2023						
*	FY 2023-2024	Optional*	Optional*				
1	Year 1	FY 2024- 2025	FY 2025-2026	600 Cr	15%	200 Cr	11%
2	Year 2	FY 2025- 2026	FY 2026-2027	750 Cr	14%	250 Cr	10%
3	Year 3	FY 2026- 2027	FY 2027-2028	937.5 Cr	13%	312.5 Cr	9%
4	Year 4	FY 2027- 2028	FY 2028-2029	1171.87 Cr	12%	390.63 Cr	8%
5	Year 5	FY 2028- 2029	FY 2029-2030	1464.84 Cr	11%	488.2 Cr	7%

¹⁵⁰Operational Guidelines for Production Linked Incentive (PLI) Scheme for Textiles for Promoting MMF and Technical Textiles segments in terms of Para 8 of the Notification dated 24.09.2021., File No. 12015/03/2020-IT Government of India Ministry of Textiles. Retrieved from, <https://pli.texmin.gov.in/Guidelines/Approved%20Guidelines%20for%20PLI%20scheme%20for%20Textiles.pdf>

Challenges of the PLI Scheme:

- There is a lack of a common set of parameters to examine the value addition by companies.
- The target for companies to qualify for incentives are too steep.

5.9 “New support measures for graduating Belt and Road LDCs”- A project launched by UN-DESA

Given the large number of LDCs expected to graduate in the next few years, the Economic Analysis and Policy Division (EAPD) of Department of Economic and Social Affairs (UN-DESA) has recently launched a project on “New support measures for graduating Belt and Road LDCs”. The project aims to identify targeted assistance measures and strengthen policy frameworks and institutional arrangements for the adoption and use of these measures in six pilot LDCs: Bangladesh, Cambodia, Lao PDR, Myanmar, Nepal and Timor-Leste. Among other things, the project will strengthen analysis of the context and support consultation processes between a range of stakeholders as well as development and trading partners in each country. This project has run until October 2022 and is supported by the UN Peace and Development Fund, established with a generous contribution from the Government of China.¹⁵¹

Sustainable Graduation Support Facility:

Sustainable Graduation Support Facility by OHRLLS, is a country-led global platform that responds to the increasing demand from graduating and recent graduated LDCs for dedicated capacity development in the form of policy and technical advisory services in preparing and managing graduation and a smooth transition towards sustainable development. At the start, the Facility will offer a suite of dedicated capacity-building support in the form of policy and technical advisory services across six specific lines:

- i) Addressing the loss of existing LDC-specific international support measures (ISMs);
- ii) Improving the ability of graduating and graduated LDCs to access non-LDC-specific support;
- iii) Preparing and implementing national smooth transition strategies (STS);
- iv) Assistance in accessing financing transition and beyond;

¹⁵¹ United Nations, LDC Portal, Finding new support for graduating LDCs, retrieved from, <https://www.un.org/ldcportal/content/finding-new-support-graduating-ldcs>

v) Facilitating South-South Cooperation, dialogue and sharing country as well as region-specific knowledge and experience; and

vi) Ensuring effective participation in the monitoring process of the CDP.

The Facility was piloted by DESA in close collaboration with OHRLLS and ESCAP in Vanuatu. OHRLLS and DESA introduced the Facility as an input to the LDC5 preparatory process on 26 May 2021 during an event co-organised with the Government of Bangladesh in the sidelines of the first session of the LDC5 . The Facility was also discussed at the LDC5 Asia-Pacific Regional Review (APRR) plenary Session 3 on 31 August 2021.

Chapter 6: Smooth Transition Strategies for Bangladesh to Overcome the Graduation Challenges

Smooth transition strategy aims to ensure that development efforts are not disrupted by graduation. It focuses on expected implications of loss of LDC status and associated special support measures and presents a comprehensive and coherent set of specific measures in accordance with the priorities of the graduating country, taking into account its specific structural challenges, vulnerabilities and strengths. In this Chapter STS process, approach, measures and implementation modalities focusing on the S&DT aspects are explored.

6.1 STS Approach and Process

Bangladesh needs to carefully consider the approach and process it will take in preparing its STS. A number of key items need to be considered. The country could draw on its graduation assessment prepared by UN DESA (United Nations Department of Economic and Social Affairs) and other UN entities (including a DESA impact assessment and UNCTAD vulnerability profile) that may already articulate possible Elements of an STS. The STS process outlined by the UN DESA comprises 9 steps which revolve around 2 major principles: 1) Country-led, country owned and using existing country systems to the extent possible and 2) International community support is country-demand driven, timely and of high quality¹⁵². The steps of STS process are described below:

Step 1: Country Meets the LDC Graduation Criteria the First Time

After the CDP finds a country meeting the graduation criteria the first time, the country is notified by UN DESA. UN DESA prepares before the subsequent Triennial Review of the CDP, an ex-ante assessment, UNCTAD prepares a vulnerability profile, and the conclusions of these assessments, along with inputs from the UN Country Team (UNCT) and the Inter Agency Task Force (IATF) on LDC graduation are considered in a “graduation assessment.” A key part of the process of preparing the graduation assessments is that DESA solicits and reflects country inputs and more importantly holds a national meeting to ensure the government, relevant private sector players and other key stakeholders fully understand the impact of the loss of ISMs due to graduation, the lingering vulnerabilities beyond graduation and possible key elements of a smooth transition strategy. Bangladesh has already started the preparations for an STS taking

¹⁵² Smooth Transition Strategy Guidance note, UN DESA (2021)

ownership and leadership of the process. In the past, graduating countries only started preparing their STS after being recommended for graduation by the General Assembly. However, from 2019, the CDP has indicated the need for countries to start the thinking and process of preparing an STS from as early as the first time it meets the LDC graduation criteria. The General Assembly recommends that a country prepares a smooth transition strategy.

Step 2: Government Initiates a Country-led Preparatory Process for LDC Graduation keeping Maximum S&DT Facilities for a Certain Phase

This is a first, crucial step in which the government prioritizes LDC graduation at the highest level through its political leadership and is supported by "whole of government" policy leadership, technical analysis, and the contributions of private sector and non-government actors as specialists in their respective areas. The best way to incorporate LDC graduation and preserve maximum S&DT facilities for a certain period into the country's current national plans, policies, and medium-term budgetary framework, as well as the planning, budgeting, monitoring, and reporting processes, must be determined through a government-led dialogue with important stakeholders from the private sector and NGOs.

Step 3: Use Existing Consultative Mechanism Regarding S&DT Facilities

To facilitate the preparation of the STS a national consultative mechanism does not need to be a newly created mechanism. Only when no appropriate mechanisms exist, a country is encouraged to establish a new and dedicated consultative mechanism for LDC graduation. Bangladesh should utilize the national consultative mechanisms which should be integrated with other relevant consultative processes and initiatives between the graduating country and its development partners.

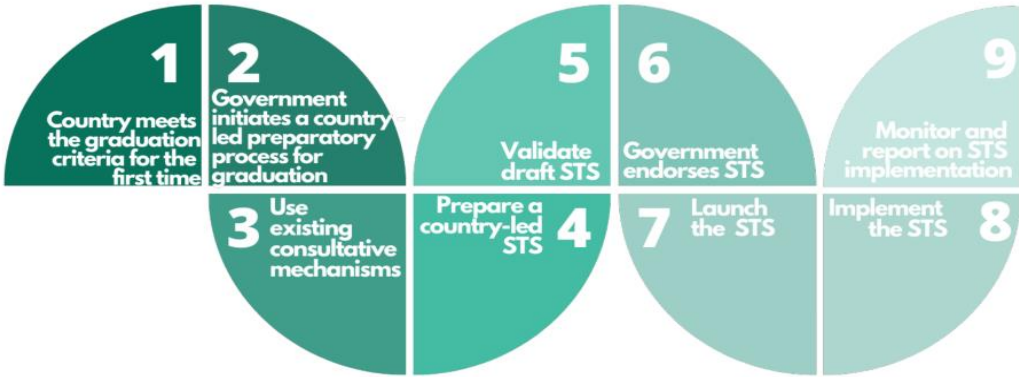
For smooth graduation and prevailing S&DT facilities or dealing with the loss of S&DT facilities, Bangladesh should ensure that an existing or newly established mechanism has 'whole of government' leadership and is inclusive. The consultative mechanism could have two key components: a) national and local stakeholders – government, think tanks, private sector, civil society and other actors; and b) international partners – bilateral, multilateral and regional partners as well as external private sector, philanthropies and international non-government organizations (INGOs). Having a component of the mechanism dedicated to national and local consultations allows the voices and interests of different segments and groupings within the country to be heard and considered in preparing the STS and the process itself.

Based on the government’s sound understanding of the impact of the loss of S&DT and ISMs, long-term vulnerabilities and elements highlighted in its graduation assessment, Bangladesh can conduct a stakeholder mapping to then select national and international stakeholders as members of the consultative mechanism. Also, Bangladesh can call on the UN system through its country presence via the UN Resident Coordinator and the UN Country Team for support. Further support from the IATF on LDC Graduation is available, upon request.

Step 4: Prepare a Country-led STS Regarding S&DT Facilities

To ensure a comprehensive and quality STS, it is important that Bangladesh considers the strategic objective of the STS, approach to developing and implementing the STS, the key elements or features of the strategy and ensuring an inclusive and participatory engagement process. Ample time should be spent on the process and approach of the STS as it requires thorough analysis of the impacts of graduation considering loss of different S&DT and ISMs and identification of mitigating measures that are needed to transition smoothly beyond graduation. The draft STS should be shared with all stakeholders invited to the validation workshop, well before the workshop. Based on comments received, a revised draft STS is prepared for validation by the Government and a wide and inclusive spectrum of stakeholders.

Figure 18 Steps of STS process



Source: Smooth transition strategy guidance note, UN DESA

Step 5: Validate Draft STS Regarding S&DT Facilities

A government or country-led validation workshop should be organized and facilitated through the consultative mechanism. If Bangladesh prepares the STS as part of the formulation of a medium to long-term national development plan, the validation would form part of the validation of the national development plan. If the STS is being prepared

as a separate document, then more time should be spent to make the discussions meaningful. Pertinent Stakeholders' comments and feedback on S&D measures and way forwards of losing them should be sought during the validation providing sufficient time to allow adequate discussion of each section of the draft STS and the recommended specific measures for implementation.

Step 6: Government Endorses the STS Regarding S&DT Facilities

The validated STS should be endorsed by the government to give it the legitimacy for implementation and support from the international community. Responsibility for the implementation of the STS recommended actions and specific measures for dealing with S&DTs are to be clearly assigned within the Government and with indicative timeframes. The government of Bangladesh should incorporate the STS measures and plans into its annual development to 5-years development plans. Ideally, the STS should be endorsed well in advance of the date on which graduation becomes effective. Implementation of the STS should start as soon as possible. Prompt implementation of STS with measures for S&DTs and initiating negotiations with bilateral partners need to be considered by Bangladesh when preparing its overall STS roadmap and timeline including the commencement date for implementation of the strategy.

Step 7: Launch the STS Regarding S&DT Facilities

This can be as a stand-alone event or as part of a bigger event for which the STS is a key component or the STS is a contribution. It should be seen as the opportunity to promote the key messages underpinning the importance of a smooth transition beyond graduation and one which requires commitment by all. STS measures focusing S&DT benefits and their retention strategies adopted by Bangladesh should be launched with its respective annual development, 5-year-plan or new policy implementations.

Step 8: Implement the STS Regarding S&DT Facilities

Bangladesh may start to implement the STS as part of their overall development strategy and to incorporate it into future policies and strategies and the action matrix of the Diagnostic Trade Integration Studies under the Enhanced Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries (EIF). Elements of an STS can be incorporated into documents like Diagnostic Trade Integration Study (DTIS), WTO Trade Policy Review, its poverty reduction and growth strategy and national development strategy, annual development, 5-year-plan, Delta plan depending on the stage of each.

Resources required for the STS implementation could also be reflected in Bangladesh's medium-term budget or fiscal framework and its external resource mobilization strategy as well as reflected by development and trading partners in their own multi-year funding mechanisms.

Step 9: Monitor and Report on the STS Implementation

If Bangladesh's STS is well integrated into its national sustainable development plan and budget, then monitoring of the STS should also be embedded in a country's monitoring and evaluation framework for its national plan and budget. Annual monitoring and reporting on implementation of the STS should form part of existing national and sectoral monitoring and reporting as well as the country's integral reporting requirements to the CDP annually for the first three years after graduation becomes effective as well as for two consecutive triennial reviews.

It is also useful for the country to develop a brief advocacy and communication strategy as a tool for high-levels of government to use in raising awareness, garnering support across the country and strengthening key partnerships for the country's smooth transition beyond graduation.

Additionally, these steps should be guided by questions like what other development plans are in place or planned where the STS can be integrated, which Government agencies will be responsible for the leadership and ownership of the transition strategy, availability of existing national consultative or policy and decision-making mechanisms that could be used for the purposes of LDC graduation and preparing an STS and so on.

6.2 Identifying Smooth Transition Measures with 7 Sectoral Committee on LDC Graduation in Bangladesh

National Committee on LDC Graduation (NCG)

The National Committee on LDC Graduation (NCG) was formed on 27 April 2021 under the Chairmanship of the Principal Secretary to the Hon'ble Prime Minister. The 22-member apex body representing the high-level representatives from the government and the private sector is diligently working to assess the impact of graduation, identify the actions to adapt for the post-graduation era, and outline time-bound action plans for sustainable graduation.

Bangladesh is most likely to face challenges, such as loss of duty free-quota free access, unilateral, preferential market access, reduced scope for concessional or low interest funding from international and bilateral development partners, preference erosion, and strict compliance with stringent standards. To overcome these issues and to sustain S&DT measures or to address the loss of these S&DTs, the NCG was formed.

Under the guidance of the NCG, seven thematic subcommittees have been formed to address various core issues related to LDC graduation. Each subcommittee has members from private sector stakeholders and development researchers. The actions adopted by these subcommittees are focused on STS measures for S&DT benefits and graduation challenges. The area of work of this committee includes the following¹⁵³:

- a) Determining the extent of the impact of LDC Graduation in relevant sectors;
- b) Mapping the responsible and the associate ministries/divisions/agencies for the identified sectors;
- c) Taking necessary initiatives for the expansion of bilateral, regional, and international trade;
- d) Providing advice on formulating tariff policies that are consistent with free trade agreement/ preferential trade agreement;
- e) Formulating and implementing specific and time bound work plans by relevant ministries, divisions and agencies;
- f) Regularly monitoring and advising on the implementation of the work plans adopted by relevant ministries, divisions and agencies.

¹⁵³ National Committee on LDC Graduation, Prime Minister's Office, Government of Bangladesh. (February, 2023). Preparedness For Graduation with Momentum: Strategies for Coping with Challenges and Tapping New Opportunities

6.2.1 Smooth Transition Measures for Bangladesh

Smooth Transition Strategies (STS) measures regarding S&DTs adopted by the seven thematic subcommittee on LDC Graduation are outlined in the following table:

Table 39 STS measures regarding S&DTs adopted by seven thematic subcommittee on LDC Graduation¹⁵⁴

Name of the Sub-committee	Terms of Reference for Smooth Transition Strategies	Lead, Co-Lead and Member Ministry/Division/Organizations
1. Sub-committee on Preferential Market Access & Trade Agreement	<p>a. Suggest strategies to continue LDC specific preferential market access in the developed and developing countries for a certain period (12 years) and to utilize the opportunities in WTO.</p> <p>b. Suggest measures to retain LDC specific preferential market access with flexible rules of origin for a certain period after graduation.</p> <p>c. Suggest effective mechanism for obtaining GSP+ in EU after 2029 along with favorable Rules of Origin.</p> <p>d. Recommend strategies for the continuation of DFQF access (like EU and UK) for the newly graduating countries in other major export destination countries.</p> <p>e. Identify potential trading partners for signing PTAS/FTAS/ CEPAS by analyzing the studies conducted by Bangladesh Trade & Tariff</p>	<p>Lead: Secretary, Ministry of Commerce</p> <p>Co-lead: Secretary, Prime Minister's Office</p> <p>Members:</p> <ol style="list-style-type: none"> 1. Ministry of Industries 2. Ministry of Foreign Affairs 3. National Board of Revenue, 4. Economic Relations Division, 5. Ministry of Labour & Employment 6. Bangladesh Investment Development Authority (BIDA)

¹⁵⁴ National Committee on LDC Graduation, Prime Minister's Office, Government of Bangladesh. (February, 2023). Preparedness For Graduation with Momentum: Strategies for Coping with Challenges and Tapping New Opportunities

Name of the Sub-committee	Terms of Reference for Smooth Transition Strategies	Lead, Co-Lead and Member Ministry/Division/Organizations
	<p>Commission and others (if any) and formulate strategy.</p> <p>f. Develop negotiating strategies and prepare Bangladesh's position papers.</p> <p>g. Suggest necessary reforms or amendment on trade related rules/regulations and policies in initiating/signing FTA/PTA/CEPA.</p> <p>h. Suggest time bound action plan with recommendations on Preferential Market Access and Trade Agreements.</p>	<p>7. Federation of Bangladesh Chamber of Commerce and Industries (FBCCI)</p> <p>8. Bangladesh Garment Manufacturers and Exporters Association (BGMEA)</p> <p>9. Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA)</p>
<p>2. Sub-committee on Intellectual Property Rights (IPR)</p>	<p>a. Identify challenges and explore opportunities under WTO TRIPS agreement.</p> <p>b. Develop strategies for getting the extension of transition period under Article 66.1 of the TRIPS agreement for a certain period after graduation.</p> <p>c. Develop strategies for the continuation of the waiver on TRIPS & public health until 01 January 2033 for graduating LDCs.</p> <p>d. Suggest strategy in developing local capacity and prepare to ensure availability and affordability of medicine, vaccine and medicinal products after graduation.</p>	<p>Lead: Secretary, Ministry of Industries</p> <p>Co-lead:</p> <p>1. Secretary, Ministry of Commerce Members:</p> <p>2. Ministry of Cultural Affairs</p> <p>3. Ministry of Foreign Affairs,</p> <p>4. Health Services Division,</p> <p>5. Legislative & Parliamentary Affairs Division</p>

Name of the Sub-committee	Terms of Reference for Smooth Transition Strategies	Lead, Co-Lead and Member Ministry/Division/Organizations
	<p>e. Analyze the impact on domestic industries and general public health, if the waiver period is over in 2026.</p> <p>f. Analyze the gaps on national IP issues other than pharmaceuticals (legal, administrative and financial) in the WTO, WIPO and global context and recommend measures for ensuring better enforcement at the domestic level.</p> <p>g. Suggest time bound action plan with recommendations on the above.</p>	<p>6. DG, Drug Administration</p> <p>7. Registrar, Department of Patents, Designs & Trademarks</p> <p>8. Bangladesh Association of Pharmaceutical Industries (BAPI)</p> <p>9. API Industry Representative</p> <p>10. Intellectual Property Association of Bangladesh</p>
<p>3. Sub-committee on WTO Issues (Other than market access & TRIPS)</p>	<p>a. Identify WTO inconsistent measures and legal systems including subsidies, local content requirements, para-tariffs etc. that Bangladesh are currently granting.</p> <p>b. Develop strategy for the inclusion of Bangladesh in the Annex VII list of the Agreement on Subsidies and Countervailing measures.</p> <p>c. Develop strategies for the inclusion of Bangladesh in Net Food-Importing Developing Countries (NFIDC) list for Article 9.4 incentives to agricultural products.</p> <p>d. Develop negotiating strategies for incorporating the interests of the newly graduating LDCs in the</p>	<p>Lead: Secretary, Ministry of Commerce</p> <p>Members:</p> <p>a. Ministry of Foreign Affairs</p> <p>b. Ministry of Agriculture</p> <p>c. Ministry of Fisheries & Livestock</p> <p>d. Finance Division</p> <p>e. National Board of Revenue</p> <p>f. ICT Division</p>

Name of the Sub-committee	Terms of Reference for Smooth Transition Strategies	Lead, Co-Lead and Member Ministry/Division/Organizations
	<p>emerging WTO issues (fisheries subsidies, e-commerce, WTO reforms etc.).</p> <p>e. Formulate Bangladesh's position on the participation in the discussion on e-commerce, investment facilitation and MSMEs (Micro Small & Medium Enterprises).</p> <p>f. Suggest time bound action plan with recommendations on the above issues.</p>	<p>g. Ministry of Cultural Affairs</p> <p>h. Federation of Bangladesh Chamber of Commerce and Industries (FBCCI)</p>
<p>4. Sub-committee on Investment, Domestic Market Development & Export Diversification</p>	<p>Identify challenges and opportunities in the areas of investment, market development & export diversification.</p> <p>Propose strategies for providing policy support for encouraging production of high quality, higher value-added products.</p> <p>Identify what needs to be done to attract FDI and facilitate transfer of technology and development of new products.</p> <p>Identify capacity development needs of the public and private sector to effectively deal with the challenges of LDC graduation.</p> <p>Suggest how to build/acquire required skills for economic/trade diplomacy and country mapping.</p> <p>Develop strategies to ensure access to trade finance.</p> <p>Suggest strategy for managerial & other skills enhancement, labour productivity</p>	<p>Lead: Secretary, Prime Minister's Office</p> <p>Co-lead: Secretary, Ministry of Commerce</p> <p>Members:</p> <ol style="list-style-type: none"> 1. Finance Division 2. Ministry of Foreign Affairs 3. Secretary, Ministry of Industries 3. Ministry of Agriculture 4. National Board of Revenue (NBR) 5. Secondary & Higher Education Division 6. Technical & Madrasah 7. Education Division

Name of the Sub-committee	Terms of Reference for Smooth Transition Strategies	Lead, Co-Lead and Member Ministry/Division/Organizations
	and strengthen research & development to address LDC graduation challenges. Suggest time bound action plan with recommendations on investment, market development and export diversification.	8. ICT Division 9. National Skills Development Authority 10. Bangladesh Investment Development Authority (BIDA) 11. Bangladesh Economic Zones Authority (BEZA) 12. Bangladesh Bank 13. Federation of Bangladesh Chamber of Commerce and Industries (FBCCI)
5. Sub-committee on Internal Resource Mobilization & Tariff Rationalisation	a. Identify challenges and exhume opportunities of tariff rationalization for facilitating free/ preferential trade agreement. b. Suggest strategies for gradual reduction of import duties/tariff structure without compromising domestic competitiveness. c. Prepare action plan to analyze current tax regulations and initiate changes to make Bangladesh an attractive trading partner. d. Propose business & tax-payer friendly reforms in revenue administration, which is conducive to enhancement of domestic resource mobilization. e. Align tax policies and laws compliant with WTO regulations	Lead: Senior Secretary, Finance Division Co-lead: Chairman, National Board of Revenue (NBR) Members: 1. Ministry of Industries 2. Ministry of Commerce Financial Institutions Division 3. Bangladesh Investment Development Authority (BIDA) 4. Bangladesh Trade & Tariff Commission 5. Bangladesh Bank 6. Bangladesh Bank

Name of the Sub-committee	Terms of Reference for Smooth Transition Strategies	Lead, Co-Lead and Member Ministry/Division/Organizations
	<p>and international best practices in the post-graduation era.</p> <p>f. Suggest time bound action plan with recommendations on the internal resource mobilization and tariff rationalization.</p>	<p>7. Federation of Bangladesh Chamber of Commerce and Industries (FBCCI)</p> <p>8. Research Organization (to be adopted by sub-committee)</p>
6. Sub-committee on Smooth Transition Strategy	<p>a. Identify challenges and opportunities for development financing & smooth transition for graduation.</p> <p>b. Formulate strategies to negotiate with the development partners to support for meeting graduation challenges.</p> <p>c. Explore new windows for development financing and prepare strategies accordingly.</p> <p>d. Develop mechanism for collecting necessary information, conduct analysis and submit report to UN CDP and do necessary analysis and collect information for this purpose.</p> <p>e. Identify areas for graduation related research and take necessary actions in conducting the research.</p> <p>f. Prepare strategy for branding Bangladesh abroad</p> <p>g. Prepare detailed roadmap on smooth transition strategy.</p>	<p>Lead: Secretary, Economic Relations Division</p> <p>Co-lead: Secretary, Prime Minister's Office</p> <p>Members:</p> <ol style="list-style-type: none"> 1. Ministry of Commerce 2. Ministry of Foreign Affairs Finance division 3. Ministry of Environment, Forest & Climate Change 4. Statistics & Informatics Division 5. Bangladesh Investment Development Authority (BIDA) 6. General Economic Division
7. Sub-committee on Branding	a. Identify the potential issues to attract foreign investment.	Lead:

Name of the Sub- committee	Terms of Reference for Smooth Transition Strategies	Lead, Co-Lead and Member Ministry/Division/Organizations
Bangladesh Abroad	b. Identify challenges of competitiveness of investment. c. Prepare strategy for branding Bangladesh abroad.	Executive Chairman, Bangladesh Investment Development Authority (BIDA) Co-lead: Sr. Secretary, Ministry of Foreign Affairs Members: 1. Ministry of Commerce 2. ICT Division 3. Economic Relations Division 4. Ministry of Environment, Forest & Climate Change 5. Bangladesh Economic Zones Authority (BEZA) 6. Bangladesh Export Processing Zones Authority (BEPZA) 7. Bangladesh Parjatan Corporation 8. FBCCI 9. BGMEA

LDC graduation can present Bangladesh with various challenges on multiple fronts. Some of the assessed challenges and smooth transition or mitigation measures for them are outlined below:

- ❑ Almost all graduated LDC's encountered slow economic growth in the transition period after the graduation and Bangladesh is also likely to face the similar scenario. To counter this adversity, it would be imperative to increase the economy's general capacity. Prioritization should be given to institutional

strengthening, skill development, technical advancement, and economic diversification. Foreign Investment need to be attracted more and more leveraging the developing country image. To allure and sustain the foreign investment, political stability, simplification of business procedures, sectoral diversification, strengthening financial and capital market, enabling infrastructures like EPZs, ports, intermodal connectivity, performance linked financial incentives type measures need to be ensured.

- ❑ Bangladesh will lose the most crucial preferential treatment package of GSP facility in the EU region but will still be eligible for "GSP-plus" benefits for market access. To avail this facility, the country has to ratify and implement 27 international conventions on labor rights, human rights, environmental protection and good governance. Ensuring social and environmental compliance, the country needs to focus on labor rights, and union issues along with achieving LEED, USBGC type certification for eco-friendliness.
- ❑ As the country will lose ISMs like preferential market access DFQF benefits, Bangladesh will have to adopt measures like persuasion for a continuation of DFQF market access after graduation, negotiations for specific preferential market access in the developed and developing countries for a certain period (like 12 years), identifying potential trading Partners for signing PTAs/ FTAs/ CEPAs and so on. In addition, Bangladesh should actively participate in regional and sub-regional initiatives like the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) and make an effort to join several multilateral economic associations. To gain from those and join economic alliances, it should aim to become an actual or observer member of bigger blocs like the Association of Southeast Asian Nations (ASEAN) or Regional Comprehensive Economic Partnership (RCEP). To reap any potential benefits, it should continue to actively participate in the WTO assemblies and negotiations.
- ❑ Bangladesh will lose ODA measures and LDC preferential allocation of aid which will result in potentially higher costs associated with concessional loans and the country will need to use blended financing, which consists of loans from development institutions and other sources with high interest rates and short repayment terms. In order to mitigate such adversities, Bangladesh could also look for additional funding options from organizations like the New Development Bank (NDB), Asian Infrastructure Investment Bank (AIIB), and other private sources. The country should also keep an eye on the global approach to development financing is shifting under the 2030 Agenda and the Addis Ababa Action Agenda for Financing for Development with a greater emphasis on

domestic resource mobilization, blended financing and private sector involvement for exploiting more ODA type assistance.

- ❑ After graduation, Bangladesh will lose access to funding under the Enhanced Integrated Framework. However, the access may be phased out over a five-year transition period following graduation. So, it may be possible for Bangladesh to use this transition period to leverage future funding and capacity building activities through alternative sources. This may provide an opportunity to better integrate activities undertaken by the country to overcome graduation adversities.
- ❑ Bangladesh will not be able to offer cash incentives to export businesses to satisfy WTO requirements when it graduates from LDC status. To get around this, the government intends to give relevant parties subsidies under various names in order to maintain export competitiveness and revenue inflow from global markets. As a remedy to this situation, the country can use, duty drawback scheme, special bonded warehouse facility, interest rate subsidy for export (as long the interest rate is not less than the interest rate in international market), export development fund (as long the interest rate is not less than the interest rate in international market) type measures.
- ❑ Intellectual property right (IPR) related issues will be more stringent for Bangladesh after graduation and TRIPS waiver will expire after a certain time. In order to mitigate these issues, the country must align with LDC group for lobbying of the general transition period, continue bilateral discussion with advanced developed and developing countries like USA, Canada, India, China, for extension of the transition period. Eventually, the country should develop some relevant laws, raise public awareness about IP protection and seek support from private sector to overcome these issues for securing a smooth graduation.
- ❑ Since the preference erosion is likely to reduce Bangladesh's export earnings after the LDC graduation, the country should take mitigation measures like export diversification comprising both market and product diversification. Along with new sectoral development, the country needs to develop effective duty drawback schemes, increase the availability of credit, simplify trade regulations while complying with international standards and support SMEs. Also, country branding will be a crucial measure for the country to sustain export performance after the LDC graduation.

6.2.2 Smooth Transition Measures for Strengthening the Competitiveness of Trade

Bangladesh will need to create industrial networks, value chains, and promote and stimulate market and product diversity as a graduating LDC. Creating a proper enabling

business environment in the country is also needed for this, and the signing of free trade or preferential trade agreements, to increase Bangladesh's overall competitiveness in trade and commerce should also be added in the STS planning and implementation. Some of the issues that should be considered in STS for Strengthening the competitiveness of trade are:

- **Improving Trade Logistics:** The importance of efficient, low-cost trade logistics is now well recognized as an important determinant of export competitiveness. After Bangladesh graduates from LDC status in 2024, the competitiveness challenge will intensify. In order to maintain their market share in the more competitive environment, it will be vital for all the firms to have timely and less costly access to raw materials, maintain their production schedules and ship their products to their buyers on time. Operational efficiency at the ports must be radically enhanced to ensure lower turnaround time for vessels in order to benchmark good productivity and performance in this port. High efficiency in import clearance at ports is critical for export competitiveness. Adopting measures for trade facilitation and business process improvement should be considered in STS for strengthening competitiveness.
- **Improving the investment Climate:** Despite progress with the policy environment for the private sector that has spurred the expansion of private investment, the overall investment climate for Bangladesh remains substantially weaker than those found in competing countries. Bangladesh has taken some positive steps to address the serviced land constraint through industrial parks and special economic zones. This is a welcome move. Speedy completion of all ongoing facilities and making those available on a timely and business-friendly way will be an important factor to spur domestic and foreign investment. Bangladesh should focus top attention on reducing the time it takes in the country to (i) get electricity; (ii) register property; (iii) obtain credit; (iv) trading across borders; (v) enforce contracts; and (vi) resolve insolvencies. If carrying out reforms addressing these issues results in an improvement of the country's rank for Ease of Doing Business, this should give a positive signal to potential investors around the world that the climate for investment in Bangladesh is improving due to sincere efforts by the government. A time bound action plan with specific targets for ranking improvements in the above areas should be developed with the STS.
- **Improving technology Transfer and Market Access through FDI:** the role of foreign direct investment (FDI) in promoting export-oriented industrialization has attracted considerable attention in recent times. FDI's with their better technological and managerial skills and knowledge about international marketing

conditions, are expected to improve the productivity as well as export performance of host country firms by creating certain positive externalities known as 'spillovers'. Spillovers can take place when FDI improves the productive efficiencies of domestic firms, making their products efficient in price and quality in the international market and thus improving their export performance. STS should consider scope of technology Transfer and Market Access through FDI.

- **Strengthening Labor productivity through Investment in Human Capital:** Bangladesh is abundantly endowed with low-cost labour that provides the basis for comparative advantage in producing and exporting labour intensive products. Indeed, the RMG revolution is a prime example of how Bangladesh gained global market share based on low labour cost. Yet, it is also recognized that labour productivity in Bangladesh is very low. A major challenge in the post-graduation world for Bangladesh would be to increase labour productivity through large investments in human capital and other policy changes. This perhaps holds the key to successful graduation from LDC status. STS needs to consider and outline creating global standard human capital for strengthening labor productivity. National Skill Development Corporation (NSDA) is working on the labor skill development for post LDC competitiveness enhancements, these need to be embedded in national plans accordingly.
- **Strengthening the Institutions for Trade & Industry:** As Bangladesh graduates out of its LDC status, it will need to be cognizant of some WTO rules that it had hitherto ignored - particularly, those relating to levels of protective tariffs and para-tariffs. Other multilateral disciplines will also come into play, such as rules governing intellectual property, subsidies, standards, and trade-related investment, which are going to be the same for developing and developed economies. Also, economic institutions in Bangladesh will have to start getting ready to face and conform to a more competitive and rules-based global trading environment in the future. Nevertheless, trade facilitation with improved customs infrastructure and administration will remain effective mechanisms to promote exports while being consistent with multilateral rules which should be addressed in the STS development

6.2.3 A Smooth Transition Package in Favour of Members Graduating from the LDC Category and MC12 Outcome

Chad on behalf of the LDC Group prepared a proposal for Smooth Transition Package in favour of Members Graduating from the LDC Category. This proposal urged that leaving the LDC category also implies that graduating countries lose access to the LDC-specific international support measures (ISM), which have contributed to their socio-economic development. In recognition of this challenge, UN General Assembly Resolutions 59/209 of 2004 and 67/221 of 2012 on smooth transition invites all Members of the WTO to consider extending to graduated countries the existing Special and Differential Treatment measures and exemptions available to LDCs for a period appropriate to the development situation of the country. The resolutions also invite LDCs trading partners to establish procedures for extending or phasing out preferential market access over a certain period. Regarding this issue, in December 2020, the LDC Group circulated a draft Ministerial decision on "Trade-related Challenges of the LDCs and Way Forward" (WT/GC/W/807).

Given the critical importance of this topic and the need to achieve concrete deliverables at MC12, the LDC Group proposed an interim arrangement for smooth LDC transition by calling on Members granting LDCs unilateral trade preferences, to have procedures in place to extend and gradually phase out their preferential market access scheme for graduated countries over a period of six to nine years. The draft decision also proposes to instruct the Sub-Committee for Least Developed Countries to prepare a package of support measures in favour of the LDCs after their graduation and report to the General Council at its first meeting in 2023. Overall, this proposal tries to accommodate some of the concerns raised by Members in discussions so far.

Recognizing the need to establish an effective procedure supporting the smooth transition of graduated LDCs towards their new status, through extending the LDC-specific trade-related support measures over a reasonable period of time;

Unilateral trade preferences in favour of LDCs

1. Members granting unilateral trade preferences to least developed countries shall seek to have procedures in place to extend and gradually phase out their preferential market access scheme over a period of six to nine years after the entry into force of a decision of the UN General Assembly to exclude a country from the least developed countries category.

Package of support measures in favour of graduated LDCs

2. We instruct the Sub-Committee for Least-Developed Countries to prepare a package of support measures to be applied to any LDC Member from the effective date of its graduation following a UN General Assembly decision excluding that Member from the LDC category, and to report to the General Council at its first meeting in 2023.
3. The package of support measures referred to in paragraph 2 shall apply automatically, equally and unconditionally to all graduated LDCs for a uniform period of time after their exclusion from the LDC category.
4. Support measures covered under the package shall include:
 - i. WTO provisions and decisions related to special and differential treatment or exemption in favour of LDC Members;
 - ii. LDC specific technical assistance and capacity building facilities provided under the WTO system;
 - iii. Any other relevant measure or exemption in favour of LDCs.

MC 12 Outcome related to Smooth Transition

The MC 12 outcome recognize the importance of facilitating smooth and sustainable transition for LDC countries but the draft decision prepared by LDC group is not accepted as decision of the conference. The outcome of the MC 12 "acknowledged the particular challenges that graduation presents, including the loss of trade-related international support measures, as they leave the LDC category". The MC further urged to recognize "the role that certain measures in the WTO can play in facilitating smooth and sustainable transition for these Members after graduation from the LDC Category" but no decision was made in favour of granting the aforementioned support measures.

Chapter 7: Insights Gathering

7.1 General Insights

The general insights derived from the multiple consultation sessions with the stakeholders are those of concerns about (i) reduction in export volume and earning due to preference erosion and increased competition in the major destinations; (ii) more stringent terms and conditions of technical and financial assistance; (iii) compliance capability of Bangladeshi industries with the laws and regulations regarding intellectual property rights, human and labor rights, and environment; and (iv) macroeconomic stability.

7.2 Policy and Regulatory Insights

This area mostly concerns the 27 international conventions and regulations Bangladesh has to ratify or adapt as pre-conditions for eligibility for GSP Plus benefits. Additionally, if Bangladesh tries to reach FTAs and PTAs, there will be regulatory reforms required in the policy and regulatory frameworks of investments, taxation, and subsidies.

7.3 Key Informant Interviews

The study's primary purpose was to meet the goals and concerns of the client and stakeholder groups. A total of twenty (20) KIIs were performed for the study, with representatives from the top government officials, representatives from think tanks, academia, and businesses responsible for handling matters of trade, investments, and policy issues. A list of the respondents and the questionnaire are provided in the annex. The questionnaire raised the issues related to LDC graduation, such as, continuation of export earnings and competitiveness in the face of preference erosion, and other trade related preferential treatments and exemptions; the post-graduation impact on trade and employment, technical and financial assistance, and various support measures; challenges faced in stabilizing the macroeconomic parameters; issues of bilateral and regional agreements for trade, investment, and economic cooperation, and the overall sustainability of Bangladesh in socio-economic development and growth. The KIIs were conducted using three methods: telephone interviews, email interviews, and face-to-face interviews. Twenty participants participate in the key informant interview. The detailed list of the participants is enclosed in the **Appendix 1**.

7.4 Focus Group Discussions

Two Focus Group Discussions (FGDs) were held on 12 June 2022 participated by a total of 17 stakeholders to discuss the implications of LDC graduation. The FGDs were held

simultaneously on June 12 2022, at 9:30 AM in Conference Room and Classroom 2 BFTI, Dhaka. The participants in the FGD were 18 in number. Each FGD contained 10 Members. Mr. Dr. Md. Jafar Uddin, the CEO of BFTI was present as the Chief Guest at the Focus Group Discussion. Mr. Md. Obaidul Azam, Director, BFTI delivered the welcome remarks and moderated the discussion as Chairperson of the Focus Group Discussion Session. The topics discussed in line with the checklist provided were the same as discussed in the KIIs, which were preference erosion, possible extension of the transition period, strategies for coping up with the challenges of reduced exports and macroeconomic management. The issues of trade and investment agreements and improving productivity, governance, implications of TRIPS Agreement, subsidy management, and inter-agency cohesion came up as important issues in the discussions. The list of participants in the FGDs is enclosed in the **Appendix 2**.

7.5 Public Consultation

A public consultation session was held in 21 September 2022 at BFTI Conference Room with participation by 28 stakeholders from the public and private sectors, think tanks, in addition to BFTI officials. The public consultation session included presentation, panel discussion, expert remarks, and open discussion among the stakeholders. The list of participants at the public consultation is listed in Appendix 3.

Table 40 Insight Matrix of KII, FGD and Public Consultation

Objectives	Primary Data Collection Sources	Comment from Stakeholders
Strategies for overcoming Bangladesh's graduation challenges	KII	<ul style="list-style-type: none"> • Bangladesh can strengthen its economic diplomacy • Continue negotiation with its trade partners for signing PTA, FTA, and CEPA for overcoming Bangladesh's graduation challenges. • The practices of regulatory and business process in trade of our competing export destinations such as India, Pakistan, Sri-Lanka, Vietnam, Cambodia, China, Korea, and Malaysia, Philippines, Indonesia and others are taken into account for trade facilitation. • RCEP (ASEAN), Russia-CIS (EAEU) block, GCC, African Continental Free Trade Agreement, APEC, MERCOSUR (Southern Common Market) etc. can be joined.

Objectives	Primary Data Collection Sources	Comment from Stakeholders
		<ul style="list-style-type: none"> We need to determine our capacity in terms of international standards, quality, and price competitiveness as we are promoting made in Bangladesh Academia and industry linkage need to be enhanced to face the challenges of graduation.
	FGD	<ul style="list-style-type: none"> About LDC inter-organizational coordination- 7 subcommittees of PM are working, one is led by BIDA-made in Bangladesh branding, one is working on TRIPS issues, and the Ministry of Finance is working on local industry improvement. Bangladesh may need to review its cash subsidies against export and in agriculture sector to comply with the Agreement on Agriculture and the Agreement on Subsidies and Countervailing Measures.
	Public Consultation	<ul style="list-style-type: none"> Bangladesh may continue receiving benefits under the new EBA Plus scheme. The GSP Plus scheme will be applicable for Bangladesh once Bangladesh fulfills the obligations of 27 international conventions. Bangladesh needs to align intellectual property rights and sectoral regulations for the pharmaceutical industry for meeting requirements of the Agreement on Trade-Related Intellectual Property Rights (TRIPS).
Existing S&DT benefits for major exporting products and countries enjoyed by Bangladesh	KII	<ul style="list-style-type: none"> S&DTs enjoyed by Bangladesh as an LDC are in the form of: Extended period for Implementation of obligations through granting of transition period (e.g., TRIPS till end of 2032. Flexibility of commitment regarding the use of policy instruments and obligations (e.g. Category A, B and C Trade Facilitation Agreement).
	FGD	<ul style="list-style-type: none"> Bangladesh also enjoying waivers granted to allow offering countries preferences to providers from LDCs (e.g., services waiver to LDCs in GATS)
	Public Consultation	<ul style="list-style-type: none"> Bangladesh is currently receiving trade-related technical, legal, and monetary assistance (such as funding from the EIF Technology Bank).

Objectives	Primary Data Collection Sources	Comment from Stakeholders
Potential opportunities and losses of S&DT benefits after graduation and policy recommendation	KII	<ul style="list-style-type: none"> • Presently, more than 70 percent of the external trade of Bangladesh enjoys duty-free access as an LDC. • In the absence of GSP facilities after LDC graduation, exports to the EU markets may decline significantly. • BGMEA study shows that RMG exporters will miss US\$4 billion in the EU when the duty-free trade facility comes to an end. • Exports will decline, as most of Bangladesh's exports are through the adoption of S&DT as LDCs. For example, in the EU, Bangladesh enjoys EBA benefits. • Declining exports will adversely affect employment and the Backward Linkage Industry. • RMG sector will get massive impact, mostly woven sector will be impacted, and knit will not be impacted. • After graduating from the list of LDCs, Bangladesh's export to the RCEP region will face tariffs and NTBs, which may worsen the existing trade deficits. • Joining RCEP may boost the Bangladesh economy especially in the context of the pandemic-induced slowdown. • Connecting Bangladesh to regional and global markets, we can send out a positive signal to foreign investors. • New Regional Trade Agreements can be done, as well as SAFTA can be strengthened.
	FGD	<ul style="list-style-type: none"> • If Bangladesh could merely reach an FTA agreement beyond the GSP+ after graduation, the tariff rate facilities could be gradually reduced.
	Public Consultation	<ul style="list-style-type: none"> • The transition from LDCs does come with a cocktail of challenges and opportunities. To avoid these challenges, the country should diversify its export basket by promoting the export of new products – e.g. plastic items, leather goods, frozen foods, etc. • The government may analyse the new markets in different regions, such as Latin America, the Middle East, etc. and formulate strategies for penetrating those markets as part of diversifying export destinations.

Objectives	Primary Data Collection Sources	Comment from Stakeholders
		<ul style="list-style-type: none"> Phase-by-phase preparation, implementation of LDC specific strategic plan, and proper monitoring are needed to deal with post-graduation challenges.
Possibility of negotiating a transition period with trading partners, like in the EBA for graduating LDCs	KII	<ul style="list-style-type: none"> Bangladesh can take practical steps to diversify its export basket which is still extremely narrow in terms of both market size and diversity of export items. If Bangladesh wishes to continue the facility, then all the graduating countries have to propose a certain time frame which could be 3 years or 5 years transition period.
	FGD	<ul style="list-style-type: none"> One to one negotiation with Bangladesh's exporting countries can be more effective, like the recent TIFA (Trade and Investment Framework Arrangement between BD and United States). Bangladesh now has a grace period, but still need more time—say, five or six years—and diplomatic efforts to gradually lower the tariff rate for the next stage.
	Public Consultation	<ul style="list-style-type: none"> Graduation does not cause abrupt disruption in the LDCs trade in goods and services. Bangladesh and LDCs may urge UN Committee Development Policy (CDP) to provide a preparatory transition period of nine years from the date of recommendation for graduation from LDC status by the United Nations-Committee for Development Policy (UN-CDP) with the continuation of ISMs and S&DT benefit.
Possibilities to introduce Special International Support Measures (SISM)	KII	<ul style="list-style-type: none"> Bangladesh can attract foreign investment by creating an enabling environment, which includes building advanced infrastructure, skilling human resources and maintaining political stability. Bangladesh can go for country specific agreement so that local domestic producers is not affected due to FTA signing
	FGD	<ul style="list-style-type: none"> It would be better to keep and maintain EIF or similar support systems for a longer time Technical knowledge gaps are also needed to identify. Private sectors should march forward and provide more concentration on the case of knowledge generation, R&D, new technology development, investment, etc.

Objectives	Primary Data Collection Sources	Comment from Stakeholders
	Public Consultation	<ul style="list-style-type: none"> • Funding needs to be increased for new product development, new technology adoption, and R&D as the country has inadequacy in such area. • Govt. and private sector collaboration is also needed for boosting product diversification and market diversification.
Creation of new market access for GSP+ like facilities	KII	<ul style="list-style-type: none"> • As an alternative to GSP+, Bangladesh can export to least developed countries like Latin America, South Africa, etc. • It can increase the export level and revenue of our country.
	FGD	<ul style="list-style-type: none"> • Bangladesh can evaluate its economic eligibility and political scope for applying to the EU's GSP+ scheme and assess opportunities for bilateral and multilateral negotiations on market access, including the RCEP and FTA of the Asia-Pacific. • Improving brand image of Bangladesh
	Public Consultation	<ul style="list-style-type: none"> • Bangladesh can develop a strategy for retaining an existing market access in the countries currently providing DFQF market access to Bangladesh as being a LDCs. • On the worldwide market, jute items and raw jute are in demand. • Jute has the potential to diversify our products
Formulating a Smooth Transition Strategy (STS) keeping maximum S&DT facilities	KII	<ul style="list-style-type: none"> • During the preparatory period, Bangladesh can continue the preparation for graduation (smooth transition strategy, STS) in consultation with UN RCO, the UN System, development and trading partners, the private sector, CSOs, and other relevant stakeholders.
	FGD	<ul style="list-style-type: none"> • Government initiates a country-led preparatory process for LDC graduation. • Strategic engagement of the international community at the outset and the Government having clarity on the support it will need to be enhance throughout the graduation process. • Linkages can be identified with a country's Voluntary National Review (VNR), Diagnostic Trade Integration Study (DTIS), WTO Trade Policy Review, its poverty reduction and growth strategy and national development strategy.

Objectives	Primary Data Collection Sources	Comment from Stakeholders
		<ul style="list-style-type: none"> • Elements of an STS can be incorporated into these documents, depending on the stage of each.
	<p>Public Consultation</p>	<ul style="list-style-type: none"> • Bangladesh should utilize existing national consultative mechanisms. • An existing or new mechanism needs to be integrated with other relevant consultative processes and initiatives between the graduating country and its development partners.

7.6 Summary of Findings from KII, FGD and Public Consultation

Bangladesh needs to formulate comprehensive strategies for overcoming Bangladesh's graduation challenges. Based on the findings of the KII, FGD and Public Consultation, it was acknowledged that S&DTs benefits are enjoyed by Bangladesh as an LDC in the form of: Extended period for Implementation of obligations through granting of transition period (e.g., TRIPS till end of 2032), flexibility of commitment regarding the use of policy instruments and obligations (e.g. Category A, B and C Trade Facilitation Agreement). Bangladesh is also enjoying waivers granted to allow offering countries preferences to providers from LDCs (e.g., services waiver to LDCs in GATS). Presently, more than 70 percent of the external trade of Bangladesh enjoys duty-free access as an LDC. In the absence of GSP facilities after LDC graduation, exports to the EU markets may decline significantly. Bangladesh needs to strengthen its economic diplomacy and may continue negotiation with its trade partners for signing PTA, FTA, and CEPA. Joining of regional blocs such as RCEP (ASEAN), Russia-CIS (EAEU) block, GCC, African Continental Free Trade Agreement, APEC, MERCOSUR (Southern Common Market) etc. may also be way out to regain preferential treatments in trade. Bangladesh may pursue continuation of receiving benefits under the new EBA Plus scheme.

Chapter 8: Recommendation and Way forward

Graduation from LDC is a major milestone as it is both a reflection of the economy's resilience and recognition by the international community. Therefore, the march towards the development goals of Perspective Plan 2041 must continue. The loss of LDC benefits will create critical challenges in terms of the end of special and differential treatment (S&DT) under WTO and potential loss of exports that could affect tariff protection, export subsidies, agriculture sector, pharmaceuticals and the RMG sector.

Additionally, the LDC graduation is coming at a time when the global environment for trade is becoming more constrained due to de-globalization trends from economic nationalism and protectionist policies in the USA and some other OECD countries. Meanwhile, the Fourth Industrial Revolution (4IR) is posing a major challenge for employment owing to technology-driven capital-intensive production and automation. All these changes in the external sector will need to be managed deftly starting from now in order to be well prepared for a smooth transition for Bangladesh after graduation.

In preparation to face the upcoming LDC Graduation and other development challenges, the government has already initiated major development strategies and associated reform programmes such as the Perspective Plan 2021-2041 and the associated macroeconomic framework and the Delta Plan. Their solid implementation can help overcome the challenges posed by LDC graduation as well as the challenges and vulnerabilities emerging from trade shocks. Our study identified some of the major strategies to overcome the graduation challenges in Chapter 5. The specific reforms that need to be implemented to avoid the export and GDP shock from LDC graduation are summarized below:

- Strengthen the implementation of a prudent macroeconomic framework through tax and tariff policy reform and ensure resource mobilization to increase the tax-to-GDP ratio by at least 10% by FY2025-26.
- Counter the probable export losses from LDC graduation by diversifying the export base which requires a pragmatic measure, like minimizing the anti-export bias of trade policies and reducing the cost of doing business.
- Rationalize the large trade protection through tariffs and para tariffs as this policy has provided strong incentives to production for the domestic market where rates of return are much higher than exports owing to protection.
- Bangladesh needs to concentrate more on facilitating private sector investment as the private sector is the engine of growth for Bangladesh.
- Investment-friendly environment should be created by transforming the state's role as a facilitator of trade and investment while addressing barriers to productivity growth.
- Special importance should be given to focus on how to deal with alternatives to export subsidies as an instrument for export promotion in the post-LDC graduation world.

- Tariff and para-tariff structures must be revisited to make them consistent with trade and industrialization strategy.
- Significant reforms are needed in setting up trade and industrialization policy based on a clear industrial strategy focused on investment, job creation, production and exports.
- Rationalizing tariff protection to balance incentives between exports and domestic production/sales of import substitutes need to be ensured, as Tariffs raise the relative profitability of domestic sales compared to exports, thus discouraging production for exports.
- Trade and tariff policies should be adjusted through a five-year program of adjustment culminating in a trade and tariff regime that is similar to other developing economies.
- Both external (opening markets by seizing opportunities of bilateral, regional and plurilateral agreements) and domestic content (eliminating anti-export bias by balancing incentives for exports and domestic sales) of trade policy will have to be revamped to fit the demands of a dynamic global market and an export-oriented trade regime.
- Bangladesh could target FTA with countries that have already shown interest, such as Malaysia, China, India (post-LDC, as SAFTA, already gives market access), and Thailand.
- Bangladesh needs to strengthen its competitiveness and diversify its export to improve export performance to engender faster growth.
- The transport and logistic sector including customs, shipping associations are needed to be strengthened to make trade easier and competitive.

In addition to the above recommendations Bangladesh may adapt the following measures for **retention of S&DT provisions**

- Bangladesh may use the special dispensation for LDCs for the remaining years (until 2026) but she will have to prepare for the stiffer competition in the global market, once the preferential access provisions evaporate following graduation.
- Bangladesh may seek market access under various bilateral and regional trade and investment agreements, especially two regional trading arrangements that hold tremendous potential for trade and investment which are RCEP (ASEAN+) and CPTPP which may constitute the majority of the future Asian market. Bangladesh may enter into these regional blocs.
- Public and private sector should have a clear understanding of the implications of each of relevant WTO regulations, especially the Agreement on Subsidies and Countervailing Measures (SCMs), Agreement of Agriculture (AoA) and TRIPS Waiver for the Bangladesh economy.
- As the Committee on Agriculture maintains the list of WTO NFIDCs, Bangladesh being a net importer of basic foodstuffs can request the Committee to be included in the WTO NFIDC list as per the agreed procedure.¹⁵⁵ One precedent for such a situation is Maldives, which upon graduation was included in the WTO NFIDC List in 2011 based

¹⁵⁵ WTO list of NFIDCs: G/AG/5/Rev.10 (last updated 2012).

on their request to the Committee on Agriculture. Moreover, some agricultural products of India are under the NFIDC list of WTO. Bangladesh is dependent on the import of agro-food products such as onion, sugar, and edible oil and has many possibilities to be included in the NFIDC list.

- Bangladesh will have to carefully consider its export support policy options in the post-graduation period. It is to be noted, many countries provide different subsidies and may not inform the WTO regularly. After LDC graduation, if subsidies are not eliminated, other WTO members could take action against Bangladesh under Article 4 of Subsidies and Countervailing Measures (SCM) of the WTO and ask for the withdrawal of the subsidy. So incentives alternatives to export subsidies should be explored.
- Examples of other developing including those of India, can be studied and localized for modification of subsidies into other forms of promotional and productivity incentives, such as, towards Research and Development, Capacity Building in quality infrastructure, central warehouse and logistics management, etc. Some details are briefly described in the following section.
- Considering the current global economic crisis due to the Ukraine-Russia war, the government may request for extending transition period for availing the S&DTs from WTO and other regional and multilateral trade agreements.

Some incentives alternative to export subsidies:

- **Incentives for compliance with standards:** Incentives may be provided in maintaining environment, social and quality (ESQ) compliance. For example in Vietnam, the RMG products meeting the EU quality standard are taxed at a reduced rate of 10 percent for 15 years despite having 20% Corporate Income Tax in general. Incentives should be the same for both domestic and foreign invested industries.¹⁵⁶
- **Incentive of Research and Development (R&D):** Income that is earned from research and technological development activities may be exempted from Corporate Income Tax (CIT) like that of Vietnam.
- Bangladesh may adopt Remission of Duties and Taxes on Export Products (RoDTEP) scheme like that of India through which various taxes and duties are rebated. The scheme is WTO compliant.¹⁵⁷
- For attracting more investment in the RMG sector, India's Production Linked Incentives (PLI) scheme may be followed (mentioned in section 5.8) and replicated which has been formulated to promote production of MMF Apparel, MMF Fabrics and Products of Technical Textiles in India.
- As an alternative to cash incentives, incentives for HR development may be provided.

¹⁵⁶ Acclime Vietnam (2021) Vietnam Tax Guide 2021, available at <https://vietnam.acclime.com/downloads/guides/Vietnam-Guide-Tax-2021.pdf>

¹⁵⁷ India's notification No. 76/2021- Customs (N.T.) dated 23.09.2021, retrieved from, <https://cleartax.in/s/rodtep-scheme>

- Bangladesh, like China and India, may implement an indirect subsidy program in the areas of transportation, and energy after graduation.
- Subsidy in infrastructure may be a substitute of direct subsidy after LDC graduation.

8.1 Sector-wise recommendations:

Recommendations for RMG Sector: Bangladesh should make strong backward linkage and forward linkage for RMG sector, necessary steps need to be addressed and proceed accordingly.

- Available support to boost the sector such as tax holiday, VAT exemption for import and some non-fiscal supports for instance sectoral roadmap, among most prioritized sectors in export policy 2021-24, listed in BIDA potential sector, amongst highest priority sector in industry policy 2016;
- Available sectoral market information for branding or export promotion is prerequisite nowadays which can be gathered by sector specific studies and exposition;
- Need to shift market concentration in non-traditional markets so that it can gradually move upwards in its industrialization pathway;
- Continuous dialogue regarding new technology so that the financing institutions have relevant knowledge to financing in new technologies, innovation and best manufacturing practice;
- Initiatives for extending EU-GSP facilities until 2030 and negotiation for GSP+;
- Providing supports for maintaining compliance issues and strengthening advance ruling system;

Recommendations for Leather sector:

- In order to overcome potential trade loss after LDC graduation challenge, leather sector need to increase its efficiency and productivity. Production processes need to be streamlined with international standards and skills of the workers in this sector needs to be enhanced. Bringing business and academia at the same page, initiating training development programs for employee productivity enhancement can be effective.
- Export incentives and policies such as tax holidays and duty-free imports of raw materials and machinery for export-oriented industries should be utilized fully to magnify existing leather businesses', backward linkage businesses and SMEs' capabilities and potential to enhance exports of leather and leather goods.
- Utilization of abundant domestic raw hides should be ensured. Measures should be taken for smoothly sourcing indigenous raw materials and reducing lead time of accessories.
- For improving raw material availability, backward linkage and supporting industry comprising leather, lining materials, accessories, soles, lace, metal trims, metal and plastic accessories, and mold factories need to be developed.
- Market access can be improved by pursuing different agreements i.e. FTA, PTA, RTA and etc. with potential countries. Negotiation should outline specific treatments for leather products.

- Fresh investment (local and foreign) should be encouraged in the leather sector. Building technology center, common facility centers, special economic zone leather industrial parks can bring in new investments.
- Value addition, product and market diversification may be encouraged through special incentive schemes.

Agriculture Sector:

- To ensure human Resource Development in agro sector the government may take initiative to provide season-based training to farmers and training for women and youth in agricultural food processing, marketing and packaging. In this regard, Strengthening DAE and Plant Quarantine Wing (PQW) by engaging more technical personnel in DAE and PQW would be required. Technical training may be provided to DAE and PQW officials.
- The government may establish world class food processing industrial technology institutes with specialized courses in food processing technologies in association with universities and institutions in developed countries and F.A.O.
- The government may provide subsidies related to transport, handling, and packaging according to article 9.4 of WTO agreement on agriculture.

Plastic Sector:

- High dependency on imported raw materials may be reduced with the establishment of trading houses or central bonded warehouse. This will ensure bulk import of raw materials. The government may take initiatives to make bonded warehouses in this regard. Central bonded warehouses may be established in free trade zones or special economic zones so that manufacturers receive lower prices and face shorter lead times during the procurement of raw materials.
- The government may extend incentives available to the RMG sector to the plastic industry. Such as, special funds of multilateral and bilateral agencies, Green Transformation Fund and duty exemption on fire safety equipment may also be made available to the plastics sector like the RMG sector.
- Internationally accredited testing and certification agency in collaboration with internationally reputed institutions should be set up for plastic products in Bangladesh. The BSTI in Bangladesh provides certification only nationally. And the standard set by BSTI cannot meet the international standards. BSTI should come up with signing of more accreditation agreement with other potential countries other than India. With the pandemic of COVID-19 has led to the urgency of standard setting and compliance for the MPPE products. Centralized lab for testing may be set up for testing.
- The government should create a single window clearance mechanism for the approval of FDIs. Commercial banks should also be allowed to process the payments to prevent delays in duty drawback refunds. Trade logistics is an area that needs reform and up gradation.

- The supply chain of plastic sector products needs to be developed. Creating more connectivity, developing government infrastructure and improving policy incentives are required for every stage from importing raw materials to exports. Appropriate policy instruments attract traders in this sector which in turn will boost its export.
- Negotiation skills should be developed in order to sign FTA or other agreements with potential trading blocs or countries. This will in turn help export of plastic products to the countries.

Light Engineering including Electronics and Electrical Sector:

- Bangladesh should make strong backward linkage and forward linkage for light engineering sector including electronics and electrical products, necessary steps need to be addressed and proceed accordingly.
- Need to shift product concentration in light engineering sector including electronics and electrical so that it can gradually move upwards in its industrialization pathway;
- Available support to boost to the sector such as tax holiday, VAT exemption for import of raw materials and some non-fiscal supports for instance sectoral roadmap, among most prioritized sectors in export policy 2021-24, listed in BIDA potential sector, amongst highest priority sector in industry policy 2016;
- Available sectoral market information for branding or export promotion is prerequisite nowadays which can be gathered by sector specific studies and exposition;
- Common facility Centers (CFCs) should be established in the clustered areas, so that assistances like marketing centers, testing laboratory centers, quality measuring centers can be provided to a group of industries in the same area;
- Special measures should be taken for small and medium enterprises (SMEs) as most of the light engineering and electrical industries are included in that category.

Recommendations for pharmaceutical sector:

- Embed TRIPS and pharmaceutical waiver elements for LDC in the April 2022 Patent Act so that no legal issues can be raised now and later.
- Upgrade National IP policy 2018 keeping in the purview TRIPS flexibilities till November 2026. The regulatory authority should further review IP, API and FDI policies and incentives in preparation of TRIPS compliance regime following graduation in 2026.
- All the fiscal and non-fiscal support provided by government needs to be exploited so that domestic industries become prepared for graduation challenges.
- Expedite registration and marketing authorization of pharmaceutical product in abroad, where the Bangladesh embassy will provide catalytic support role to coordinate and collaborate with the respective national regulatory authority (NRA).
- The government might simplify regulatory requirements for new investments or encourage FDI in the API sector. For firms striving toward higher levels of quality improvement, working with the global industry through some form of joint venture, licensing. Partnerships with Global Firms MNCs can operate in a country in multiple ways,

including foreign direct investment (FDI), contract manufacturing, joint ventures and strategic partnerships or licensing.

- Market and product diversification opportunities should be explored for the pharmaceutical products. Also, before graduation, with fiscal and non-fiscal support government can facilitate export promotion for creating a strong brand image of Bangladeshi pharmaceutical products in the global market.

Conclusion

Although Bangladesh has so far been one of the few least affected countries from the global trade turmoil, it may not be immune from the unfolding global trade challenges. Due to the ongoing Russia- Ukraine war, higher inflation rate in Europe and USA and all over the world, export sectors may be affected. As the developed economies are the most prominent export destinations, their difficulties in attaining full-speed recovery may hamper future export prospects of Bangladesh. Furthermore, some countries are opting for protectionism. Coping with rising protectionism in the world economy is going to be a major challenge for many capacity-constrained developing countries including Bangladesh. Under the circumstances, incorporating trade issues into every stage of the development planning cycle will be important. This must be underpinned by strong inter-ministerial coordination and consultative processes with a wide range of stakeholders so that smooth transition process can be ensured for Bangladesh. In this regard, the National Committee on LDC Graduation (NCG) formed under the Chairmanship of the Principal Secretary to the Hon'ble Prime Minister and seven thematic subcommittees¹⁵⁸ may play vital role for ensuring sustainable graduation.

¹⁵⁸ National Committee on LDC Graduation, Prime Minister's Office, Government of Bangladesh. (February, 2023). Preparedness For Graduation with Momentum: Strategies for Coping with Challenges and Tapping New Opportunities

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Appendices

Appendix 1: List of Participants of KII

SL.	Respondent Name	Designation	Name of the Organization
1.	Mr. Rizwan Rahman	President	Dhaka Chamber of Commerce & Industry (DCCI)
2.	Mr. Md. Jalal Uddin	Assistant General Manager	Leathergoods and Footwear Manufacturers & Exporters Association of Bangladesh (LFMEAB)
3.	Mr. Md. Enamul Hafiz Latifee	Joint Secretary (Research Fellow)	Bangladesh Association of Software and Information Services (BASIS)
4.	Mr. Mohammad Rayhan	Research Officer	Bangladesh Trade and Tariff Commission (BTTC)
5.	Mr. Md. Nowab Pramanik	Examiner of Accounts	Registrar of Joint Stock Companies And Firms (RJSC)
6.	Mr. Ali Ahmed	Deputy Secretary	Bangladesh Textile Mills Association (BTMA)
7.	Mr. Asif Ayub	Joint Secretary General	Metropolitan Chamber of Commerce & Industry, Dhaka (MCCI)
8.	Mr. Kumkum Sultana	Director (Policy & Planning)	Export Promotion Bureau (EPB)
9.	Mr. Mashiur Rahman		Bangladesh Bank
10.	Mr. Khairul Kabir	1st Secretary	National Board of Revenue (NBR)
11.	Mr. Md. Mamunur Rahman		The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI)
12.	Mr. Md. Afsarul Areefin	Secretary General	Dhaka Chamber of Commerce & Industry (DCCI)
13.	Mr. Monzurul Hossain	Research Director	Bangladesh Institute of Development Studies (BIDS)
14.	Mr. Manzur Ahmed	Advisor	The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI)
15.	Mr. Mohammad ileas Mia	Director-1 (Deputy Secretary)	WTO Cell, MoC
16.	Mr. Jillur Rahman	Associate Director (Research and policy)	Research and Policy Integration for Development (RAPID)
17.	Mr. Md Khairuzzaman Mozumder	Additional Secretary	Finance Division

SL.	Respondent Name	Designation	Name of the Organization
18.	Mr. Mohammad Jahirul Quayum	Deputy Secretary	Finance Division
19.	Mr. Md. Ariful Hoque	Director (Registration & Incentives-1 (Commercial))	Bangladesh Investment Development Authority (BIDA)
20.	Mr. Mohammed Yunus	Senior Research Fellow	Bangladesh Institute of Development Studies (BIDS)

Appendix 2: List of Participants in Focus Group Discussions

Sl.	Name	Designation	Organization
1	Ms. Nahid Afroz	Deputy-Secretary	Export Wing, Ministry of Commerce
2	Mr. Md. Salehin Surfaraz	Deputy Executive Secretary	Dhaka Chamber of Commerce & Industry (DCCI)
3	Mr. Mohammad Jahirul Quayum	Deputy Secretary	Macroeconomic Wing, Ministry of Finance
4	Mr. Ardhudu Shakkhor Roy	Secretary-General	Bangladesh Chamber of Industries(BCI)
5	Mr. Major General Amjad Khan Chowdhury	Secretary-General	Leather goods & Footwear Manufacturers & Exporters Association of Bangladesh (LFMEAB)
6	Mr. Evance Rozario	Executive, Marketing Dept.	Bangladesh Agro-Processors' Association (BAPA)
7	Mr. Shafqat Sadat Chowdhury	Research Officer	Policy Research Institute(PRI)
8	Mr. Md Ariful Haque,	Director (Deputy Secretary)	Bangladesh Investment Development Authority(BIDA)
9	Ms. Hazera Akther	Assistant Professor	University of Dhaka(DU)
10	Mr. Akter Hossen	Joint Commissioner	NBR
11	Mr. M. Abdur Rahman	Deputy Chief	MCCI
12	Mr. Saif Uddin Ahammad	Joint Secretary	FTA Wing, MoC
13	Ms. Rakhi Ahmed	DD	EPB
14	Mr. Enamul Hafiz Latifee	Research Fellow	BASIS
15	Syeda Shahnewaz Lotika		ICCB
17	Mr. Mohammad Ileas Miah	Deputy Secretary	WTO Cell, MoC
18	Mr. Md. Fazullah Hasan	Representative	Future Sky Ltd.

Appendix 3: List of participants of the Public Consultation

Sl.	Name	Designation	Organization
1.	Mr. Md. Hafizur Rahman	Additional Secretary (Director general)	WTO cell, Ministry of Commerce.
2.	Mr. Md. Munir Chowdhury	National Trade Expert, Bangladesh Regional Connectivity Project-1 & Ex DG, WTO Cell, Ministry of Commerce	Bangladesh Regional Connectivity Project-1
3.	Mr. Md. Ariful Hoque	Director	Bangladesh Investment Development Authority (BIDA)
4.	Mr. Mohammad Jahirul Quayum	Ministry of Finance, Deputy Secretary	Ministry of Finance
5.	Mr. Sharif Rayhan Kabir	DS (FTA Wing)	Ministry of Commerce
6.	Mr. Masudul Haque Proshan	Senior Research Associate	Policy Research Institute (PRI)
7.	Mr. Mahamudul Hassan	Asst. Executive Secretary	Dhaka Chamber of Commerce & Industry (DCCI)
8.	Mr. Mir Sharif Ahammad	Deputy Executive Director	Walton
9.	Ms. Kaniz Fatema	Senior Research Associate	BUILD
10.	Mr. Ziaul Islam	Additional Deputy Director	Department of Agricultural Extension (DAE)
11.	Mr. Jalal Uddin	Asst. General Manager	Leather goods & Footwear Manufacturers & Exporters

Sl.	Name	Designation	Organization
			Association of Bangladesh (LFMEAB)
12.	Mr. S. Ahmed Mazumder Senior Vice Chairman	Senior Vice Chairman	Bangladesh Jute Goods Exporters' Association (BJGEA)
13.	Mr. M. Abdur Rahman	Deputy Chief	Metropolitan Chamber of Commerce & Industry (MCCI)
14.	Mr. Md. Shahidul Islam,	First Secretary	NBR (Customs)
15.	Ms. Kumkum Sultana	Director	Export Promotion Bureau (EPB)
16.	Md. Jahangir Alam Shovon	Executive Director	e-Commerce Association of Bangladesh (e-CAB)
17.	Mr. Rahath Ahmed	CMO	Paperfly Private Ltd.
18.	Mr. Ziaur Rahman	Manager (Product Development)	Pran RFL Group
19.	Mr. Md. Hafizur Rahman	Secretary	Bangladesh Fruits, Vegetables & Allied Products Exporter's Association (BFVAPEA)
20.	Mr. Mohammad Rayhan	Research Officer	Bangladesh Trade & Tariff Commission (BTTC)
21.	Mr. Md. Sajib Hossain	Sr. Asst. Secretary	Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA)

Sl.	Name	Designation	Organization
22.	Ms. Mahmuda Akter	Research Associate	Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA)
23.	Ms. Jakia Tasnim Purba	Executive	Federation of Bangladesh Chambers of Commerce & Industries (FBCCI)
24.	Mr. Shahedul Azam	Examiner of Accounts	Registrar of Joint Stock Companies And Firms (RJSC)
25.	Mr. Evance Rozario	Marketing Executive	Bangladesh Agro-Processors' Association (BAPA)
26.	Ms. Tania Islam	Deputy Secretary, Export-2	Ministry of Commerce(MoC)
27.	Mr. Humayun Kabir	Sr. QCO	Bangladesh Frozen Foods Exporters Association (BFFEA)
28.	Mr. Enamul Hafiz Latifee	Research Fellow	Bangladesh Association of Software and Information Services (BASIS)

Appendix 4: KII Questionnaire

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
বাণিজ্য মন্ত্রণালয়
ডব্লিউটিও সেল,
বাংলাদেশ রিজিওনাল কানেক্টিভিটি প্রজেক্ট-১
মূল তথ্যদাতা সাক্ষাৎকার-কেআইআই (KII) প্রশ্নাবলী- প্রথম স্টাডির জন্য
(৪টি স্টাডি, পিএসসি কর্তৃক নির্ধারিত)

প্রথম স্টাডি: বিশ্ববাণিজ্য সংস্থার স্পেশাল ও ডিফারেন্সিয়াল ট্রিটমেন্ট এবং এলডিসি গ্র্যাজুয়েশন
সংক্রান্ত চ্যালেঞ্জ

Stdy-1: (WTO Special and Differential Treatment (S & DT) and Graduation Challenges)

উত্তরদাতার নাম:												
পদবী:												
প্রতিষ্ঠানের নাম:												
প্রতিষ্ঠানের ঠিকানা:												
মোবাইল নম্বর:												
ইমেইল ঠিকানা:												
মূল মন্ত্রণালয়/ বিভাগ (প্রযোজ্য ক্ষেত্রে):												
১। এলডিসি থেকে উত্তরণ পরবর্তী সময়ে পণ্যের রপ্তানি বাজার ধরে রাখা এবং সম্প্রসারণ করার জন্য বাংলাদেশ কীভাবে স্পেশাল ও ডিফারেন্সিয়াল ট্রিটম্যান্ট (এসঅ্যান্ডডিটি) বা জিএসপি+ সুবিধা পেতে পারে? (একাধিক উত্তর প্রদান করা যেতে পারে)												
<table border="1"><thead><tr><th>পদক্ষেপ</th><th>কারণসহ আপনার মতামত দিন</th></tr></thead><tbody><tr><td>ক. সম্ভাব্য দেশসমূহের সাথে দ্বিপাক্ষিক বাণিজ্য (PTA, FTA, CEPA) চুক্তি স্বাক্ষর</td><td></td></tr><tr><td>খ. সম্ভাব্য দেশসমূহের সাথে আঞ্চলিক বাণিজ্য চুক্তি সংক্রান্ত আলোচনার মাধ্যমে (e.g. ASEAN, RCEP)</td><td></td></tr><tr><td>গ. উত্তরণ পরবর্তী সময়ে ক্রমান্বয়ে প্রযুক্তিগ্রহণ</td><td></td></tr><tr><td>ঘ. জাতীয় কৌশলপত্র প্রণয়ন ও বাস্তবায়ন</td><td></td></tr><tr><td>ঙ. অন্যান্য (SISM measures) হলে উল্লেখ করুন</td><td></td></tr></tbody></table>	পদক্ষেপ	কারণসহ আপনার মতামত দিন	ক. সম্ভাব্য দেশসমূহের সাথে দ্বিপাক্ষিক বাণিজ্য (PTA, FTA, CEPA) চুক্তি স্বাক্ষর		খ. সম্ভাব্য দেশসমূহের সাথে আঞ্চলিক বাণিজ্য চুক্তি সংক্রান্ত আলোচনার মাধ্যমে (e.g. ASEAN, RCEP)		গ. উত্তরণ পরবর্তী সময়ে ক্রমান্বয়ে প্রযুক্তিগ্রহণ		ঘ. জাতীয় কৌশলপত্র প্রণয়ন ও বাস্তবায়ন		ঙ. অন্যান্য (SISM measures) হলে উল্লেখ করুন	
পদক্ষেপ	কারণসহ আপনার মতামত দিন											
ক. সম্ভাব্য দেশসমূহের সাথে দ্বিপাক্ষিক বাণিজ্য (PTA, FTA, CEPA) চুক্তি স্বাক্ষর												
খ. সম্ভাব্য দেশসমূহের সাথে আঞ্চলিক বাণিজ্য চুক্তি সংক্রান্ত আলোচনার মাধ্যমে (e.g. ASEAN, RCEP)												
গ. উত্তরণ পরবর্তী সময়ে ক্রমান্বয়ে প্রযুক্তিগ্রহণ												
ঘ. জাতীয় কৌশলপত্র প্রণয়ন ও বাস্তবায়ন												
ঙ. অন্যান্য (SISM measures) হলে উল্লেখ করুন												
২। বাংলাদেশের এলডিসি থেকে উত্তরণ পরবর্তী সময়ে স্পেশাল ও ডিফারেন্সিয়াল ট্রিটম্যান্ট (এসঅ্যান্ডডিটি) বা জিএসপি সুবিধা না পেলে রপ্তানি, কর্মসংস্থান ও ইত্যাদি ক্ষেত্রে বাংলাদেশের উপর কী কী প্রভাব পড়তে পারে?												

<p>৩। ২০২৬ সালের graduation-এর পর ২০২৯ সাল পর্যন্ত বাংলাদেশ S&DT সুবিধা পেয়ে থাকবে। Sustainable graduation-এর জন্য বিশ্ববাণিজ্য সংস্থার পক্ষ থেকে বাংলাদেশের ক্ষেত্রে ২০২৯ সালের পর অতিরিক্ত সময়ের জন্য S&DT Provision রাখা যায় কিনা?</p>
<p>৪। পণ্য ও সার্ভিস রপ্তানির ক্ষেত্রে বাংলাদেশ বর্তমানে কী ধরনের S&DT সুবিধা পেয়ে থাকে? LDC থেকে উত্তরণ পরবর্তী পর্যায়ে এ সুবিধা পেতে বাংলাদেশ কী ধরনের কৌশল অবলম্বন করতে পারে?</p>
<p>৫। বাংলাদেশের এলডিসি থেকে উত্তরণ পরবর্তী সময়ে স্পেশাল ও ডিফারেন্সিয়াল ট্রিটম্যান্ট (এসঅ্যান্ডডিটি) বা জিএসপি সুবিধা না পেলে বাংলাদেশ যে ক্ষতির সম্মুখীন হবে তা সমাধানে আপনার পরামর্শ কী?</p>
<p>৬। ২০২৩ সাল হতে ইউরোপীয় ইউনিয়নের নতুন EBA Roadmap হতে বাংলাদেশ LDC পরবর্তী কী সুবিধা (GSP+) নিতে পারে?</p>
<p>৭। LDC উত্তরণ পরবর্তী পর্যায়ে কীভাবে বাংলাদেশ (GSP+) সুবিধা অর্জন করতে পারে?</p>
<p>৮। ইতোমধ্যে যে ৬টি দেশ LDC থেকে উত্তীর্ণ হয়েছে (Botswana, Cabo Verde, Maldives, Samoa, Equatorial Guinea এবং Vanuatu) তারা কী কী ধরনের চ্যালেঞ্জ মোকাবেলা করছে?</p>
<p>৯। এলডিসি থেকে উত্তরণের জন্য বিভিন্ন মন্ত্রণালয়/কর্তৃপক্ষের মধ্যে আন্তঃসংস্থা সমন্বয় ব্যবস্থা কীভাবে বাড়ানো যায়?</p>
<p>১০। এলডিসি থেকে উত্তরণের জন্য বেসরকারি খাতের সংশ্লিষ্টতা কীভাবে বাড়ানো যেতে পারে (এলডিসি থেকে উত্তরণের চ্যালেঞ্জ সম্পর্কিত জ্ঞান বৃদ্ধিতে প্রশিক্ষণ, বিভিন্ন কমিটিসমূহে তাদের সতক্ষুর্ত অংশগ্রহণ ও মতামত প্রদান ইত্যাদি)?</p>

<p>১১। বর্তমানে এলডিসি থেকে উত্তরণ সম্পর্কিত কারিগরি সহায়তা (যেমনঃ Enhanced Integrated Framework (EIF), International Support Measures (ISM), Technical Assistance) হারালে বাংলাদেশ কী ধরনের পরিকল্পনা ও নীতি গ্রহণ করতে পারে? (বিশেষতঃ বাণিজ্যবান্ধব নীতি গ্রহণ, action roadmap, আন্তর্জাতিক চুক্তি ও দ্বিপাক্ষিক চুক্তির বিবেচনায় কী পদক্ষেপ গ্রহণ করতে পারে?)</p>
<p>১২। এলডিসি থেকে উত্তরণ পরবর্তী সময়ে বাজার সম্প্রসারণের জন্য বাংলাদেশ মুক্ত, আঞ্চলিক ও বহুপাক্ষিক বাণিজ্য চুক্তি করার পূর্বে কোন কোন বিষয়ে (যথা: পণ্যের বহুমুখীকরণ, নতুন বাজারে প্রবেশাধিকার) প্রস্তুতি নেয়া দরকার?</p>
<p>১৩। এলডিসি থেকে উত্তরণ পরবর্তী চ্যালেঞ্জ মোকাবেলায় বাংলাদেশ জনগণের আর্থসামাজিক অবস্থার উন্নয়নে কী ধরনের পদক্ষেপ গ্রহণ করতে পারে?</p>
<p>১৪। এলডিসি থেকে উত্তরণ পরবর্তী সময়ে বাংলাদেশ কীভাবে বিনিয়োগের পরিবেশ এবং আরও বেশি বৈদেশিক বিনিয়োগ আকর্ষণ করতে পারে?</p>
<p>১৫। এলডিসি থেকে উত্তরণ পরবর্তী সময়ে বাংলাদেশ টেকসই উন্নয়নের জন্য কী কর্মকৌশল (যেমনঃ মানবসম্পদ উন্নয়ন, প্রযুক্তির মাধ্যমে শ্রম উৎপাদনশীলতা বৃদ্ধি, দক্ষ জনবল তৈরি এবং প্রতিযোগিতা সক্ষমতা বৃদ্ধি ইত্যাদি) প্রণয়ন করতে পারে?</p>
<p>১৬। এলডিসি গ্র্যাজুয়েশন সংক্রান্ত চ্যালেঞ্জ মোকাবেলায় ব্যবসায়ী ও ট্রেডবডি'র এলডিসি গ্র্যাজুয়েশন- সংক্রান্ত জ্ঞান বৃদ্ধিতে কী কী পদক্ষেপ গ্রহণ করা উচিত?</p>
<p>১৭। এলডিসি গ্র্যাজুয়েশন সংক্রান্ত চ্যালেঞ্জ মোকাবেলায় উল্লিখিত মতামত ছাড়াও অন্য কোন মতামত (যদি থাকে)</p>

উত্তর দাতার স্বাক্ষর

জরিপকারীর নাম.....

তারিখ.....

স্বাক্ষর.....

Annexure 1: List of Cash Incentives in export sectors of Bangladesh.

(Source: Bangladesh Bank FE Circular 26, September 2022)

রপ্তানি প্রণোদনা/নগদ সহায়তাসূচক পণ্য/খাত এর তালিকা

ক্রমিক নং	রপ্তানি পণ্যের নাম	প্রযোজ্য হার
১	রপ্তানিমুখী দেশীয় বস্ত্রখাতে গুচ্ছ বস্ত্র ও ডিউটি ড্র-ব্যাক এর পরিবর্তে বিকল্প নগদ সহায়তা	৪.০০%
২	রপ্তানিমুখী তৈরী পোশাক খাতের (নীট, ওভেন ও সোয়েটার) অন্তর্ভুক্ত সকল ক্ষুদ্র ও মাঝারি শিল্পের অতিরিক্ত সুবিধা	৪.০০%
৩	নতুন পণ্য/নতুন বাজার (বস্ত্রখাত) সম্প্রসারণ সহায়তা (আমেরিকা/কানাডা/ইইউ/ইউকে ব্যতীত)	৪.০০%
৪	ইউরো অঞ্চলে বস্ত্রখাতের রপ্তানিকারকদের জন্য বিদ্যমান ৪% এর অতিরিক্ত বিশেষ সহায়তা	২.০০%
৫	তৈরী পোশাক খাতে বিশেষ নগদ সহায়তা	১.০০%
৬	কৃষিপণ্য (শাকসব্জি/ফলমূল) ও প্রক্রিয়াজাত (এথোপ্রসেসিং) কৃষিপণ্য রপ্তানি খাতে রপ্তানি ভর্তুকি	২০.০০%
৭	হাক্সা প্রকৌশল পণ্য রপ্তানি খাতে রপ্তানি ভর্তুকি	১৫.০০%
৮	পাটজাত দ্রব্যাদি রপ্তানি খাতে নগদ ভর্তুকি: ক) বৈচিত্রকৃত পাট পণ্য (Diversified Jute Products) খ) পাটজাত চূড়ান্ত দ্রব্য (হেসিয়ান, সেকিং ও সিবিসি) গ) পাট সুতা (ইয়ার্ন ও টোয়াইন) (পাট আইন ২০১৭ তে উল্লিখিত বৈচিত্রকৃত পাটপণ্যের সংজ্ঞা অনুসারে ন্যূনতম ৫০ ভাগ মূল্যমানের পাটের ব্যবহার থাকতে হবে)	২০.০০% ১২.০০% ৭.০০%
৯	Active Pharmaceuticals Ingredients (API) রপ্তানির বিপরীতে রপ্তানি ভর্তুকি	২০.০০%
১০	১০০% হালাল মাংস ও ১০০% হালাল প্রক্রিয়াকৃত মাংসজাত পণ্য রপ্তানি খাতে রপ্তানি ভর্তুকি	২০.০০%
১১	হিমায়িত চিংড়ি ও অন্যান্য মাছ রপ্তানি খাতে নগদ সহায়তা: (ক) হিমায়িত চিংড়ি রপ্তানিতে বরফ আচ্ছাদনের হার Up to 20% Above 20% to 30% Above 30% to 40% Above 40% (খ) হিমায়িত অন্যান্য মাছ রপ্তানিতে বরফ আচ্ছাদনের হার Up to 20% Above 20% to 30% Above 30% to 40% Above 40%	১০.০০% ৯.০০% ৮.০০% ৭.০০% ৫.০০% ৪.০০% ৩.০০% ২.০০%
১২	চামড়া জাত দ্রব্যাদি রপ্তানি খাতে নগদ সহায়তা (সিলিং সীমা পূর্বের ন্যায় বহাল থাকবে)	১৫.০০%
১৩	সান্তারে চামড়া শিল্প নগরীতে অবস্থিত কারখানা ও সান্তারের বাইরে অবস্থিত নিজস্ব ইটিপি রয়েছে এরূপ কারখানাসমূহে উৎপাদিত ক্রাস্ট ও ফিনিশড লেদার রপ্তানির বিপরীতে রপ্তানি ভর্তুকি	১০.০০%
১৪	আলু রপ্তানি খাতে নগদ সহায়তা	২০.০০%
১৫	পাটকাঠি থেকে উৎপাদিত কার্বন ও জুট পার্টিকেল বোর্ড রপ্তানির বিপরীতে রপ্তানি ভর্তুকি	২০.০০%
১৬	ফার্নিচার রপ্তানির বিপরীতে রপ্তানি ভর্তুকি	১৫.০০%
১৭	শস্য ও শাক সব্জি-এর বীজ রপ্তানির বিপরীতে রপ্তানি ভর্তুকি	২০.০০%
১৮	আগর ও আতর রপ্তানির বিপরীতে রপ্তানি ভর্তুকি	২০.০০%
১৯	অ্যাকুমুলেটর ব্যাটারী (HS Code: 8507.10 এবং 8507.20) রপ্তানির বিপরীতে রপ্তানি ভর্তুকি	১৫.০০%
২০	সিনথেটিক ও ফেব্রিকস এর মিশ্রণে তৈরী পাদুকা ও ব্যাগ রপ্তানির বিপরীতে রপ্তানি ভর্তুকি	১৫.০০%
২১	প্লাস্টিক দ্রব্য রপ্তানির বিপরীতে রপ্তানি ভর্তুকি	১০.০০%

ক্রমিক নং	রপ্তানি পণ্যের নাম	প্রযোজ্য হার
২২	দেশে উৎপাদিত কাগজ ও কাগজ জাতীয় দ্রব্য রপ্তানিতে রপ্তানি ভর্তুকি	১০.০০%
২৩	ক) বাংলাদেশ হতে সফটওয়্যার, আইটিইএস (Information Technology Enabled Services) ও হার্ডওয়্যার রপ্তানির বিপরীতে রপ্তানি ভর্তুকি খ) সফটওয়্যার ও আইটিইএস সেবা রপ্তানির বিপরীতে ব্যক্তি পর্যায়ের ফ্রিল্যান্সারদের জন্য রপ্তানি ভর্তুকি	১০.০০% ৪.০০%
২৪	জাহাজ রপ্তানির বিপরীতে রপ্তানি ভর্তুকি	১০.০০%
২৫	ফার্মাসিউটিক্যালস পণ্য (মেডিক্যাল/সার্জিক্যাল Instruments and Appliances সহ) রপ্তানির বিপরীতে রপ্তানি ভর্তুকি	১০.০০%
২৬	হাতে তৈরী পণ্য (হোগলা, খড়, আখের/নারিকেলের ছোবড়া, পাছের পাতা/খোল, গার্মেন্টস এর খুঁট কাপড় ইত্যাদি) রপ্তানি খাতে নগদ সহায়তা	১০.০০%
২৭	গরু মহিষের নাড়ি, ছুঁড়ি, শিং ও রগ (হাড় ব্যতীত) রপ্তানির বিপরীতে রপ্তানি ভর্তুকি	১০.০০%
২৮	(ক) পেট বোতল-ফ্রেঞ্জ রপ্তানির বিপরীতে রপ্তানি ভর্তুকি (খ) পেট বোতল-ফ্রেঞ্জ থেকে উৎপাদিত পলিইয়েস্টার স্ট্যাপল ফাইবার রপ্তানির বিপরীতে রপ্তানি ভর্তুকি	১০.০০% ১০.০০%
২৯	Photovoltaic Module রপ্তানির বিপরীতে রপ্তানি ভর্তুকি	১০.০০%
৩০	মোটর সাইকেল রপ্তানির বিপরীতে রপ্তানি ভর্তুকি	১০.০০%
৩১	কেমিক্যাল পণ্য (ক্রোরিন, হাইড্রোক্লোরিক এসিড, কস্টিক সোডা এবং হাইড্রোজেন পারঅক্সাইড) রপ্তানির বিপরীতে রপ্তানি ভর্তুকি	১০.০০%
৩২	রেজার ও রেজার ব্রেডস্ রপ্তানির বিপরীতে রপ্তানি ভর্তুকি	১০.০০%
৩৩	সিরামিক দ্রব্য রপ্তানির বিপরীতে রপ্তানি ভর্তুকি	১০.০০%
৩৪	চুপি রপ্তানির বিপরীতে রপ্তানি ভর্তুকি	১০.০০%
৩৫	কাঁকড়া ও কুঁচ (জীবাণু, হিমায়িত ও সফটসেল) রপ্তানিতে রপ্তানি ভর্তুকি	১০.০০%
৩৬	Galvanized Sheet/Coils (Coated with Zinc, Coated with Aluminium ও Zinc এবং Color Coated) রপ্তানির বিপরীতে রপ্তানি ভর্তুকি	১০.০০%
৩৭	কনজিউমার ইলেকট্রনিক্স, ইলেকট্রিক্যাল হোম ও কিচেন অ্যাপ্লায়েন্স পণ্য রপ্তানিতে রপ্তানি ভর্তুকি	১০.০০%
৩৮	চাল রপ্তানিতে রপ্তানি ভর্তুকি	১৫.০০%
৩৯	বিশেষায়িত অঞ্চল (বেঙ্গা, বেপঙ্গা ও হাইটেক পার্ক) এ অবস্থিত প্রতিষ্ঠানের অনুকূলে রপ্তানি ভর্তুকি এফই সার্কুলার নম্বর ৩৪/২০২১ এর - ১) প্রথম অনুচ্ছেদের (ক) উপঅনুচ্ছেদ অনুসারে সংশ্লিষ্ট সার্কুলারের আওতায় পরিশোধ্য রপ্তানি ভর্তুকি (এফই সার্কুলার নং ০১, তারিখ জানুয়ারি ০৭, ২০২০ এর আওতায় পরিশোধ্য তৈরি পোশাক খাতে বিশেষ নগদ সহায়তা ব্যতীত) ২) প্রথম অনুচ্ছেদের (খ) উপঅনুচ্ছেদের আওতায় টাইপ-এ ও টাইপ-বি প্রতিষ্ঠানের প্রক্রিয়াজাত কৃষিপণ্য রপ্তানির বিপরীতে রপ্তানি ভর্তুকি ৩) প্রথম অনুচ্ছেদের (ক) উপঅনুচ্ছেদের আওতায় এফই সার্কুলার নং ০১, তারিখ জানুয়ারি ০৭, ২০২০ এর আওতায় তৈরি পোশাক খাতে বিশেষ নগদ সহায়তা এবং (গ) উপঅনুচ্ছেদ অনুসারে সকল ক্যাটাগরিভুক্ত প্রতিষ্ঠানের অন্যান্য পণ্য রপ্তানির বিপরীতে রপ্তানি ভর্তুকি।	৪.০০% ৪.০০% ১.০০%
৪০	দেশে উৎপাদিত চা রপ্তানির বিপরীতে রপ্তানি ভর্তুকি	৪.০০%
৪১	দেশে উৎপাদিত বাইসাইকেল ও এর পার্টস রপ্তানির বিপরীতে রপ্তানি ভর্তুকি	৪.০০%
৪২	দেশে উৎপাদিত MS Steel Products রপ্তানির বিপরীতে রপ্তানি ভর্তুকি	৪.০০%
৪৩	দেশে উৎপাদিত সিমেন্ট শিট রপ্তানির বিপরীতে রপ্তানি ভর্তুকি	৪.০০%

Annexure 2: Validation Workshop Minutes

Government of the People's Republic of Bangladesh
Bangladesh Regional Connectivity Project-1
Ministry of Commerce
Level-12 (west side) Prabasi Kalyan Bhaban
71-72, Eskaton Garden, Dhaka-1000

Proceeding of Validation Workshop on

- I. **WTO Special and Differential Treatment (S & DT) and Graduation Challenges of Bangladesh; and**
- II. **Simplification of Trade Procedures, Custom Modernization, Ease of Doing Business for Export Promotion of Bangladesh to Ensure Policy Coherence between National Development Priorities and International Obligations on Trade Facilitation Agreement.**

Jointly Organized by: Bangladesh Foreign Trade Institute (BFTI) and Bangladesh Regional Connectivity Project (BRCP)-1, WTO Wing, Ministry of Commerce

Date : March 22, 2023

Venue : Bangladesh Foreign Trade Institute (BFTI) Conference Room and Class Room 2.

Introduction

Bangladesh Foreign Trade Institute (BFTI) organized a Validation Workshop on Study-1 and Study-3 of 04 studies under Bangladesh Regional Connectivity Project-1 of WTO Wing, Ministry of Commerce on March 22, 2023, at 09:30 AM in Bangladesh Foreign Trade Institute (BFTI) Conference Room and Class Room 2, BFTI, Dhaka.

Mr. Tapan Kanti Ghosh, Senior Secretary, Ministry of Commerce graced the validation workshop as the Chief Guest. Mr. Md. Obaidul Azam, Director, BFTI delivered the welcome remarks. Mr. Md. Mijanur Rahman, Project Director (Joint Secretary), Bangladesh Regional Connectivity Project (BRCP)-1 and Ms. Nusrat Jabeen Banu NDC, Additional Secretary (Director General) WTO Wing, Ministry of Commerce were present as special guests.

Dr. Md. Jafar Uddin, Chief Executive Officer (CEO), Bangladesh Foreign Trade Institute (BFTI) presided over the Validation Workshop as the chairperson.

Summary of the Opening Session

Mr. Md. Obaidul Azam, Director, BFTI welcomed the guest and shared the background of the studies, including the process on how data was collected and draft reports were prepared in consultation with relevant stakeholders. He informed that post LDC graduation challenges and potentials were taken into consideration while preparing policy recommendations of the two studies. He also mentioned that a series of review meeting has been carried out between consultants of BRCP1 and Team leader along with his co-worker of 04 Studies before finalize the draft reports.

Mr. Md. Mijanur Rahman, Project Director (Joint Secretary), Bangladesh Regional Connectivity Project (BRCP)-1 remarked that both studies are very important for overcoming the LDC graduation challenges and improving the competitiveness of the country. He encouraged the stakeholders from public and private sectors to provide specific insights about



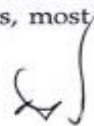
the two studies and requested to point out underlying gaps in Bangladesh's approach to LDC graduation and trade simplification. He remarked that, for the LDC-graduated countries like Samoa, Cabo Verde, etc., FDI increased after graduation but GDP declined. This phenomenon should be analyzed critically for realizing the post-graduation scenario.

Ms. Nusrat Jabeen Banu NDC Additional Secretary, WTO Wing, Ministry of Commerce stressed the importance of these two studies in the current preparatory phase of the LDC graduation context of Bangladesh. She expressed that the opinions and comments of the participants of this validation workshop would enrich the reports of the respective studies. She informed that, both of the reports will be very important for the government to formulate strategies for LDC graduation and Trade Facilitation.

Dr. Md. Jafar Uddin, Chief Executive Officer (CEO), BFTI Chairperson of the Validation workshop thanked BRCP-1 and WTO wing, as they had trusted BFTI to conduct these studies. He also expressed his heartfelt gratitude to the participants of this validation workshop for attending this workshop. He informed that Ministry of Commerce is relentlessly working for ensuring a smooth graduation of the country. He pointed out that Ministry of commerce is carrying out numerous crucial research activities in order to overcome the challenges and embrace the prospects of LDC graduation in 2026. He remarked that private sector, think tank and other public agencies like NBR, BSTI, plant quarantine dept. etc. should work in synergy with the ministry of commerce to overcome graduation related challenges effectively.

Mr. Tapan Kanti Ghosh, Senior Secretary, Ministry of Commerce remarked that the reports of these two studies incorporated all the necessary things meticulously. However, since the LDC graduation of Bangladesh is confirmed, more focus should be given to the future prospect and challenges of the graduation instead of the background and history of the graduation. Regarding 'preference scheme available after post-graduation', he said that after LDC graduation, the MFN tariff would not be applied to Bangladesh by China but Bangladesh would continue to receive APTA benefits from China. Similarly, some benefits will still prevail for Bangladesh in Australia and other markets after 2026 which should be reviewed. He informed that Bangladesh is the only country that has utilized the S&DT benefits and ISMs provided for the LDCs most efficiently compared to other LDCs like Cambodia. He expressed optimism that even though the country's 71% of trade is conducted under S&DT measures, LDC graduation will not be challenging for Bangladesh if the country can prepare well. For instance, in the USA market, Bangladesh does not have any preferential benefits and still the country's export to the USA in the last FY was worth USD 10 billion. He also added that from observing the recent trend of other countries' exports to the USA like China, Vietnam, India, Indonesia, etc., it becomes apparent that the growth of Bangladesh is outstanding. In the EU market, several years ago, the gap between the knitwear export volume of China and Bangladesh was significant, but now the gap is shrinking over time.

However, gaps still exist in woven wear since the demand for woven wear is less in the EU market. Bangladesh has also become the largest Denim exporter in the EU market. He addressed that in last year, the country's total export was USD 52 billion, of which 42 billion was contributed by the RMG sector. Because of this export dependency on a single product, two risks may arise. One is the export margin, which may decline after 2026 and another is the less diversified export basket which may reduce competitiveness. He further informed that, although Bangladesh has a diversified economy with different products, most of the products lack competitiveness for export.



Apart from the above, he added that Bangladesh has to increase the competitiveness of the potential sectors by utilizing preferential market access which may also prevail for the UK, EU, Australia, etc. after 2026. He also remarked that, for those markets where the country could lose preferential market access, FTA negotiations are ongoing for securing seamless market access. He expressed that the major problem is not about market access, rather the hindrance to improving the competitiveness of the export. Hence, Bangladesh should address the issues like lack of FDI, skills gap, lack of service process simplification of NBR, BSTI, DAE and other relevant agencies. He also added that at present utility cost and labor cost are lower in Bangladesh compared to other competing countries but after graduation labor wage may increase. He further informed that National Export Committee has been formed under the leadership of Honorable Prime Minister for increasing the export competitiveness of the different industries. He added that there are some policy compulsions exist, for instance, import duty on raw materials for RMG is eased, as RMG is 100% export-oriented industry whereas other export-oriented industries do not get the same treatment.

Moreover, he suggested that to overcome this, all industries might be transferred to special economic zones or provided special bonded warehouse facilities and bank guarantee could be provided for zero tariff raw material import for those industries. However, 0% or 1% tariff for different industries also rises the risk of revenue loss, so such tariff benefits for raw materials should be introduced only for top export potential industries. He suggested that human resources should be developed by continuous training programs and FDI is needed in this regard, as it would enhance knowledge of market intelligence. He recommended that Bangladesh should follow the international structure of trade by the WTO and ensure dignified outcomes for Bangladesh by assessing how much value addition is generated by the country's supply chain and whether the interest of the country is being exploited by exporter countries or not. He suggested that domination issues in the supply chain system should be addressed in RMG sector and fair price and human rights should be ensured for the Bangladeshi workers for export-oriented industries. He informed that, even in the sustainability compact meeting with international buyers, human rights, fair price, etc. issues were overlooked.

Finally, he recommended that achieving compliance is most crucial for Bangladesh to ensure competitiveness in the global market. He informed that Good Agriculture Practice (GAP) policy has been formulated which is yet to be implemented, though the policy should be implemented extensively to diversify our export basket. About trade facilitation, he remarked that documents submission in different business processes should be simplified. He added that the country's automation system lacks interoperability, so integrated automation is necessary for seamless information sharing, however, automation cannot always bring simplified process if multiple documents are still required. He further informed that, for facilitating trade procedure simplification, the yearly license renewal period has been extended to 3 to 5 years for different organizations. Pointing out the importance of FTA negotiations, he further suggested that customs duty should be rationalized, though customs duty is a significant revenue source for Bangladesh till now. However, most of the developed countries increase their revenues from direct taxation. He further recommended that NBR's policy reform about revenue generation is needed since Bangladesh has to meet the requirements of the FTA regarding duty reduction. Given the concern, he requested NBR to review the revenue sources that could be the best alternative to customs duty.



Technical Session -1


Study: WTO Special and Differential Treatment (S & DT) and Graduation Challenges of Bangladesh

Moderator: Md. Munir Chowdhury, National Trade Expert, BRCP-1

Panel Discussant, Mr. Md. Hafizur Rahman, Former Additional Secretary (Director General) WTO Wing, Ministry of Commerce

- According to the study title, all the S&DT provided by WTO should be incorporated in the report. There are 183 S&DT treatments and 25 are for LDC Specific. The study should incorporate a detailed list of all these 25 S&DTs.
- Along with the S&DT provided to the LDCs, the study also mentioned some of the S&DTs for developing countries. Since the study focuses on S&DT for LDCs only, the S&DTs for the LDCs should be the main focus and S&DTs for developing countries should be removed.
- Bangladesh's market access in other countries cited in the section of the study is well written and market access in many countries has been sufficiently covered.
- UK has introduced a new preferential scheme for the LDCs which is termed as DCTS, which should be included in the study. Other than the EU, Bangladesh has preferential market access from 12 developed countries.
- The Rules of Origin (RoO) criteria in the study have been precisely mentioned. The study covered some crucial information regarding RoO criteria, for example, the requirement to fulfill double-stage transformation for textile and apparel products, as well as its 50% value addition to the EU and 60% value addition to Canada after graduation. This will be useful in the future.
- The recommendation part may explore LDC-specific preferential schemes that have been continued in past by developing countries other than China such as India and the Republic of Korea.
- It has been properly mentioned in the study that under SAFTA, Bangladesh will continue receiving LDC-specific benefits from India.
- All the agreements of WTO have S&DTs for LDCs. The study mainly has focused on 6 agreements. S&DTs under other agreements may be highlighted in brief. Along with the agreements, all the 25 mentioned S&DTs may be identified from WTO Ministerial Decisions, General Council Declaration, and Committee declaration. For example, TRIPS benefits can be found in articles 66.1 and 66.2 of the TRIPS agreement which does not specifically mention the benefits for the pharmaceuticals industry. This can rather be found in the WTO Ministerial Decisions, General Council Declaration.
- Other new issues on WTO related S&DT such as TRIMS, Custom valuation, Bop, E-Commerce and Fisheries subsidies and its impact may be incorporated.
- In the case of the TRIPS agreement, Article no. 70.8 and 70.9 have been mentioned in short in the study. These should be detailed.
- S&DT are also existing in agreements related to Customs and SPS-TBT issues. These issues should also be reflected in the study.
- There are differences between GSP and DFQF and they are not the same. This should not be confused in the study. The respective DFQF and GSPs should be identified.

- SPS, TBT and Safeguard measures are an integral part of agriculture. Since there are separate agreements of WTO for these issues, they have not been discussed in the Agreement on Agriculture. The exclusion of SPS and TBT from AoA in the study is needed to be rearticulated.
- In the case of Agriculture, export subsidies have been mainly focused on Aggregate Measurement of Support (AMS) may also be highlighted. Though there will be no change in S&DT under the AMS which may be mentioned as S&DT facilities.
- Article 9.4 related to agriculture export subsidy might be examined in more details which allows subsidies in export in transportation, packaging and handling as an LDC until 2026 and until 2030 if the country is included in NFIDC.
- The study needs to update the list of Net Food Importing Developing Countries (NFIDCs).
- Transition periods related to agriculture mentioned in the export competition declaration of Nairobi Package should be detailed which include both short- and long-term export credit flexibility for LDCs.
- The S&DTs available for the LDCs and the utilization of Bangladesh should be assimilated into one section.
- Agreement on Subsidies and Countervailing Measures (SCM) should be more detailed other than focusing on article 3 and annex VII. Some subsidies and actionable subsidies from the agreement should be highlighted.
- The study explained that the developing countries with GNI per capita lower than \$1,000 at 1990 prices are exempted from abiding by prohibitive subsidies unless the product is globally competitive (has 3.25% share of global export).
- The study has rightly mentioned the 3.25% share of a particular product to be included in annex VII(b) list. How far Bangladesh's RMG sector is from the mentioned 3.25% may be analyzed. This will give implication of how much Bangladesh needs to diversify its export basket. These are the gray areas for policymakers and the study may provide support for this.
- There are some other challenges other than implementing the categories of the Trade Facilitation Agreement. e.g., Bangladesh as an LDC can shift from category B to category C or from category C to category B, but after LDC graduation, this may not be possible.
- Development partners such as USAID, and World Bank have no commitment regarding the implementation of category C in Trade Facilitation until 2030. The challenge regarding the refusal of development partners to assist after graduation in 2026 may be identified in the study.
- The report mentions subsidies on 35 products but at present cash, incentives are given on 43 products which should be given in a single table.
- Subsidy on fertilizer will be allowed after LDC graduation as this is under non-product subsidy or AMS and does not fall under actionable subsidy. In addition to fertilizer subsidy, the study should also include other subsidies under AMS such as electrical subsidy, fuel, and energy subsidies.
- If Bangladesh is included in the list of NFIDC of AoA, subsidies related to transport, handling, and packaging under article 9.4 will be allowed to be provided until 2030.



- The procedures for inclusion in NFIDC and Annex VII are different. Based on the data from five years before the graduation year 2026, Bangladesh will be included in the list of NFIDC if at least 3 out of the latest 5 years' data show Bangladesh to be a net food importer.
- NFIDC facility may be extended after 2030 for graduated countries but Annex VII inclusion is not automatic. Only GNI criteria may not be sufficient as Annex VII inclusion requires consensus from all member nations.
- All graduating LDCs including Bangladesh applied for inclusion in annex VII in the general council in 2018, not in the MC held in 2017 in Buenos Aires. The information should be corrected.
- Some agricultural products of India are under the NFIDC list of WTO. Bangladesh is dependent on the import of agro-food products such as onion, sugar, and edible oil and has many possibilities to be included in the NFIDC list.
- MC12 has some progress on S&DT and all the outcomes should be mentioned in the study. Paragraph 3 of the MC12 mentions the support for graduating LDCs will depend on the level of development. This is a challenge as Bangladesh is way ahead of other LDCs in terms of development level.
- Countries for signing FTA may be recommended as per the study on identifying potential countries for signing FTA conducted by BFTI for BRCP. EU may be put first in the recommended countries' list rather than the USA since no GSP is available from the USA currently.
- STS can be precisely included in short in the study. The study may omit the action plan and ToR of the STS committee.
- Bangladesh has ratified all 32 of the GSP conventions, albeit there are some concerns regarding few conventions such as equal rights of inheritance for both males and females which is not possible to be ratified in Bangladesh being a Muslim Country.

Panel Discussants, Ms. Neela Hosne Ara, Director, BGMEA

- The liability of insurance should be taken by both exporters and importers when pandemic break out.
- Training should be ensured for top and midlevel management of RMG sector.
- Breathing time is required in order to develop internal capacity because the garment sector has lost four years due to COVID-19 and the Ukraine-Russian war.
- Put more emphasis on climate change and sustainability with regard to financial, Social and environmental aspects and its consequences for considering more Green Factory.

Mr. Md. Mamun-Ur-Rashid Askari, Joint Chief (Current Charge), Bangladesh Trade and Tariff Commission (BTTC)

- Among the WTO Provision, the study should focus only the provision on which Bangladesh may face problem after graduation.
- There is no direct impact of removal of subsidies and therefore alternatives to subsidies such as technological upgradation, sector-specific policy supports may be provided.
- The study may include Product Specific Rules (PSRs) of origin criteria of UK. This is more flexible than EBA.
- Besides the goods, service, investment and Intellectual property issues and its impact may be included in the report



Mr. Md. Makshudul AM Mondal, Coordinator, BRCP-1

- Table on slide 18 (Tariff Impact on DFQF Exports in Major Destinations after Graduation) may be excluded if it is linear.
- Impact from other secondary sources may be shown. If unavailable this table should be excluded.

Mr. Md. Abul Kalam Azad, Deputy Secretary (TO-1), DTO Wing Deputy Secretary (TO-1), DTO Wing

- The transport and logistic sector including customs, shipping associations are needed to be strengthened to make trade easier and competitive.

Mr. Md. Atikur Rahman, Joint Director, Bangladesh Bank

- There is no specific source of support for Bangladesh exporters to solve payment settlement issues in case of a buyer/importer being defaulter in paying the export payment. In case of countries like China and India, officials from their embassy reach out to the central bank to address such complications.
- Commercial Counsellors appointed in embassies of other countries may play major role in addressing such issues.
- After graduation, if Bangladesh loses its export subsidies, exporters will suffer losses and lose their ability to compete globally, as they gain less in exchange of exporting product with lower price. Because of this, finding alternative to incentives is essential to keep the exporters more competitive. Tailor-made policy supports may be identified and provided regarding this issue.

Mr. Enamul Hafiz Latifee, Research Fellow, BASIS

- The study focuses primarily on the manufacturing and product sectors, but it should also include the service sectors like IT and ITES services. Moreover, the IP, service, and investment sectors are required to be considered in case of signing FTA or PTA.
- As an alternative to cash incentives, incentives for HR development may be provided.

Mr. Mohammed Shahjalal, Director (Commodities)- Current Charge, EPB

- Product or service-specific recommendation for some products in the major export destinations may be explored.

Mr. Sk. Abid Husain, Secretary, Bangladesh Marine Fisheries Association

- Duty drawback should be simpler for trader as a scheme for cash incentives.
- Policy support is required to continue incentives in R&D, ESQ, PLI (production Linked incentives) instead of cash incentives.

Ms. Chaity Ghosh, Sr. Asst. Secretary, BGMEA

- The study can exclude background information about LDC graduation from the first part to make it action-oriented because Bangladesh is already in the transition era of LDC graduation.
- One of the GSP plus criteria was, the ratio of the beneficiary's GSP-covered imports relative to the GSP-covered imports of all countries must be lower than 7.4%. The new GSP plus scheme has omitted this threshold. The new GSP plus scheme for 2024-34 can be reviewed.



Ms. Khaleda Akhtar, Joint Secretary (MPA & PPA), Ministry of Shipping

- The suggested recommendation for addressing the graduation challenges should be categorized by short term and long term.

Ms. Afsana Hossain Field Officer (CM), BSTI

- SARSO and BAB's involvement should be accelerated to ensure that our standard is widely accepted.
- Effectiveness of MRA should be included in the report

Mr. Md. Munir Chowdhury, National Trade Expert, BRCP-1

- As a moderator of the validation workshop, he summarized all comments from panel discussant and technical session.
- As mentioned by the panellist earlier, Mr. Munir Chowdhury stressed that the study should concentrate more on 25 S&DT for LDCs and S&DT-related provisions from ministerial conferences and various general discussions.
- The study should include details about the WTO agreement. Particularly TRIMs, Customs Valuation, and Balance of Payments.
- AMS, gross subsidy in Agreement of Agriculture should be clearly defined and list of Net Food-Importing Developing Countries should be revised.
- The study needs to include agri-subsidies, particularly export competitiveness, short-and long-term export credit.
- The study may include the TRIPS agreement's Articles 70.9 and 70.8.
- The study can include a list of the products for which cash incentives and subsidies are provided in Bangladesh.
- Other type of subsidies may be adopted from Indian policy in Bangladesh, such as a product-specific incentive or subsidy to deal with the challenges of LDC graduation.
- The study can mention some way forwards to make our standards globally accepted.
- In order to tackle the problems of LDC graduation, he finally mentioned the importance of having an adequate trade infrastructure, such as human resource development and institutional capacity, policy issues.
- He requested all the participants for providing any additional suggestions within seven working days by mail.

Mr. Md. Atiqur Rahman Khan, Team Leader, 04 Studies

- The comments and suggestions received from the panelists and participants will be incorporated in the study accordingly.



Participant lists for Technical Session-1

Participation List:

Sl.	Name & Designation	Organization
1.	Mr. Md. Munir Chowdhury	National Trade Expert
2.	Mr. Md. Hafizur Rahman, Former Additional Secretary (Director General) WTO Wing Ministry of Commerce	WTO Wing Ministry of Commerce
3.	Ms. Neela Hosne Ara Director	BGMEA
4.	Mr. Md. Atikur Rahman, Joint Director, Bangladesh Bank	Bangladesh Bank
5.	Mr. Sk. Abid Husain Secretary	Bangladesh Marine Fisheries Association
6.	Ms. Khaleda Akhtar Joint Secretary (MPA & PPA)	Ministry of Shipping
7.	Mr. Md. Abul Kalam Azad Deputy Secretary (TO-1), DTO Wing	Ministry of Commerce (MoC)
8.	Mr. Absal Shaquib Quoreshi, Senior Trade Expert (Study 01 and 03)	BFTI
9.	Mr. Mohammed Shahjalal Director (Commodities)- Current Charge	Export Promotion Bureau (EPB)
10.	Ms. Chaity Ghosh Sr. Asst. Secretary	BGMEA
11.	Mr. Md. Ariful Hoque Director (Registration & Incentives-1)	BIDA
12.	Ms. Afsana Hossain Field Officer (CM)	BSTI
13.	Mr. Md. Mamun-Ur-Rashid Askari Joint Cheif (Current Charge)	Bangladesh Trade and Tariff Commission (BTTC)
14.	Mr. Md. Makshudul AM Mondal Coordinator	BRCP-1
15.	Mr. Enamul Hafiz Latifee Research Fellow	BASIS
16.	Ms. Syeda Shahnewaz Lotika Deputy General Manager	ICC Bangladesh
17.	Mr. Harunur Rashid Research Associate	BFTI
18.	Ms. Farhana Rifat Research Associate	BFTI
19.	MST. Ayesha Siddika Research Officer	BFTI

Annexure 3: Terms of Reference

Terms of Reference (revised)

Consultancy/Research firm for conducting 04 studies suggested by Project Steering Committee (PSC) in FY 2021-22.

Background

The Government of the People's Republic of Bangladesh has received an SDR 150 million Credit from the International Development Association (IDA) - a member of the World Bank Group - for financing the cost of the Bangladesh Regional Connectivity Project 1(BRCP-1), being jointly implemented by the Bangladesh Land Port Authority (BLPA), National Board of Revenue (NBR) and Ministry of Commerce. The second component of this umbrella project is being implemented by the Ministry of Commerce as a separate technical assistance project. The overall objective of this technical assistance project is to strengthen trade related institutional capacity in order to ensure active and sustainable cooperation between multiple trade-related stakeholders and economic empowerment of women traders.

This technical assistance project consists of following three (3) components:

- Component A: Develop (pilot) programs to support female traders and entrepreneurs. This component will pilot activities to help address barriers to women becoming more integrated into regional and global supply chains and trading opportunities.
- Component B: Capacity Development Support for the National Trade and Transport Facilitation Committee. The inter-ministerial National Trade and Transport Facilitation Committee (NTTFC) has been set up to coordinate all trade and transport-related policies and activities in Bangladesh, and will also serve as the Advisory Committee for the Project.
- Component C: Improvements to Bangladesh Trade Portal and to set up a National Enquiry Point for Trade. The Bangladesh Trade Portal (BTP) was launched in March 2016. This component will support further up gradation of the BTP to expand its functionality to include information of relevance to potential Bangladesh exporters and to ensure that content is kept up to date. This component will also set up the National Enquiry Point for Trade, which will help Bangladesh to meet a key requirement of WTO Trade Facilitation Agreement.

The Ministry of Commerce intends to apply part of the IDA Credit for procuring consultancy services from qualified research/consultancy firms or institutions/individuals to conduct three studies selected from the list of studies identified under NTTFC activities of the project (Component B). These studies aim to develop in-depth understanding about three relevant areas of trade facilitation and are directly linked with the activities of three implementing agencies of the BRCP-1 umbrella project.

2. Scope of Consultancy Services:

The project will conduct the following four studies in 2020-21/2021-22 fiscal year that are critical for export promotion and trade facilitation:

- Study 1: WTO Special and Differential Treatment (S & DT) and Graduation Challenges
- Study 2: A compiled policy and regulatory guidelines/standard operating procedures (SOP) for Cross Border Land Port Management with respect to international trade and transport formalities, procedures, documentation and related matters;
- Study 3: Simplification of Trade Procedures, Custom Modernization ease of doing business for export promotion of Bangladesh to ensure policy coherence between national development priorities and international obligations on Trade facilitation Agreements
- Study 4: Sanitary and Phyto-sanitary (SPS) and Technical Barrier on Trade (TBT) co-ordination and notification, certification process and infrastructure for promoting trade;

The detail scope of the proposed studies is given below:

Study 1: WTO Special and Differential Treatment (S & DT) and Graduation Challenges of Bangladesh

The legal texts of the agreements embodied in the WTO contain a very large number of provisions regarding differential and more favorable treatment of developing and least developed countries (LDCs). Thus, while a lot has been made of the increasing participation of developing countries in the agreements on the same basis as other members, the Uruguay Round (UR) agreements contain many S&DT provisions. There are several conceptual premises underlying the provision of S&DT as it has evolved and as reflected in the UR agreements. The fundamental one is that for a variety of reasons, e.g. because of weaknesses in their institutions or asymmetries in economic power, developing countries are intrinsically disadvantaged in their participation in international trade. Therefore, any multilateral agreement involving them and developed countries must take into account these weaknesses when specifying their rights and responsibilities. A related premise has been that the trade policies and rules that would maximize sustainable development in developing countries are different from those in developed economies and hence that certain disciplines applying to the latter should not apply to the former. The final premise is that it is in the interest of developed countries to assist developing countries in their fuller integration and participation in the international trading system. Based on these premises, the S&DT provisions introduced into the WTO agreements fall in two broad categories: 1. positive actions by developed country members; 2. exceptions to the overall rules contained in the agreements that apply to developing countries and, sometimes, additional exceptions for the LDCs. There are three kinds of actions that developed countries have agreed to take to support developing countries participation in international

trade: a. provide preferential access to their markets; b. provide technical and other assistance which would permit them to meet their WTO obligations and otherwise enhance the benefits developing countries derive from international trade; c. implement the overall agreements in ways which are beneficial or least damaging to the interests of developing and least developed countries .

Differential and more favorable treatment of developing countries has been a fundamental principle of the General Agreement on Tariffs and Trade (GATT) and the World Trade Organization (WTO). Because developing countries are disadvantaged in international trade, the international community has agreed that these countries should be subject to somewhat different rules and disciplines in international trade than those that apply to developed countries; and that the latter will implement their obligations under the GATT and WTO in ways that would be favorable to development.

The WTO Agreements contain special provisions which give developing countries special rights and which give developed countries the possibility to treat developing countries more favorably than other WTO Members. These special provisions include, for example, longer time periods for implementing Agreements and commitments or measures to increase trading opportunities for developing countries. These provisions are referred to as “special and differential treatment” (S&D) provisions.

The special provisions include:

- longer time periods for implementing Agreements and commitments,
- measures to increase trading opportunities for developing countries,
- provisions requiring all WTO members to safeguard the trade interests of developing countries,
- support to help developing countries build the capacity to carry out WTO work, handle disputes, and implement technical standards, and
- provisions related to least-developed country (LDC) Members.

Currently, 164 countries are members of the WTO and around 20 countries are in the process of accession. WTO Members are divided into three groups: (i) developed, (ii) developing and (iii) LDCs

- LDCs are identified by the UN criteria
- Developed countries are self designated
- All other countries are developing countries
- Currently 46 countries are LDCs – 35 are WTO Members

The WTO system provides Special & Differential Treatments (S&DTs) for developing countries and LDCs. More than 180 S&DTs are available under various Agreements

- S&DTs can be classified into following categories:
 - Provisions for increasing market access;
 - WTO members are required to safeguard interests of developing countries;
 - Flexibility for developing countries in taking commitments;
 - Transitional time periods for implementing obligations;
 - Technical assistance for trade-related capacity buildings.

LDC-Specific S&DTs

- Around 25 LDC-specific S&DTs are available under various WTO Agreements and Decisions
- However, all those S&DTs are not in explicit use, not commercially meaningful, as some are-
 - Not utilizable or feasible, e.g. LDC Services Waiver
 - Not visible, not tangible, e.g. flexibilities under dispute settlement mechanism
 - Not always necessary, e.g. import restrictions for balance-of-payments (BoP) reasons
- So, utilizable or commercially meaningful S&DTs are not fully exist.
- Most important S&DTs are:
 - 1) Preferential market access in goods, duty-free & quota-free (DFQF) market access – almost all developed countries and some developing countries provide DFQF to LDCs ,Preferential Rules of Origin
 - 2) Special treatments under regional trade agreements (RTAs), like SAFTA, APTA, BIMSTEC, etc.
 - 3) Transition Periods under the Trade-Related Aspects of Intellectual Property Rights (TRIPS) – TRIPS Waivers .General transition period until 01 July 2034 and Transition period for pharmaceuticals until 01 January 2033
 - 4) Export subsidies (Cash Incentives) under the Agreement on Subsidies and Countervailing Measures (SCM)
 - 5) Agreement on Agriculture- LDCs and net food importing countries may provide certain export subsidies until the end of 2030
 - 6) Trade Facilitation Agreement (TFA)- Longer notification timeframe and grace period

S&DT provision available to LDCs as of October 2021and major multi lateral non-reciprocal LDC preference schemes undertaken by WTO are attached in annex1.

To overcome the WTO Special and Differential Treatment (S&DT) and Challenges of LDC Graduation this review will provide policy feedback to the government for advancing

to formulate the negotiation template for Bangladesh. These review will analyze the followings :

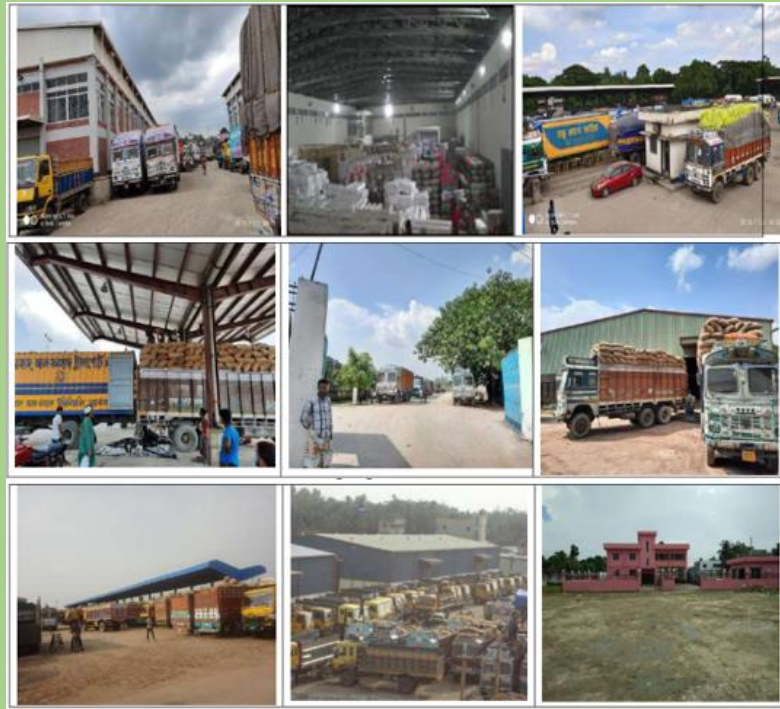
1. Twelve LDCs are in the pipeline over the coming five years . To Overcoming Graduation Challenges how Bangladesh retain LDC-specific S&DTs beyond graduation;
2. Negotiations in the WTO –the most important one is for extending all LDC-specific S&DTs for 12 years beyond the graduation. How graduated LDCs will be pursuing the proposals strongly for adoption in the WTO platform;
3. Mapping of existing S&DT benefits for major exporting products and countries enjoyed by Bangladesh.
4. Assesment of potential opportunities and losses of S& DT benefits after graduation. How Bangladesh will deal with and give policy recommendations .
5. Is it possible to negotiate with the trading partners to get transition period, like in EBA for the graduating LDCs;
6. Examine the possibilities to introduce Special International Support Measures (SISM) for the graduating LDCs ;
7. For creating new market access how Bangladesh may availing GSP+ like facilities;
8. Since 1971 six countries have graduated from LDC status . They are Botswana (1994), Cabo Verde (2007), Maldives (2011), Samoa (2014), Equatorial Guinea (2017) and Vanuatu (2020) . What kind of challenges have been facing these graduating LDCs and the initiatives undertaken by them to fuill up the gaps;
9. How Bangladesh formulate a Smooth Transition Strategy (STS) keeping maximum S&DT facilities for a certain phase or period ;



**Government of the People's Republic of Bangladesh
Bangladesh Regional Connectivity Project-1**

Ministry of Commerce

**Study: A Compiled Policy and Regulatory Guidelines/Standard
Operating Procedures (SOP) for Cross Border Land Port Management
with Respect to International Trade and Transport Formalities,
Procedures, Documentation and Related Matters**



Bangladesh Foreign Trade Institute (BFTI)

March 2023

**Government of the People's Republic of Bangladesh
Bangladesh Regional Connectivity Project-1
Ministry of Commerce**

Level 12 (Westside), Prabashi Kallyan Bhaban, 71-72 Eskaton Garden Road, Dhaka-1000, Bangladesh.

Study: A Compiled Policy and Regulatory Guidelines/Standard Operating Procedures (SOP) for Cross Border Land Port Management with Respect to International Trade and Transport Formalities, Procedures, Documentation and Related Matters

SUBMITTED TO:

The Project Director

Bangladesh Regional Connectivity Project (BRCP)-1

Ministry of Commerce

Bangladesh Regional Connectivity Project-1

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Preface

Bangladesh is placing its utmost importance on enhancing the cross-border trading system through land ports. The objective is to make the trade processes easier, quicker, and safe. This will not only enable trade growth but also create a solid and potential economic relationship with the neighboring countries. Moreover, focusing the Trade Facilitation Agreement (TFA) under the World Trade Organisation (WTO), there has been a growing recognition around the world for the need to ensure greater efficiency and security of international supply chains, the need to reduce clearance time by simplifying trade clearance processes, and the need to reduce trade transaction costs. There is an increased focus around the world both the governments and the private sector to identify 'ways to move away from a paper-based document system towards paperless trade procedures and information exchange', since paperless trade offers the scope to 'significantly reduce the risk of global trade through less and better data', and reduces trade-transaction costs by increasing efficiency (UNCTAD, 2005). To facilitate overall trade performance, digital corridor for trade is now considered as an important mechanism to ensure transparency and reduce time and trade-related costs. For these reasons, Bangladesh Land Port Authority needs to develop standard operating procedures (SOP) for making port operation more efficient and practicable in line with global standards.

The purpose of the study is to make cross-border trading cost-effective, quicker and easier while ensuring sufficient safety and security. The study identified the underlying gaps in the operational and regulatory framework and formulated an SOP for facilitating paperless land port trade. The report includes detailed existing literature review, data collection (qualitative and quantitative through survey questionnaires, KIIs, FGD and public consultation), data management and analysis. The fourth industrial revolution is predicted to present significant challenges, particularly for land ports. In order to ensure effective performance by the land ports, it is essential to assess the issues of land port procedures and develop a standard of procedures for potential changes. The study has provided some recommendations related to land ports' operational efficiency and service quality enhancement along with the implementation of standard operating procedures. The said recommendations would be helpful in the development initiatives of the government.

I would like to convey my sincere thanks to BFTI team and all other relevant stakeholders directly and indirectly contributing with their valuable opinions and efforts for the preparation of this report.

Mr. Md. Mijanur Rahman

Project Director (Joint Secretary)

Bangladesh Regional Connectivity Project-1

Ministry of Commerce

Acknowledgements

Bangladesh has successfully met the second triennial review of LDC graduation in February 2021 and is scheduled to be graduated in 2026. With consistent growth and impressive achievement in human, social and economic development fronts, Bangladesh aspires to reach the milestone of the developed country status by 2041. In this context, the 4 studies selected by the Project Steering Committee (PSC) in FY 2021-22 are very instrumental and contemporary for Bangladesh.

The study titled 'A compiled policy and regulatory guidelines/standard operating procedures (SOP) for Cross Border Land Port Management with respect to international trade and transport formalities, procedures, documentation and related matters' has been conducted by the Bangladesh Foreign Trade Institute as a part of "04 studies suggested by Project Steering Committee (PSC) in FY 2021-22" under the Bangladesh Regional Connectivity Project-1. I would like to thank BRCP-1 for entrusting BFTI with the responsibility. The objective of the study is to improve conditions for trade through improving connectivity, reducing logistics bottlenecks and supporting the adoption of modern approaches to cross border trade, developing a standard operating procedure for cross border trade and trade facilitation.

I express my gratitude to the Ms. Nusrat Jabeen Banu ndc, Additional Secretary, WTO Wing, Ministry of Commerce, Mr. Md. Hafizur Rahman, former Director General WTO Wing, Mr. Md. Atiqur Rahman Khan, Team Leader of this study, Mr. Md. Obaidul Azam, National Trade Expert as well as the Director, BFTI, and other researchers, statisticians, data analysts, and field surveyors of the study team from BFTI who worked diligently on the report.

I would also like to thank Mr. Md. Mijanur Rahman, Project Director, Mr. Md. Munir Chowdhury, National Trade Expert, Bangladesh Regional Connectivity Project-1 as well as high officials from Ministry of Commerce, NBR, EPB, Bangladesh Land port Authority, Chambers, Associations who extended their supports and gave us an opportunity to complete the study. Most importantly, I would like to convey my deepest respect to the Mr. Md. Mostafa Kamal, Secretary, Ministry of Shipping for his kind presence and comments in the public consultation. I am thankful to all of participants of Key Informant Interviews (KIIs), FGD and Public Consultation for their valuable cooperation and suggestions.

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List of Abbreviations

AEO	Authorized Economic Operators
AI	Artificial Intelligence
API	Application Programming Interface
ASYCUDA	Automated System for Customs Data
AW	ASYCUDA World
AWB	Air Waybill
BBIN	Bangladesh, Bhutan, India, Nepal
BBS	Bangladesh Bureau of Statistics
BCH	Benapole Customs House
BCOM	Bangladesh Customs Office Management
BDT	Bangladeshi Taka
BFTI	Bangladesh Foreign Trade Institute
BGB	Border Guard Bangladesh
BGMEA	Bangladesh Garment Manufacturers and Exporters Association
BIDA	Bangladesh Investment Development Authority
BIMSTEC	Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation
BIN	Business Identification Number
BIWTA	Bangladesh Inland Water Transport Authority
BKMEA	Bangladesh Knitwear Manufacturers and Exporters Association
BLPA	Bangladesh Land Port Authority
BOE	Bill of Export
BOT	Build, Operate, Transfer
BRCP	Bangladesh Regional Connectivity Project
BSTI	Bangladesh Standards and Testing Institution
C&F	Clearing and Forwarding
CBP	Customs and Border Protection
CBM	Coordinated Border Management
CCC	Customs Co-operation Council
CCZ	Common Control Zone
CO	Certificate of Origin
CPA	Chittagong Port Authority
CSI	Container Security Initiative
DCCI	Dhaka Chamber of Commerce & Industry
DTM	Deputy Traffic Manager
EDI	Electronic Data Interchange
EGM	Export General Manifest
EMS	Enterprise Management System
EPB	Export Promotion Bureau
EPZ	Export Processing Zone
ERC	Export Registration Certificate
ESCAP	Economic and Social Commission for Asia and the Pacific
ESPO	The European Sea Ports Organisation
FBCCI	Federation of Bangladesh Chambers of Commerce & Industries

FGD	Focus Group Discussions
FS	Field Survey
FTA	Free Trade Agreement
FY	Fiscal Year
GDP	Gross Domestic Product
GNI	Gross National Income
GSP	Generalized System of Preferences
HS	Harmonized System
ICCB	International Chamber of Commerce Bangladesh
ICD	Inland Container Depots
ICP	Integrated Check Posts
ICT	Information and Communication Technology
IGM	Import General Manifest
IIT	Imports and Internal Trade
ILO	International Labor Organization
IMO	International Maritime Organization
INR	Indian Rupee
IoT	Internet of Things
IRC	Import Registration Certificate
IRD	Internal Resources Division
ISO	International Organization for Standardization
ITC	International Trade Center
IWT	Inland Water Transport
KII	Key Informant Interview
LC	Letter of Credit
LCA	Letter Of Credit Authorization
LCS	Land Customs Stations
LDC	Least Developed Country
LPAI	Land Ports Authority of India
LPMS	Land Port Management System
MCCI	Metropolitan Chamber of Commerce and Industry
MOS	Ministry of Shipping
MT	Metric Ton
NBR	National Board of Revenue
NOC	No Object Certificate
NOO	No Objection Order
NSW	National Single Window
NTFB	National Trade Facilitation Body
NTFC	National Trade Facilitation Committee
OGA	Other Government Agencies
OOC	Out of Charge
OSBP	One-Stop Border Post
PC	Public Consultation
PCS	Port Community System
PNCT	Port Newark Container Terminal
PPP	Public-Private Partnership

PSC	Project Steering Committee
RFID	Radio Frequency Identification Devices
RJSC	Registrar of Joint Stock Companies and Firms
RTA	Regional Trade Agreement
RKC	Revised Kyoto Convention
SAARC	South Asian Association for Regional Co-operation
SAFTA	South Asian Free Trade Area
SAPTA	SAARC Preferential Trading Arrangement
SASEC	South Asia Sub Regional Economic Cooperation
SOP	Standard Operating Procedure
SPS	Sanitary and Phytosanitary
SRO	Statutory Regulatory Orders
STA	Special Trade Agreement
TAR	Trans-Asian Railway
TBT	Technical Barriers to Trade
TFA	Trade Facilitation Agreement
TIN	Tax Identification Number
TOS	Terminal Operating System
TRS	Time Release Study
UN	United Nations
UN TIR	United Nations Transports International Route
UNCTAD	United Nations Conference on Trade and Development
USA	United States of America
VAT	Value Added Tax
VOA	Visa on Arrival
WCO	World Customs Organization
WITS	World Integrated Trade Solution
WTO	World Trade Organization

Executive Summary

The Bangladesh Land Port Authority (BLPA) is working to proliferate the services of the land ports through the development of infrastructure, effective cargo handling and storage, the provision of high-quality services, and the facilitation of public-private partnerships. Bangladesh Land Port Authority was established to manage the land ports in 2001 and at present, under this authority, among the 57 land customs stations spread around the country, 24 important customs stations have been declared as land ports by the government. Land ports of Bangladesh play an important role by facilitating the movement of goods and passengers to and from Bangladesh to India and other neighboring countries. Due to Bangladesh's unique geographical position with India, land ports bring opportunities for cross-border trade with the neighboring countries. Over the years, land ports experienced steady trade growth and the income of BLPA also increased congenially. Making cross-border trade quicker and simpler while ensuring sufficient safety and security is critical for land ports. The existing procedures and systems in the land ports are facing myriad challenges which may escalate as the land ports are expected to handle an increased volume of trade. According to the World Bank Logistics Performance Index 2023, Bangladesh ranks 88th out of 139 countries. Bangladesh currently holds an LPI score of 2.6 and 2.3, 2.3, 2.6, 2.7, 2.4 and 3 respectively in customs, infrastructure, international shipments, logistics competence, tracking & tracing and timeliness scores. Within the six dimensions of the LPI namely customs, infrastructure, international shipments, logistics competence and quality, timeliness, tracking, and tracing Bangladesh ought to improve the score in each dimension for ensuring a seamless trade environment and complying with the WTO TFA agreement. Thus, it is now imperative to assess current practices and procedures of the land ports, identifying the institutions related to port management and their functionality, gaps for mapping existing procedures and developing efficient standard operating procedures in accordance with international standards and best practices.

Bangladesh's land ports have become more crucial for facilitating the import, export, transportation, and distribution of goods since the establishment of the BLPA. The performance of Land ports must be improved if they are to keep up with the rapid changes in logistics and freight processes. For example, Burimari land port in Lalmonirhat is the busiest of all the land ports, handling a higher volume of traded cargo compared to other ports, and port users frequently experience issues while obtaining the port's services without interruption. In addition to the port authority, a number of other land port stakeholders, such as customs, immigration, quarantine, Border Guard Bangladesh (BGB), banks, importers-exporters, C&F agents, association, and others, are involved in port operations and their performance impacts the overall standards and operational efficacy of the port.

This study, spotting the land ports of Bangladesh explored their current situation and identified issues, gaps, and procedural hindrances which are impeding broad trade facilitation objectives. Presenting a model for standard procedures in the land port activities, the study also recommended various actions to make land port operational

procedures seamless and other relevant reform suggestions based on the analysis of existing rules, regulations, and concerns of the stakeholders and port users.

Chapter one of this study outlined the introduction of the study and its objectives, purposes, rationale, and scopes based on the terms of references. The study aimed to conduct an in-depth analysis of present land port management and international standards and best practices that are critical for border operations. This study has therefore conducted an elaborate analysis of Standard Operating Procedures (SOP) for cross border land port management along with identifying procedural hindrances, institutional weakness of the border agencies, and current coordination mechanism at the border point to suggest adjustments or modifications for making the Bangladesh land port management efficient. The methodology of the study comprises a hybrid approach of both quantitative and qualitative methods. For quantitative data collection, a field survey of 201 respondents from the port users and stakeholders was conducted and for qualitative data collection, 21 key informant interviews and one focus group discussion were held. A public consultation was also organized for the study to generate valuable insights from the stakeholders on the relevant issues of the study.

Chapter two of the study elucidated the current status of land ports and procedural aspects of the land ports' operations. This chapter revealed the significance of land ports as 8.6% of the foreign trade was maneuvered through land ports in FY 2020-21. Land ports are experiencing continuous growth since after the pandemic period FY2019-20 trade through land ports increased 40.24% in FY2021-22. From the declared 24 land ports, 12 land ports are now operational. Out of the total 12 operational land ports, only 7 ports consisting of Benapole, Burimari, Akhaura, Bhomra, Nakugaon, Tamabil, and Sonahat are now being governed, monitored, managed and operated under the direct supervision of the Bangladesh Land Port Authority (BLPA). The rest 5 ports Sonamasjid, Hilis, Banglabandha, Teknaf and Bibirbazar are operated through private port operations on build-operate and transfer (BOT) basis. Trade statistics of these ports showed Burimari as the busiest or top port and Bhomra, Shonamashjid as the second and third positioned land port in terms of the amount of trade volume handling. This chapter also inspected current procedures of export-imports and immigration in the land ports and outlined the specific steps involved in land port trade and passenger movement. The transportation system aligned with the border trade also has dispensable formalities like redundant document submission or repetitive security checking. Trade through land ports requires different documents many of which can be digitized for paperless trade. The study also examined time release studies for exhibiting the time required in the land port trade and found the release time of land ports higher compared to the neighboring countries.

Chapter three of this report revealed major institutions engaged in trade facilitation and cross-border trade as well as port management. Generally, the Ministry of Commerce, its wings, and different agencies, NBR, Ministry of Shipping, Ministry of Home Affairs and etc. are engaged in broad trade facilitation activities. Considering the supply side and demand side of the ports' service point of view, several types of institutions or agencies like Bangladesh Land Port Authority, Customs, Port Operator, Certification and Quality Control Authority, Bank, Immigration, Transport and

Logistics Company, C&F Agents, Exporters and Importers, BGB are engaged in the trade facilitation and port operations or service activities. The study found various gaps and weaknesses of these institutions like infrastructural limitations, policy constraints, lack of coordination and procedural ambiguities. In case of export-import and other functionalities of the land ports, hard copy document submission, scanty coordination, lack of timeliness in assessment and assessed duty payment, security issues, testing and certification time lag, lengthy custom processes, lack of integrated automation and absence of one-stop service center were found under procedural hindrances.

Chapter four of the study traversed around the coordination mechanism at the border point and in the management of the land ports. The survey of the study found that a coordination system prevails in the land ports but there is much room for improvement. One of the reasons behind the coordination problem is that each organization operates under its own rules and regulations and there is no formal uniform rules or regulation for binding all organizations under one umbrella. The survey of this study found the majority of the port users think that OSS (one-stop service center) and NSW can be a fulcrum for improving the overall quality of ports, however, the implementation of the cherished one-stop service system in the land ports is also being curbed due to proper coordination mechanism and interagency cooperation. Besides, regulatory reforms and coordination approaches, technology implementation and skilled manpower are also required for initiating OSS for better port service and trade facilitation. The chapter also outlined an automation based standard operating procedure (SOP) for the facilitation of current land port practices. Although land Port-wise, standard operating procedures will vary, the outlined SOP can be customized port-wise and automation can be inserted in relevant processes for removing institutional ambiguities and procedural redundancies. Also, the study proposed approaches like single entry of car pass, coordinated automation of trade documents, express mail system for sample testing, sharing of information for streamlining the current operating procedure in the land ports.

Chapter five of this study explored international standards, best practices and technologies used in land ports around the world. The chapter outlined international land port features and standards from the USA land ports of entry, ICPs of India and European dry ports or inland ports. Standard features of land ports were revealed that include customs control and clearance office, temporary storage during customs inspection, infrastructure for transport stations, road and rail network, industrial area management, control of vehicles entering and leaving the port, environmental control, control of dangerous cargo, safety and security systems, Immigration, health, warehouse facilities, parking and sheds, loading, discharging, storage and distribution of cargo and so on.

Best practices around the globe for port and border management have been also represented in chapter five. Best practices typified initiatives like Integrated Check Posts (ICP) adorned with Land Port Management System (LPMS) of India, investment in infrastructure development and automation of Singapore port, Bureaucratic process cutting in Ukrainian ports, private participation in Port Newark, reformed legislative standards followed by India and other neighboring countries that can be

replicable for better land port management. The study outlined the 21st century border management of the USA-Mexico, the one-stop border post (OSBP) of Zambia-Zimbabwe, cross border transport agreement between Vietnam and Laos, the Gulf cooperation council for customs and border trade, and the practice of authorized economic operators (AEO) in Malaysia, automated border management type best practices available across the world for efficient and harmonized land port as well as border management.

This chapter also discussed the technologies like ICP with LPMS, ASYCUDA, IoT, automated warehouse or digital warehouse systems, web-based platforms, RFID, barcode and QR code etc. which are used in different land ports around the world. However, in case of land ports of Bangladesh a lot of procedures are carried out manually and presence of technological approaches are still limited.

The **chapter six** of the study presented findings of the survey, KII, FGD and Public Consultation conducted for the study.

A total of 201 participants from Benapole land port, Bhomra Land Port, Shona Masjid Land port, Akhaura land port, and Banglabandha land port were surveyed for the study. The survey revealed major findings like efficiency of relevant service providers in the port, quality of land port services in the case of export and import, and necessary things like Infrastructure development, increasing port efficiency, increasing the quality of logistics and transportation services, implementation of SOP and automation for making Bangladesh's land port more efficient, effective and properly functional.

From KIIs conducted on 21 respondents of different sectors, major findings include complications in export-import procedures, automation and coordination problems in the ports, and institutional weakness of the different agencies engaged in the land ports.

The focus group discussion shed light on various procedural and infrastructural issues in the land ports. FGD also revealed immigration problems and ways to resolve port inefficiencies by taking measures like improving custom and port procedures, ensuring effective coordination, automation, and adequate infrastructure development-type measures.

The public consultation revealed the necessity of automation systems and required integrated digitalized systems in land ports for seamless trade. Stakeholders identified the customs, land port authority and testing facility-related issues and provided ways forward to overcome trade hindrances through coordinated approaches. Stakeholders also suggested possible courses of action to reduce some documents and processes for making the current operating procedures more simplified and efficient.

Chapter seven incorporated legislative, administrative and policies that govern the land ports which includes the BLPA acts and regulation. As a crucial piece of legislation, the Bangladesh Land Port Authority Act of 2001, created the BLPA and facilitated trade by establishing regional connections via land routes. Execution of the act currently falls under the jurisdiction of the Ministry of Shipping.

The land ports authority act consists of only 23 concise, straightforward sections. The Act has empowered the government to declare any land customs station in the country as the land port, and also to constitute the Bangladesh Land Ports Authority as a statutory body.

The policy reform requirements should consider the importance of developing a National Master Plan that includes long-term targets, goals, and actions for the development, operation, and modernization of land ports in order to construct a strong policy to improve land port management. Additionally, simplifying the procedures that port users must follow and identifying the agencies' functions in the operation of land ports that are not vitally significant will aid in the reform of land port difficulties.

For legislative reform, when the roles of several government agencies operating within the purview of a land port are listed in the Act, the BLPA's precise role may be defined by including their functions in the broader trade promotion and management process. The Board of BLPA's membership may also be changed to include representatives from relevant ministries and departments, The Board may also include representatives from trade associations, port users' associations, and worker's associations.

And administrative reform should consider that to enable greater coordination at the policy level, a National Committee may be established with the participation of concerned ministries, trade groups, think-tank organizations, intelligentsia, etc. Additionally, in order to secure the future development of the land ports, it is imperative to build and maintain the infrastructural facilities required, such as office buildings, warehouses, transportation networks, and financial systems.

Chapter eight included recommendations on various aspects to improve port efficiency and service quality. Suggestions on improving custom procedures, management of land port authority, quarantine and testing, immigration, and coordination were put forward for implementation. The study recommended a standard operating procedure focusing automation and coordination among the border service agencies. For instance, in case of streamlining the standard operating procedure, digitally coordinated car pass system, easy e-payment of duties, digital payment of port fees, online submission of custom clearance certificate, removal of joint signatory gate pass, etc. can make land port trade procedures seamless.

For improving the customs procedure, rigorous use of online documentation systems, online based examination report submission, fully automated bill of entry submission, digitized clearance certification sharing systems, reduction of hardcopy submissions, pre-arrival processing, digital and integrated car pass and gate pass processes can improve the efficiency of the trade procedures in the land ports.

The land port authority can improve its operations and management through automation, transport facilitation and necessary infrastructure development. For automation, the port authority needs to initiate a digital payment system for port charges, develop OSS based digital help desks, an automated warehouse monitoring system and so on. For transport system facilitation, more sheds, parking spaces, and

terminals as well as development of private parking systems and multimodal transportation systems are necessary. For infrastructural development to facilitate trade, the port authority can increase and improve warehouse, and cold storage facilities, initiate a vehicle tracking system, and ensure 24/7 seamless electricity and internet facilities along with developing fire stations, and hospital facilities inside the port premises.

For seamless quarantine and testing services, an express mail system can be introduced for sample carrying and faster testing. Plant Quarantine or other testing authorities can be granted access to customs systems for information and certification sharing. Moreover, an emergency testing system, booth systems for collecting and sending the samples to nearby testing labs and engaging nearby university labs for testing services can be beneficial for time-efficient and easy testing services.

Immigration services may introduce a token system for efficient queue management. A separate roadway or lane should be constructed for the passengers or travelers and restrooms, entertainment sections, and shopping malls can be constructed within the port premise to facilitate a seamless immigration system and better passenger management. Also, for improving the present immigration system, the number of workforces needs to be increased in the immigration.

As a key stakeholder in port management, C&F agents need to be trained with the updated knowledge of customs rules and regulations including HS code and advanced ruling systems. Also, the BGB checking system of cargo and passengers needs to be time bound for ensuring time efficacy in the cross-border trade operations.

A stable coordination system outlining each institution's specific roles and managerial authorities should be introduced to improve the coordination mechanism at the land ports, A single entry system for car pass, one-stop service center development, comprehensive coordination between the land port authority and customs and other stakeholders along with harmonized integrated check post development with the neighboring countries are also necessary for enhancing coordination among the land port stakeholders. A coordination committee can be formed including all service providers at land port co-chaired by appropriate representatives of Customs and BLPA. Moreover, for adjusting better coordination with neighboring countries, stakeholders from private sectors need to be included in relevant bilateral country (e.g. joint working group) meetings.

Land ports can also incorporate international best practices like ICP development, port modernization and integrative automation, one-stop border post, cross-border transport management, digital transport corridor, UN TIR system, authorized economic operators and so on. With these recommendations from the stakeholders, this chapter provided ways forward to make standard operating procedures robust and land port trade efficient, effective and harmonious with global standards that can help improve coordination and trade performance in the land ports.

Chapter-1: Introduction

1.1 Background

Ports are catalysts for economic development as they enable trade and support supply chains. Ports are the hub and node of networks that link countries with the rest of the world. Bangladesh is blessed with a geographical location having the entire southern part open to the Bay of Bengal. The country has three seaports and border connections with India and Myanmar through land ports. For conducting trade smoothly and effectively, these characteristics can be regarded as unique because nowadays ports are treated as significantly contributive in addition to trade liberalization and other concerned policies to trade openness.

However, the ports of Bangladesh are not still considered adequately efficient globally in terms of both technical and non-technical issues. According to the World Bank Logistics Performance Index 2023, Bangladesh ranks 88th out of 139 countries and the LPI index covers performance in dimensions like timeliness, infrastructure, customs, tracking and tracing, logistic competency, and international shipment and many of these are closely related to port operations.

Many ports in Bangladesh face bottlenecks due to inadequate infrastructure and disruptive logistics as well as communication systems. Moreover, some ports are not well connected with key cities, nevertheless where connected transportation condition including other associated services are not sufficient to deliver the goods effectively to derive the utmost benefits from the ports. To grow international trade and to achieve trade facilitation goals, addressing multi-sectoral aspects for the effective operation of the ports is imperative for Bangladesh.

Currently, Land Ports of Bangladesh are governed and managed by the Bangladesh Land port authority (BLPA). This Authority was established in accordance with the Bangladesh Land Port Authority Act, 2001 in order to facilitate export and import between Bangladesh and its neighboring countries. BLPA has been active in seeking the improvement of Land ports in Bangladesh, especially looking at infrastructure development initiatives, increasing the efficiency of cargo handling, improving storage facilities and fostering public-private partnerships for effective and responsive service delivery at the border.

Land ports are playing a significant role in increasing import and export and collecting government revenue. At the same time, it is playing an effective role in alleviating poverty and reducing border smuggling by creating employment and increasing the income of the marginal people of the country. The daily activities of Bangladesh Land Port Authority are being conducted keeping in mind the objective of accelerating economic growth. Moreover, Bangladesh entered the era of paperless trade as a member country of the World Trade Organisation (WTO) and agreed to it to reduce hassles in cross-border trade and to expedite customs activities. The paperless trade aims to accelerate the implementation of digital trade facilitation measures for trade and development which will likely reduce time and harassment in the export and import of goods. Devising the procedures of the trade in the land ports in accordance to trade facilitation and paperless trade objectives is crucial now that instigates the

crying need for a standard operating procedure with digitalized, automated and smart border management approaches.

However, the Bangladesh Land Port Authority (BLPA) has no clear compiled policy and regulatory guidelines or Standard Operating Procedures (SOP) regarding Cross Border Land Port Management and modus operandi of international trade, transport formalities, procedures and documentations commensurate with global standards.

Against the backdrop of this scenario, Bangladesh is in need of a compiled policy and regulatory guidelines/standard operating procedure (SOP) for cross-border land port management with respect to international trade and transport formalities, procedures documentation, and related matters. SOP implies that it would be able to reduce impediments of logistic supports in 24 land ports of Bangladesh and to lower/lessen the regulatory expenses through simplifying commercial invoices inspection certificates, quality certificates both for exporters and importers.

An SOP outlining the modernization of border management procedures aiming at a clear, concise, transparent framework is likely to simplify and harmonize formalities, procedures, and the related exchange of information and documents between the various partners in the supply chain. Moreover, traders across the border will gain in terms of higher predictability and speed of operations and lower transaction costs, resulting in more competitive import and exports on global markets.

1.2 Land Ports of Bangladesh

The inception of land ports in the country began with the land customs stations. After the partition of undivided India, Bangladesh (the then East Pakistan) inherited some connecting points for passenger movement with India. At the time, trade through such sites was not crucial. Due to a lack of commerce opportunities and passenger transit facilities after Bangladesh gained its independence, many of these sites ceased to function, and today, for the most part, they only exist on paper. Some of the checkpoints were transformed into Land Customs Stations (LCSs) in the 1980s to facilitate commerce with neighbors, and over time, trade increased through those checkpoints. After 90s, the policy of opening up the market accelerates the stride of increasing bilateral trade through those LCSs. The bilateral trade got momentum after 2000, as the industries, trade and businesses flourished in Bangladesh.

According to the latest Statutory Regulatory Order (SRO) issued by the National Board of Revenue (SRO No-37-Act / 2022/53 / Customs, Date: February 16, 2022) the number of LCSs is 57 in Bangladesh. These custom stations also include operational land ports. The list of LCSs is presented in the table below:

Table 1: Current land customs stations of Bangladesh

Sl.	Name of the Land Custom Stations	District
1.	Benapole	Jashore
2.	Raimangal (Angtihar)	Khulna
3.	Khulna	Khulna
4.	Bhomra	Satkhira
5.	Darshana	Chouadanga

Sl.	Name of the Land Custom Stations	District
6.	Daulatganj	Chouadanga
7.	Mujibnagar	Meherpur
8.	Sultanganj/Premtoly (Godagari)	Rajshahi
9.	Rajshahi	Rajshahi
10.	Sirajganj	Sirajganj
11.	Sonamasjid	Chapainawabganj
12.	Rohonpur	Chapainawabganj
13.	Amnura	Chapainawabganj
14.	Dhamoir Hat	Naogaon
15.	Hili	Dinajpur
16.	Birol	Dinajpur
17.	Banglabandha	Panchagar
18.	Chilahati	Nilphamari
19.	Burimari	Lalmonirhat
20.	Sonahat	Kurigram
21.	Roumari	Kurigram
22.	Chilmari	Kurigram
23.	Noonkhawa	Kurigram
24.	Aricha ghat	Manikganj
25.	Dhanua- Kamalpur	Jamalpur
26.	Nakugaon	Sherpur
27.	Gobrakura	Mymensing
28.	Koraitoly	Mymensing
29.	Borochara	Sunamganj
30.	Chatak	Sunamganj
31.	Nowarai	Sunamganj
32.	Chela	Sunamganj
33.	Ichhamati	Sunamganj
34.	Bholaganj	Sylhet
35.	Tamabil	Sylhet
36.	Jokiganj	Sylhet
37.	Sheola	Sylhet
38.	Betuli (Fultola)	Moulvibazar
39.	Chatlapur	Moulvibazar
40.	Balla	Habiganj
41.	Ashuganj	Brahmanbaria
42.	Akhaura	Brahmanbaria
43.	Bibirbazar	Cumilla
44.	Belonia	Feni
45.	Ramgarh	Khagrachari
46.	Thegamukh	Rangamati
47.	Cox's bazar	Cox's bazar
48.	Teknaf	Cox's bazar

Sl.	Name of the Land Custom Stations	District
49.	Narayanganj	Narayanganj
50.	Muktarpur (Sumit)	Munshiganj
51.	Rooppur	Pabna
52.	Rampal	Bagerhat
53.	Premier	Chattogram
54.	BM Energy	Chattogram
55.	JMI	Chattogram
56.	Unitex	Chattogram
57.	Matarbari	Cox's bazar

Source: Land Customs Stations of Bangladesh (2022), NBR

The total length of Bangladesh's land border is 4,246 km. Of this, the length of Bangladesh's border with India is 4,053 km, and another 193 km with Myanmar based on the Bangladesh National Information Bureau. This long land border of Bangladesh provides opportunities to exploit cross-border connection with neighboring countries for growing import-export and enhancing regional cooperation.

For the development of infrastructural facilities and better port management to improve and facilitate land import-export activities with neighboring countries, Bangladesh Land Port Authority was established by the Bangladesh Land Port Authority Act, 2001 (Act No. 20 of 2001). The authority started the operational activities of the land ports in 2002.

Currently, under this authority, 24 important customs stations have been declared as land ports by the Government. Necessary infrastructure has been built to develop 13 customs stations as fully functional land ports. Among them, 8 land ports namely - Benapole, Burimari, Akhaura, Bhomra, Nakugaon, Tamabil, Sonahat and Gobra-kura-Karaitali land ports are being managed by the Bangladesh Land Port Authority. For the rest 5 land ports namely- Banglabandha, Sonamsjid, Hili, Teknaf and Bibirbazar land ports, operators have been engaged on BOT (Build, Operate & Transfer) basis to facilitate infrastructure construction and port management. Development activities of the remaining 11 land ports are ongoing.

The land ports in Bangladesh encompass the land customs station, border protection and other inspection agencies responsible for the enforcement of the country's laws pertaining to such activities. They serve as a point of contact for travelers entering or leaving the country and are engaged in preventing the entry of illegal immigrants, collecting taxes, preventing the entry of harmful plants, animal pests, and human and animal diseases, inspecting export and import documents, registering valuable items being temporarily taken out of the country, and conducting business. Land ports are spread across the country connecting the border of surrounding countries like India and Myanmar. The location of the land ports in Bangladesh is illustrated in the Table following:

Table 2: Details of operational and proposed land ports of Bangladesh

Sl. No.	Land Port	Date of Declaration	District	District on the opposite side	Management/Status
1	Benapole	12 Jan 2002	Sharsha, Jashore	24 Pargana, West Bengal	BLPA
2	Teknaf	12 Jan 2002	Teknaf, Cox's Bazar	Maungdaw, Myanmar	Build, Operate, Transfer (BOT) (United Land Port Teknaf Ltd.)
3	Banglabandha	12 Jan 2002	Tetulia, Panchagarh	Fulbari, Jalpaiguri	BOT (Banglabandha land port link limited)
4	Sonamasjid	12 Jan 2002	Shibganj, Chapai Nawabgaj	Mahadipur, Maldah	BOT(Panama-Sonamasjid Port Link Limited)
5	Hili	12 Jan 2002	Hakimpur, Dinajpur	South Dinajpur, West Bengal	BOT(Panama-Hili Port Link Limited)
6	Bhomra	12 Jan 2002	Sadar, Satkhira	24 Pargana, West Bengal	BLPA
7	Darshana	12 Jan 2002	Damurhuda, Chuadanga	Krishnanagar, West Bengal	BLPA (Not yet operational)
8	Birol	12 Jan 2002	Birol, Dinajpur	Goura, West Bengal	BOT (Birol Land Port Limited) (Not yet operational)
9	Burimari	12 Jan 2002	Patgram, Lalmonirhat	Mekhaljigonj, West Bengal	BLPA
10	Tamabil	12 Jan 2002	Goainghat, Sylhet	Dawki, Meghalaya	BLPA
11	Akhaura	12 Jan 2002	Akhaura, Brahmanbaria	Agartala, Tripura	BLPA
12	Bibirbazar	18 Nov 2002	Sadar, Cumilla	Sunamura, Agartala	BOT (Beximco Port Ltd.)
13	Biloniya	23 Feb 2009	Biloniya, Feni	Biloniya, Tripura	BLPA (Not yet operational)
14	Gobarakura and Karitali	14 Jun 2010	Haluaghat, Mymensingh	Tura, Meghalaya	BLPA
15	Nakugaon	30 Sep 2010	Nalitabari, Sherpur	Dalu, Meghalaya	BLPA
16	Ramgarh	07 Nov 2010	Ramgarh, Khagrachari	Sabroom, Tripura	BLPA (Not yet operational)
17	Sonahat	25 Oct 2012	Bhurungamari, Kurigram	Sonahat, Assam	BLPA
18	Tegamukh	30 Jun 2013	Barkal, Rangamati	Demagri, Mizoram	BLPA (Not yet operational)
19	Chilahati	28 Jul 2013	Domar, Nilphamari	Cooch Behar, West Bengal	BLPA (Not yet operational)
20	Daulatganj	31 Jul 2013	Jibon Nagar, Chuadanga	Mazdia, Nadia	BLPA (Not yet operational)
21	Dhanua Kamalpur	21 May 2015	Bokshigonj, Jamalpur	Mohendragonj, Meghalaya	BLPA (Not yet operational)
22	Sheola	30 Jun 2015	Bianibazar, Sylhet	Sutarkandi, Karimganj	BLPA (Not yet operational)
23	Balla	23 Mar 2016	Chunarughat, Hobiganj	Paharmura, Tripura	BLPA (Not yet operational)
24	Bholagonj	29 Jul 2019	Companygonj, Sylhet	Cherapunji, Meghalaya	BLPA (Not yet operational)

Source: BLPA Data

All of the land ports are situated near the Zero-Line of the international boundary. The locations of the land ports along with the counterpart stations of the neighboring country on the other side of the border are shown in the Bangladesh map in the following figure:



Figure 1: Map showing land port locations of Bangladesh¹

¹ BLPA Annual Report 2021-22

1.3 Objective of the study

To facilitate effective cross border trade operations, modernization of border management procedure aiming at a clear, concise, transparent framework is required. However, it requires an in-depth analysis of present land port management and international standards and best practices that are critical for border operations. This study has therefore aimed to conduct a study to do an elaborate analysis of Standard Operating Procedures (SOP) for Cross Border Land Port Management and hence the major objectives of the studies are as follows:

1. To Identify the current status of the Bangladesh Land Port Management including international trade procedure, transport formalities, documentations and related issues;
2. To identify the major institutional weakness for Trade Facilitation and Cross-Border management in Bangladesh including Implementation Gaps and Procedural Hindrances Identified;
3. To identify the current co-ordination mechanism at the border point and one stop service for the Land Port Management and developing SOP that covers both export and import point of view;
4. To identify the international standards, best practices and technologies elsewhere in terms operation of the Land Port to facilitate better management at the borders;
5. To identify Requirements of Legislative, Administrative and Policy Reforms;
6. To identify the adjustments or modifications that are required for making the Bangladesh Land Port management efficient, effective and harmonized for trade facilitation.

1.4 Rationale of the study

For meeting the goals of trade facilitation with low cost of doing business through paperless cross border trade and to increase the efficiency in cross border trade, initiatives including better cargo handling, improved storage facility and efficient custom station management, efficient port operations and management both in Land or Seaport also need to be ensured. It implies standard operating procedure would reduce the hurdles of logistic support in 24 lands ports of Bangladesh while reducing the regulatory expenses through paperless trade or simplifying commercial invoices, inspection certificates, and quality control certificates both for exporters and importers.

The Bangladesh Land Port Authority (BLPA) does not make any clear compiled policy and regulatory guidelines or Standard Operating Procedures (SOP) regarding Cross Border Land Port Management and modus operandi of international trade, transport formalities, procedures and documentations. Accordingly, the land port management as part of the country's overall trade economic advancement now need to adopt a broad, comprehensive approach relevant to international good practice.

Trade across the border will gain in terms of higher predictability and speed of operations and lower transaction costs, resulting in more competitive exports on global markets. For countries as a whole, reducing unnecessary delays and costs attracts investments, and supports growth and job creation. In order to facilitate effective border operations, there is a need to have an enabling environment that involves different types of interventions and activities addressing the various dimensions of the government. This includes modernization of border management procedure aiming at a clear, concise, transparent framework. However, it requires an in-depth analysis of present land port management and international standards and best practices that are critical for border operations.

1.5 Scope of the study

Land ports are one of the key routes of exports and imports of Bangladesh. As land ports are facilitating trade through regional connectivity via land routes trade, current procedures, responsible bodies, coordination status, and possible best practices need to be investigated and explored for ensuring and revamping facilitation measures in the current land ports. Based on the objectives the scope of this study included reviewing the current status of Bangladesh's land port management where export-import procedures of the land ports, transportation formalities, documentation requirements, and time consumption in the land port trade were examined. For determining the major institutional weakness for Trade Facilitation and Cross-Border management the study put effort into identifying major institutions related to Trade Facilitation and Cross-Border management in Bangladesh, gaps between laws that govern the identified institutions and their implementation, and procedural hindrances in cross-border management. The study scope also covered the Coordination mechanism, one-stop service, and SOP aspects of land ports including the current co-ordination mechanism at the border point, status of the one-stop service for the Land Port Management, and review of the status of automation, and lack thereof in the context of inter- and intra-institutional coordination. Incorporating the category of the mode of operation of the land ports in the SOP, a possible Standard Operating Procedure, covering both export and import point of view was also proposed. In order to replicate best practices to ameliorate current procedures, the study reviewed international standards, best practices, and technologies used elsewhere in terms of operation of the Land Port where some best practices in compliance with the international standards and technology used can be referred to as best practice for land port management were probed. Bangladesh Land Port Authority (BLPA) is currently in charge of governing the land ports of Bangladesh and the study scope also incorporated legislation, administrative procedures, and policies that govern the land port management and reform requirements in these areas. Recommendation of adjustments and modifications that are required for making the management of the Land Ports of Bangladesh efficient, effective and harmonized for trade facilitation were made in respective areas based on the objectives of the study.

1.6 Methodology

The methodology of the study involves the following:

1. A desk review of all existing literature like relevant rules/regulations/policies and journal articles, etc.;
2. Quantitative Survey, Key Informant Interviews (KII), Focus Group Discussions (FGD) and Public Consultations with policy level officials, think tanks, academia and other trade related agencies as decided by the client; and
3. Data Analysis, using available data from acceptable national (Export Promotion Bureau, Bangladesh Bank, National Board of Revenue, etc.) and international (UN Comtrade, UNCTAD, World Bank, etc.) sources., for a reasonable time frame of the most recent 5 years in the least.

The sequential steps that have been followed are mentioned below:

- (1) **Review of Existing Literature:** Available literature including the documents like BLPA annual reports, Customs reports, BBS reports, relevant journal articles and regulatory related documents of different countries have been reviewed. Moreover, BFTI's experts reviewed official reports, published papers and policy documents of the GoB, think-tank organizations and other international bodies, as available, have been analyzed.
- (2) **Field Test:** To find out the actual barriers to Standard Operating Procedure of Land Port, Trade Facilitation Issues and complexities in export import procedure, a field test in a land port was done as an instrument to validate the questionnaire for the survey. The field test was run on Akhaura land port where different port stakeholders like importers, exports, C&F agents, port authority, truck drivers were consulted with. The primary questionnaire was tested and verified by these (8-10) stakeholders.
- (3) **Finalization of Questionnaire for conducting quantitative Survey:** Structured questionnaires were designed for primary data collection from the relevant authorities as per the discussion with the implementing agencies while the testing of the question was also done by the consultant organization. Finally, **201 Quantitative surveys** have been conducted in five ports for the study to evaluate the issues of land port operating system and Cross Border Land Port Management system.
- (4) **Field Survey:** The survey data collection (quantitative) was conducted with concerned officials of port's authorities, major exporters and importers who conduct their business through the ports and other stakeholders of the ports. The total number of total relevant stakeholders was estimated at roughly 510. Considering the 5 (five) participants from each relevant stakeholder, the total population size, $P= 2550$. A total of 55 participants have been considered for qualitative data collection and 200 participants for a quantitative survey is 10%

of the total population. So, the sample size estimated for this study was $n=255$. The number of total relevant participants was 201 and survey data was collected from users and stakeholders of the five land ports. The five ports are Benapole land port, Bhomra land port, Sona Masjid land port, Akhaura land port and Banglabandha land port. Sample distribution for conducted quantitative survey is available in **Appendix-3**. Survey questionnaire is available in **Appendix-1**.

- (5) **Observation Method:** The study used observation method to realize trade procedures in land ports and issues, activities tied with land port trade. Observation method is described as a method to observe and describe the behavior of a subject and it involves the basic technique of simply watching the phenomena until some hunch or insight is gained. In the 5 land ports selected for this study, the study team observed port management activities and trade procedures for gaining insights.
- (6) **Key Informants Interviews (KII):** A round of exploratory interview was conducted for the study with the representatives of relevant stakeholders that included the government institutions, business associations, chambers, think-tank organizations, etc. Semi-structured interviews were used via purposeful rather than random sampling method. Appropriate measures were taken to avoid any risks of bias through sampling, response and the behavior of the interviewer. Three common techniques were used to conduct key informant interviews: telephone, email and face-to-face Interviews. When KIIs were conducted, a mixed methods evaluation strategy was adopted to produce a satisfactory analysis. All selected questionnaires were evaluated by the relevant experts. For the study, the questionnaire was evaluated by the relevant expert. Here, **21 KIIs** were conducted to assess standard land port operating system for Cross Border Land Port Management with respect to international trade and transport formalities, procedures, documentation and related matters. KII questionnaire is available in **Appendix-2**. Detailed information on KII participants is available in **Appendix-4**.
- (7) **Focus Group Discussions (FGD):** One FGD was organized targeting mainly the people concerned with the particular study. The FGD was held on Conference Room, Benapole Land Port, Benapole, Jashore. The participants in the FGD were 30 (thirty) in number. During discussions, participants were facilitated to discuss different aspects of the particular field amongst themselves. The **FGD** was organized in way that facilitated data generated from the survey question or secondary sources. The FGD included participants from different stakeholder groups like Custom House, Bangladesh Land Port Authority (BLPA), DC office, BSTI, Plant Quarantine, Transport owners' Association, Border Guard Bangladesh (BGB), Immigration Police, NSI, Exporter-Importers and C&F Agents. Meanwhile, documentation of discussions was done through video recording, audio tapes and written notes. The detailed participant list of FGD is available in **Appendix-5**

- (8) **Public Consultations:** The study conducted one public consultation with the relevant stakeholders. The participants for the PC were 36 in number. The respondent list of the PC is available in **Appendix-6**.
- (9) **Validation workshop:** For this study, Bangladesh Foreign Trade Institute (BFTI) organized a Validation Workshop on February 09, 2023. Key stakeholders related to the study presented their opinions and validated the findings of the report. The proceedings and respondent list of the validation is available in **Appendix-7**.
- (10) **Data Analysis:** All the information and data collected from various sources and through in-depth interviews, focused group discussions, public consultations, etc. with relevant stakeholders have been analyzed this particular study. As multiple methods of data gathering and analysis, covering both quantitative and qualitative data, including interviews and content analysis were applicable for the study. Here, statistical analysis was conducted using analytical software like STATA and Excel while Qualitative techniques were also used to collect and analyze in-depth/perceptual information on selected indicators related to the study. Analysis of stakeholders' perceptions about the subject matter was done from the FGD and KIIs.

1.7 Limitations

The fact that land ports were only practiced in Bangladesh, India and some regional countries was a significant drawback of this study. Although some of them may have served as border trading stations, they are mostly known elsewhere as dry ports built to service seaports. Similar to this, a small amount of literature is available that focuses solely on land ports and the administration or procedures of cross-border import and export trade. Besides the paucity of secondary data and literature, the survey data collection was difficult because of respondents' reluctance to provide required accurate information and inexpression of appropriate opinions relevant to the study.

Chapter 2: Current status of the Bangladesh land port management

2.1 Significance of land port in the current trade scenario of Bangladesh

Securing its ten-year economic journey with growth of more than six percent, Bangladesh has made outstanding progress in all areas of economic, social, and human development. Despite the COVID-19 epidemic, Bangladesh's GDP grew by 3.45 percent in FY2019–20 compared to 7.88 percent in FY2018–19. According to a rough projection, Bangladesh can achieve 7.25 percent GDP growth in FY2021–22², demonstrating the economy's robustness. GDP was US\$464.98 billion, with a US\$2824 GNI per capita in FY2021–22, up from US\$2,591 in FY2020–21.

Bangladesh's economy has benefited greatly from foreign trade, which accounts for 28% of its GDP³. The government of Bangladesh developed a strategy for the development of the manufacturing sector in the eighth five-year plan, making the export industry one of the main drivers of development with an export led growth strategy. The following table shows the import-export statistics of Bangladesh signifying the growth of trade over the years:

Table 3: Export-import statistics of Bangladesh

FY	Total Export (Value in Million US\$)	Export Growth Rate (in %)	Total Imports (Value in Million US\$)	(Value in Million US\$ Growth (%))
2016-17	38,500		48,212	
2017-18	41,254	7.15	59,027	22.4
2018-19	47,028	13.99	62,884	6.5
2019-20	39,755	-15.46	55,635	-11.5
2020-21	45,367	14.12	61,609	10.7
2021-22	60,971	34.40	91,932	49.2

Source: EPB pocket export statistics FY2020-2021

Since the volume of foreign trade is increasing over the years, and the country is on the way to graduate from LDC status, for sustaining the growth trend the government of Bangladesh is focusing on trade facilitation measures. Initiatives addressing cargo handling, improved storage facilities, and effective custom station management both in Land and Seaport are now crucial for ensuring trade facilitation with low cost of doing business through paperless cross-border trade and to increase the efficiency in cross-border trade.

Bangladesh's land ports have become much crucial for foreign trade because of their contribution in easier people and goods movement from Bangladesh to India and other nearby nations border countries. Land ports provide prospects for cross-border trade with India and other neighboring nations because of Bangladesh's special geographic location in relation to that country. Physical proximity has made it

² Bangladesh Bureau of Statistics (BBS 2021-22)

³ The World Bank- World Bank national accounts data, and OECD National Accounts data files

possible for neighboring nations to trade with Bangladesh in an economical, practical, and effective manner. Geographically, Bangladesh is surrounded by India to the north, north-east, and west, and by Myanmar to the south-east. The fifth-longest land border in the world between Bangladesh and India presents opportunities for both nations to establish land customs stations, ports, and international passenger terminals for trade, vehicle mobility, and passenger travel. As Bangladesh imports and exports through three routes; Sea, Land, and Airport, in these recent years, the contribution of land ports has increased gradually. According to the Bangladesh Bureau of Statistics data, the following table depicts the portion of land port trades in the total import:

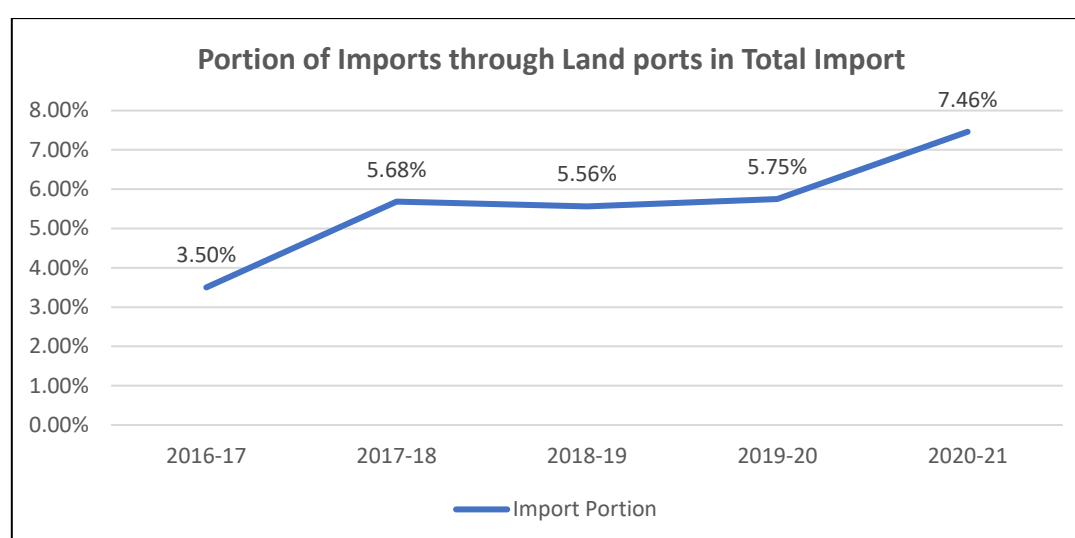
Table 4: Imports by routes

Imports by Routes (Million Tk.)					
Year	2016-17	2017-18	2018-19	2019-20	2020-21
Sea	45,47,015	51,98,361	54,04,720	51,28,752	61,37,846
Land	1,65,480	3,13,283	3,17,955	3,12,906	4,95,206
Total	47,12,495	55,11,644	57,22,675	54,41,658	66,33,052
Portion of Imports through Sea ports	96.50%	94.32%	94.44%	94.25%	92.54%
Portion of Imports through Land ports	3.5%	5.68%	5.56%	5.75%	7.46%

Source: Foreign Trade Statistics of Bangladesh 2020-21- BBS

This statistic indicates that in FY 2016-17 only 3.5% of the total import amount was through land ports and in recent FY 2020-21 share of land port trade in total trade amount has increased to 7.46%. The following figure shows the increasing patterns of land port imports over the last 5 years:

Figure 2: Portion of imports through land ports in total import (last 5 years)



Sources: BBS data and BFTI analysis

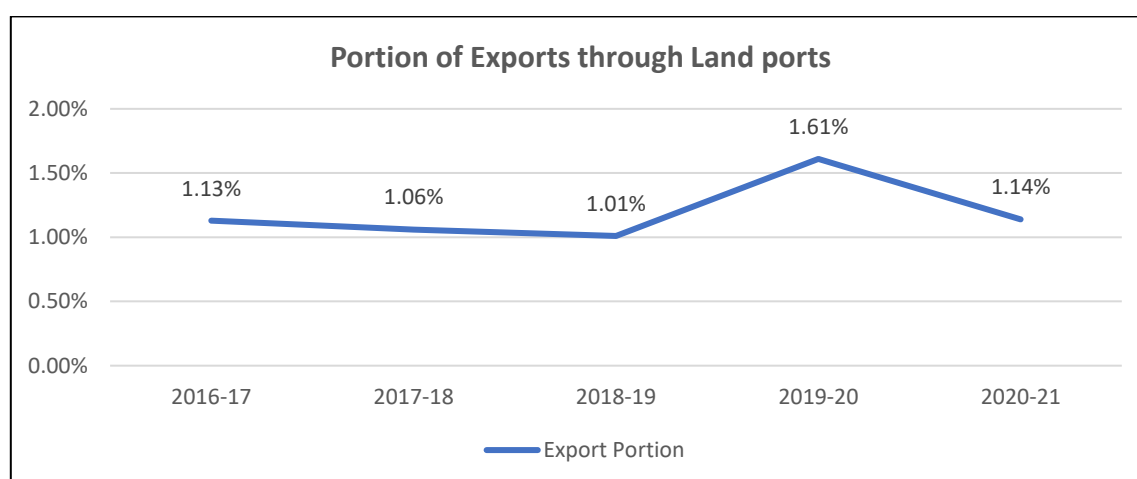
Land ports are now mostly used for importing products, however, export to close border countries is also carried out through land ports. Based on the BBS data, the table below represents statistics of exports through land ports:

Table 5: Exports by routes

Exports by Routes (Million Tk.)					
Year	2016-17	2017-18	2018-19	2019-20	2020-21
Sea	29,70,013	30,55,231	34,46,718	27,66,288	34,399,63
Land	33,824	32,705	34,901	45,380	39,927
Portion of Export through Sea ports	98.87%	98.94%	98.99%	98.39%	98.86%
Total	30,03,837	30,87,936	34,81,619	28,11,668	34,79,890
Portion of Exports through Land ports	1.13 ⁰ %	1.06 ⁰ %	1.01 ⁰ %	1.61 ⁰ %	1.14 ⁰ %

Source: Foreign Trade Statistics of Bangladesh 2020-21- BBS

Figure 3: Portion of exports through land ports in total exports (last 5 years)



Sources: BBS data and BFTI analysis

This statistic indicates that although imports through land ports increased slightly over the years, the exports remained almost constant.

Land ports are now also significant means for regional trade growth especially in the SASEC sub region. From the geographically point of view Bangladesh is positioned to serve as a vital entry point to nations like India, Nepal, Bhutan, and other East Asian nations. By enhancing the trade, transit, and logistics networks in the region, Bangladesh can potentially develop into a major economic force. However, because of various tariff and non-tariff restrictions, this benefit is still a long way off. The problem of inadequate infrastructure availability, weak road system, a manual and paper-intensive checking procedure, and various office hours for the ports are added to this. However, besides serving the Indian market, the land ports of Bangladesh could be gateway for exports of Bangladeshi goods to other regional markets like Nepal and Bhutan.

With a vision of efficient, safe and environment-friendly state-of-the-art international land port management, BLPA is working on expanding the export-import through the land ports securing trade facilitation as well. Form the 12 operational land ports data, the statistics shows gradual growth of land ports over the year.

Table 6: Land port trade statistics

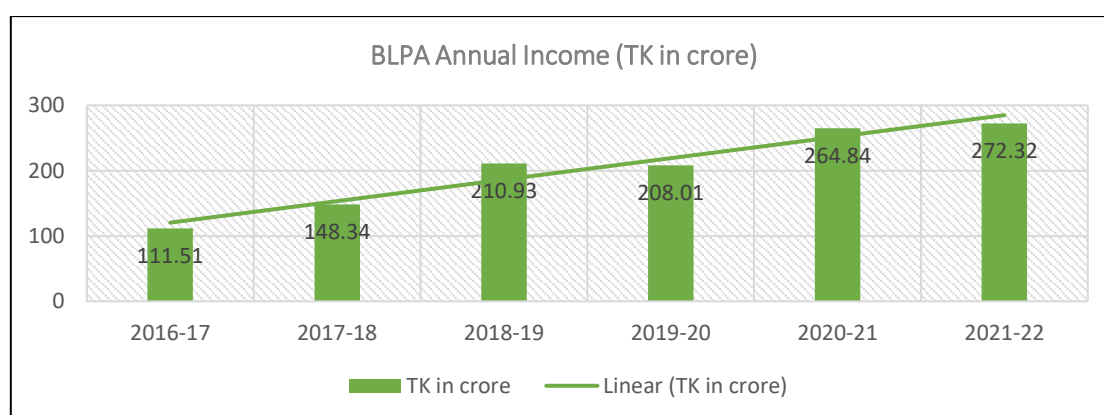
Sl. No.	Financial Year	Import (Million MT)	Export (Million MT)	Total (Million MT)
1.	2016-17	14.038	0.926	14.964
2.	2017-18	20.17	1.056	21.226
3.	2018-19	20.321	1.344	21.665
4.	2019-20	14.108	1.077	15.185
5.	2020-21	19.14	1.123	20.263
6.	2021-22	20.007	1.289	21.296

Source: BLPA annual reports

The table indicates that in FY 2016-17 12, export imports through the operational land ports amounted to a total of 14.964 million metric tons whereas, in FY 2020-21, the volume increased to 20.263 million metric tons indicating a 33.44% increase. In FY 2019-20 total trade volume dropped because of the pandemic but the FY before recorded most trade volumes, however, the latest year’s data indicates recovery growth from the pandemic and sustained growth of land port trades.

BLPA data indicates both the number of exports and imports handled and the associated revenues have continuously increased. During the fiscal year (FY) 2016–2017, the Bangladesh Land Port Authority (BLPA) earned about Tk 1.12 billion. However, the income keeps growing, posting profits of Tk 1.48 billion, Tk 2.11 billion, Tk 2.08 billion, and Tk 2.65 billion in the fiscal years 2018 through 2021. The most recent FY2021-22 saw earnings of Tk 2.72 billion, according to official BLPA statistics⁴. The following graph shows the gross income statistics of BLPA in previous year which signifies the trade growth in land ports:

Figure 4: Income statistics of BLPA (last 6 years)



Source: BLPA annual reports

⁴ BLPA Annual Report (2022)

The figure indicates that despite a jolt in the income of BLPA due to the pandemic in FY 2019-20 the trend line is still pointing toward a linear increase in its income over the years.

Although all statistics show positive potential for the land ports in coming years, problems like space shortage, infrastructure issues, workforce capacities, traffic congestion, etc. are threatening the future prospects of land ports in terms of achieving trade facilitation objectives.

2.2 Overview of land ports of Bangladesh

Lands ports are mainly border between two countries having land customs station (LCS) and integrated check post (ICP) to facilitate movement of import and export cargo laden and empty trucks/vehicles. Bangladesh government declared land ports are 24 in number. Of them, 13 land ports are in operational. Out of the total 12 operational land ports, only 7 ports such as Benapole, Burimari, Akhaura, Bhomra, Nakugaon, Tamabil and Sonahat are now being governed, monitored, managed and operated under the direct supervision of the Bangladesh land Port Authority (BLPA). The rest 5 ports like Sonamasjid, Hili, Banglabandha, Teknaf and Bibirbazar are operated through private port operations on build operate and transfer (BOT) basis. Among the remaining 12 land ports, 11 are now and under construction which are as follows Birol, Darshana, Bilonia, Dhanua, Ramgarh, Tegmukh, Chilahati, Daulatganj, Sheola, Balla, and Bholaganj. Development of Gobrakura Kraitali Land port is almost completed, and the port is waiting to be officially inaugurated. As land ports possess vast opportunities to expand regional trade, the Government is also taking steps to strengthen the land ports to facilitate trade with neighboring countries⁵.

2.2.1 Land ports trade statistics (BLPA)

As land ports of Bangladesh play a vital role in the field of Import & Export trade, structures of the land ports are designed considering the significance of the activity executed through the port concerned. Based on the size and capacities of handling traded goods, some land ports are more significant in regional trade. Statistics on the transaction (export & import) and income level is presented for BLPA operated 7 land ports in the table below:

Table 7: Import-export statistics of 7 land ports operated by BLPA

Name of Land port	Year	Volume of import (in lakh MT)	Volume of export (in lakh MT)	Amount of Income (In crore TK)
Benapole land port	2016-17	13.93	3.25	43.97
	2017-18	19.88	3.53	48.73
	2018-19	21.81	4.01	82.37
	2019-20	20.38	3.17	83.776
	2020-21	27.78	2.97	82.97
	2021-22	22.13	4.19	73.79

⁵ JICA- Preparatory Survey on Matarbari Port Development Project in the People's Republic of Bangladesh

Name of Land port	Year	Volume of import (in lakh MT)	Volume of export (in lakh MT)	Amount of Income (In crore TK)
Burimari land port	2016-17	43.93	0.93	27.51
	2017-18	70.49	1.21	46.24
	2018-19	82.23	1.47	57.3
	2019-20	32.84	1.18	47.645
	2020-21	46.14	1.71	66.75
	2021-22	33.91	1.90	55.47
Bhomra land port	2016-17	22.55	1.27	16.87
	2017-18	46.56	1.20	21.04
	2018-19	22.02	3.12	18.74
	2019-20	25.16	2.06	19.494
	2020-21	24.10	2.16	31.7
	2021-22	32.59	2.62	39.38
Nakugaon land port	2016-17	1.23	0.00	0.69
	2017-18	0.09	0.01	0.11
	2018-19	0.66	0.01	0.68
	2019-20	0.85	0.01	0.864
	2020-21	1.52	0.00	1.59
	2021-22	2.76	0.00	2.89
Akhaura land port	2016-17	0.00	2.15	0.06
	2017-18	0.00	2.02	0.05
	2018-19	0.00	2.10	0.2
	2019-20	0.00	1.42	0.297
	2020-21	0.00	1.32	0.37
	2021-22	0.96	0.91	0.90
Sonahat land port	2016-17	0.00	0.00	0
	2017-18	0.00	0.00	0
	2018-19	1.36	0.00	3.73
	2019-20	2.04	0.06	2.948
	2020-21	7.11	0.17	10.34
	2021-22	9.17	0.19	14.08
Tamabil land port	2016-17	0.00	0.00	0
	2017-18	7.82	0.02	6.46
	2018-19	18.56	0.01	15.26
	2019-20	14.80	0.01	12.455
	2020-21	12.52	0.01	20.94
	2021-22	31.64	0.01	29.30

Source: BLPA annual reports

These statistics show that although total import-export volume is higher in Burimari and Bhomra land port, amount of income is highest in the Benapole land port which is the most significant land port in Bangladesh in terms of trade and passenger transit. In the recent years, trade volume also increased in Sonahat and Tamabil land ports. Bhomra land port is also experiencing consistent trade volume and income growth.

2.2.2 Land port trade statistics (BOT)

Land ports like Sonamasjid, Hili, Teknaf, Banglabandha, and Bibir bazaar are operating on the basis of build-operated & transfer (BOT) systems with very limited facilities compared to the previously described ports. These ports are managed by private operators.

These BOT based ports are currently managed by following operators:

Table 8: Name of the operators of BOT based land ports

Land Port	Operator	Lease Duration
Sonamasjid Land Port	Panama Sonamasjid Port Link Ltd.	25 years
Hili Land Port	Panama Hili Port Link Limited	25 years
Banglabandha Land Port	Banglabandha Land Port Ltd	25 years
Teknaf Land Port	United Landport Teknaf Ltd.	25 years
Bibirbazar Land Port	Shefferd Comilla Land Port Ltd.	25 years

Source: BFTI findings

These private operators are responsible for building required infrastructure in the ports, such as office building, port yard, godown, weighing machine and tower, besides making security arrangement and installation of other equipment needed to run the ports effectively. Under the BOT contract, operators will be required to finance, procure, construct, and operate the port facilities for 25 years after the contract. The following table shows their import-export and income statistics in recent years:

Table 9: Trade statistics of 5 BOT operated land ports

Name of Land port	Year	Volume of import (in lakh MT)	Volume of export (in lakh MT)	Amount of Income (In crore TK)
Sonamasjid land port	2016-17	27.63	0.15	3.82
	2017-18	26.73	0.12	3.83
	2018-19	23.78	0.15	3.4
	2019-20	13.09	0.13	2.385
	2020-21	33.29	0.19	8.4
	2021-22	28.81	0.20	9.22
Hili land port	2016-17	24.37	0.05	5.86
	2017-18	16.44	0.16	6.08
	2018-19	13.79	0.37	6.91
	2019-20	18.06	0.22	7.716
	2020-21	21.23	0.27	9.12
	2021-22	18.73	0.15	8.56

Name of Land port	Year	Volume of import (in lakh MT)	Volume of export (in lakh MT)	Amount of Income (In crore TK)
Banglabandha land port	2016-17	6.01	0.07	0.24
	2017-18	12.07	0.69	0.47
	2018-19	17.97	0.43	3.15
	2019-20	11.86	1.13	2.326
	2020-21	16.93	1.12	3.55
	2021-22	16.55	1.64	3.63
Teknaf land port	2016-17	0.72	0.00	2.6
	2017-18	1.60	0.01	4.75
	2018-19	1.04	0.01	3.68
	2019-20	1.98	0.01	6.508
	2020-21	0.75	1.35	3.58
	2021-22	2.33	0.11	9.23
Bibirbazar land port	2016-17	0.00	1.35	0.02
	2017-18	0.00	1.58	0.01
	2018-19	0.00	1.70	0.02
	2019-20	0.00	1.34	0.017
	2020-21	0.02	1.28	0.02
	2021-22	0.49	0.97	0.04

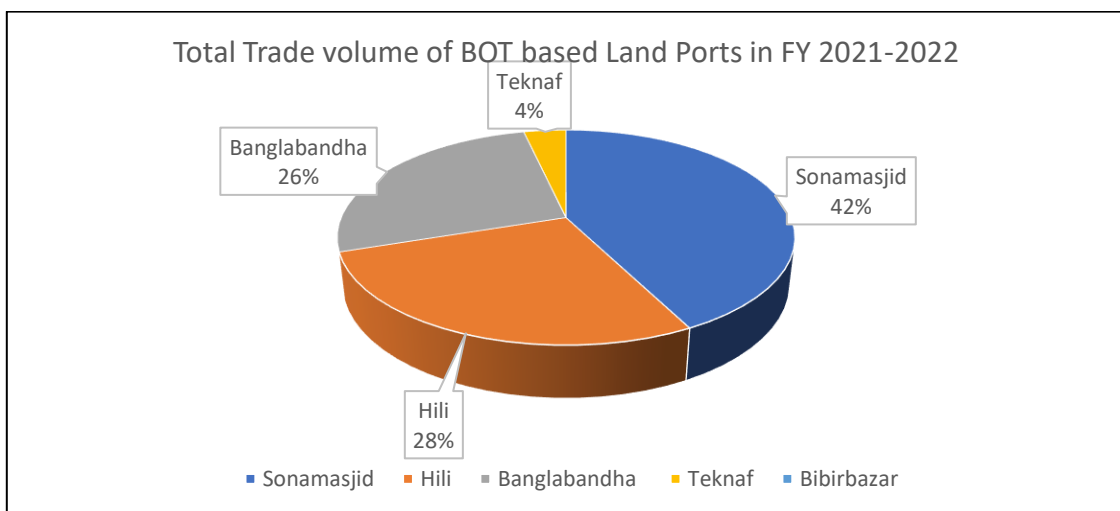
Source: BLPA annual reports

This statistic indicates that Hili, Banglabandha, and Sonamasjid account for most imports and exports among the BOT-operated land ports. Also, over the last 6 years, these three ports have managed to sustain growth in their annual income.

Among the BOT based land ports, Sonamasjid, Banglabandha and Hili land ports hold the most trade volumes in the recent years.

The total trade volume for the FY 2021-22 of these ports can be seen in the following figure:

Figure 5: Total trade volume of BOT based land ports in FY 2021-2022



Source: BLPA data

The significance of the operational, functional and effective activities of some land ports in respect of conductive export & import can never be ignored but owing to poor infrastructure (insufficient & tenuous), backward communication, transportation network, lack of modernization, huge traffic congestion, the land ports' operational efficiency cannot be improved & developed. All these together cannot keep pace with the demands and required standard resulting in the fruitful operation of these land ports. Operational inefficiency in the field of land ports is not only due to internal reasons but also due to some external reasons like congestion in India, prolonged commodity, clearance certification process of India. For instance, In Benapole land port almost a large number of trucks carrying exporting goods remain amassed everyday but only a few number trucks are allowed to be cleared from the Indian side and the rests have to wait in Bangladesh part creating huge traffic congestion which ultimately damages the quality of goods and increases the exporting cost due to extra fare charges to be paid to the transportation agency for delayed delivery of goods.

Over the last few years' land ports of Bangladesh have seen growth in trade. Land ports of Bangladesh play an important role by facilitating movement of goods and passengers to and from Bangladesh to India and other neighboring countries. Due to Bangladesh's unique geographical position with India, land ports bring opportunities for cross-border trade with the latter and the other neighboring countries.

2.2.3 Land Ports explored under this study

The study explored five land ports of the country. Among the BLPA-operated 7 ports, this study surveyed and explored the trade scenario of Benapole, Bhomra, and Akhaura land ports. Among the BOT operated 5 land ports, the study surveyed and examined the trade functionalities of Sonamashjid and Bangalbandha port. These land ports are represented in the following table:

Table 10: Land Ports Explored Under this Study

Sl.	Land Port	Operated by
1	Benapole	BLPA
2	Bhomra	BLPA
3	Akhaura	BLPA
4	Sonamashjid	BOT
5	Bangalbandha	BOT

The detailed status of these five ports is described in the following:

Benapole Land Port

The biggest land port in Bangladesh is the Benapole Land Port, and it is situated in the Jessore District's Benapole Town in Sharsha Upazila. Through the Benapole-Petrapole border, this port is utilized to export and import goods to India. Bangladesh Land Port Authority is in charge of managing this port. Benapole land port used to handle significant portion of the total foreign trade through land ports in Bangladesh but now it has been bested by other land ports.

Geographically Benapole is a major strategical point for border trading between India and Bangladesh owing to its proximity to Kolkata. Benapole began operating officially

as a land custom station in 1978 on land that was acquired earlier under the Bangladesh Warehouse Cooperation. Under the Customs Act, 1969 (SRO 493/D/CUS/79), Benapole LCS was declared as a Warehousing Station. After the dissolution of the Warehousing Corporation in October 1979, the management of the Benapole customs station was entrusted to the Bangladesh Jute Corporation (Defunct Cell) of the Ministry of Jute. In 1984, Mongla Port Authority was entrusted with the management and supervision of Benapole Customs Station.

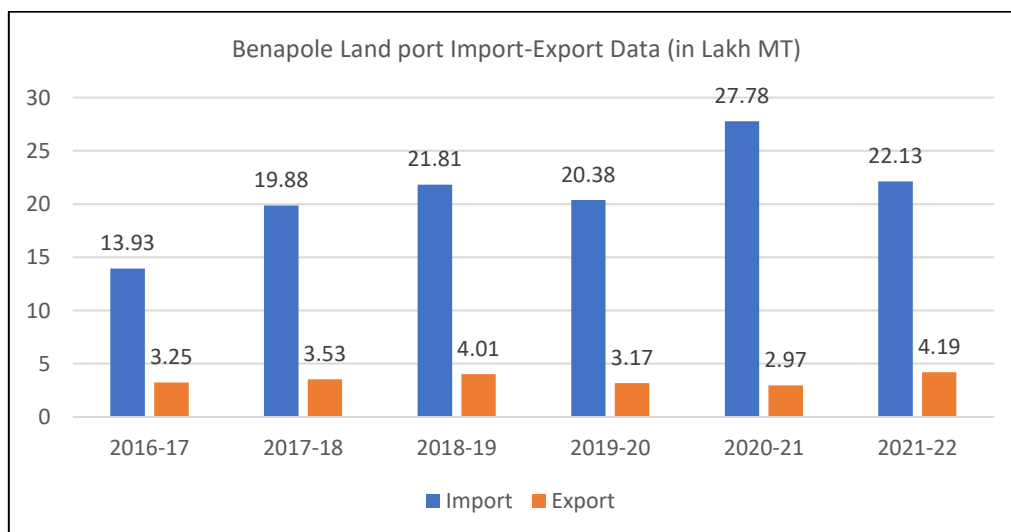
Primarily Benapole land port was a Land Customs station and gradually it turned into a Customs Division (1984) and later Custom House (1997) in response to its rising importance as in terms of import volume. In 2009, the newly constructed building of Benapole Customs and Immigration Check post came into operation.

The distance from Benapole border to the capital city Dhaka is about 240 km and from Kolkata is about 84 km. This route is accessible for passenger to Bangladesh and to India. Benapole land customs station was declared as land port on January -2002 and the as a land port its operational activities started were started on February 2002. Benapole is a principal land port having 86.68 acres land area with 40,000 metric ton storage capacity.

Its Infrastructure encompasses 32 warehouses, 5 warehouse-cum-yards-, 2 open stack yards, 1 transshipment yards, 5 transshipment sheds, 5 weighbridge scales (100 mt), 2 truck terminals (1 for import + 1 for export terminals), 1 international passenger terminal, 1 international bus terminal, 4 standby power generator, 1 fire hydrant, 2 water reservoir, 1 administrative building, 2 office buildings, 2 residential buildings, 3 dormitories, 1 rest house, 1 mosque and other necessary facilities.

It also employs 120+ administrative personnel, 250+ security personnel and more than 2000 handling labors. This port is one of the busiest land ports compared to other land port mentioned.

Figure 6: Import-export statistics of Benapole land port (last 6 years)



Source: BLPA Annual Report

Benapole land port export-import data shows a continuous growth of import volume over the last 6 years since a large portion of imports from India is carried out through this port. However, the export volume of this port is almost stagnant over the last 6 years.

KII findings revealed that major import of this port includes Cotton, chemical, motor car, motorcycle, tire-tube, machinery & spare parts, food and all other types of importable goods including yarn (excluding yarn and powdered milk imported under bond license by 100% export oriented net garment industry company with customs bond license).

Major export of this port includes jute & jute goods, fish, soap, plastic goods, battery, construction materials etc. including all types of exportable products.

For Bangladeshi export trucks coming back from India, the Bangladeshi side is requesting a new gate at Petrapole. Only two gates are open at the moment connecting the Benapole and Petrapole land ports. One of the gates is used for travel by passengers and the return of full trucks to India, while the second gate is utilized for the importation of goods from India on one side of the road and the entry and exit of Bangladeshi export cargo on the other side of the road.

Currently, a single road is used for both import and export commodities, this frequently leads to congestion, particularly when a vehicle breaks down in the middle of a shipment, which halts the flow of cargo. A second freight gate is being built at Petrapole to remedy the problem.

Petrapole-bound vehicles must wait in a long line at Kalitala, which is part of the Bongaon municipality, in recent years. Despite Bangladesh having a bigger capacity for handling trucks, only 350–450 trucks are permitted to enter the country due to the high expense of parking. For Bangladeshi importers, this adds time and expense.

In Benapole land port, congestion occurs when 300 to 400 vehicles enter the port. Congestions become apparent due to customs clearance and port fee payment processes for a large number of vehicles. Benapole land port was not developed in a planned way as it is located on an international highway which creates traffic congestion for the port incoming and outgoing vehicles. However, 25 acres of new land are now being acquired for developing vehicle containers in the Benapole port. Moreover, more land acquisition efforts are going on for developing yards, and chemical storage. A project of 300 crore taka for making a cargo vehicles terminal in 75 Bigha land for Benapole port is going on. Also, India is looking forward to opening a common gate at the Benapole border point with Bangladesh and Bangladesh has agreed to develop the gate. Also, a second gate will be developed with a cargo terminal, connecting 4 lanes of the road for traffic movement from and to India.

Bhomra Land port

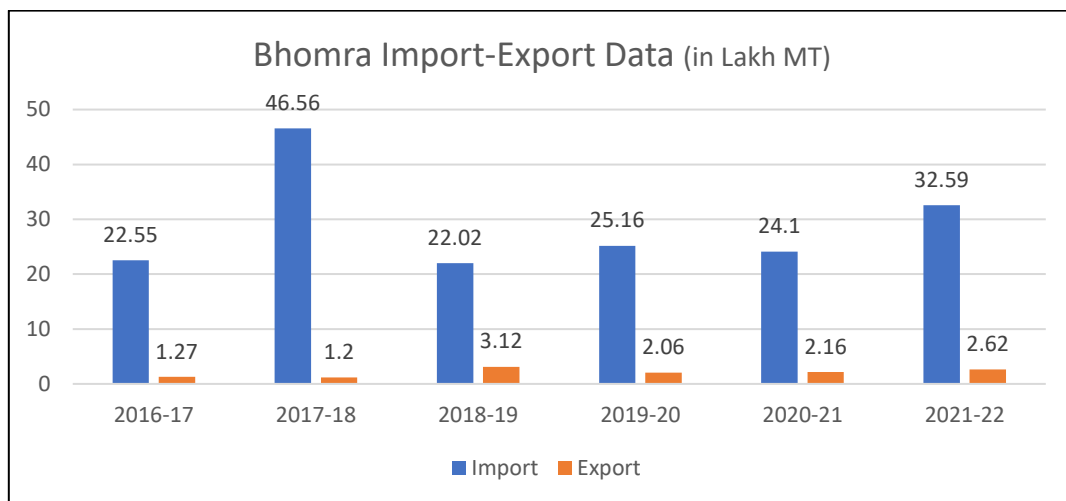
Bhomra land port is located on Bhomra border under Satkhira sadar upazila. It is a check point and a key land port between Bangladesh & India. This port facilitates the import-export activities through the border routes between India and Bangladesh. The distance Bhomra land port to the capital city Dhaka is about to 285 km and to Kolkata about 60 km. After the full completion of construction of Padma Bridge, the trade and

commerce are likely to increase to a great extent through this port. Bhomra was notified in as an LCS on 02 June 1990, this land customs station was declared as land port in January 2002 and operational activities of the land port were started on May 2013. After the completion of construction of the Padma Bridge, the trade and commerce of this port is expected to increase through this port. This port encompasses an area of 25.5648 acres and storage capacities of 1600 mt.

Infrastructure facilities of this port is not equal to the Benapole land port however, it has 2 warehouses, 4 open stack yards, 337290 square feet transshipment yards, 1 transshipment sheds, 3 weighbridge scales (100mt), 1 standby power generator with power house (100kv), 1 fire hydrant system, 1 administrative building, 1 dormitory, 1 barrack house, 3 toilet complexes and other necessary facilities like administrative building, lighting, security posts, observation tower, boundary wall, drainage etc.⁶

Importable items of this port includes cattle, fish fry, fresh fruits, plants, seeds, wheat, stone (stone and boulders), coal, chemical fertilizer, china clay, wood, timber, limestone, onion, pepper, garlic, ginger, ball clay, useable raw cotton, rice, lentils, quartz, fresh flowers, khail, wheat bran, maize, rice bran, soybean cake, dried fish (excluding packaged), turmeric, live fish, frozen fish, betel, fenugree (FENUGREE SEEDS) spices, cumin, motor parts, stainless steel ware, radioTV parts, marbles slabs, tobacco data (imported as raw Material by established VAT registered biri manufacturers) dry tamarind, alum, aluminum tableware, kitchen ware, fish feed, agarbati, dry palm and adhesive etc. Exportable goods of this land port include all kind of exportable products.

Figure 7: Import-export statistics of Bhomra land port (last 6 years)



Source: BLPA Annual Report

Import-export statistics of this land port indicate volume consistency over the years, like in FY 2017-18 import volume raised almost double compared to previous years but since then the import volumes and export volumes are almost constant with a slight increase in FY 2021-22.

⁶ Bangladesh Land Port Authority- Overview of Current Land Ports

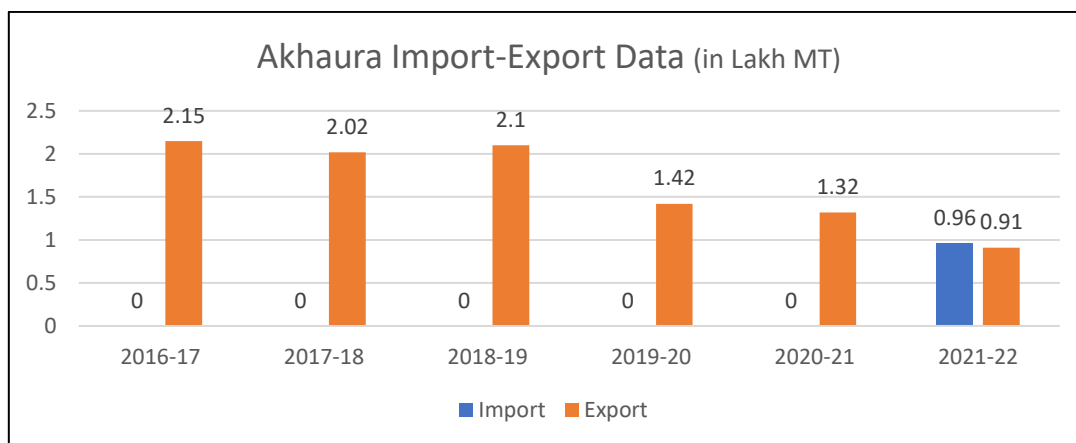
Akhaura Land Port

Akhaura land port is located on the Akhaura border under upazila of Brambhanbaria district. Opposite to Akhaura land port Ramnagar border under Agartala district lies India. There are opportunities for import-export trade in seven states of India through this route. In order to facilitate the import-export activities through land routes, Akhaura land customs station was declared as land port on January 2002 and operational activities of the land port were started on August 2010. Distance between Dhaka & Akhaura land port is 133 km. Land area of Akhuara land port is 15.00 acres with 200 mt. storage capacities. This land port has excellent rail and road connections to other regions of the nation, including the nation's capital.

Akhaura land port lack many necessary infrastructures and facilities compared to Benapole and Bhomra land port. It possesses infrastructures like 1 warehouse, 1 open stack yard, 1 transshipment yards, 1 weighbridge scales (100mt.), 1 truck parking yard (72411 square feet), 1 standby power generator with power house, 1 administrative building, 1 toilet complex and other necessary infrastructures. Exports have decreased a lot in recent times via this land port. This port route is also used by passengers for transit to go to India⁷.

Usually, importable goods of this port are cattle, fish fry, fresh fruits, plants, seeds, wheat, stone (stone & boulders), coal, chemical fertilizer, china clay, wood, timber, limestone, onion, pepper, garlic, ginger, ball clay, quataz, dry fish, satkara, agarbati, cumin etc. mainly bamboo, turmeric, watch, ginger, marble slab, fruits are also imported. This port exports all types of exportable goods, however, processed stone, bricks, tiles, fish, cement, battery, furniture, glass sheet are its common export products.

Figure 8: Import-export statistics of Akhaura land port (last 6 years)



Source: BLPA Annual Report

Trade statistics of this port show that the import volume of this port is very insignificant compared to other ports, but some export activities are well noticeable in

⁷ Akhaura Land Port: A Major Opportunity for Bangladesh and Northeast India. available at <https://cuts-citee.org/pdf/field-diary-akhaura-land-port.pdf>

this port. Recently the import volume of this port has reduced⁸ and export experienced an increase in the FY 2021-22.

Sonamashjid Land Port

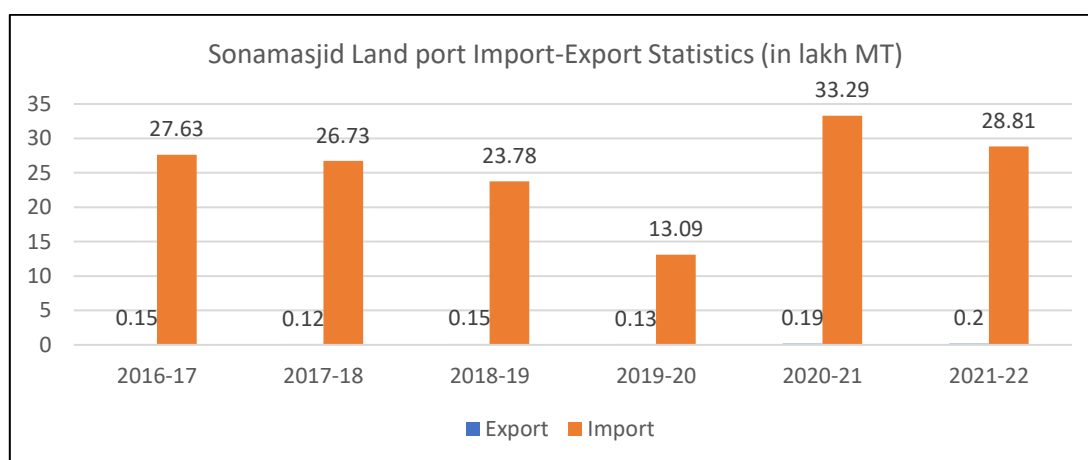
Sonamashjid Land port is located in Chapai Nawabganj, Rajshahi division of Bangladesh. From the Bangladesh side this connects Shibganj, Chapai Nawabganj with India's Mahadipur, Maldah, West Bengal. This LCS started its operations as a land port in 2006 through a concession agreement with the Panama Sonamosjid Port Link Ltd operator. With 19.13 Acre of land and 1000mt. storage capacity, this land port has the potential to handle a large amount of import-export. Shibganj upazila sadar is located around 324 miles from Dhaka City, while Sonamasjid Land Port is located about 19 km from Shibganj upazila sadar. The land port has excellent rail and road connections to other regions of the nation, including the nation's capital.

This port currently has 2 warehouses, 1 transshipment shed, 1 transshipment yard, 2 open stack yards, 2 truck parking yard, 3 weight bridge scales (100 mt), 1 standby power generator, 1 administrative building, 1 dormitory, 1 barrack houses, 1 toilet complex, security post, observation tower, boundary wall and other necessary infrastructures.

Importable products of this port include all kinds of papers and paper boards except duplex board, newsprint, craft paper, including cigarette paper, yarn, powdered milk, juice, all other types of imported products except tobacco data (imported as raw Material by established VAT registered biri manufacturers), all other types of importable products. This port can export all types of export products.

Currently, it handles stone, corn, rice, wheat, onion, fruits, fly ash type import products and jute & jute goods, cement, and battery type export products. Sonamosjid Land Port offers numerous opportunities for agri-product export. The lack of quarantine facilities on the Indian side, however, makes it difficult for Bangladeshi exporters to export agricultural products. In the recent FY the port's revenue and import trade volume have significantly increased. The following figure shows the export-import statistics of Sonamasjid port in recent years:

Figure 9: Import-export statistics of Sonamasjid land port (last 6 years)



Source: BLPA data

⁸ Imports through Akhaura land port falls- The Business Standard (2022)

Export-import statistics of this land port show that the volume of import trade was declining till FY 2018-19 and went lowest in the pandemic year of FY 2019-20. However, the port dealt with the highest number of imports in FY 2020-2021 and FY2021-22 also shows higher volume compare to pre-pandemic-stricken years.

Banglabandha Land Port

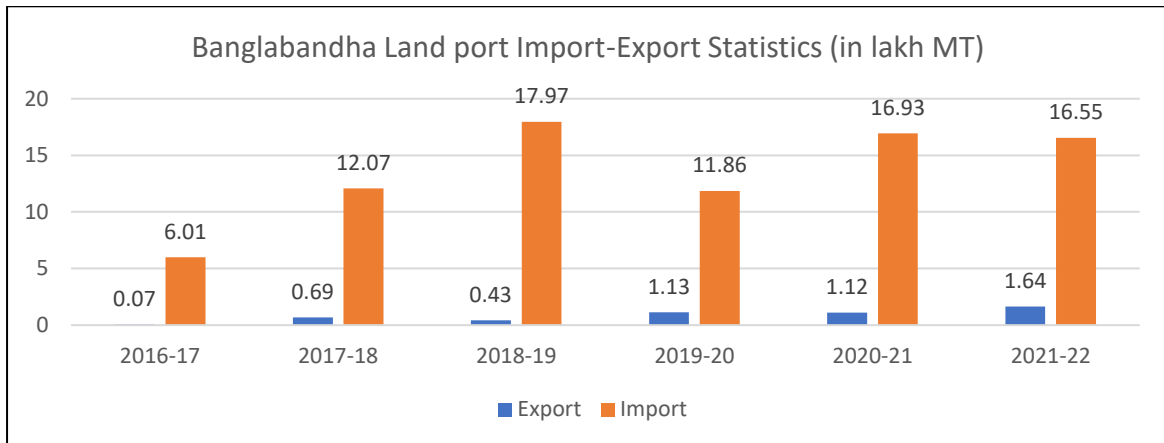
Banglabandha port is popularly known as the Northern Gateway of Bangladesh situated in Panchagarh district with a border of West Bengal of India. This place's importance increased since it is very close to Nepal and Bhutan. Banglabandha land port is located in Panchagarh district of Rangpur division. From Bangladesh's side, it connects Tetulia, Panchagarh with Fulbari, Jalpaiguri, and West Bengal of India. This port started its operational activities in 2014 through a concession agreement with Banglabandha Land Port Ltd. operator. The port holds a land area of 10.48 acres and a storage capacity of 500 mt. The distance between Banglabandha Land Port is approximately 41 km and 454 km, respectively, from Tetulia Upazila Sadar and Dhaka City. This land port has excellent rail and road connections to other regions of the nation, including the nation's capital. Passengers can travel to Bangladesh and India via this route. In the fiscal year 2019-20, an average of 5,812 passengers per month traveled from Bangladesh to India.

This port holds infrastructural facilities like 1 warehouse, 1 open stack yard (48800 square feet), 1 truck terminal-, 2 weight bridge scales, 1 standby power generator, 1 administrative building, 1 dormitory, 1 barrack house, 1 customs godown, 1 toilet complex, security post, observation tower, boundary wall and other necessary infrastructures. Besides, 2 warehouses, 1 open stack yard, 1 transshipment shed and internal road are under construction.

This port can import goods from Nepal and Bhutan except yarn and potatoes based on the NBR notification requirements. Stone, motor parts, timber and fruits are imported from India through this port. Its usual imported products include lentils, wheat, onion, and fruits and exported products include jute, glass sheet, medicine, and food products. This port can export any types of exported goods. Banglabandha port is one of the strategic ports of Bangladesh, which connects India, Nepal, and Bhutan in a very short distance and has the potential to increase trade with regionally connected countries.⁹ Despite the non-prevalent ASYCUDA system and the use of a manual operational system, Banglabandha port has seen positive growth. The following figure illustrates its trade statistics:

⁹ Regional Connectivity Through Banglabandha Port: Opportunities and Challenges for Bangladesh- BUFT Journal of Business & Economics.

Figure 10: Import-export statistics of Banglabandha land port (last 6 years)



Source: BLPA data

These statistics reveal that import volume was rising constantly in the Banglabandha port. However, due to the pandemic situation, import amounts were reduced for FY 2019-20 but saw growth again in FY 2020-21 and FY2021-22. The export volume of this port is also rising over the years.

2.2.4 Port wise importable goods and restricted goods:

Table 11: Port wise banned goods

Ports	Importable and Restricted Goods
Benapole	All importable goods except Yarn and powdered milk. (Excluding yarn imported under bond license by 100% export-oriented net textile industries having a customs bond license)
Bhomra	livestock, fish, fresh fruits, plants, seeds, wheat, stones (stone & boulders), coal, chemical fertilizers, china clay, wood, timber, limestone, onion, chilli, garlic, ginger, ball clay, raw cotton, rice, lentils, quartz, fresh flowers, paddy, wheat bran, maize, rice bran, soybean cake, dried fish (except packaged), turmeric, live fish, frozen fish, betel nut, fenugreek (fenugree seeds), fish, sugar, spices, cumin, motor parts, stainless steel wire, radio tv parts, marble slabs, tobacco data (imported as raw material by established mooshak registered biri manufacturing industries), dry oil, alum, aluminum of tableware, kitchenware, fish feed, agarbatti, shoe sole, dry tamarind, adhesive, fly ash, fresh and dry fruits, all kinds of fresh vegetables, dry chillies, green chillies, coriander, fire clay, thin clay, sand stone, marble chips, dolomite, phlogofite, talc, potash, felspar, granulated slag, soda powder, sesame, mustard, ready-made garments, imitation jewelry, betel nut, hardware, granite slabs.

Ports	Importable and Restricted Goods
Burimari	<p>a) All goods produced and processed in Nepal and Bhutan (except cotton and potatoes) subject to fulfillment of the conditions laid down in Notification No. 346/D/CUS/77, dated: 24/05/1977 of the National Board of Revenue;</p> <p>b) Duplex paper, newsprint, kraft paper, all types of paper and paper board including cigarette paper, powdered milk, tobacco (excluding tobacco stalks imported as raw material by established musak registered biri producing industries) radio TV parts, cycle parts, formica sheets, ceramics all types of imported products except wire, sanitary wire, stainless steel wire, marble slabs and tiles, mixed fabrics.</p>
Akhaura	<p>Livestock, Fish, Fresh Fruits, Plants, Seeds, Rice, Wheat, Stones & Boulders, Coal, Fertilizers, China Clay, Wood, Timber, Limestone, Onion, Pepper, Garlic, Ginger, Ball Clay, Quartz, Dried Fish, Satkara, Agarbati, Cumin, Rubber (Raw) Maize, stones & boulders, Soybean seeds, Bamboo products, Arjun Flower (Broom), Betel, CNG, Spare parts, Cashew Nuts, Paper, Sugar, Generators, broken glass, chocolate, baby wipers, confectionery products and bitumen.</p>
Nakugaon	<p>a) All goods (except cotton and potatoes) produced and processed in Nepal and Bhutan subject to fulfillment of the conditions laid down in Notification No. 346/D/CUS/77, dated: 24/05/1977 of the National Board of Revenue;</p> <p>b) Livestock, fish, fresh fruits, plants, seeds, wheat, stone. (Stone & Boulders), Coal, Chemical Fertilizers, China Clay, Wood, Timber, Limestone, Onion, Pepper, Garlic, Ginger, Ballclay, Quartz.</p>
Tamabil	<p>All products (except cotton and potatoes) produced and processed in Nepal and Bhutan subject to fulfillment of the conditions stated on 24/05/1977.</p> <p>b) All other imported goods including cattle except fish, yarn, powdered milk, sugar and potatoes (HS Code 0701.90.19 and 0701.90.29)</p>

Ports	Importable and Restricted Goods
Sonamashjid	All types of paper and paper board including duplex paper, newsprint, kraft paper, cigarette paper, yarn, powdered milk, juice, tobacco (except tobacco stalks imported as raw material by established Mushok registered biri producing industries) and all other imported products.
Hili	All types of paper and paper board including duplex paper, newsprint, kraft paper, cigarette paper, yarn, powdered milk, juice, tobacco (except tobacco stalks imported as raw material by established Mushok registered biri producing industries) and all other imported products.
Banglabandha	<p>a) All goods produced and processed in Bhutan (except cotton and potatoes) and all goods produced and processed in Nepal subject to fulfillment of the conditions laid down in Notification No. 346/D/CUS/77, dated: 24/05/1977 of the National Board of Revenue including acrylic yarn imported by bonded companies (except cotton and potato).</p> <p>b) Duplex paper, newsprint, kraft paper, all types of paper and paper board including cigarette paper, fish, cotton potato (HS Code 0701.90.19 and 0701.90.29), powdered milk, juice, tobacco from India All types of imported goods/goods (except tobacco stalks imported as raw material by established Mushok registered biri producing industries), Radio-TV parts, Cycle parts, Motor parts, Formica sheets, Ceramic ware, Sanitary ware, Stainless steelware, Marble slabs and tiles, Mixed fabrics.</p>
Teknaf	All types of importable products except yarn, powdered milk, sugar and potatoes (HS Code 0701.90.19 and 0701.90.29)
Bibirbazar	Livestock, fish fry, fresh fruits, plants, seeds, rice, wheat, stones (stone & boulders), coal, fertilizers, china clay, wood, timber, limestone, onion, pepper, garlic, ginger, ballclay, quartz, betel, CNG spare parts, dried fish, raw leather, various spices, cumin, corn, satkara, agarbatti, arjun flower (broom), cashew nut, paper, sugar, generator, broken glass, chocolate, baby wiper, confectionery and bitumen.

Ports	Importable and Restricted Goods
Shonahat	Stone, coal, fresh fruits, maize, wheat, rice, sorghum, garlic, ginger, onion.

Source: BLPA data

For other proposed ports, except products non-importable set by the national board of revenue, any other products can be imported. Also, all of these land ports can export all types of exportable products. Some ports are not fully utilized because of their shortage of testing and quarantine facilities which limits their ability to import different goods.

Presently, apparel makers can import yarns through one land port – Benapole. RMG owners import yarn through Benapole land port to meet shorter lead times, but existing regulations prohibit partial imports there. lion's share of Bangladesh's yarn import is made from India only through the Benapole land port. As a result, RMG owners are facing difficulty since there is no scope for importing yarns through railways. Allowing other land ports to import yarn from India can help facilitate trade as well as reduce cost of production for export oriented RMG goods. Still there is no SRO that allows import of yarn through other land ports. Moreover, fumigation facilities are also required in other key land ports.

2.2.5 Ranking of land ports

Average total trade volume wise ranking of land ports is illustrated in the following table:

Table 12: Ranking of land ports

Land Ports	Average total trade volume (last 6 Years) In lakh MT FY2016-17 to FY 2021-22	Rank based on Average total Trade Volume
Burimari	52.99	1
Bhomra	30.90	2
Shonamashjid	25.71	3
Benapole	24.51	4
Hili	18.97	5
Banglabandha	14.41	6
Tamabil	14.23	7
Shonahat	3.35	8
Akhaura	1.81	9
Teknaf	1.65	10
Bibirbazar	1.46	11
Nakugaon	1.19	12

Source: BFTI analysis

This table indicates that based on the average of last 6 years total export-import volume, Buriamari land port handled the highest amount of import-export volume. Second is the Bhomra land port and Shonmashjid, Benapole, Hili, Banglabandha are third, fourth, fifth and sixth respectively. This analysis reveals that Burimari land port has been handling the highest amount of export-import goods since FY2017.

Burimari land port in Lalmonirhat has emerged as the busiest land port in the country in terms of facilitating foreign trade, as it has handled the highest amount of goods and trucks over the last few years. The second busiest port in Bangladesh is now Bhomra land port in Satkhira. However, according to data from the Bangladesh Land Port Authority, Benapole land port in Jessore, the largest port in the nation, has placed third when it comes to enabling the export and import of products during the previous several years.

The Burimari port has become the busiest for handling products in the current era, according to the BLPA data, despite the fact that Benapole is the greatest land port in terms of its capacities. Historically, Bangladesh's Benapole land port handled between 70 and 80 percent of all international trade through its land ports. But in the fiscal year 2021, the Burimari land port authority at the nation's northern border handled 4.78 million tonnes of cargo for import and export (FY2021). The Bhomra land port authority handled 3.62 million tonnes of goods in total throughout that time. The Sonamasjid Land Port Authority, which handled 3.35 million tonnes of cargo in FY2021, ranked third among land ports in terms of volume.

On the other hand, in FY2021, 3.07 million tonnes of goods passed via the Benapole port and the land port stood 4th ranking. In addition, the Hilli land port has been ranked fifth after clearing 2.15 million tonnes of cargo in FY2021¹⁰.

However, the average total income in the last 6 years' data shows that Benapole land port has the highest level of income throughout the years and ranked top compared to other land ports. The following table depicts the ranking of land ports based on income:

Table 13: Ranking of land ports based on income

Land Ports	Average Income (Last 6 years) in crore taka FY2016-17 to FY 2021- 22	Rank Based on Average Income
Benapole	69.27	1
Burimari	50.15	2
Bhomra	24.54	3
Tamabil	14.07	4
Hili	7.37	5
Shonamashjid	5.18	7
Shonahat	5.18	6
Teknaf	5.06	8

¹⁰ Burimari Bangladesh's busiest land port in handling foreign trade- The Financial Express (2022)

Land Ports	Average Income (Last 6 years) in crore taka FY2016-17 to FY 2021-22	Rank Based on Average Income
Banglabandha	2.23	9
Nakugaon	1.14	10
Akhaura	0.31	11
Bibirbazar	0.02	12

Source: BFTI Analysis

Based on this table, Burimari ranked second and Bhomra ranked third and Tamabil and Hili land ports ranked fourth and fifth respectively. The income-based ranking also indicates the average income is less for the BOT-operated land ports compared to the BLPA-operated land ports.

2.2.6 Comparison of BLPA and BOT operated land ports:

Based on the 5 years average trade volume growth rate, BLPA operated and BOT operated land ports are compared in the following table:

Table 14: Comparison of BLPA and BOT based land ports (trade growth)

Land Ports (BLPA)	Average Growth Rate (last 5 Years)	Land Ports (BOT)	Average Growth Rate (last 5 Years)
Burimari	-7%	Shonamashjid	16%
Bhomra	18%	Hili	-2%
Benapole	11%	Banglabandha	33%
Tamabil	63%	Teknaf	40%
Shonahat	110%	BibirBazar	3%
Akhaura	0%		
Nakugaon	133%		

Source: BFTI analysis

This table data shows the growth rate of land ports in terms of total trade volume. Although Burimari is one of the top-ranked land ports, it shows an average negative growth rate due to declining trade volume in FY2019-20 and FY2020-21 compared to previous years. Hili land port is handling almost the same amount of trade volume for the last 5 years, whereas in some years, trade volume shrunk which generated negative average growth. Shonahat and Tamabil land Ports are operating for 3 and 4 years respectively and their trade volume is rising so the growth shows an unusual rate. As Shonahat and Nakugaon have very insignificant trade volume compared to other BLPA-operated land ports, except these two land ports, the average growth of the rest five land ports is 17% whereas the average growth of five BOT-operated land port is 18%.

Within the top 5 land ports of Bangladesh in terms of trade volume, Shonamashjid and Hili Land Port (BOT operated) stood in third and fifth place respectively. However, a comparison on BLPA and BOT based land ports in terms of average income is presented in the following table:

Table 15: Comparison of BLPA and BOT based land ports (average income)

Land Ports (BLPA)	Average Income of last 6 years (FY2016-17 to FY 2021-22) (In crore taka)	Land Ports (BOT)	Average Income of last 6 years (FY2016-17 to FY 2021-22) (In crore taka)
Burimari	50.15	Shonamashjid	5.18
Bhomra	24.54	Hili	7.37
Benapole	69.27	Banglabandha	2.23
Tamabil	14.07	Teknaf	5.06
Shonahat	5.18	BibirBazar	0.02
Akhaura	0.31		
Nakugaon	1.14		

Source: BFTI analysis

This table indicates that the income level is significantly higher of BLPA operated ports compared to the BOT operated land ports.

These land ports are compared on the basis of average trade volume handling in the table below:

Table 16: Comparison of BLPA and BOT based land ports (average trade volume)

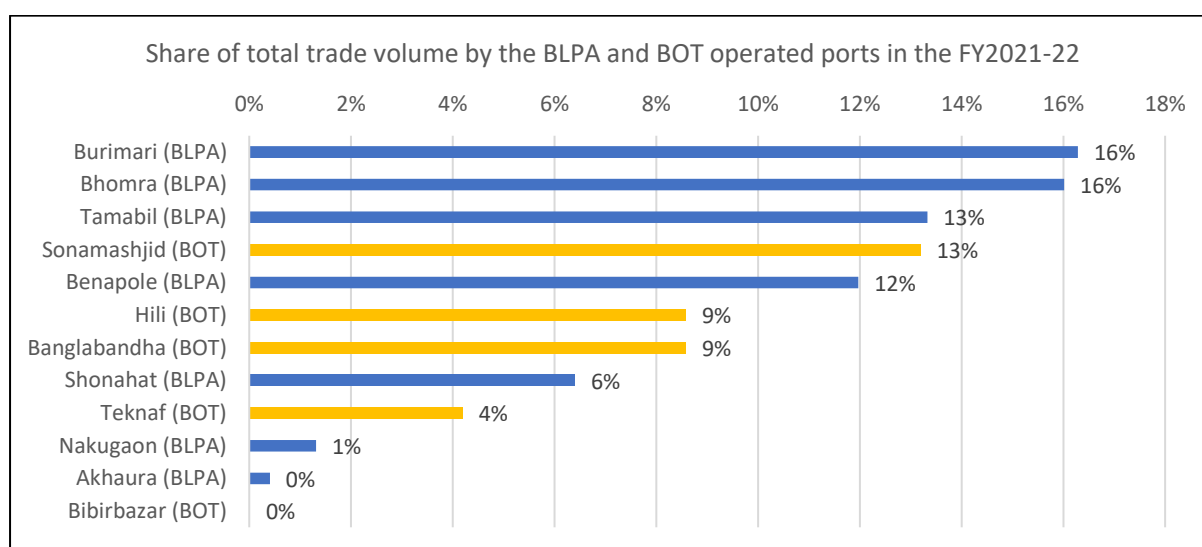
Land Ports (BLPA)	Average trade volume of last 6 years (in lakh MT) (FY2016-17 to FY 2021-22)	Land Ports (BOT)	Average trade volume of last 6 years (in lakh MT) (FY2016-17 to FY 2021-22)
Burimari	52.99	Shonamashjid	25.71
Bhomra	30.90	Hili	18.97
Benapole	24.51	Banglabandha	14.41
Tamabil	14.23	Teknaf	1.65
Shonahat	3.35	BibirBazar	1.46
Akhaura	1.81		
Nakugaon	1.19		

Source: BFTI analysis

Trade volume data also indicates that BLPA-operated ports are handling more export-imports compared to the BOT-based ports. Among the BLPA-operated land ports, Burimari, Bhomra, Benapole and Tamabil have significant trade volumes whereas from the BOT-operated land ports, Shonamashjid, Hili and Banglabandha have noteworthy amounts of exports and imports.

The share of total trade volume by the BLPA and BOT operated ports in the FY2021-22 can be examined in the figure below:

Figure 11: Share of total trade volume by the BLPA and BOT operated ports in the FY2021-22



Source: BFTI analysis

This figure indicates that total 35% of the land port trade was performed by BOT operated ports whilst rest were through BLPA operated land ports.

In a Build-Operate-Transfer or BOT) type of arrangement, the concessionaire undertakes investments and operates the facility for a fixed period of time after which the ownership reverts back to the public sector. In this type of arrangement, operating and investment risks can be substantially transferred to the concessionaire.

BOT is a common form of PPP in all sectors in Asian countries. For instance, The Bangkok Mass Transit System Public (BTS), the elevated train system in Bangkok, is an example of BOT project.¹¹ The project was implemented under a 30-year BOT concession agreement between the concessionaire and Bangkok Metropolitan Administration (the city Government). The BOT systems focus more into the efficiency gains, rather than focusing on the expansion of the infrastructure which achieve the best value for money for the government and prevent the overspending. This system enables governments to transfer the cost and risk of big, important infrastructure projects to a specialist private entity, which has the potential to make lots of money from it if it turns into a success before handing it back. However, the analysis of land ports data indicates that BOT operated ports are not performing up to the mark of BLPA operated land ports. In this regard, a handling company can be formed with closely tied government and private sector coordination to operate the land ports efficiently.

¹¹ Build-Operate-Transfer (BOT), A Primer to Public-Private Partnerships in Infrastructure Development- ESCAP

2.3 Procedures for trade in land ports

Cross-border trade including export and import has different procedures in land ports. The detailed procedures are illustrated in Chapter 4 (4.3 Standard operating Procedure...). the basic steps and procedures involved in the land port trades are outlined in this section.

In case of **import**, procedures of port can be different from port to port. However, the major steps of the Import procedures are described in the following:

1. On arrival of import cargo at Zero Point of the border area, BGB collects Car Pass from the carrier;
2. Entry of Car Pass and information about truck and driver in the ledger at Tong House at the Zero Point;
3. Entry of import cargo at the gate of BLPA and weighing of loaded truck at the Weigh Bridge;
4. Submission of Car Pass by the C&F Agent to the Customs and subsequent processing by Customs;
5. Unloading of import goods and loading to warehouse or Bangladeshi trucks;
6. Submission of Bill of Entry to Customs Clerk and entry in the Customs Ledger; and assigning Bill of Entry ('C') number to the Entry;
7. Examination of Import goods as per declaration by Customs officials (examination by Customs Intelligence where necessary) and testing of sample by BSTI or Plant quarantine;
8. Assessment of duties and taxes by Customs officials;
9. Payment of duty and taxes;
10. Providing Customs release order;
11. Completion of BLPA release procedures including payment of port charges; and
12. Final exit of import goods from Land Port.

For importing goods into Bangladesh through land ports, C&F agents submit their manifest data to the customs authority. Once the submission is accepted, the nominated C&F Agent (or the importer himself) completes the goods declaration (popularly known as Bill of Entry or B/E) from their own premises and submits the goods declaration to Customs systems through ASYCUDA World. The declaration or B/E must be made in a specific format, known as Single Administrative Document (SAD).

The Prescribed Bill of Entry and Bill of Export Form Order, 2001 issued by the NBR outlines the documentary submission requirements. Once the duties and taxes are assessed by Customs, the importer (or his C&F agent) pays duties and taxes. On payment of duties and taxes assessed, Customs issues release order for clearance and after completion of port formalities, goods are cleared.

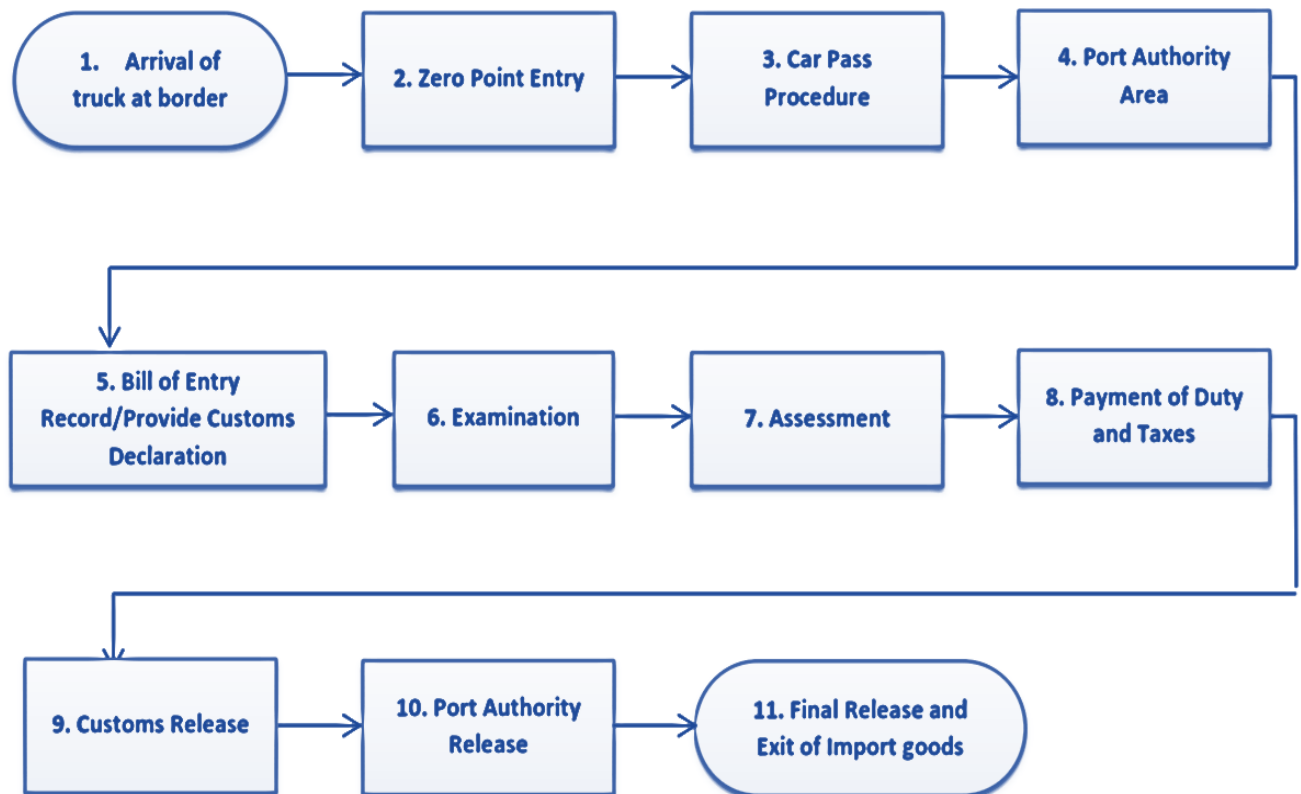
Some goods require special requirements for instance, quarantine requirements (such as certification from quarantine, fumigation, etc.) must be followed in order for imported animals, plants, and plant products to be cleared by customs. When importing raw cotton grown and packaged in the Western Hemisphere, fumigation is required.

Customs authorities may make a provisional assessment of the consignment in situations where it is not possible to determine the amount of customs duty that may be due on any imported goods right away because the goods need to undergo a chemical test or another type of test, a further investigation for purposes of assessment, or all the necessary documents have not been provided. In these situations, the importer must provide an unconditional bank guarantee or security deposit from a scheduled bank in an amount (as determined to be sufficient by Customs) for the payment of any excess duty that may become due after the final assessment. This requirement does not apply to goods entered for warehousing. The final assessment in this situation must be finished within 120 working days after the date of the preliminary assessment.¹²

According to Section 82 of the Customs Act of 1969, an import consignment may be sold at public auction if it is not cleared within 21 days (of the date of unloading at a Customs center) or 30 days (of the date of unloading at a customs port, land customs station, or customs-inland container depot).

Following flow chart shows summary of the procedures of imports in land ports:

Figure 12: Import procedure in land ports



Source: Time Release Study on Burimari, and Banglabandha Land ports- ESCAP

¹²Procedures of Import- Custom House, Benapole Land Port

The recent TRS of Benapole land port shows the following steps involved in the import of goods through the port:

Customs Clearance Process - Import (Benapole Land Port)

1. The import cargo arrives at the Indian side (Petrapole) and truck driver comes to the zero point (known as 'no man's land') along with necessary documents (CARPASS, manifest, shipping bill, etc.) and hands it over to the BGB.
2. After endorsing, Bangladesh Customs returns three copies of the submitted car pass to the border man to send it to India.
3. Indian Customs keeps one copy of the car passes, and the Indian driver is allowed to enter Bangladesh along with the rest of the two car passes.
4. Indian truck enters Bangladesh through the entry point. The driver submits the CARPASS to the Customs at the Tong House. Customs registers CARPASS data in Bangladesh Customs Office Management (BCOM) software and attaches a barcode sticker on the CARPASS.
5. Customs inputs manifest data to the ASYCUDA World System.
6. Vehicles are marked for weighing. Before weighing, vehicles with selective goods are brought for scanning under BCH risk management protocol.
7. Cargo-loaded trucks proceed to the Truck Terminal of India (TTI) in Bangladesh, where the port authority provides shed posting.
8. After unloading goods to the pre-designated sheds, Indian trucks leave Bangladesh.
9. C&F Agents collect manifests from the BCH manifest branch.
10. After collecting manifest, C&F Agents submit manual B/Es to Customs for initial approval to proceed further.
11. C&F Agents submit initially approved B/Es to Direct Trader Input (DTI) clerks.
12. DTI clerks input data into the ASYCUDA World System and provide a printed copy (in a file) to Customs brokers.
13. C&F Agents submit files to the ASYCUDA-designated ARO (Assessment) for assessment (if Yellow) or for examination referral (if Red).
14. After checking the file and supporting documents, ARO (assessment) signs and returns the file to the C&F Agents either with an assessment proposal (if Yellow) or with a proposal for examination (if Red).
15. C&F Agents submit the file to RO (assessment). After checking and verification of the documents, RO (assessment) marks the file for examination (if system generated RED or manually selected under risk management) to RO/AC/DC (Examination) according to the types of goods declarations or initiate the procedure of assessment the B/E (if Yellow). For Red -lane B/E, follow Step 16-28; for Yellow-lane B/E, follow Step 21-28.
16. RO/AC/DC (examination) assigns an ARO for examination.
17. C&F Agents submits the file to the assigned ARO (examination).
18. ARO examines the consignment and collects samples for further examination, if required. OGA examination takes place either simultaneously or sequentially.

Customs Clearance Process – Import (Benapole Land Port)

19. ARO (examination) prepares the examination report and marks to the RO (examination).
20. RO/AC/DC (examination) approves the examination report and refers the file to RO (assessment).
21. C&F Agents submits the file to RO (assessment). RO (assessment) marks the file to ARO (assessment) for the assessment proposal. After verifying the file and supporting documents, ARO makes an assessment proposal to RO, AC/DC, and JC/ADC/Commissioner (if required) for approval. This step is the same for both RED and YELLOW lane B/Es.
22. RO/AC/DC/JC/ADC/Commissioner approves the assessment proposal with or without further observation. After finishing the assessment or required amendment as per the assessment proposal of the B/E, RO issues an assessment notice for payment.
23. Importer or C&F Agent (on behalf of the importer) pays duty and taxes at the Bank (Cash or electronic).
24. C&F Agent collects release order from Customs treasury branch.
25. C&F Agent submits paid assessment notice and release order to the Deputy Traffic Manager (DTM) of the port authority.
26. Importer or C&F Agent (on behalf of the importer) pays port dues and receives loading order and gate pass.
27. C&F Agent submits gate pass and loading order to the Shed-in-charge, loads the truck, and exits the shed.
28. After the verification of documents at Customs Gate Control-9 (CGC-9) or BASHKAL gate (final exit), the truck gets finally released.

Source: *Comprehensive TRS (2022)*

The **processing of export** consignments at the Land Ports is less difficult than the processing of imports. The main components of this process are the submission of the Bill of Export, entry in the ledger and processing, customs examination and assessment, payment of any duties and taxes, customs and BLPA release, and export¹³.

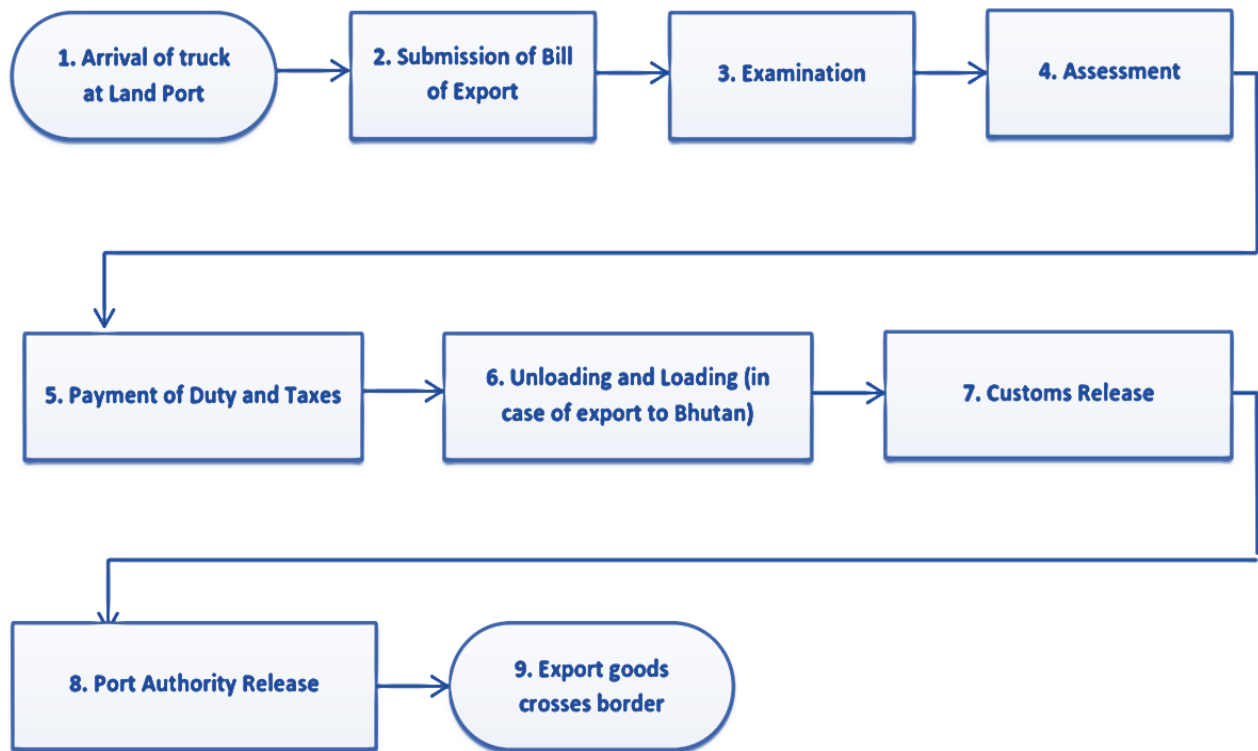
The following are the key actions of Export procedures:

- Arrival of Export consignment at the Land Port and entry at the gate.
- Submission of Bill of export and export documentation by the C&F Agent to Customs Clerk and entry in the Customs ledger;
- Customs examination and assessment;
- Payment of applicable fees, duties and taxes (if any);
- Customs and BLPA release and subsequent export
- BGB registers the cargo truck and release them for departure.

The following figure shows the overview of export procedures in the land port:

¹³ Trade and Transport Facilitation Monitoring Mechanism in Bangladesh: Baseline study series -3, UN ESCAP

Figure 13: Export procedure in land ports



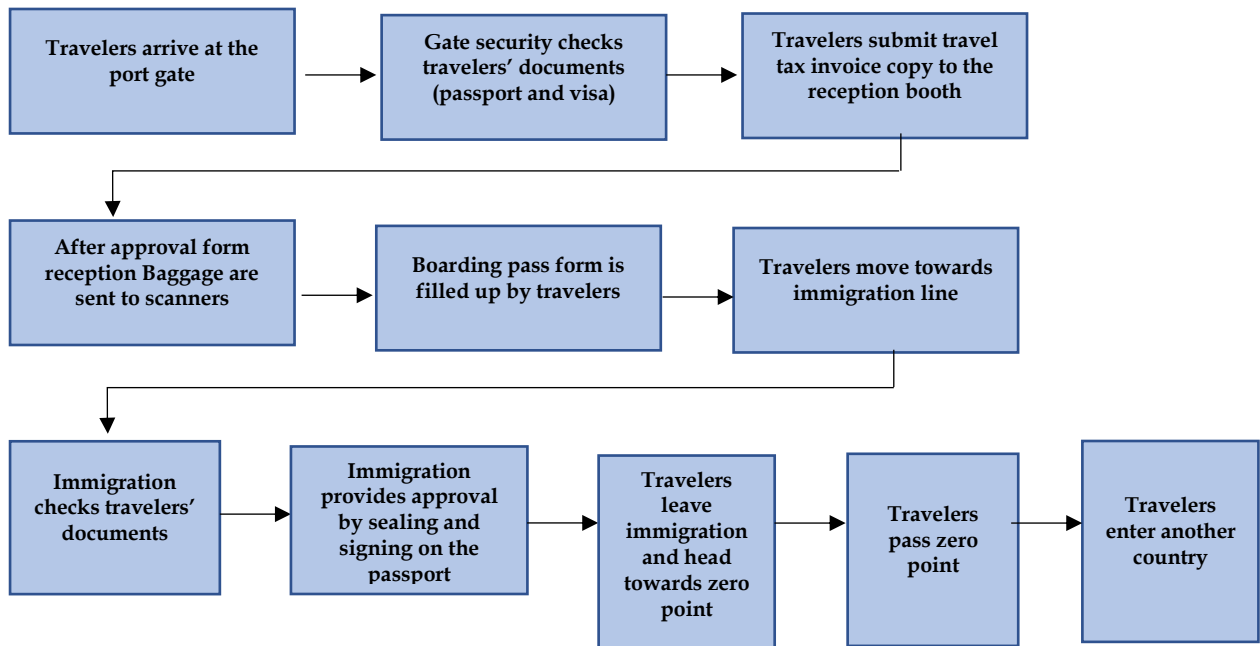
Source: Time Release Study on Burimari, Banglabandha and Benapole Land ports- ESCAP

According to Section 131 of the Customs Act of 1969, export clearance from Customs is necessary for export through land ports. Section 131 states that commodities cannot be loaded into containers, shipped overseas, or otherwise exported unless an export declaration, also known as a Bill of Export or Shipping Bill, is filed to Customs in the appropriate format and is authorized by the Customs authority. The statement includes information on the items' description, value, exporters' names, foreign purchasers' and importers' names, and transit companies' names. Exportable items are loaded into containers and crammed onto a ship, aircraft, or truck after filing the proper paperwork and having the export declaration approved by the customs authority following a documented check and physical verification of export consignments. Once the ship, vehicle, or airplane leaves the port and the customs officer in charge (PO-on-Board/gate division officer in charge) stamps on the back of the second copy of the shipping bill (as "shipped on board"), export is said to have been successfully completed. It should be noted that a gate division officer may inspect the products before they are transported to the port area in cases where commodities are loaded into containers at private ICDs or exporters' facilities.¹⁴

Land ports of Bangladesh also allows travelers or passengers to cross border and travel to another landlocked country. **The passenger travel procedure** in case of traveling to another country from Bangladesh through the land ports is shown in the following figure:

¹⁴ Procedures of Export- Custom House, Benapole Land Port

Figure 14: Immigration procedure in land ports



Source: BFTI findings

Travelers using land ports to visit India, Myanmar or Nepal arrive at the port gate where security checks every passenger to detect trespassing or unwanted entry. After verifying the passports and visas of the travelers, they are granted entry to the port. After entering the port travelers need to submit their tax invoice copy to the reception center where checking the documentation again travelers are forwarded to fill up a boarding pass. After filling up the boarding pass travelers move towards the immigration line and if all relevant documents check out well, immigration provides approval and allows travelers to head towards the zero point. Once travelers pass zero point, they enter another country's border where visas and passports are rechecked by foreign country authorities and after verifying relevant documents, travelers are granted access to that country.

2.4 Transport formalities and management systems in land ports

All of the land ports of Bangladesh are situated near the Zero-Line or point of the international boundary. At present total number of functional land ports in Bangladesh is 12 in number and they handle transports with due formalities in cross border trade.

The mode of transport of commodities from and to Bangladesh is illustrated in the table below:

Table 17: Border trade transport system in land ports

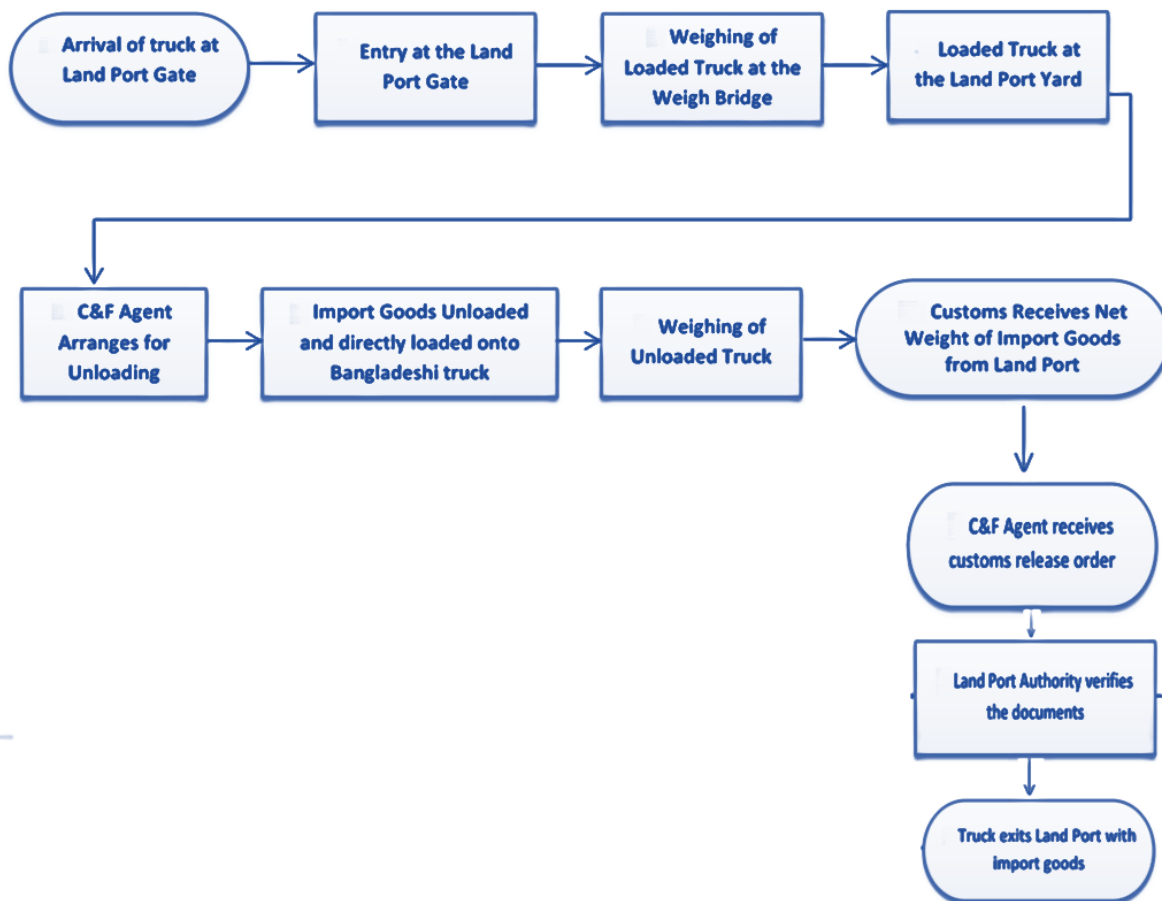
Bangladesh ⇌ India
Bangladesh ⇌ India ⇌ Nepal
Bangladesh ⇌ India ⇌ Bhutan
Bangladesh ⇌ Myanmar

Source- UNESCAP: vision of the role of dry ports in the development of national transport system.

In case of importing through land ports when a truck or cargo vehicle arrives at the border from India, Nepal or Buhtan, car pass is submitted at zero point, then the car pass information is recorded in the ledger and C&F agents collect the car pass after that. After receiving the car pass by customs, C&F agents submit all import documents, customs check and vary the documents and when everything checks out, the car pass gets approved by the customs. However, except these documentary formalities, after arriving and granting entry to the land port gate, loaded transport is weighted at weigh bridge and then moved to the land port yard where C&F agent arranges unloading and imported goods are unloaded to Bangladeshi trucks and after weighting again, customs check the necessary assessment and inspection documents, and after paying required fees, loaded trucks are granted permission to leave.

The transportation formalities or management system can be illustrated in the following figure:

Figure 15: Transport formalities in land ports (Import)



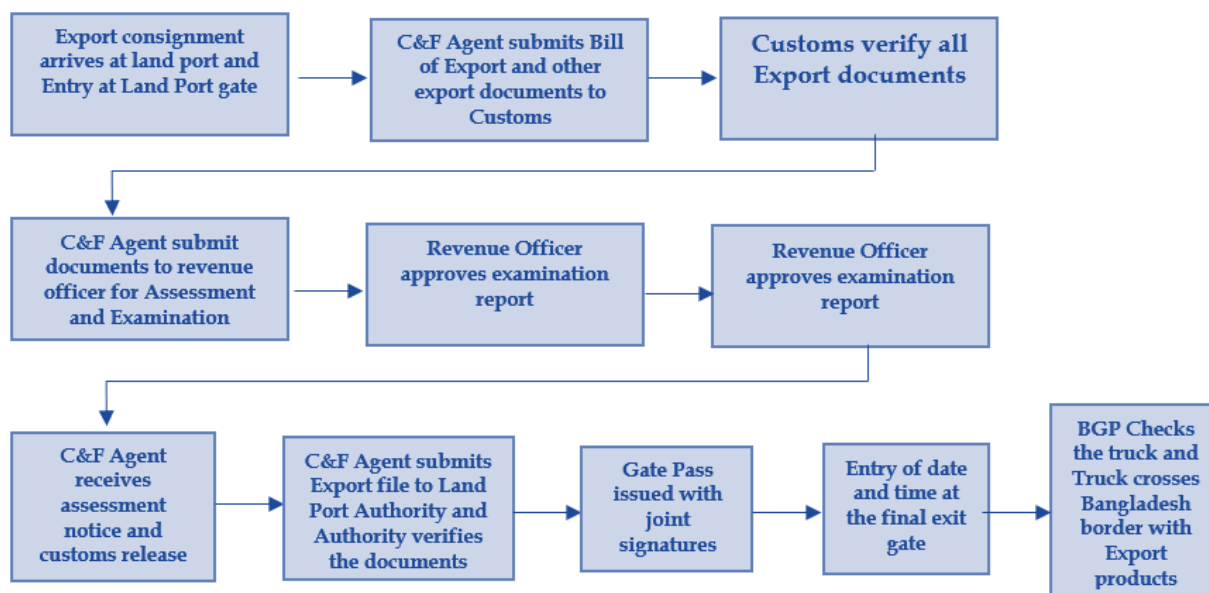
Source: TRS Study, ESCAP

While exporting products to cross-border countries, when the Export consignment arrives at land port and Entry is given at the Land Port gate, C&F Agent submits Bill of Export and other export documents to Customs and Customs verify all Export documents. After proper assessment and examination by the revenue officer, C&F Agent receives the customs release order and submits Export file to Land Port

Authority. Once Land Port Authority verifies the documents, Gate Pass is issued and Truck crosses Bangladesh border with export products.

These formalities can be summarized in following diagram:

Figure 16: Transport formalities in land ports (Export)



From the following **KII findings**, more depth transport formalities can be understood:

- BGB completes the registration process by verifying the paperwork and invoice of an Indian truck driver. The registration process as a whole take, on average, five minutes. After completing the BGB registration process, the Indian truck enters the customs manifest registration. The truck departs for the weigh station after manifest registration and all the data has been entered into the customs operating system.
- After submitting the required paperwork, a custom operator weighs the truck and provides the weight-related documents for entering the information.
- The truck enters parking after being digitally weighted with the necessary paperwork.
- A C&F agent begins filling out the bill of entry form after entering the parking area with the required paperwork. Following completion of the BOE form, a RO and an ARO inspect and evaluate the truck, and the ARO provides customs with an inspection report. If the assessment is accurate, a subsequent evaluation for product match-up and a subsequent psychical inspection are conducted, and an ARO provides a report. A final report is submitted after the psychical inspection is finished. The Tax is chosen and updated in the BoE form based on the final report. After receiving a BoE number and necessary documentation, C&F agents pay the tax. One copy of the assessment report is kept by the Bank. After the banking process is finished, a R number is generated following the conclusion of the banking process.

- Upon receiving the R number, the unloading process starts.
- The truck empties the imported goods, presents the required paperwork, exits the customs area, and arrives at zero point. The truck leaves the border area once it reaches zero.
- Bangladeshi truck arrives at a specific port area after unloading the goods, finishes the required paperwork, obtains an exit pass, and departs the port area.
- Along with these, presentation of import documents is manually completed, and for completing the weighing process of trucks usually A semi-digital scale is used for the weight measurement.

For export, from the KII findings, following formalities are revealed:

- A C&F agent begins filling out the bill of entry form after entering the parking area with the required paperwork. Following completion of the BOE form, a RO and an ARO inspect and evaluate the truck, and the ARO provides customs with an inspection report.
- After the examination and inspection processes are completed, a car pass is given for trucks to move on.
- The trucks wait in line and once the paperwork and invoice are approved, BGB completes the registration process by releasing the trucks and trucks move on to Indian border through the zero point.

2.5 Types of documentations used in land ports

In land ports of Bangladesh various formal documents are used for trade or export and import. Usually for an exporter, following documents are used for full export operations through land ports¹⁵:

Table 18: Required documents in land ports (export)

1. Bill of Exports	11. Certificate of Origin (CO)
2. Bank Certificate	12. Cost breakdown, Undertaking from the Exporter
3. Local business Association/ Chamber Membership Certificate.	13. SAFTA CO (for cross border trade)
4. Export Registration Certificate (ERC)	14. TT (Telegraphic Transfer)
5. EXP form (export permission form)	15. VAT Certificate
6. Pro forma Invoice	16. Truck Receipt
7. Commercial Invoice	17. Gate Pass
8. LC (letter of credit)	18. PRC (Proceed Realization Certificate)
9. Packing and Weight List	19. SPS Certificate
10. Custom clearance certificate	20. Health Certificate

Source: Trade and Transport Facilitation Monitoring Mechanism in Bangladesh- Baseline Study- ESCAP and ADB

¹⁵Trade and Transport Facilitation Monitoring Mechanism in Bangladesh- Baseline Study- ESCAP and ADB

With the Bill of export, following specific documents are required in land ports¹⁶ for custom clearance certification:

- Export L/C; if there is no export L/C, Export Contract or Purchase Order or Export Guarantee approved by the negotiating bank.
- Commercial invoice containing detailed description of goods and signed by the exporter.
- Packing list containing quantity, weight and packing information.
- EXP form certified by Authorized Dealers (ADs) to ensure the realization of export proceeds.
- Certificate of Origin of export goods (issued by EPB or Chamber of Commerce and Industry).
- VAT registration certificate.
- Taxpayer Identification Number (TIN) issued by Income Tax Department.

Based on specific product category, additional documents can be required like:

- ERC for jute, jute goods and tea.
- Consignment wise export permit issued by the Bangladesh Tea Board for export of tea.
- Approval of the Ministry of Industries in the case of export of Urea fertilizer produced in all factories except KAFCO.
- 'No objection certificate' from the Ministry of Information in the case of export of entertainment programs, music, drama, films, documentary films etc. in the form of audio cassettes, video cassettes, CDs, DVDs etc.
- Utilization Declaration for export of RMG under bonded warehouse or Utilization Permission for export of other goods under bonded warehouse.
- Phytosanitary certificate for agricultural goods (such as vegetables, corns etc.) as per the requirement of the country of export (issued by the Plant Protection Wing of the Department of Agriculture Extension).
- Quality control certificate in case of export of products for which such certificate is obligatory (e.g. quality control certificate by the Department of Fisheries is necessary as per the requirements of the country of destination for frozen fish).
- NOC from the CCI&E and Bangladesh Bank to allow exports on an export-cum-import or returnable basis.
- Bank guarantee equaling the value of goods to be exported on an export-cum-import or returnable basis.

¹⁶ Import Export Process- Customs House, Benapole.

Process wise documentation requirement in the land ports for exports are illustrated in the table below:

Table 19: Procedure wise documentation requirement (Export)

Procedures	Document Required	Detailed list of Documents
Transport goods to Port of Departure	11	Bill of Export, ERC, TT Copy, CO Certificate, SAFTA CO, Pro forma Invoice, Commercial Invoice, Packing and Weight List, Truck Receipt, Copy of ExP Form, VAT Certificate
Provide Customs Declaration	11	Bill of Export, ERC, TT Copy, CO Certificate, SAFTA CO, Pro forma Invoice, Commercial Invoice, Packing and Weight List, Truck Receipt, Copy of ExP Form, VAT Certificate
Customs Inspection and Clear Goods	11	Bill of Export, ERC, TT Copy, CO Certificate, SAFTA CO, Pro forma Invoice, Commercial Invoice, Packing and Weight List, Truck Receipt, Copy of ExP Form, VAT Certificate
Handover Export Documents to Representative of Importer	12	Bill of Export, ERC, TT Copy, CO Certificate, SAFTA CO, Pro forma Invoice, Commercial Invoice, Packing and Weight List, Truck Receipt, Copy of ExP Form, VAT Certificate, Gate Pass
Border Crossing of Export goods	12	Bill of Export, ERC, TT Copy, CO Certificate, SAFTA CO, Pro forma Invoice, Commercial Invoice, Packing and Weight List, Truck Receipt, Copy of ExP Form, VAT Certificate, Gate Pass
Sending Signed Documents back to Exporter	6	Bill of Export, Pro forma Invoice, Commercial Invoice, Packing and Weight List, Truck Receipt, Original ExP Form
Receive Advance Payment by TT	2	Application for TT, Pro forma Invoice, Copy of ERC
Obtain Proceed Realization Certificate (PRC)	6	Bill of Export, Pro forma Invoice, Commercial Invoice, Packing and Weight List, Track Receipt, Original ExP Form

Source: Trade and Transport Facilitation Monitoring Mechanism in Bangladesh, Baseline Study, ADB 2017.

This table shows the number of documents requirement in different stages of export and the redundancy in the long documentation processes.

In case of full import operations, typically following documents are used in land ports:

Table 20: Required documents in land ports (Import)

1. Custom Transit Declaration	12. Certificate of Origin (CO)
2. Local business Association/ Chamber Membership Certificate.	13. Customs transit declaration
3. Import Registration Certificate (IRC)	14. Bank NoC (no objection certificate)
4. Import permit	15. Phytosanitary certificate
5. Bill of Entry	16. Quarantine certificate
6. Pro forma invoice	17. Radio activity test certificates
7. Weighment slip	18. Insurance Certificate
8. Car pass	19. Truck Receipt
9. LCA (letter of credit authorization) document	20. Gate Pass
10. Commercial Invoice	21. Health Certificate
11. Packing and Weight List	

Source: Trade and Transport Facilitation Monitoring Mechanism in Bangladesh- Baseline Study- ESCAP and ADB

For the custom release of the goods in land ports, following specific documents are necessary:

- Letter of Credit (L/C).
- Invoice
- Bill of Lading/ AWB/ Truck Receipt/ Railway Receipt
- Packing List
- “Country of Origin” Certificate (except coal and export-oriented garments industries)
- Insurance policy/cover note
- VAT/BIN Certificate

Based on goods categories, additional documents mentioned in the bellow can be also required:

- A certificate from the BSTI is necessary to clear 55 items for which BSTI certification is mandatory, as per Import Policy Order, 2015-2018 Para 26(28), if the import consignment does not have a certificate from an accredited laboratory in the exporting country.
- Radioactivity test report from the concerned authority of the exporting country for food items (Import Policy Order, 2015-2018 Para 16).
- Clearance certificate(s) from the Bangladesh Atomic Energy Commission for food items to the effect that the radioactivity level found in the imported food-stuff is within the acceptable limit.
- Pre-shipment Inspection test report for milk food products and powder milk, coal and hard coke, Break Acrylic (HS 39.15 and 3915.90), M.S. Billets (7207) and for items where the value of a single item authorized for import by public sector agencies is Taka fifty lac or above.

- Approval letter of the Chief Inspector of Explosives of the Ministry of Power, Energy & Mineral Resources for import of explosives (Import Policy Order, 2015-2018 Para 26).
- Copy of intellectual property certificate (attested by the IPR holder of the branded goods) in the case of import of branded goods registered under any law related to IP in Bangladesh [Para 5(6) of Import Policy Order, 2015-18].

Procedure wise, the documentation usage in importing goods through land ports are described in the following table:

Table 21: Procedure wise documentation requirement (Import)

Procedures	Document Required	Detailed list of Documents
Border crossing of import goods	2	Car pass, customs transit declaration
Obtain quarantine certificate	3	Filled application form, import permit, phytosanitary certificate (exporting country) and truck receipt
Provide customs declaration	18	Bill of entry, car pass, customs transit declaration, LC copy, LCA copy, pro forma invoice, commercial invoice, Country of Origin certificate, phytosanitary certificate, packing and weight list, track receipt, marine cover note/insurance certificate, bank NoC Quarantine certificate, copy of IRC, import permit, weighment slip, Radio Activity Test certificate
Customs inspection and clear goods	18	Bill of entry, car pass, customs transit declaration, LC copy, LCA copy, pro forma invoice, commercial invoice, Country of Origin certificate, phytosanitary certificate, packing and weight list, track receipt, marine cover note/insurance certificate, bank NoC Quarantine certificate, copy of IRC, import permit, weighment slip, Radio Activity Test certificate. (All the documents are not required for all goods)
Transport goods to importer's warehouse	2	Gate pass and signed bill of entry
Establish payment guarantee by opening LC	5	Application for LC, LCA, pro forma invoice, copy of IRC, import permit, insurance cover notes
Make payment for import goods	5	Commercial invoice, packing and weight list, country of origin certificate, truck receipt, and phytosanitary certificate and any other document required by LC
Submission of customs-certified Bill of Entry	1	Customs-certified Bill of Entry

Source: Trade and Transport Facilitation Monitoring Mechanism in Bangladesh, Baseline Study, ADB 2017.

2.6 Time required for export and import in land ports

The generation of wealth, and subsequently economic growth and progress, depends heavily on international trade. A major interest in trade facilitation has been sparked by rising trade volumes, declining tariff levels, the availability of cutting-edge technology to greatly enhance the management of cross-border commerce, and company just-in-time production delivery requirements. Delays in the delivery of goods hinder trade facilitation, discourage foreign direct investment, cost importers and exporters money, and ultimately hurt consumers.

In order to identify bottlenecks in the trade flow process and take the necessary steps to improve the effectiveness and efficiency of border procedures, time release studies, a strategic and globally recognized tool, are used to measure the actual time needed for the release and/or clearance of goods, from the time of arrival until the physical release of cargo¹⁷. So far there have been four Time Release Studies on Benapole, Burimari and Banglabandha land ports.

From the TRS of Benapole Land Port in 2022, the average time required to complete the import clearance process starting from arrival of the truck at the Benapole port to the final release of the goods is 10 days 8 hours 11 minutes (maximum time 35 days 8 hours 26 minutes, minimum time 1 hour 39 minutes). The average release time (ART) for the consignments going through RED and YELLOW lane is 12 days 0 hour 18 minutes and 9 days 14 hours 27 minutes, respectively.

At Benapole, total 248 B/Es were taken as samples across the surveyed commodities – food, pharmaceuticals, garments raw materials and capital machineries. The samples were categorized as per the number of first appraisalment (RED lane) and second appraisalment (YELLOW lane) consignments. RED lane B/Es or consignments mean the B/Es or consignments to which first appraisalment was conducted irrespective of the system-based selection (RED and YELLOW lane). Similarly, YELLOW lane B/Es or consignments mean the B/Es or consignments to which second appraisalment was conducted irrespective of the system-based selection (RED and YELLOW lane). Following table shows the average, minimum, and maximum time of releasing goods in Benapole land port:

Table 22: Product category wise release time (Benapole land port)

Category	Average release time	Minimum time	Maximum time
All samples	10d 8h 11m	1h 39m	35d 8h 26m
RED	12d 0h 18m	1h 39m	35d 8h 26m
YELLOW	9d 14h 27m	6h 19m	33d 22h 16m

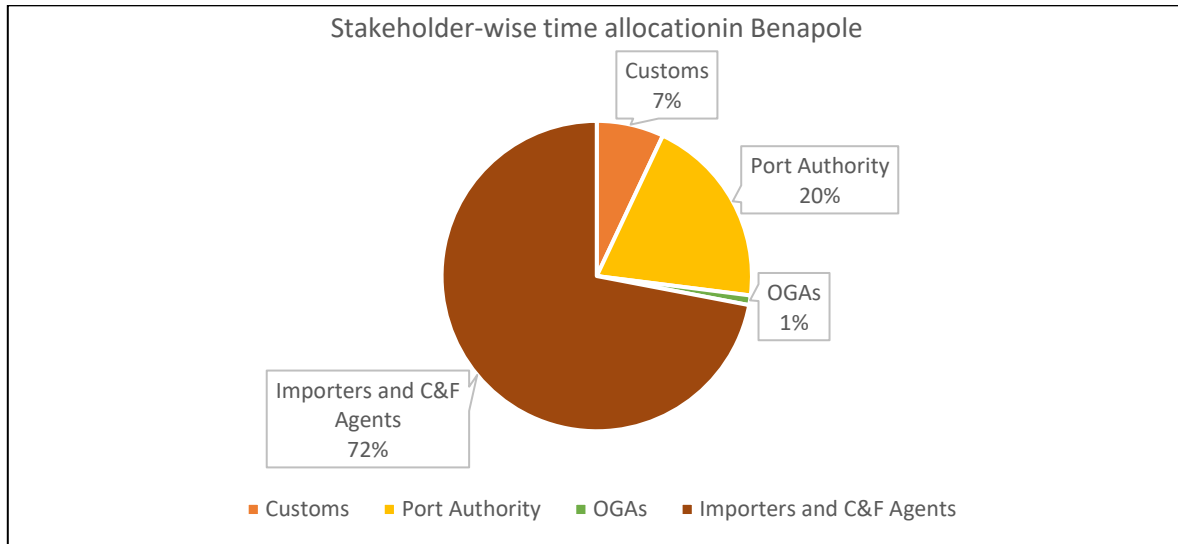
Source: Comprehensive TRS 2022, NBR

This table data indicates that for all sample release time can range from 1 hour 39 minutes to 35 day 8 hours and 26 minutes.

¹⁷ Time Release Study- World Customs Organization

However, most of this time lag is occurs from the Importers, Custom Brokers and C&F agents' ends, for instance the following figure shows percentage of average time spent with different agencies of a port while releasing goods:

Figure 17: Stakeholder-wise time allocation in Benapole land port

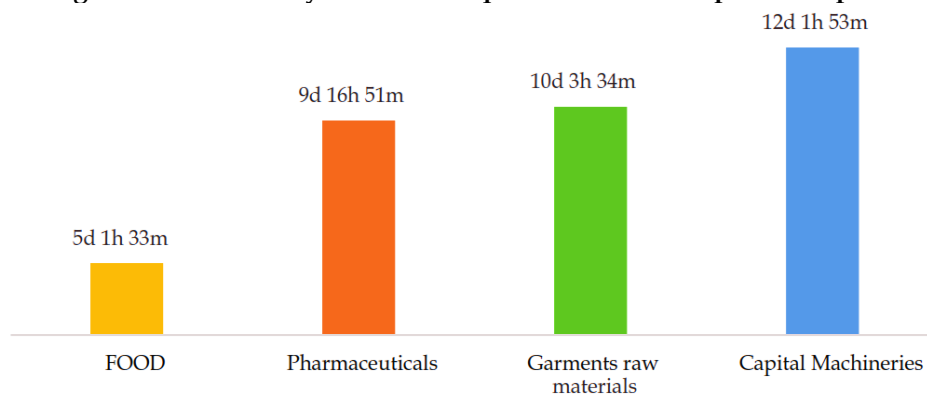


Source: Comprehensive TRS 2022, NBR

This figure shows that 72% time is spent on Importers and custom brokers' end where 1% by other government agencies, 20% by Port Authority and 7% by customs.

This customs led TRS study revealed reasons behind high time share of C&F agents or importers. The average time increases a lot for C&F agents' or importers' activities like delaying in submitting hardcopy of the required documents to Customs, taking more time in paying duty and taxes, taking more time in BOE submission, taking additional time to come to the assessment group of Customs office, delaying in providing the detailed packing list, waiting at tuck terminal for securing posting in the desired shed and so on. Commodity wise time requirements of Benapole Land port is shown below:

Figure 18: Commodity wise time requirements of Benapole land port



Source: Comprehensive TRS 2022, NBR

This figure represents that capital machineries, garments raw materials, and pharmaceuticals have higher release time compared to food items.

From the TRS of Benapole land port in 2013, it was revealed that, it takes 5 days, 18 hours, and 24 minutes on average in Benapole to release all sorts of goods after import. This was the average of the cargo processed using standard processes and the cargo processed using streamlined procedures. The time required for import cargo subject to standard clearance procedures is 6 days, 23 hours, and 0 minutes; for import cargo subject to streamlined clearing procedures, the time required was 1 day, 1 hour, and 26 minutes. For export cargo, the typical release period was 4 days, 5 hours, and 26 minutes¹⁸.

The major share of the clearance time is taken up mainly by one step – truck arrival to B/E hardcopy submission. The corresponding time for capital machineries is 12 days 1 hour 53 minutes, the longest release time among the surveyed commodities. Release time for capital machinery increases because customs has to physically examine 100% consignments for commodities such as capital machinery, electrical appliances, non-bonded garments materials, etc. also, for capital machineries importers usually take more time to make payments which increases trade time. This is mainly because they have to source large amount of funds for such payments.

The TRS study conducted for Benapole in 2023 revealed that the average time taken in Benapole for release of all types of cargo at import was 5 days, 18 hours and 24 minutes and the average release time taken for export cargo was 4 days, 5 hours and 26 minutes. However, The TRS study conducted for Benapole land port in 2013 doesn't provide reliable findings compared to the new TRS of Benapole in 2022. The previous TRS didn't follow the international standards of TRS and lacked all the stakeholders' inputs. The recent TRS 2022 should be taken as the base TRS and comparing it with the next TRS scheduled to be conducted after 2 years from 2022 will reveal time requirements updates. Comparing the new Export TRS and Benapole's counter port in the Indian side, Petrapole, a statistic can be presented below:

Table 23: Comparison of release time

Particulars	Average time
Average release time In Benapole Land port (2022)	10 days, 8 hours, 11 minutes
Average release time In Petrapole Land port (2022)	1 day 7 hours and 18 minutes

Source: BFTI analysis

This table shows that from 2014 to 2022 with the increase in trade volume, the time to release export cargo in Benapole land port has increased from 4 days to 10 days. Also, the average release time for Petrapole land port in India is 4 days and 15 hours approximately¹⁹ whereas, for Benapole in 2022, it is 10 days and 8 hours approximately.

Time Release Study (TRS) at Banglabandha Land Border Crossing Station, Bangladesh Following the Guide to Measure the Time required for the Release of Goods prepared

¹⁸ Bangladesh Time Release Study Benapole (2014)- NBR

¹⁹ National Time Release Study (NTRS) 2022- Department of Revenue, Government of India

by WCO in 2017²⁰, revealed that average time taken for release of all types of exports cargoes amounts to approximately 1 hour 45 minutes, which includes, among others, 1 hour 23 minutes for customs procedures and 12 minutes for port authority clearance procedures. The average time taken for release of all types of import cargoes amounts to approximately 6 hours 34 minutes, which includes, among others, 4 hours 23 minutes for completing the procedures at port authority area-weighing and unloading, 2 hours 45 minutes for completing customs procedures, 14 minutes for completing banking procedures and 18 minutes for completing port authority clearance procedures. This report finds high efficiency in import and export process but cautions that such high efficiency may be explained by very low traffic volume during the study period.

Results of similar TRS study on Burmari land port²¹ showed that the total time needed to release all export commodities was roughly 2 hours 14 minutes, which included, among other things, a 1 hour 13-minute wait for customs clearance and a 31-minute wait for port authority clearance. The total amount of time required on average for the release of all types of import cargoes is 5 hours 12 minutes, which includes, among other things, 2 hours 36 minutes for finishing the procedures at the port authority area—weighing and unloading—3 hours 14 minutes for finishing customs procedures, 18 minutes for finishing banking procedures, and 44 minutes for finishing port authority clearance procedures. The results demonstrated that, as a result of the study period's low export-import volume, processing times for both imports and exports were brief.

TRS findings also shows comparative scenario of Bangladesh land ports' average time requirement against Bhutan and Nepal. For instance, a comparison of TRS findings with other landlocked countries are presented in the table below:

Table 24: Comparison of TRS findings

<p>Bangladesh: The 2016 TRS shows average transit time for cargo processing from arrival in customs to release: (i) Burimari: 5 hours 11 minutes 46 seconds for import, and 2 hours 14 minutes 26 seconds for export; and (ii) Banglabandha: 6 hours 34 minutes 24 seconds for import, and 1 hour 45 minutes 45 seconds for export.</p>
<p>Bhutan: Average transit time from arrival in customs area at Phuentsholing Customs House to release from customs area, 2016 TRS shows (i) export: 13.33 minutes; (ii) import from India: 58 minutes (taxable goods); 28 minutes (nontaxable and/or exempted goods); and (iii) import from third country: 16 hours (taxable goods), 6 hours 50 minutes. (nontaxable/exempted goods)</p>

²⁰ Time Release Study of Banglabandha Land Border Crossing Station, Bangladesh (2017)- ESCAP (United Nations)

²¹ Time Release Study of Burimari Land Border Crossing Station, Bangladesh (2017)- ESCAP (United Nations)

Nepal:

2016-time release study survey shows the average time taken between entry of the cargo vehicle to its exit from inland container depot as follows:

(i) Mechi: 18 hours 58 minutes (import) and 18 hours 28 minutes (export).

(ii) Biratnagar: 1 day, 4 hours, 20 minutes (import) and 2 hours 1 minute (export).

Source: Bangladesh, Bhutan, Nepal: South Asia Sub Regional Economic Cooperation (SASEC) Trade Facilitation Program- ADB

This comparison indicates that Bangladesh's release time is relatively better than Nepal's since the release time for Burimari and Banglabandha is lower than Mechi and Biratnagar. However, Bhutan has comparatively better release time since Phuentsholing Customs House can resale goods earlier than Burimari and Banglabandha.

The logistic performance index also shows the time parameter of trade Bangladesh compared to relevant countries. The Logistics Performance Index is a dynamic benchmarking tool designed to assist nations in identifying opportunities and difficulties they have in their performance on trade logistics and what they can do to enhance their performance²². 160 different countries can be compared using the LPI 2018. The following table shows the comparison of Bangladesh in terms of LPI 2018 performance with the ASEAN countries:

Table 25: Comparison of LPI Index of Bangladesh with ASEAN countries

Countries	LPI Rank	LPI Score	Customs	Infrastructure	International shipments	Logistics competence	Tracking & tracing	Timeliness
Singapore	1	4.3	4.2	4.6	4	4.4	4.4	4.3
Philippines	43	3.3	2.8	3.2	3.1	3.3	3.3	3.9
Malaysia	26	3.6	3.3	3.6	3.7	3.7	3.7	3.7
Thailand	34	3.5	3.3	3.7	3.5	3.5	3.6	3.5
Indonesia	61	3	2.8	2.9	3	2.9	3	3.3
Viet Nam	43	3.3	3.1	3.2	3.3	3.2	3.4	3.3
Bangladesh	88	2.6	2.3	2.3	2.6	2.7	2.4	3
Cambodia	115	2.4	2.2	2.1	2.3	2.4	2.8	2.7
Lao PDR	2.4	2.3	2.3	2.3	2.4	2.4	2.8	2.4

Source: The World Bank

According to the Timeliness criteria of the LPI index 2023, Bangladesh's standpoint is at the bottom level compared to the ASEAN countries. Singapore, Philippines, and Malaysia hold the top three positions in the timeliness of shipments in reaching their destination within the scheduled or expected delivery time.

The international score uses six key dimensions to benchmark countries' performance and also displays the derived overall LPI index. The logistics performance (LPI) is the weighted average of the country scores on the six key dimensions: Efficiency of the clearance process (i.e., speed, simplicity and predictability of formalities) by border control agencies, including customs; Quality of trade and transport related

²² The World Bank, About LPI. Viewed at- <https://lpi.worldbank.org/about>

infrastructure (e.g., ports, railroads, roads, information technology); Ease of arranging competitively priced shipments; Competence and quality of logistics services (e.g., transport operators, customs brokers); Ability to track and trace consignments; and Timeliness of shipments in reaching destination within the scheduled or expected delivery time. The scorecards demonstrate comparative performance of all countries (world), regional and income groups²³.

²³ The World Bank, retrieved from - <https://lpi.worldbank.org/international/scorecard>

Chapter 3: Major Institutional Weakness for Trade Facilitation and Cross-Border Management

3.1 Major institutions related to trade facilitation and cross-border management in Bangladesh

Trade facilitation means the streamlining, standardized, and harmonization of the processes and information flows involved in moving goods from supplier to buyer and processing payments. Trade facilitation's main objective is to make international trade (imports and exports) safer, faster, cheaper, and more predictable. Focusing on the simplification and harmonization of formalities, procedures, and the information and document exchange connected to them among the numerous supply chain participants trade facilitation aims to make international trade easier and speedier. The related information flows are just as crucial to the trade facilitation process as the actual movement of items in a supply chain. Additionally, it includes all governmental organizations that interfere with the movement of products as well as the many commercial organizations that operate²⁴. From the government sector following institutions are related to the trade facilitation in Bangladesh²⁵:

Table 26: Major institutions related to Trade Facilitation

Ministry of Commerce <ul style="list-style-type: none"> • Export Promotion Bureau (EPB) • Foreign Trade Agreement (FTA) Wing • World Trade Organization (WTO) wing • Imports and Internal Trade (IIT) Wing • Office of the Chief Controller of Imports and Exports (CCI&E) • Office of the Register of Joint Stock Companies (RJSC) and Firms • Bangladesh Trade and Tariff Commission (BTTC)
Ministry of Finance <ul style="list-style-type: none"> • National Board of Revenue (NBR)
Ministry of Industry <ul style="list-style-type: none"> • Bangladesh Standards and Testing Institution (BSTI)
Ministry of Shipping <ul style="list-style-type: none"> • Bangladesh Land Port Authority (BLPA) • Chittagong Port Authority (CPA) • Mongla Port Authority • Bangladesh Inland Water Transport Authority (BIWTA)
Road Transport and Highways Division <ul style="list-style-type: none"> • Bangladesh Railway (BR) • Bangladesh Road Transport Authority (BRTA)
Department of Agricultural Extension <ul style="list-style-type: none"> • Plant Quarantine Wing
Bangladesh Atomic Energy Commission
Ministry of Fisheries and Livestock

Source: South Asia Watch on Trade, Economics and Environment

²⁴ Trade Facilitation Implementation Guide- United Nations

²⁵ Trade and Transport Facilitation Audit Bangladesh Country Report- South Asia Watch on Trade, Economics and Environment (SAWTEE), 2017

From government to operational level service-related cross border management organizations in land ports, major trade facilitation related institutes can be classified into the two clusters as service providers (supply side) and service receivers (demand sides). These clusters are represented in the table below:

Table 27: Major institutions related to Trade Facilitation and Cross-Broder Management in land ports

Service providers (Supply side)	Service receivers (Demand side)
<ol style="list-style-type: none"> 1. National Board of Revenue (NBR) 2. Customs 3. Bangladesh Land Port Authority (BLPA) 4. Port Operator 5. Certification and Quality Control Authorities (BSTI, Plant Quarantine and Bangladesh Atomic Energy Commission) 6. Bank 7. Transport and Logistics Company 8. Immigration 9. Border Guard Bangladesh (BGB) 10. Department of Livestock 11. Department of Fisheries 12. Bangladesh Railway (BR) 13. Bangladesh Road Transport Authority (BRTA) 14. Export Promotion Bureau (EPB) 15. Foreign Trade Agreement (FTA) Wing 16. World Trade Organization (WTO) wing 17. Imports and Internal Trade (IIT) Wing 18. Office of the Chief Controller of Imports and Exports (CCI&E) 19. Bangladesh Trade and Tariff Commission (BTTC) 	<ol style="list-style-type: none"> 1. Exporters 2. Importers 3. C&F Agents

Source: BFTI Analysis

Service provider organizations or institutions related to Trade Facilitation and Cross-Border management in Bangladesh are:

The National Board of Revenue (NBR)

The National Board of Revenue (NBR) is the apex authority for tax administration in Bangladesh. Administratively, it is under the Internal Resources Division (IRD) of the Ministry of Finance (MoF). NBR is responsible for formulation and continuous re-appraisal of tax-policies and tax-laws, negotiating tax treaties with foreign governments and participating in inter-ministerial deliberations on economic issues having a bearing on fiscal policies and tax administration. The main responsibility of NBR is to collect tax revenues (primarily, Value Added Tax, Customs Duty, Excise Duty and Income Tax). It works with three tax-type wings namely, Customs Wing, VAT Wing and Income Tax Wing. There are two more wings named IT wing and Research & Statistics wing under NBR.

Customs

One of the three tax collection wing that report to the National Board of Revenue is Customs. The VAT and Income Tax are the other two wings. Planning, formulation, implementation, and reevaluation of policies on customs-related issues are all tasks that fall under the purview of the Customs wing. Its main functions are-

- Collection of duties and taxes at the import stage
- Protection of domestic industry
- Trade liberalization
- Facilitation of trade
- Prevention of smuggling
- Interdiction of prohibited goods narcotics and objects detrimental to national security prevention of money laundering.

The Customs Wing oversees the operations of Customs stations and provides field offices with guidance and interpretations. Offices under the Customs wing carry out the NBR's policy recommendations, collect customs and taxes from importers, implement pertinent laws and regulations, and ensure trade facilitation²⁶. There are several operational land Customs stations as well as six Custom Houses (Chittagong, Dhaka, Mongla, ICD Kamalapur, Benapole, and Pangaon). There are also two Customs Bond Commissionerates (Dhaka and Chittagong), one Customs Intelligence and Investigation Directorate, one Customs Valuation and Internal Audit Commissionerate, and one Customs Valuation and Investigation Directorate. Although there are 57 land custom stations, so far selected 24 operational Land Customs Stations have been declared as Land Ports. In land ports, customs duties, VAT, supplemental duties, and other taxes and fees imposed on imported or exported products are primarily assessed and collected by the customs authorities. Smuggling prevention, Imports and Exports (Control) Act implementation, and Foreign Exchange Regulation enforcement are some of its ancillary duties. The customs authority also upholds the security measures mandated by several regulations as part of its other responsibilities. Customs also responsible for activities like inspecting consignments documents and assigning duty, ASYCUDA recording, advance ruling services and release orders issuance.

Bangladesh Land Port Authority

BLPA was established as a statutory regulatory agency in 2001 under the BLPA Act. The goal of BLPA is to make land-based export-import activities faster and easier while also ensuring their safety, efficiency, and sustainability. Its goals include improving storage facilities, developing and modernizing infrastructure, and ensuring effective freight handling. The Authority's general operations are governed and overseen by a Board. Additionally, an advisory committee headed by the state or federal minister of shipping gives the land ports the required guidance for their growth and overall development. According to the Act, the BLPA's primary duties are:

- Drafting regulations for the establishment, administration, growth, operation, and maintenance of all land ports;
- Appointing operators to receive, maintain, and send cargoes at a land port;

²⁶ Custom Wing- NBR

- Creating a schedule of tariffs, tolls, rates, and fees applicable to port users with the government's previous consent;
- Signing contracts with anybody to achieve the Act's goals;
- Build, maintain and repair roads near to borders to facilitate the transit of commodities, and provide the yards and shade needed for the temporary storage of cargo and loaded trucks, etc.

The designation of 12 land ports marked the beginning of BLPA's operations. 12 additional land customs stations have since been designated as land ports. BLPA is working to develop infrastructural facilities of the land ports. BLPA aims to establish efficient, safe and environment friendly world class land port. BLPA is also engaged in promoting export-import trade through the use of modern technology in cargo handling, storage and infrastructural development of land ports. For instance, automation System is being implemented at the land ports in phases with a view to building Digital Bangladesh and has been executed at Benapole Land Port. Additionally, Burimari Land Port is now implementing the e-port management system as part of e-service initiative. For other land ports, the initiative to implement automation has also been accepted.

Certification and Quality Control Authority

For importing or exporting goods, different certificates are required from respective authorities. VAT certificate, country of origin certificate, phytosanitary certificate, No Objection Certificate, customs transit declaration, Quarantine certificate, import permit, IRC, ERC, ISO certificates are collected from various authorities and certification boards like BSTI, Plant Quarantine, Banks, Customs, Office of the chief controller of Imports and Exports, Export Promotion Bureau, chambers of commerce and so on.

However, the designated quality-control authority of Bangladesh is Bangladesh Standards and Testing Institution (BSTI). **BSTI** is engaged in testing of products, standardization of goods and services, adoption of national standards, implementation of the international system of weights and measures, promotion of quality assurance initiatives and provision of testing facilities for goods and services. The institution playing an important role in developing and promoting industrial standardization all over the country and preparing the country in meeting the international standards properly. BSTI provided a number of certificate related to export and import especially Issuance of clearance of imported goods, Clearance of imported weights/weighing instruments, measuring instruments and related parts and Issuance/renewal of Halal certificate related SPS and TBT issues.

Plant Quarantine is another important authority associated with foreign trade as it regulates the import of plants or plant products, beneficial organisms and packing materials for preventing the introduction of quarantine pests into Bangladesh from other countries. As a WTO signatory, Bangladesh is required to abide by the WTO-SPS (Sanitary and Phytosanitary Measures) Agreement in order to conduct activities involving the import and export of plants and plant products. When it comes to protecting Bangladeshi agriculture, plant quarantine is active in the ports to assure the prevention of quarantine pest introduction with the importation of plants and plants' products, beneficial organisms, and packing materials. Additionally, it serves as a

regulatory body to promote and maintain the export of plants, plant products, beneficial organisms, and packaging materials in accordance with international agreements and the phytosanitary criteria of the importing country. Under the direction of this Plant quarantine wing of Department of Agricultural Extension (DAE), the introduction of the e-phytosanitary certification system and modernization of the quarantine laboratories at plant quarantine stations are being carried out in order to bring Bangladesh's plant quarantine activities up to international standards.

Another noteworthy testing agency is **Atomic Energy Commission**. Bangladesh Atomic Energy Commission (BAEC) was established in 1973 as a multidisciplinary R&D organization with the view of promoting peaceful uses of nuclear energy in Bangladesh. From the very beginning of its formation, BAEC started R&D works in areas covering physical science, bioscience, engineering and nuclear medicine for human welfare and economic uplift of the country. Bangladesh Atomic Energy Commission (BAEC) provide Radiation Certificate for permitting import of radioactive material and Nuclear Reactors & its parts entering through ports.

Port Operators

A port operator is an organization or port authority that has a contract with the port authority to move cargo through a port at a predetermined minimum rate of productivity. They could be privately or state-owned-run, especially for port authorities. Operator's work involves reducing the amount of time a transport spends in port, and overseeing the transportation of cargo containers between, lorries, and freight trains as well as streamlining the flow of commodities through customs. Gantry cranes, berths, canals, roads, storage facilities, communication equipment, computer systems, and dockworkers' union contracts all are managed and upgraded by operator to maintain efficiency. In addition, the port operator oversees leasing, safety, and security. Five of the declared land ports – Benapole, Bhomra, Burimari, Akhaura, and Nakugaon – are operated by the BLPA under its own management. Sonamosjid, Hili, Teknaf, Bibirbazar, and Banglabandha Land Ports, on the other hand, are run on a BOT (Build, Operate, and Transfer) basis by Private Port Operators. Additionally, a Private Port Operator has been chosen to design and run the Birol Land Port. Panama Sonamasjid, Hili Port Link Ltd, United Land Port Teknaf Ltd Banglabandha Land Port Limited are some of the private operators who are currently running the respective land ports.

Bank

Banks facilitate cross border trade by providing financing and guarantees to importers and exporters. They can offer additional assistance in setting up outside financial institutions to repatriate early payments, including agreements to pay for exports under open account. LC documentation facilities, NOC (No Objection Certificate) type documents are provided by banks and most transactions of land port trades are carried out through banks. Distance and availability of sufficient commercial banks can make cross border trade challenging, for instance the nearest bank of Burimari land port is about 2 km faraway which hinders its trade convenience.

Immigration

A salient feature of land ports is immigration offices that facilitates cross border movement of people. Besides transit visa and VOA facilities, immigrations check posts

also sustain integrity of port security by preventing trespassing. Between Benapole and Petrapole, there is a border checkpoint on the land route. 10,000 passengers pass via this path on average, and under customs inspection, a number of reformations are brought in. With a proper job schedule immigration system is currently broker-less after 47 years of liberation. Once a location of numerous troubles, land port immigration centers are now a place to breathe with trust and rest while entering and leaving India while passenger harassment was a common occurrence here. Beside Benapole, Akhaura, Banglabandha, Burimari, Shonamashjid, Bhomra ports now have immigration office facilities. Immigration systems in the land ports are bound to follow following immigration rules:

1. The Bangladesh Citizenship (Temporary) Order 1972
2. Bangladesh Citizenship (Temporary) Rules 1978
3. The Bangladesh Passport Order, 1973
4. Bangladesh Passport Rules, 1974
5. The Passport Act, 1920
6. Passport Rules, 1955
7. The Passport (Offence) Act, 1952
8. The Emigration Ordinance, 1982
9. The Foreigners Act, 1946
10. The Foreigners Order, 1951
11. The Registration of Foreigners Act, 1939
12. The Registration of Foreigners Rules, 1966
13. The Bangladesh Control of Entry Act, 1952
14. Registration of Foreigners (Exemption) Order, 1966
15. The Emigration Rules 2002
16. Recruiting Agent's Conduct and License Rules 2002
17. Women and Children Repression Prevention Act, 2000 (Act no. 8 of 2000)

Source: Bangladesh Immigration Police

Border Guard Bangladesh (BGB)

Border Guard Bangladesh (BGB) is a renowned, exemplary, and heroic paramilitary force. Known professionally as the "ever vigilant sentinels of the border," BGB is in charge of securing the Bangladeshi border, conducting anti-smuggling and anti-narcotics operations, stopping the trafficking of women and children, stopping various transnational crimes, and maintaining internal security. The force's tasks and responsibilities have grown significantly now, and operating tactics now take into account multiple factors. BGB is governed by the Ministry of Home Affairs the force has special jurisdiction in National border patrol, security, and integrity. Since land ports are tied with the borders, Additionally, this group is in charge of preventing smuggling and other border crimes. BGB also checks goods and consignments that enter or exit the country through the borders and hence has a role in the trade operation of the land ports.

Transport and Logistics Company

A crucial part of foreign or cross border trade is transport and logistics. Companies of these sectors ensures flow of goods and supply chain efficiency for enhancing trade

performance in terms of costs, time and quality. Lack of harmonization of transportation and storage facilities and their unavailability can be impediment to smooth country transit. The most crucial issues associated with road transport surround trade facilitation issues and border crossing efficiency²⁷. A lot of freight forwarding and logistic companies work in land ports but their service performances are often subjected to infrastructural capacities of ports.

C&F Agents

Clearing and forwarding (C&F) agencies are professionals at facilitating the clearance of products through customs procedures, working with the carrier, and managing all shipping and delivery-related tasks. Services provided by C&F agents are:

- Transportation of goods to docks and arrangement of warehousing at port.
- Providing Warehousing facilities before the goods are transported to ports. Arrangement for loading of goods on board.
- Preparation and processing of shipping documents, Bills of Lading, port Receipt, Export Declarations, Consular Invoice, Certificate of Origin, etc.
- Forwarding of banking collection papers.

A lot of C&F agents work in land ports of Bangladesh and their role is considerable in smooth trade processes and cross border trade facilitation.

Exporter and Importer

Exporters and importers are the service receivers of the land ports and the trade facilitation initiatives are taken to help make trade across borders (imports and exports) faster, and cheaper and more predictable, whilst ensuring its safety and security. Usually, exporters and importers use the services of C&F agents. Simplifying and harmonizing formalities, procedures, and the related exchange of information and documents between the various partners in the supply chain can help importer-exporters or traders to maintain and enhance their trading activities seamlessly. However, knowledge gap in trade procedures and customs formalities often hinder trade facilitation measures. Implementing trade facilitation reforms entails a number of direct benefits for a country's human and institutional development through associated investments in capacity-building and public sector reforms²⁸.

Export Promotion Bureau (EPB)

Export Promotion Bureau (EPB), Bangladesh under the Ministry of Commerce is a government agency of the country, entrusted with the responsibilities of promoting export of the country. For export growth EPB carries out a wide range of activities like coordinating export development efforts at different sectors and production levels, formulating and adopting of policy and program for active promotion of exports, Coordinating, monitoring and evaluating national export performance and analyzing export trends. EPB also issues GSP, SAFTA, APTA related CO certificates. In land port trade, EPB is actively engaged in export promotion and facilitating trade across ports for instance some new business owners from Chapai Nawabganj and Bogra have begun exporting their goods as a result of promotional actions done by the Export

²⁷ Role of Transportation and Logistics on International Trade- USAID

²⁸ Trade facilitation and development- Driving trade competitiveness, border agency effectiveness and strengthened governance- UNCTAD, 2016

Promotion Bureau, Rajshahi. These exporters are presently exporting Readymade garments, Jute and jute goods, Nylon, Water pump, Impeller, Pump shaft, round coupling flinch, Grand flinch, Bearing guard etc. under SAFTA scheme to India. The existing issue with shipping these goods to India via Benapole and Sonamaszid land port has been resolved. Also, to address the current issues with rubber export from Bangladesh to India, the Export Promotion Bureau engaged with the Bangladesh Forest Development Corporation, Bangladesh Rubber Board, Chittagong Hill Tracts, and Rubber Garden Owners Association. In order to remove obstacles to the export of rubber from Bangladesh to India, EPB informed the Ministry of Commerce and the National Board of Revenue to permit Petrapole Land Port as well as Nava Sheva and Chennai ports in India. It also requested that the H. S. Code of Rubber be harmonized.²⁹

FTA wing Ministry of Commerce

One of the crucial departments under the Ministry of Commerce is the Foreign Trade Agreement (FTA) Wing. It is in charge of regional, multilateral, bilateral, and free trade agreements with other nations. Protecting national interests and ensuring increased market access for Bangladeshi exports to other nations are the main goals of this wing. Bangladesh has already been associated with some Regional Trade Agreements and Bilateral Trade Agreements with different countries for enhancing its trade. Some of its key trade agreements that includes landlocked countries are South Asian Free Trade Area (SAFTA and Bay of Bengal Initiatives for Multi Sectoral Technical and Economic Cooperation (BIMSTEC). With suitable policies and efforts, role of FTA wing is crucial in regional trade development and facilitation with border countries like Nepal, Bhutan, and India under different trade agreements.

World Trade Organization (WTO) wing

The WTO wing, established under the Ministry of Commerce, conducts activities under the World Trade Organization (WTO) by maintaining regular contact with the Bangladesh Mission in Geneva on all matters related to the WTO. Among these activities, assisting in the enforcement of WTO rules in the field of international trade, working to increase overall capacity in WTO related matters, working to achieve more market benefits including preserving the country's interests in the international trade system, participating in negotiations by determining the country's position on various issues. , regular exchange of views on various issues with stakeholders, completion of studies, surveys, surveys or needs assessments on various issues of international trade. Also, this wing is involved in activities related to increasing market access (especially tariff-free and quota-free) for goods and services under the WTO, acting as a “National Inquiry Point” to provide information on Sanitary Phyto-Sanitary (SPS) Measures and Rules-Regulations of Bangladesh as per the requirements of other countries, performing functions related to trade facilitation, protecting the interests of domestic industries under WTO rules and so on.

²⁹ EPB Annual Report (2020-21)

Imports and Internal Trade (IIT) Wing

IIT wing is involved in functions related to formulation, amendment and implementation of import policy orders. This wing is also responsible for carrying out following activities:

- Regular reviewing and revising of list of prohibited and import restricted products.
- Performing functions relating to import contracts;
- Regulating procedures relating to determining the manner of importation of goods under the Special Trade Agreement (STA).
- Liaising with National Board of Revenue on imposition, remission and reduction/increase of import duty
- Clearance of goods under baggage rules.
- Engaging in Tariff Policy and Tariff Valuation and operational functions of Tariff Commission.
- Providing permission to import goods by diplomatic/foreign beneficiaries or individuals/missions, various institutions and so on.

Bangladesh Trade and Tariff Commission (BTTC)

BTTC's main duty is to formulate recommendations for policies that will protect domestic industries, foster a healthy environment for industrial production, make the best use of industrial resources, encourage exports of domestic products, take action to stop unfair trade practices like dumping when importing and selling foreign goods, and expand domestic industries' access to international, regional, and national markets. Any issue the government refers to must be investigated by the Commission. When carrying out its duties, the Commission must take four crucial factors into account: the market economy, the economic environment, bilateral and international trade agreements, and public opinion.

BTTC carries out studies and formulates policies for rationalization of tariff, liberalization of import regime and development of an incentive structure for strengthening the domestic production and export base. A list of prohibited items and a list of restricted items are both included in the government's import policy (that can be imported only on under certain specified conditions). The Commission keeps an eye on the output of industrial units that are protected by such prohibitions and restrictions. If the items' quality declines, their prices are not kept at a reasonable level, or if production levels falter and underutilize available capacity, the Commission may recommend to the Ministry of Commerce that the prohibition be lifted. The Commission keeps an eye on the costs of the prohibited or restricted goods. BTTC can influence the trade aspects like import, export, restricted items in the land port trade.³⁰

Office of the Chief Controller of Imports and Exports (CCI&E)

CCI&E mainly provides direct assistance to the Ministry of Commerce in the formulation and publication of import policy orders and its implementation. Also, some of the key functionalities of this department are:

³⁰ Bangladesh Trade and Tariff Commission, viewed at- <http://www.btc.gov.bd/site/page/2832fd79-43d1-487c-ad53-e86dcb620665/->

- Issuance of Indenting Certificate in favor of Importers, Exporters and indentors (Registration) Orders, 1981, suspension / revocation of Registration Certificate for non-regulatory work;
- Supervision of registration and renewal fee collection and collection and storage of related statistics;
- Work related to preparation of Parliamentary Q&A on import and export
- Work related to import permit/export permit/clearance permit/import permit/export work import permit on return basis;
- Work related to issuance of permits for international and regional fairs;
- Work of Committee on Import Trade Control Schedule (ITC);
- Analysis of import and export information and notification accordingly;
- Resolve issues arising from importers with customs authorities on other issues including disputes over HS code numbers, product classification or details;
- Provide any complex explanation that arises regarding the provisions of the import policy order and so on.

Bangladesh Railway (BR)

The government-owned rail transportation company in Bangladesh is titled Bangladesh Railway. The Directorate General of Bangladesh Railway is in charge of managing, operating, and maintaining all of the nation's railroads. Bangladesh Railway has a total of 2955.53 km of routes. As railways are an important land transport system for connecting one end of the country to another, the overall development of railways plays an important role in the economic development of the country. Stakeholders expressed that the railway can be crucial for the transport of goods through borders and within the country. Railway connections with the landlocked countries can help develop efficient transport and logistics management. For instance, traders hope that by the proper development and utilization of Benapole-Petrapole railway not only will there be a manifold increase in import trade, but also new opportunities for the export of domestic products to India will be created.

Bangladesh Road Transport Authority (BRTA)

Bangladesh Road Transport Authority (BRTA) is a statutory government body under the Department of Road Transport and Highways. Notable activities of BRTA include issuance and renewal of driving license of motorists, issuance and renewal of instructor license, driving school registration, issuance of motor vehicle registration, issuance and renewal of Tax Token, issue and renewal of ridesharing enlistment certificate, transfer of ownership of motor vehicle, issuance of fitness certificate and Renewal, Renewal of Route Permit Certificate issue, issuance of Government Motor Vehicle Repair Inspection Report, Accident Vehicle Inspection etc., which are directly related to road safety. BRTA's rules & regulations impact land port transport management and logistics service providers as well as all traders.

Department of Livestock

The Livestock department under the Ministry of Fisheries and Livestock is one of the service providers and regulatory agencies of the livestock sector in Bangladesh. The services of the Department of Livestock extend to the farmyard to ensure the safe supply of animal protein. The Department of Livestock has dedicated itself to

improving livestock production, entrepreneurship and skill development, aquaculture development, value chain management, and market management of aquaculture products ever since it was established. Additionally, import and export certificates are issued by the livestock department. Department of Livestock Services has offices in every Upazila in Bangladesh. From where citizens get livestock services and veterinary services. This department is engaged in providing following actions required for livestock related trades:

- Issuance of license for import, storage and marketing of fodder (Category-II).
- Issuance of No Objection Certificate of Import/Export of Animal feed materials, vaccines
- Issuance of No Objection Certificate for Import of Cow, Buffalo, Goat, Sheep, Camel, Dumba, Rabbit, Embryo, Frozen Semen
- Issuance of No Objection Certificate for export of Cow, Buffalo, Goat, Sheep, Camel, Dumba, Rabbit, Embryo, Frozen Semen
- Issuance of no-objection certificate for import of chicks (including turkeys).
- Issuance of veterinary health certificate sanitary certificate in case of import and export of animals and animal products
- Issuance of no-objection certificate for import and export of domestic animals
- Chemical Analysis of Animal Feeds

Department of Fisheries

Department of Fisheries, Fish Inspection and Quality Control Wing (FIQC) is committed to good professional practices and to the quality of its performance according to provisions provided by the “Fish & Fish Product (Inspection & Quality Control) Rules, 1997” Amended 2008, 2014 & 2017. Regional Competent Authorities (RCA's) updates its resource's & skill by proper training as per needs and committed to continually improve the effectiveness of the management system. This department provides certificates like Issuance of no-objection letter of import of Juvenile fish/PL/Fish, Issuance of No Objection Certificate for Import of Fish Feed/Fish Feed Materials/Fisheries/Fish Hatchery Materials and Issuance of no-objection letter for import of fishing nets.

Land ports are good means of regional connectivity and trade growth as the trade between Bangladesh, Bhutan, India, and Nepal grew six times from 2015 to 2019, the unexploited potential for regional trade is estimated at 93 percent for Bangladesh.³¹ However, BLPA's vision include facilitating export-import through land routes through infrastructure development, efficient cargo handling, improvement of storage facilities, fostering public-private partnership for effective and better service delivery. Trade facilitation objectives in land ports can be achieved successfully only when issues of importers and exporters are addressed and resolved in relevant ports.

³¹ Regional Trade and Connectivity in South Asia Gets More Than \$1 Billion Boost from World Bank- The World Bank

3.2 Identified institutional weakness for Trade Facilitation and Cross-Border management

The coordination of numerous tasks, such as security, immigration, customs, plant and animal quarantine, etc., as well as the supply of auxiliary services like storage, parking, banking, and foreign exchange, among others, are not handled by a single body in Bangladesh's land ports so gaps exist in various laws and implementation of different relevant institutions. For instance:

- Regarding the relevance of the Act to the International Treaties and Conventions and its applicability, it should be noted that Bangladesh is a signatory to the World Trade Organization's Trade Facilitation Agreement (TFA) and the WCO's Revised Kyoto Convention (RKC). The majority of TFA and RKC policies have to do with facilitating commerce and customs. Bangladesh has pledged to gradually put the TFA and RKC measures into effect. To put these steps into action, the government has already started. However, as stated in the TFA's Article 21 guidelines, there is no provision for the establishment and administration of a fund for women's empowerment.
- As it was already mentioned, the main purpose of the Bangladesh Land Port Authority Act 2001 was to establish the Bangladesh Land Port Authority in order to oversee foreign trade through the nation's land ports. As a result, the Act has no direct relationship to the conventions and accords relating to commerce. However, of the 38 measures recommended by the TFA/RKC, 37 have to do with customs management and just one has to do with trade facilitation. The BLPA has made significant strides toward putting trade facilitation into effect in the land ports.
- The performance of logistics depends on the hiring, development, and retention of qualified individuals at management and operational levels. Two significant barriers to the hiring of young talent are highlighted as operational logistics professionals' low status and prestige and the low compensation that are offered. However, recent advancements in information technology and logistics need the development of new skills that the current workforce frequently lacks. Due to a dearth of vocational institutions, training for logistics positions is frequently only available through brief on-the-job training by coworkers during routine operations. Personnel development and the connection between individual performance and that of the team, as well as to the organization's overall effectiveness and capacity to carry out its mission, are therefore of highest importance.

Some gaps between these identified institutions' policy and implementation based on the KII result can be illustrated in the table matrix:

Table 28: Weaknesses of the major institutions involved in the cross-border management

Institutions	Weaknesses
Bangladesh Land Port Authority	Lack of sufficient roads, parking space, crane, forklifts, modern weighting scale, scanner, warehouse, shed and accommodation facilities and skilled manpower in land ports. Security issues (insufficient illumination facilities, CCTV cameras in bypass road)
Customs	Lacks full automation system and sufficient manpower.
Certification and Quality Control Authority	Lacks logistic supports to provide full services, also testing facilities and accredited labs are not located near land port proximity.
BGB	BGB cargo and passenger checking takes long time.
Immigration	Lack of proper queue management, waiting room and other facilities for passengers.
Operator	Lacks capacity in providing security and automation system services.
C&F Agent	Knowledge insufficiency on HS code, Advance ruling and other Custom measures.
Transport and Logistics Company	Lacks coordination between C&F agent and labor unions, syndicate issues.
Importer-Exporter	Lacks trade knowledge and coordination with land port authority, customs and Bank.

Source: KII findings

3.3 Procedural hindrances in cross border management

Importing and exporting through land ports are bestowed with different procedural hindrances. Some noticeable hindrances in the trade procedure including customs inspection, assessment and other activities are:

- In the assessment process of trade, decisions made by the Assistant Revenue Officer are always forwarded to the Revenue Officer, while judgments made by the Revenue Officer are frequently forwarded to the Assistant Commissioner. Higher echelons of management may also be consulted on decisions made by the assistant commissioner. This reflects a duplication of work in the Customs procedures.
- Since few border agency employees wear uniforms, it becomes difficult to distinguish between border management employees and traders or other members of the general public.
- C&F Agents have direct access to Customs officers who are involved in the evaluation, classification, and valuation processes directly.
- The process of unloading an Indian vehicle and then putting the product onto a Bangladeshi truck is time-consuming, labor-intensive, and expensive for the

merchant. By enabling inland in bond movement, this phase might be all but avoided.

- Other governmental organizations carry out their examination whenever it is convenient for both them and the C&F agents. These are not always carried out simultaneously with Customs.
- The simultaneous unloading from the Indian truck, inspection, and loading into the Bangladeshi vehicle particularly occurs in the case of truck shipments of perishable goods.
- Both online and manual registers are kept in these customs stations or ports, notwithstanding the introduction of ASYCUDA World at several land ports. One of the main issues preventing ASYCUDA World from being effectively operationalized is a lack of consistent internet access.
- The release procedures can occasionally take longer due to a lack of coordination between Customs and other border agencies in concluding inspections of import shipments. For instance, even after inspection, many Importers and C&F agents do not pay their duties timely which increases the overall release time.
- Land ports can't be kept open 24/7 for full fledge immigration service because the Indian side usually closes immigration processes after 5 pm. Also, the time required for trade in land ports can be affected by the service time and operating hours of land ports. For instance, Petrapole and Benapole port authorities decided to keep the port open 24/7 but service provider offices like quarantine, and banks are not kept open 24/7.
- Congestion occurs because only 5–10% of vehicles enter Bangladeshi land ports between 9:00 am and 2:00 pm; the remainder arrive after 2:00 pm. Export transports from Bangladesh must wait in line because respective Indian offices close at 6:30 pm
- Customs laboratories are not available in any land port except Benapole. Absences of laboratories makes examination process of chemical products lengthy and strenuous
- The land ports have yet not seen full automation. Automation capacity of agencies at land ports and customs are not often parallel. Due to a lack of proper automation, there is a huge line even for paying the terminal charge. Also, IGMs are submitted electronically in seaports and airports but not inland ports.

From the KII findings, cross border management in case of trading or export-imports, following procedural hindrances can be noticed:

Table 29: Import-export procedural hindrances

Activities	Challenges
1. Document collection and preparation	<ul style="list-style-type: none"> • Documentation process is lengthy and time consuming. • The present documentation processes are atavistic and not up to the mark for trade facilitation standards. • Poor internet and networking system • Lack of automation system in documentation process

Activities	Challenges
2. Time management	<ul style="list-style-type: none"> • Lack of proper transportation system in the port area • The paucity of space in the port area. • Lack of inter border coordination • Lack of skilled manpower • Lack of coordination among the service providers in Land port • Fire stations, Hospitals, and accredited labs or testing facilities are far from Port premises.
3. Expenditure	<ul style="list-style-type: none"> • Due to syndicate problems in the border region, expenditure frequently increases. • Documentation costs frequently change • Due to the prolonged documentation procedure, expenditure frequently increases.

Source: KII findings of BFTI

Hindrances in testing Procedures:

- BSTI provides two types of clearance certificates, one is temporary clearance, and another is final clearance. Final clearance is issued after laboratory testing.
- There is a specific timeline (maximum 8 days, minimum 72 hours for some) for testing and providing certificates for 69 products.
- Sample for testing is usually carried or sent to the Dhaka labs by the client that increases trade time.
- C&F agents often provide misdeclaration which creates problems for BSTI to provide timely testing result.
- Testing takes time because there is a specific time requirement for some testing procedures. For instance, fumigation takes a minimum of 3-5 days.
- Some products only require “Eye Inspection” which may take 10 minutes only. Some products require microbial tests that take around 7 days of time.
- In case of exports, perishable goods are often eye-inspected which takes 10 minutes to 1 hour. In case of import, seeds that require germination take 3 to a maximum of 7 days for completing the testing facilities.

The field visit and KII revealed that laboratory facilities, technical support, and logistic support at the plant quarantine station at the land port were not up to the standards. From field visit, it was found that the logistic support provided to the technical officers for transportation, communication and late night stay at workplace is not satisfactory at the plant quarantine stations of the land port. Currently, because of lack of manpower a dedicated official from the plant quarantine wing needs to take minimum four days even more to give the import permit, export PC certificate and release order. To fully understand the sampling and processing good, the adequate workforce and special officer employment is critical concern. On the other hand, stakeholders informed about the higher service fees amounting 200 taka for online application of PC Certificate and Import Permit whereas the certificate fees are around 50 taka. The inadequate logistic and technical staff support specially in different plant quarantine stations especially in Bhomra, Akhaura and other land ports create extra barrier to facilitate export.

Besides, additional hindrances in the port management activities are:

- Implementation of infrastructure development initiatives are not sufficient as per requirement of service standard.
- Security system is not robust due to insufficient CCTV cameras.
- Time requirement for detention vehicles to release is high and importers have to pay large amount of demurrage.
- The weigh scale is misplaced and reweigh the same shipment again consumes release time.
- Fire stations and accredited labs or testing facilities are far from ports and not up to required standards that hinders port procedures.
- Parking facilities are very limited for inbound or outbound transports so transportation delays trade procedures in the port.
- Ports cannot stay fully operation 24/7 due to manpower shortage.
- There is problem in existing software for recording entry-exit vehicle tracking system. It only records entry time but not departure time that hinders tracking of shipment.
- The Plant quarantine certificate is issued from Dhaka; IP certificates cannot be obtained promptly which increases time delay in trade.
- Lack of token system for the passengers and manual que management at immigration creates congestions in immigration procedure.
- Lack of proper one stop service center and help desks.
- BGB checking is done thrice and the checking time by BGB is much time consuming. These unnecessary checking procedures hinder time efficiency.
- In export, when Bangladeshi drivers reach India, the Indian authority takes much time to check trucks and divers which delays the land port trade.
- Some consignments are delayed in port release due to the BSTI laboratory testing time requirements.
- After the assessment, for duty, there is now an e-payment system available since 1st January 2022 and it takes a maximum of one and half a minute to pay duty tax. However, after the assessment of duty, duty payers often pay after 2 or more days for various reasons that increase the time of goods release.
- From the bill of entry to the issue of the release order, Customs usually takes a maximum of one day time, but this process gets delayed due to delayed payments by the importers or C&F agents.
- Although Banks have interconnectivity with Customs and ASYCUDA, the ASYCUDA system is not available in all land ports, so online system does not work there and hard copies of documents are still required there.
- Export permission form (EXP form) is digitalized and its hardcopy is not usually required but in the land ports, still, the practice of hardcopy submission is apparent.

Some trade, customs, documentation, immigration, and port agency/stakeholders related procedural hindrances are:

- Absence of an elaborate policy, a detailed procedural guideline and a strategic management plan on Risk Management (RM), Customs tends to examine a large number of consignments
- Needless formality in documentation exists.
- There are numerous document submission requirements without any justification.
- The majority of the time, border agents (BGB, customs, BLPA) reject copies of documents and only accept originals.
- Perishable products are handled specially by customs for quicker release in all land ports, albeit very few facilities for preservation are available for storing perishable commodities prior to release.
- According to customs rules, if products are not released by the importers/exporters within 30 days, those goods will be auctioned. However, many goods are still kept in the land port yard which reduces space in the yard.
- There are no Authorized Economic Operator mechanisms, which would allow reputable traders to complete transactions more quickly.
- Regarding the movement of persons and products across borders, different border authorities have varied responsibilities. These requirements range from controls on revenue assurance, migration, phytosanitary, radiological, transport, and food safety. Due to the fact that these organizations frequently operate independently, they frequently conduct several inspections of the same products and subject traders to a great deal of harassment.
- Immigration facilities often face congestion due to lack of proper que management systems. Long queue in immigration causes due to lack of automation.
- Travelers coming from India to Benapole ports has to face 3 times BGP checking. Once in zero-point entry, once after the immigration process and once at Amrakhali region while selecting appropriate transport. This multiple checking creates hassles for travelers.
- A transshipment yard is not available in Petrapole which creates problem for exporting and importing perishable goods.
- In proportion to the volume increase in the land ports, manpower and service standards have not improved proportionally.
- Land port-related services are not available on the weekend in Bangladesh (Friday, and Saturday) and on Indian weekend (Sunday). This weekend problem reduces service time in the land ports.

Identified key weaknesses of the Land ports

Based on the KII, FGD and PC, some major weaknesses of the land ports are:

- Long and time-consuming documentation process lacking proper automation system.
- Insufficient infrastructural capacities (lack of sufficient roads, parking space, crane, forklifts, modern weighting scale, scanner, warehouse, shed and accommodation facilities).
- Lack of coordination between Land Port Authority, Customs, C&F Agents, and other border agencies.

- Incapacity to stay fully operational 24/7 due to manpower shortage.
- Lack of automated data sharing system among different agencies.
- Fire stations, Hospitals, and accredited labs or testing facilities are far from Port premises.
- Absence of One Stop Service center and help desks.
- Lack of proper queue management, waiting room and other facilities for passengers.
- Unavailability of seamless Internet connectivity in the port premises.
- Security issues (insufficient illumination facilities, CCTV cameras in bypass road). Inefficient traffic system, parking system and vehicle tracking system.
- Lack of intra agency and cross border coordination.

Chapter 4: Coordination Mechanism, One stop Service and Standard Operating Procedure

4.1 Coordination mechanism at the border point

WTO's Agreement on Trade Facilitation Article 8: Border Agency Cooperation dictates that "Each Member shall ensure that its authorities and agencies responsible for border controls and procedures dealing with the importation, exportation, and transit of goods cooperate with one another and coordinate their activities in order to facilitate trade." Also, Each Member shall, to the extent possible and practicable, cooperate on mutually agreed terms with other Members with whom it shares a common border with a view to coordinating procedures at border crossings to facilitate cross-border trade. Such cooperation and coordination may include: (a) alignment of working days and hours; (b) alignment of procedures and formalities; (c) development and sharing of common facilities; (d) joint controls; (e) establishment of one stop border post control.

Coordinated Border Management (CBM) can be a resolution for better coordination that prescribes a coordinated approach by border control agencies, both domestic and international, in the context of seeking greater efficiencies over managing trade and travel flows, while maintaining a balance with compliance requirements. While many organizations and documents refer to this as "Integrated Border Management", the World Customs Organization (WCO) prefers "Coordinated Border Management" as it gives prominence to the principle of coordination of policies, programs and delivery outcomes whilst avoiding any perception of favoring a single solution. This paper does not propose the adoption of any model for a coordinated border management system as it is the responsibility of the government concerned to determine what system is most appropriate for its nation. The model itself is not the integral issue but rather the greater understanding of the risk environment involved and the recognition of the unique contributions each agency brings to managing the border and developing an approach that delivers higher levels of synergies between them.

At the level of both the federal government and individual border agencies, CBM can result in numerous advantages and benefits. Governmental design and implementation of a CBM system can lead to more efficient service delivery at the border by reducing conflicts and redundancies between various agencies' policies, missions, and mandates. As a result of adopting a comprehensive strategy to border management, it will improve the government's capacity to handle strategic challenges across the border agency sector. All functions and duties inside border agency will benefit from such a comprehensive approach. CBM can result in resource savings through economies of scale brought about by shared usage of ICT systems and their development, cross-training, and pooling of resources.

The national states should have complete control over the framework of laws, rules, and policies that apply to their area for cross-border administration. Hence, various national requirements and concerns are typically reflected in border control systems. All government agencies whose policies include border management functions and

interventions must be taken into account equally and participate in the formulation of cooperative solutions/policies/services provided at the border in order to fully realize the potential advantages from the CBM.

Customs, security, immigration, and port authority and phytosanitary inspection services are usually the main agencies operating at the border. However, in addition to the main border agencies there are also many other governmental bodies who play a role or have a stake in the border process. For Bangladesh, the list of government stakeholders incorporates state bodies in the fields of:

- Ministry of Home Affairs for border management measures (BGB)
- Ministry of Road Transport and Bridges for transportation measures
- Ministry of Railways for transportation measures
- Ministry of Foreign Affairs for diplomatic relations affairs
- Ministry of Health and Family Welfare for Sanitary and Phytosanitary (SPS) measures
- Ministry of Fisheries and Livestock for SPS measures
- Ministry of Food for SPS measures
- Ministry of Industries for TBT measures
- Ministry of Agriculture for SPS measures
- Ministry of Finance for economic affairs
- National Board of Revenue for customs affairs.
- Ministry of Commerce for trade related affairs.
- Ministry of Shipping for land port management (BLPA).
- Bangladesh Atomic Energy Commission

In addition to government stakeholders, the various private sector partners have an important role and need to be included in the cooperation in realizing the benefits of the CBM. Besides the government ministries and agencies, private organizations like trade bodies, transportation and logistics companies, freight forwarding companies, C&F agents, importers and exporters are also engaged in port operational activities and Institutional coordination is essential for successful trade facilitation given its multidimensional and complex components³². They should also be included as part of the cooperation. From the perspective of broader border management, stakeholders such as civil society in general and NGOs should also be included as part of the cooperation as they are lay contributors to and users of border agency services and have a significant influence on the efficiency and effectiveness of any border management system.

Governments and the business community should recognize the importance of trade facilitation in the formulation of trade policies and work to create a National Trade Facilitation Body (NTFB) that embraces the perspectives of all parties involved and strives for consensus, collaboration, and joint action³³. With the right coordination, the public and private sectors can work together to develop policies that will completely remove or significantly reduce the obstacles to efficient and successful trade procedures.

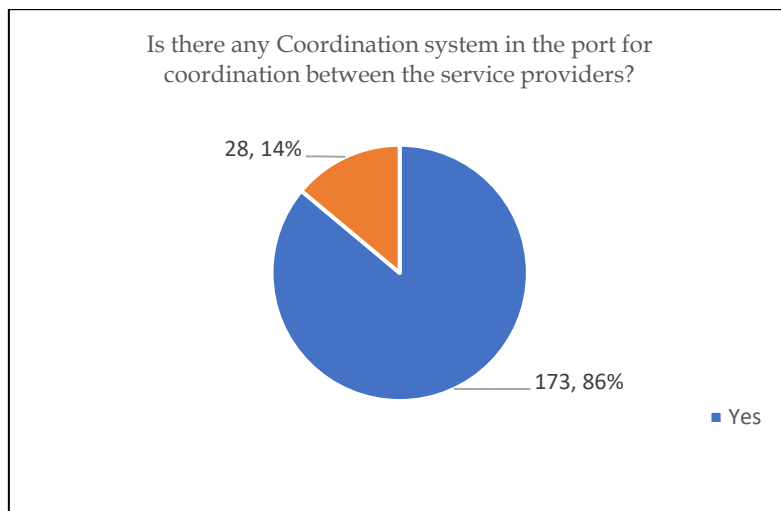
³² Trade Facilitation for A More Inclusive and Connected Asia and Pacific Region- Asian Development Bank (ADB)

³³ National Trade Facilitation Bodies: Recommendation no. 4- UNECE

Besides the government ministries and agencies, private organizations like trade bodies, transportation and logistics companies, freight forwarding companies, C&F agents, importers and exporters are also engaged in port operational activities and Institutional coordination is essential for successful trade facilitation given its multidimensional and complex components.³⁴

In the survey of study, Respondents were asked if there was any coordination system present in the ports for coordination between the service providers and the majority (173, 86%) responded affirmatively. The following table shows the details of the responses:

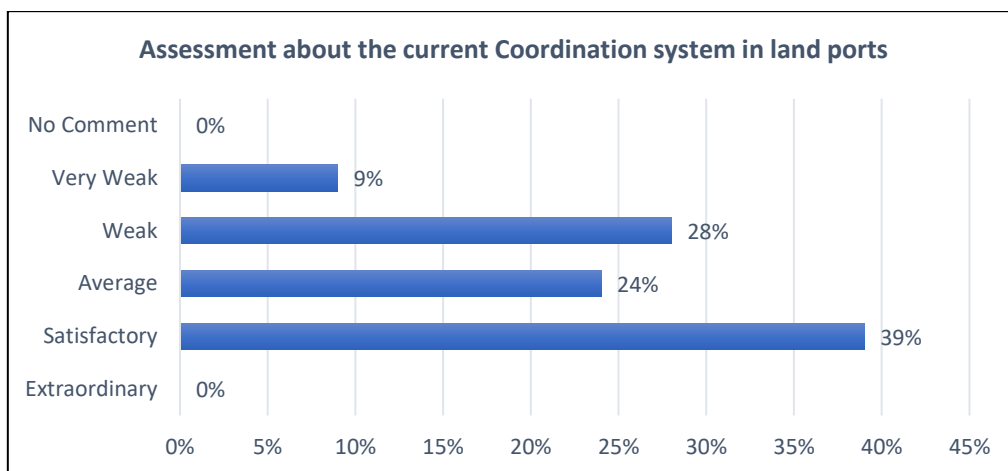
Figure 19: Responses on coordination system of land ports



Source: BFTI Field Survey

Of the respondents who responded affirmatively, a substantial portion (39%) evaluated the coordination system as satisfactory. 24% believe the system is average and 28% of the respondent evaluated the coordination system as weak.

Figure 20: Assessment about the current coordination system



Source: BFTI Field Survey

³⁴ Trade Facilitation for A More Inclusive and Connected Asia and Pacific Region- Asian Development Bank (ADB)

As the survey findings showed a positive picture of coordination in the land ports, KII and focus group discussions also backed the same conclusion. Stakeholders revealed that interagency coordination is improving as customs and BLPA are working side by side without any reluctance. However, agencies like BSTI, plant quarantine, banks, BGB, etc. are still not in the digital loop of the coordination which impedes the data sharing and process streamlining efforts. Moreover, as the agencies are governed by their own agendas and mandates, the efforts of coordination often fall short. For instance, Container movement through Benapole is still under consideration because trade bodies and the ministry of rail need to agree on introducing this facility. Moreover, Indian-side approval is also required for shipping containers and cargo through railways to develop separate yards and warehouses for train transport facilities. These situation calls for legally binding measures or policy and regulatory framework development and reforms for obligatory coordination.

4.1.2 Interagency and Intra-agency coordination

Good inter-agency coordination is essential to effective border management. For example, if the frontier and customs services operate at the border crossings on a daily basis (24/7), the other agencies must also do likewise. Lack of such coordination and juxtaposition of working hours will be detrimental and can lead to doling up border clearance and may add substantially to the costs of the importer/exporter.

Intra-agency coordination is also equally important. The failure for the same agency with various posts and offices spread around the country, either at border posts or inland offices, failing to harmonize their procedures or failure to receive pertinent information from each other, can lead to incompetency of actions taken. Prompt communications and exchange of information will play a positive role not only for officials of controlling government agencies involved in border management but also for the trading community. The detailed aspects of inter and intra agency coordination in the borders or land ports are delineated in the following discussions.

Intra-agency coordination: The idea of intra-agency coordination or cooperation is to coordinate efforts inside a single organization, either vertically between headquarters and local branches or horizontally between local branches and border crossing offices or stations. Horizontal intra-agency cooperation can be encouraged by the creation of intranet networks, cross-training, employee rotation between departments, and the creation of collaborative task teams. Vertical cooperation would ideally be two-way: headquarters would set goals and objectives and then inform local branches of those priorities and objectives. In exchange, the branches would provide progress updates and recommendations for enhancing the general policies. The groundwork for more extensive cooperation is established by addressing intra-agency issues, as it is difficult for any organization to effectively collaborate with external stakeholders if it has internal issues. Therefore, dismantling departmental silos and fostering a culture of

cooperation within the confines of one organization is the obvious first step in coordinated border or land management.³⁵

Intra-service cooperation refers to cooperation between units within a government and includes two different aspects. The vertical aspect of intra-service cooperation refers to the coordination and cooperation between the different administrative levels from the state body to the units working at the borders, whereas the horizontal aspect relates to the cooperation between various units at the different levels of the agency.

A number of agencies actively provide services in the land ports. Due to the insufficiency of intra-agency coordination, customs' examination and assessments approaches may take time, issues like misdeclaration may create time lags due to poor information flow in the organizational chain, plant quarantine/BSTI certificates may take a long time due to the submittal of sample to head office from port offices and receipt of reports vice versa. In order to improve the efficiency of these service agents in ports, intra-agency coordination needs to be enhanced through intranet network development, cross-training, departmental employee rotation, and task team collaboration.

Inter-agency coordination: Inter-agency coordination means cooperation at local, regional and central levels between ministries or state bodies with different tasks related to border management. At the operational level, this concerns relationships among a broad range of border agencies that play a role in controlling cross-border trade and travel. In many countries, primary agencies present at the borders include customs, border guards, immigration authorities and transport security agencies. However, also police organizations, health authorities, and phytosanitary and veterinary controllers, among others, take part in border management. Typical areas of customs- border guard inter-agency cooperation can include strategic planning, communication and information exchange, coordination of workflow of border crossing points, risk analysis, criminal investigations, joint operations, control outside border control points, mobile units, contingency/emergency, infrastructure and equipment sharing, and training and human resource management. Governmental inter-agency cooperation occurs between border control agencies and ministries and policy making bodies that are responsible for oversight and financing of border management activities.³⁶

In case of land ports of Bangladesh, at the national level inter-agency cooperation and coordination can include many different components. Arrangements such as the Single Window or integrated procedures and risk management systems (including the use of joint ICT systems) would represent more sophisticated way of cooperation between the different border agencies. For example, integrated forms of cooperation, such as coordination of inspections and control procedures, would also have beneficial impact and constitute first steps towards more advanced cooperation. In the land ports of Bangladesh, following agencies are apparent in operations:

³⁵ Cross-border Research Association, CBRA- Border Agency Cooperation, viewed at <https://www.cross-border.org/2016/02/20/border-agency-cooperation-part-3-of-3/>

³⁶ Cross-border Research Association, CBRA- Border Agency Cooperation, viewed at <https://www.cross-border.org/2016/02/20/border-agency-cooperation-part-3-of-3/>

Figure 21: Agencies engaged in cross-border trade

Agencies engaged in cross-border trade procedure
<ul style="list-style-type: none"> ▪ National Board of Revenue (NBR) ▪ Customs ▪ Bangladesh Land Port Authority (BLPA) ▪ Port Operator ▪ Certification and Quality Control Authorities (BSTI, Plant Quarantine and Bangladesh Atomic Energy Commission) ▪ Bank ▪ Transport and Logistics Company ▪ Immigration ▪ Border Guard Bangladesh (BGB) ▪ Department of Livestock ▪ Department of Fisheries ▪ Bangladesh Railway (BR) ▪ Bangladesh Road Transport Authority (BRTA) ▪ Export Promotion Bureau (EPB) ▪ Foreign Trade Agreement (FTA) Wing ▪ World Trade Organization (WTO) wing ▪ Imports and Internal Trade (IIT) Wing ▪ Office of the Chief Controller of Imports and Exports (CCI&E) ▪ Bangladesh Trade and Tariff Commission (BTTC) ▪ Trade bodies ▪ Exporters ▪ Importers ▪ C&F Agents

Inter-agency Coordination among these agencies is crucial for smooth border management and services. When data sharing and service flows are streamlined through the coordination among these agencies, trade and immigration processes can be effective in terms of time, cost, and convenience. Lack of coordination among these agencies hinders smooth trade facilitating measures, for instance, Container movement through Benapole is demanded by the port users but is still under consideration because trade bodies and the Ministry of rail need to work coordinately on introducing this facility.

The implementation of inter-agency arrangements can be done achieved in many different ways. The cooperation between border agencies often occurs on a voluntary and ad hoc basis as suddenly occurring challenges are tackled by ad hoc joint actions such as the planning of traffic flows in peak times or employing more resources in areas appearing to be bottlenecks etc. Different border authorities often use MOUs as the basis of their cooperation between themselves. However, more advanced arrangements between agencies usually require sufficient legal basis to act and may

require legal amendments to various national laws.³⁷ Among the different agencies of the land ports, creating coordination committees, digital data sharing (like creating a digital channel of data sharing including customs, BLPA, testing agencies, banks, etc.), and integrated office location (pairing, one-stop service) can be effective for ensuring interagency coordination.

4.1.3 Areas of coordination

There are four areas of coordination and cooperation by border governing agencies or land port service agencies. They are technical area, operational area, legislative area and institutional area.³⁸

1. **Technical:** Increasing the connectivity and interoperability of information and communication technology systems both within and between businesses is frequently required for this. Since they allow for the automatic transmission of electronic trade information among border control agencies, single window systems are typical results of technical collaboration. The UN Centre for Trade Facilitation and Electronic Business, also known as UN/CEFACT, is a significant global institution that promotes connection among nations as well as between private sector and public sector partners. For example, UN/CEFACT creates and upholds universally acknowledged standards for EDI messaging.
2. **Operational:** Coordination of inspection and auditing tasks among border control authorities is a major concern here. The advantages of coordinated actions are clear: arranging relevant controls in one location and at the same time decreases the administrative burden and delays that traders and traveler encounter at borders. Coordination of the operating times and days of the customs offices on both sides of a border is a straightforward but effective example of operational integration. Operational integration also includes exchange of customs intelligence and other information, mutual administrative support, cooperative criminal investigations, and prosecution.
3. **Legislative:** This aims to eliminate legal obstacles and ambiguities that impede border control agencies from sharing duties, exchanging information, or cooperating more deeply in any other way. In essence, political commitment and some degree of legal harmonization are necessary for the majority of forms of border agency coordination. For instance, Article 8 of the WTO/TFA to the WTO Members mandates that national authorities and agencies in charge of border controls, the importation, exportation, and transit of products work together and coordinate their efforts to ease trade.

³⁷ Stefan Aniszewski (2009) Coordinated Border Management – a concept paper, WCO Research Paper No. 2, available at- <https://www.wcoomd.org//media/wco/public/global/pdf/topics/research/research-paper-series/cbm.pdf?la=en>

³⁸ Yukesh Upreti (2022) A Study of Inter-Agencies Cooperation in Border Governance of Nepal, Journal of APF Command and Staff College

4. **Institutional:** It concerns changing the responsibilities and roles of border control organizations. The annexation of US border control agencies into the Department of Homeland Security, or DHS, a body that took over the key governmental functions involved in the US non-military counter-terrorism efforts in the wake of the September 11th, 2001, terrorist attacks, is one example of a significant restructuring. These agencies include the US Customs and Border Protection, Transportation Security Administration, and Coast Guard.

4.1.4 Resource and data sharing for coordination at border point

Following sharing options can facilitate robust coordination at the border point:

- **Sharing of information:** Data, knowledge, and intelligence can create a unified agenda for future border agency collaboration, eliminate duplication of effort (e.g., sharing audit findings), and enable operational coordination (e.g., synchronized border controls). A reliable global communication system for transferring information and intelligence, particularly seizure records, between customs officials worldwide is the WCO's Customs Enforcement Network (CEN). The Globally Networked Customs program of the WCO examines opportunities to "further "rationalize, harmonize and standardize the secure and efficient exchange of information between WCO Members".
- **Resource sharing:** This entails cooperative investments by several agencies in machinery, infrastructure, IT systems, databases, knowledge, and other common resources. Discounts on bulk purchases and increased resource utilization are likely outcomes of the joint investment efforts. For instance, the results of collaborative research and investment efforts across multiple government agencies are frequently national and regional Single Window solutions.
- **Sharing of work:** Mostly, this is about rationalizing overlapping border control formalities, actions, and restrictions. There is no need to control the same products more than once if, for example, two border control agencies agree to recognize each other's controls. Combining efforts to investigate and investigate violations also frequently enables border control authorities to make better use of their limited funding.
- **Sharing of responsibilities:** This is about coordinating and streamlining administrative and control tasks among border control agencies. Norway is a fantastic example of responsibility sharing. All other border control organizations, with the exception of the veterinary office, are represented at the border by the Norwegian Customs. Customs officials are in charge of handling normal border procedures and calling in help from other border control agencies as and when they are needed. At the Northern Scandinavian border stations, the Norwegian customs closely coordinates with the authorities in charge of the Swedish and Finnish borders. Norwegian customs officers have the power to carry out the majority of customs checks and formalities for and on behalf of their Swedish and Finnish counterparts thanks to bilateral agreements between its neighbors. For trading enterprises and the border

control agencies in the three nations, the collaboration reduces border crossing times and administrative expenses.

4.1.5 Policy and legal framework for Coordination

The organizations' lack of coordination is caused by the fact that they operate under their own rules and regulations.³⁹ The idea of offering a one-stop shop under one roof is compromised by this. Additionally, a lack of coordination and limited resources among entities involved in commerce contribute to delays in the clearance of commodities. In some instances, the Departments have established separate offices, resulting in a lack of facility sharing across the Agencies and a drawn-out approval process for dealers. Although there is some automation involved in the submission and processing of customs declarations, much of the overall process is still paper-based and inefficient, adding to the complexity and delay of border clearance and acting as a costly barrier to the competitiveness of the private sector, adversely affecting trade and investment.

Inter-departmental coordination becomes crucial and needs to be further reinforced because numerous different entities under various ministries are directly involved in the process. There are no provisions in the BLPA Act that would help with inter-departmental collaboration in land ports. Additionally, the BLPA is not given such authority. At the same time, it's critical to reconsider the functions performed by various departments, especially if there is a chance to return to the conventional functions performed by other ministries and departments.

As efficient and effective coordination among all relevant government agencies and authorities, and good collaboration between the public and private sectors are crucial for the formulation and implementation of facilitation measures⁴⁰, all parties or stakeholders must be involved for a land port to be effective, including representatives from customs, taxes, immigration, border security forces, food safety departments, banks, and transportation and storage authorities. In the long run, procedure simplification can save time and money by lowering processing requirements.

Policy and legal frameworks need to be revised in accordance with the dire need for inter and intra-agency coordination. The coordination mechanism must involve all the stakeholders and a committee or focal point may be formed for ensuring the coordination measures and monitoring the interagency coordination amongst the service providers of the land port. Laws should define how each agency will be tied to another and to what extent they should share information. BLPA acts, customs acts, BSTI, plant quarantine, atomic energy acts etc. may be revised incorporating scopes of coordination in terms of data sharing and process streamlining for facilitating cross-border trade.

From the KII findings, following steps can be conspired to increase the coordination mechanism at the land ports or border point:

³⁹ Md. Alamgir, Chairman, Bangladesh Land Port Authority, "Land ports in Bangladesh: Prospects and challenges", the Financial Express, June 18, 2021

⁴⁰ Study on National Coordination Mechanisms for Trade and Transport Facilitation in The UNESCAP Region

- Modification of BLPA, Customs policies, rules, and regulations is needed to increase coordination among different parties.
- Establishment of a permanent or stable method of coordination system between the existing interagency is necessary.
- Inter ministry coordination is poor and it should be significantly improved for the improvement of the local port authority.
- For increasing coordination mechanism (eg. Joint customs authority, communication) with neighboring countries (India, Nepal, Bhutan) in terms of land port management, Private stakeholder should be involved during JCC (Joint Consultative Commission) meeting with neighboring countries.

4.1.6 Cross-border coordination and issues

Cross border coordination may take place locally at both sides of a border. One Stop Border Posts, or OSBPs, are excellent instances of this kind of cooperation. OSBPs are border crossings that are jointly controlled by two neighboring countries. Collaboration at One Stop Border Posts can take many different forms, including standardization of documents, collaborative or mutually accepted rules, shared infrastructure maintenance, data and information sharing, infrastructure investments, and so on. Operational agreements between the customs offices of Norway, Finland, and Sweden demonstrate sophisticated international cross-border collaboration that helps trading firms and border control agencies save time and money.

However, cross border issues can limit the coordination capabilities of two countries. Lack of sufficient infrastructures can be impediment for cross border coordination. Some of the mentionable issues in the coordination are:

- Shipments or trucks leaving India often have to wait in line because of poor roads and sluggish vehicle registration processes in the land ports of Bangladesh that creates congestion of trucks problem.
- Stakeholders expressed that the handling capacity of both Bangladesh and India across the Benapole–Petrapole border is asymmetrical. Parking syndicates that operate in the border area benefit from the delay in clearing the customs for loading and unloading of cargo. Moreover, though the Petrapole land port on the Indian side has been modernized, Benapole lacks matching standards. Also, no officer is posted at Agartala LCS to issue SPS certificate despite huge volume of trade carried through this station which creates trade lag due to Indian-side border issues. This is also apparent for other land ports as Indian assessment officers are located far away from ports so cargo assessment takes time and increases trade time.
- In the Petrapole land port of India, trucks carrying exported goods from India are prioritized rather than trucks carrying exported goods from Bangladesh because Bangladesh’s import volume from India is higher compared to the export volume to India.

- Land ports can't be kept open 24/7 for immigration because the Indian side usually closes immigration processes after 5 pm.
- Indian-side approval is also required for shipping containers and cargo through railways and discussions are going on in this regard. Separate yards and warehouses for train transport facilities should be developed.
- Bangladesh-India joint declaration was made on trade facilitation so that no infrastructure development should be impeded in the port area and both countries should cooperate with each other regarding this issue. However, the bureaucratic process for communication with the Indian side takes much time which hinders the timeline of the port infrastructure development process. So intergovernmental cooperation becomes inevitable to resolve such issues.
- There is no LCS on the opposite side of Bhomra Land port. Time requirement for releasing goods increases as customs station is far away from Indian side border.
- Only 5-10% of vehicles enter the Bangladeshi land ports from 09.00 am to 02.00 pm but the rest of the vehicles arrive after 02 pm, which creates congestion. Indian officers close their offices at 6.30 pm and therefore, exporter vehicles from Bangladesh have to wait in line, causing congestion. This timing situation vehicles arrival should be made effective.
- There is no quarantine or testing facility on the Indian side of the Akhaura land port which creates perishable goods trading difficult.
- Goods exported to Nepal via India are often impacted by the Indian side inspections and processes.

Moreover, ASYCUDA and Indian Customs system are different which may hinder data sharing and electronic coordination. For instance, The Indian Customs EDI System (ICES) is designed to exchange/transact customs clearance related information electronically using Electronic Data Interchange (EDI). A large number of documents that trade, transport and regulatory agencies (collectively called Trading Partners) are required to submit/ receive in the process of live customs clearance are now being processed online. ICES is now operational at 252 major customs locations handling nearly 98% of India's International trade in terms of import and export consignments.⁴¹ On the contrary, customs of Bangladesh use BCOM software (Bangladesh Customs Office Management Software) and ASYCUDA to fulfil import, export and transit related information and procedures.

Visible infrastructural development (i.e. connectivity infrastructure; railroad and waterways, land ports, water ports) and invisible infrastructural development (such as reformed policies, procedures, and regulations), development of Border Agency Cooperation (BAC) can be remedies for ensuring cross border coordination.

⁴¹ Government of India, Indian Customs EDI System. Retrieved from- <https://ices.nic.in/ices/aboutus>

Moreover, issues of crossborder coordination can be presented in the joint working group meeting with the India. There are four joint working groups (between Bangladesh and India) on trade, land port customs, and inland water protocol. These meet periodically to discuss bilateral issues. Trade related and other cooperation issues can be resolved in these meetings for ensuring better cross border coordination. Also, regular joint working group (JWG) meeting on security and border management can help ensure better security and risk management at the border point for cross border trade and immigration.

4.2 Status of the one stop service for the land port management

One-stop service centers integrate a variety of services, and portals by the government or other relevant agencies at a focal point. In ports, one-stop service usually refers to the integration of services like customs, port authority, testing facilities, banks, etc. under one roof. The KII findings revealed that the land ports of Bangladesh are already taking measures to integrate different service providers of the ports under one rooftop. Moreover, new land ports are now being designed and developed with a one-stop service center building comprising all relevant service providers.

For example, BLPA has taken a project for developing Ramgarh land port with one stop service facilities. This project includes One Stop Port Building for Ramgarh land port with a four storied building, having 6000sqm area. The ground floor consists of separate immigration facilities for Passengers coming from Bangladesh & India, Office area, and medical check-up area for passengers coming from India. This medical facility is also accessible from the operational area, as well as other facilities from a separate entry for first-aid and urgent medical needs.

The office is connected to the operational area via pavement, and connected to the upper floors via office lobby. Upper floors of this building houses offices for BLPA, Admin, Customs, BGB, Immigration, Traffic, IT & Server etc. along with meeting & Conference room.⁴² Newly proposed land ports are also being planned and developed with similar models for facilitating one stop integrated services. A one-stop service system will offer a variety of services so that clients will not need to visit many locations or seek assistance from numerous organizations.

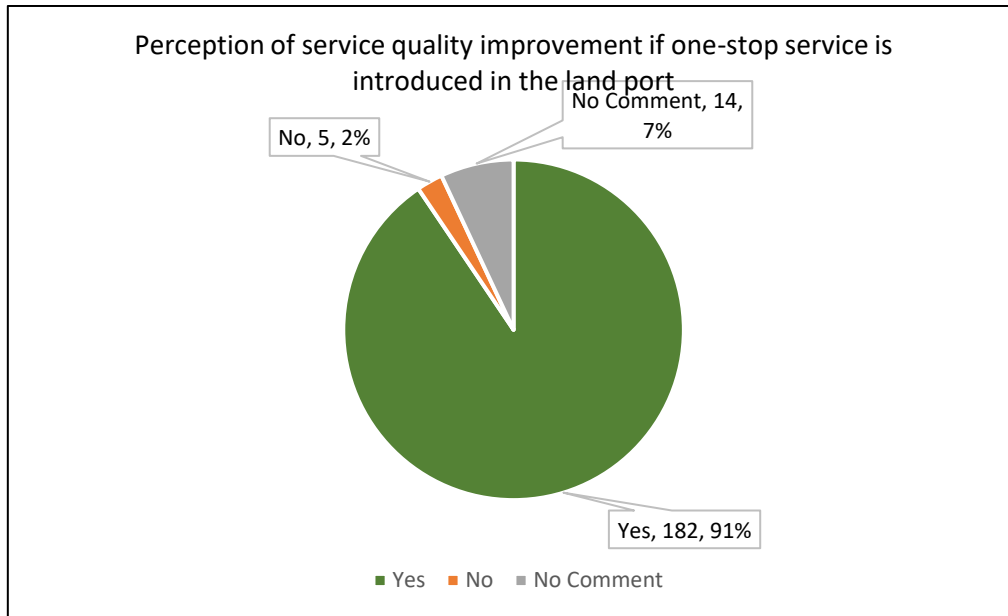
In order to facilitate service, ensure transparency and accountability, and establish good governance to provide better services to port users and common passengers, the government has decided to conduct integrated services under one umbrella involving and coordinating all stakeholders in the land port. In the meanwhile, Benapole, Burimari, Banglabandha, and Teknaf land ports offer a One Stop Service system.⁴³ It will be gradually implemented in all land ports to further enhance the business environment.

⁴² Ramgarh Land Port, One Stop Port Building, viewed at- <http://www.symbiotic.com.bd/project/ramgarh-landport-one-stop-port-building/>

⁴³ Land ports in Bangladesh: Prospects and challenges- The Financial Express (2021)

The survey conducted for the study asked the respondents whether the quality of service will improve if one-stop service is introduced in the land port, the majority (91%) of the participants responded positively. Following graph shows the responses in detail:

Figure 22: Perception of service quality improvement if one-stop service is introduced in the land port



Source; BFTI Field Survey

Once Stop service can speed up the trade procedures and facilitate importers-exporters with convenience flow of information. The benefits of one stop service underlies in:

- Reduction of time to register import-exports and obtain relevant licenses and permits
- Improved collection of trade taxes associated with efficiency gains
- Increased transparency in the trade processes including certification/assessment processes.
- Efficient trade procedures that facilitate international trade, investment, and economic growth.
- Increased service quality
- Increased processing or procedural speed.
- Better utilization of government resources by port agencies.
- Promotion of better connectivity and international relations between countries.

The stakeholders of the land ports also revealed that for technical and procedural preparations of land ports to introduce one stop service following things needs to be done in launching one stop service at land ports:

- ICT and infrastructure development is required before introducing one stop service.
- Skilled man force is required to operate one stop service

- Coordination between land port authority and customs.
- Coordination of all parties is a must for One Stop Service (OSS).
- Separate One-stop service center for Import/Export and for passengers should be implemented.

4.2.1 National Single Window

A comprehensive form of one stop service for traders include National Single Window (NSW). Bangladesh submitted its WTO TFA (World Trade Organization Trade Facilitation Agreement) instrument of ratification in September 2016 with which it committed to implementing 37 measures of facilitating legitimate trade. The National Single Window is under Article 10.4, that states "members shall endeavour to establish a single window." The most commonly accepted definition of a Single Window (SW) is the one provided by UNECE Recommendation No.-33 that describes the SW as "a facility that allows parties involved in trade and transport to lodge standardized information and documents with a single-entry point to fulfill all import, export, and transit-related regulatory requirements." "If information is electronic, then individual data elements should only be submitted once".⁴⁴

For National Single Window Implementation and Strengthening Customs Modernization, The Government of the People's Republic of Bangladesh has received an USD 150 million Credit from the International Development Association (IDA) - a member of the World Bank Group - for financing the cost of the Bangladesh Regional Connectivity Project 1(BRCP-1), being jointly implemented by the Bangladesh Land Port Authority (BLPA), National Board of Revenue (NBR) and Ministry of Commerce. NBR is now applying a part of the IDA Credit for procuring the services of a National Procurement Consultant (NPC) for its Project Implementation Unit (PIU). By increasing connectivity, removing logistical bottlenecks, and encouraging the use of contemporary approaches to border control and trade facilitation, the project development objective seeks to improve the environment for trade.

The Government of Bangladesh has committed to the implementation of a National Single Window (NSW) system and the accompanying reform and modernization of customs and other border control agency needs in accordance with international standards following the WTO Trade facilitation agreement. When fully operational, the system will enable traders to submit all import, export, and transit data needed by customs and other important regulatory agencies through a single electronic gateway rather than repeatedly submitting the same data to various government agencies, many of which still heavily rely on paper-based processing systems.

⁴⁴ United Nations, Trade Facilitation and Implementation Guide- The Single Window concept, viewed at- <https://tfig.unece.org/contents/single-window-for-trade.htm>

The Ministry of Finance's Internal Resource division's NBR, the project's lead implementation agency, oversees the project's overall implementation, management, and monitoring.⁴⁵ As a part of One stop Service System, NBR's national single window project is under way and once initiated it will benefit Bangladeshi traders significantly by reducing time and cost of trading. The average processing time for imports and exports is expected to be reduced substantially. With the implementation of NSW traders will be able to submit all of their trade-related documentation on a single digital platform rather than depending on numerous government agencies, which will reduce paperwork and facilitate trade substantially.⁴⁶ The NSW and the AW, on the other hand, have a number of overlapping modules that may result in duplication of the same system, according to a comparison study by the National Board of Revenue (NBR). While the NSW project also has a significant purpose to establish connectivity, the majority of governmental agencies, other regulators, off-docks, stakeholders, and customs houses are already connected under the AW system.⁴⁷ Although ASYCUDA world is now implemented in many land ports, the NSW will further enhance trade efficiency.

With implementation of National Single Window for trade in Bangladesh, 319,000 traders (exporters and importers) are expected to be benefitted from reduced time and cost for trade in the fifth year of the operation of the solution. During the same year, the average processing time for import is expected to be reduced to 122 hours and average processing time for export is expected to be reduced to 88 hours.

Complying with trade facilitation agenda, NSW is being implemented which will facilitate import and export. However, not all port processes like shed management, warehouse management etc. are pertinent to be included in the NSW. National Single window will help coordinate customs, land port authority, certification authority and importers exporters with data sharing and paperless trade facilities. So far 39 institutions have signed MoU for NSW. Among 21 of them are CLPA (certification, license and permitting authority). Many of these institutions/agencies do not have sufficient automation. Along with custom modernization, each of the agencies or stakeholders needs to be modernized or automated to be connected with customs and NSW. The following figure depicts the concept of NSW in the country:

⁴⁵ Available at- https://nbr.gov.bd/uploads/tender-notice/TOR_NPC.pdf

⁴⁶ NBR appoints Pricewaterhouse Coopers to implement National Single Window- The Business Standard, August 2022

⁴⁷ Overlapping of Asycuda system with NSW project features detected- The Financial Express, February, 2022

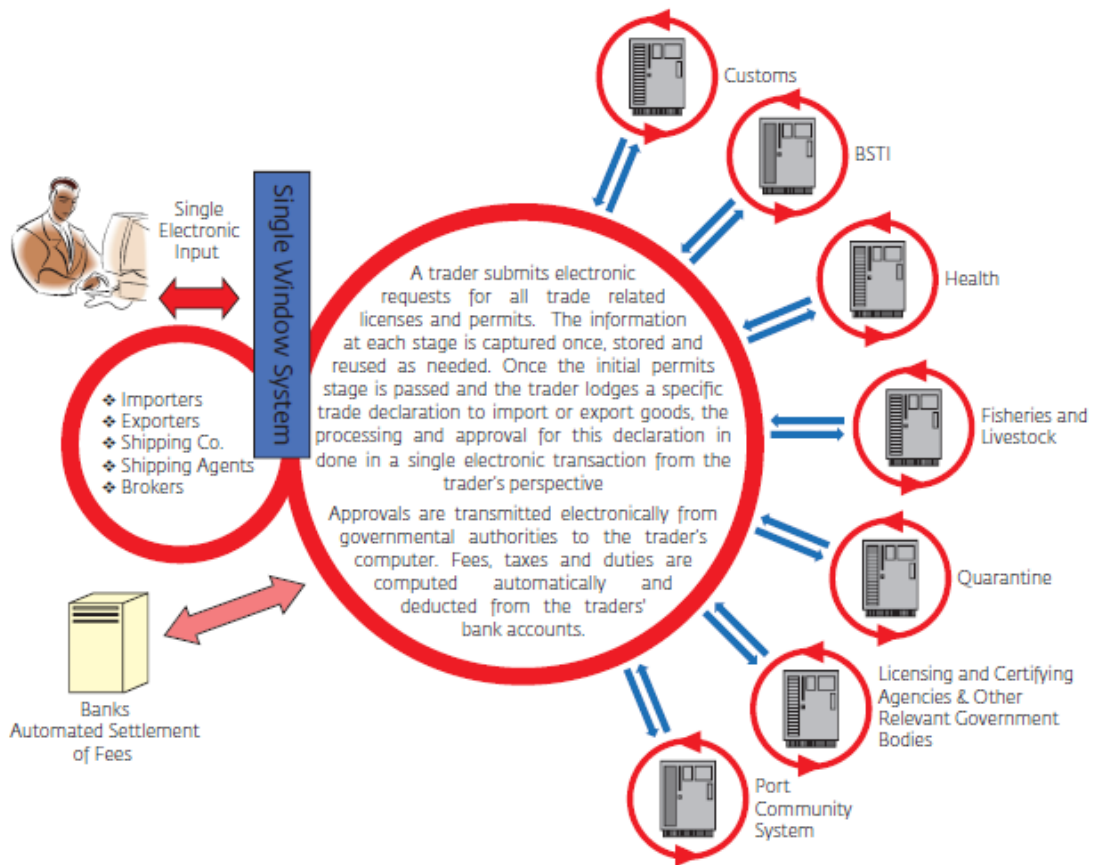


Figure 23: National Single Window concept

One of the pressing issues for full NSW implementation is the lack of interoperability. Interoperability is a characteristic of a system to work with other systems. Since agencies included in the NSW have different existing procedures and many of them lack proper automation, timely implementation of single windows becomes withered.

4.3 Standard operating procedure for port management

Background

Institutional coordination of different organization/stakeholder involved in the process of improving and developing the functional effective role of land ports is a must. As such, the stakeholders like land port authority, customs, land & railway transportation agency, bank, insurance, quarantine certificate issuing authorities BGB & C&F agent, immigration exporters & importers have to play a significant role in augmenting operational, functional & efficient activities of the land ports.

A standard operating procedure is a set of instructions that describes the step-by-step process that must be taken to properly perform a routine activity. SOPs should be followed the exact same way every time to guarantee that a system remains consistent and in compliance with industry regulations and necessary standards.

Standard operating procedures provide the policies, processes and standards needed for the organization to succeed. They can benefit an authority by reducing errors,

increasing efficiencies and profitability, creating a safe work environment and producing guidelines for how to resolve issues and overcome obstacles. Land ports confront some challenges/impediments which include coordination gap in different agencies lack of proper infrastructure, lack of modernization of customs procedure, all land ports are not connected with ASYCUDA facilities of customs, external congestion, prolonged commodity, clearance certification, lack of efficient SOP in the land ports etc. In order to address the above challenges on SOP regarding land ports is of utmost importance now. Moreover, complying with the trade facilitation objectives and developing paperless trade systems, digitalized standard operating procedures can be a way to overcome the county's bottlenecks in the land port trading system.

The South-Asian Sub- Regional Economic Cooperation (SASEC) has been designed to augment/increase regional prosperity, to expand economic opportunities and ensure a better quality of life for the people belonging to Bangladesh, Bhutan, Nepal, Maldives, Myanmar & Sri Lanka. The aim of SASEC countries is to boost intra-regional trade and cooperation in south Asia by developing the connectivity and expanding trade & commerce with the south east Asia through Myanmar, China. Having considered all these issues and economic aspects in regard to SASEC countries as guideline as to standard operating procedure (SOP) needs to be made that can efficiently, effectively and functionally facilitate as well as improve the export-import activities with the neighboring countries through land ports.

The standard operating procedure can be prepared for movement of import & export cargo loaded and empty trucks among the territories of the countries concerned through land ports in order to implement the required compliance by all the official & staff designated here accordingly.

The study explored five land ports namely Benapole land port, Bhomra land port, Shona Masjid land port, Akhaura land port and Banglabandha land port for identifying the standard procedures of import, export and immigration in those ports. Although operating procedures vary from land port to land port, investigating the procedures of these ports, and through key informant interviews, focus group discussion and public consultation, the current standard operating procedure of the land ports are outlined in the following section.

Land Port-wise, standard operating procedures will vary. A comprehensive Time Release Study at the Benapole was conducted under the Customs Modernization Strategic Action Plan 2019-2022 of the National Board of Revenue (NBR).⁴⁸ Bangladesh Customs, with collaborations of the World Customs Organization (WCO) and the Swiss State Secretariat for Economic Affairs (SECO) through the Global Trade Facilitation Programme (GTFP), conducted the study that revealed the steps or procedures of exports through the Benapole land port. However, these steps differ across land ports. This study, considering the 5 land ports of Bangladesh, generated an outline of standard operating procedure, however for some land ports, additional processes can be there and for some, few processes can be exempted. The general idea

⁴⁸ Comprehensive Time Release Study 2022, NBR

of the standard procedure is to follow a set of uniform procedures with lean processes for time efficiency and seamless service ensuring trade facilitation.

The key processes involved in the import and export through land port are summarized in the following tables:

Table 30: SOP for import and export in land ports

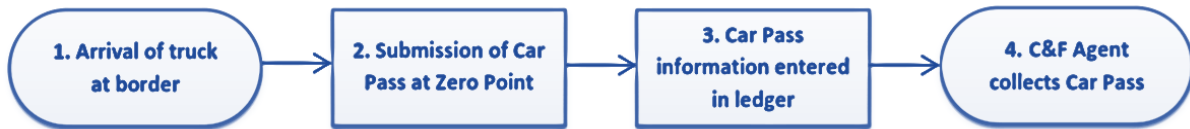
Import	
Sl.	Processes
a.	Zero-point Entry
b.	Car Pass Procedure
c.	Entry into Port Authority Area
e.	Bill of Entry Record/Provide Customs Declaration
f.	Examination
g.	Assessment
h.	Testing and Certification process
i.	Payment of Duty and Taxes- Customs Release
j.	Port Authority Release- Final Exit of Import Goods

Export	
Sl.	Processes
a.	Examination
b.	Assessment
c.	Testing and Certification process
e.	Payment of Duty and Taxes (If Any)- Customs Release
f.	Port Authority Release- Border Crossing of Export Goods

Source: BFTI findings

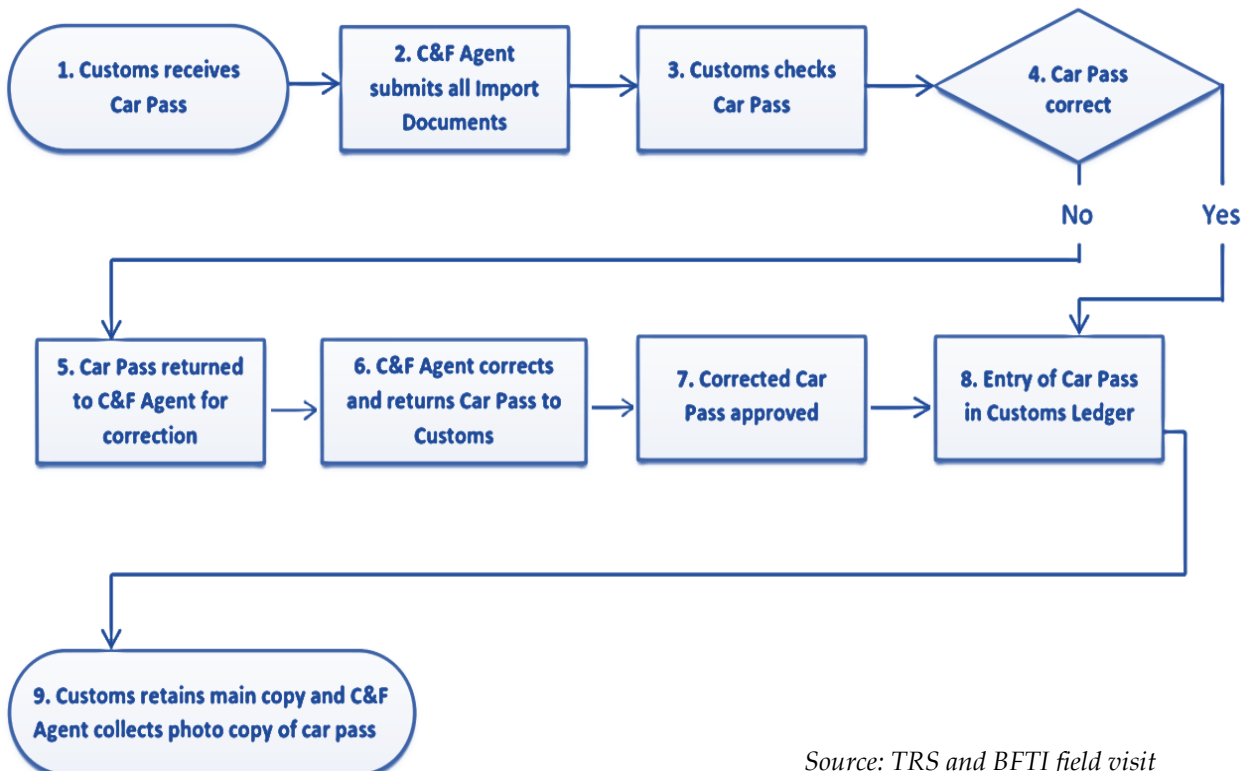
4.3.1 Import process

a. Zero-point Entry



1. When the cargo loaded truck reach at zero point, the driver driving or handling the cargo vehicle/trucks submits the car pass issued by the customs of exporting country in triplicate to the BGB posted at zero point.
2. The car pass information then entered into the ledger by the BGB. After checking and verifying the car pass by the BGB officer, the original copy is handed over to the cargo truck driver and a photocopy copy is kept by the BGB officer as an official copy.
3. C&F agent collects the main copy of the car pass and the cargo-laden truck driver is given permission to go towards the land port.

b. Car Pass Procedure



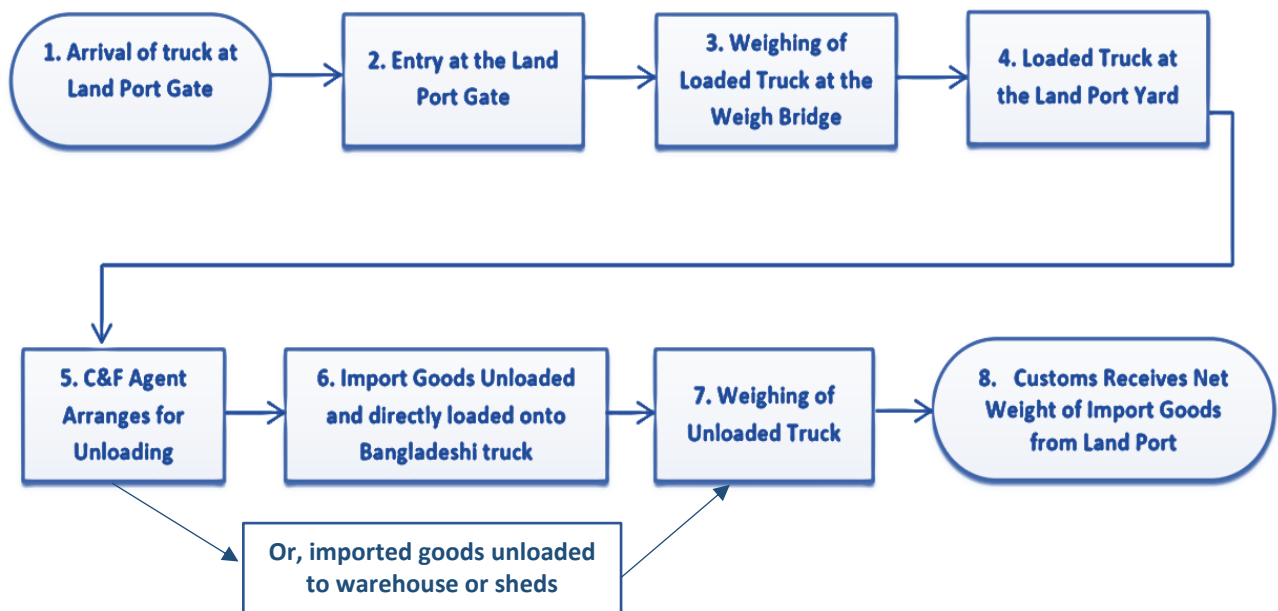
Source: TRS and BFTI field visit

1. After collecting the car pass, the C&F agent submits the car pass to Customs and customs checks the car pass for verification.
2. C&F agent submits all import documents including import certificate, along with details of importer/exporter (consignee/consignor), manifest, shipping bill, etc.
3. Along with other documents, customs check the car pass and provide feedback on whether the car pass is correct or not.

If the car pass is **not correct**, then:

4. The car pass is returned to the C&F agent for correcting it appropriately.
5. C&F agent corrects the car pass accordingly and returns it to Customs.
6. If everything checks out right, checking the corrected car pass, Customs will approve the car pass.
7. If the car pass is correct the first time or once customs approve the corrected car pass, Customs will enter the car pass information in its ledger.
8. Customs will retain the main copy of the car pass and return any other documents to the C&F agent C&F agent will have to keep a copy of the car pass for further use.

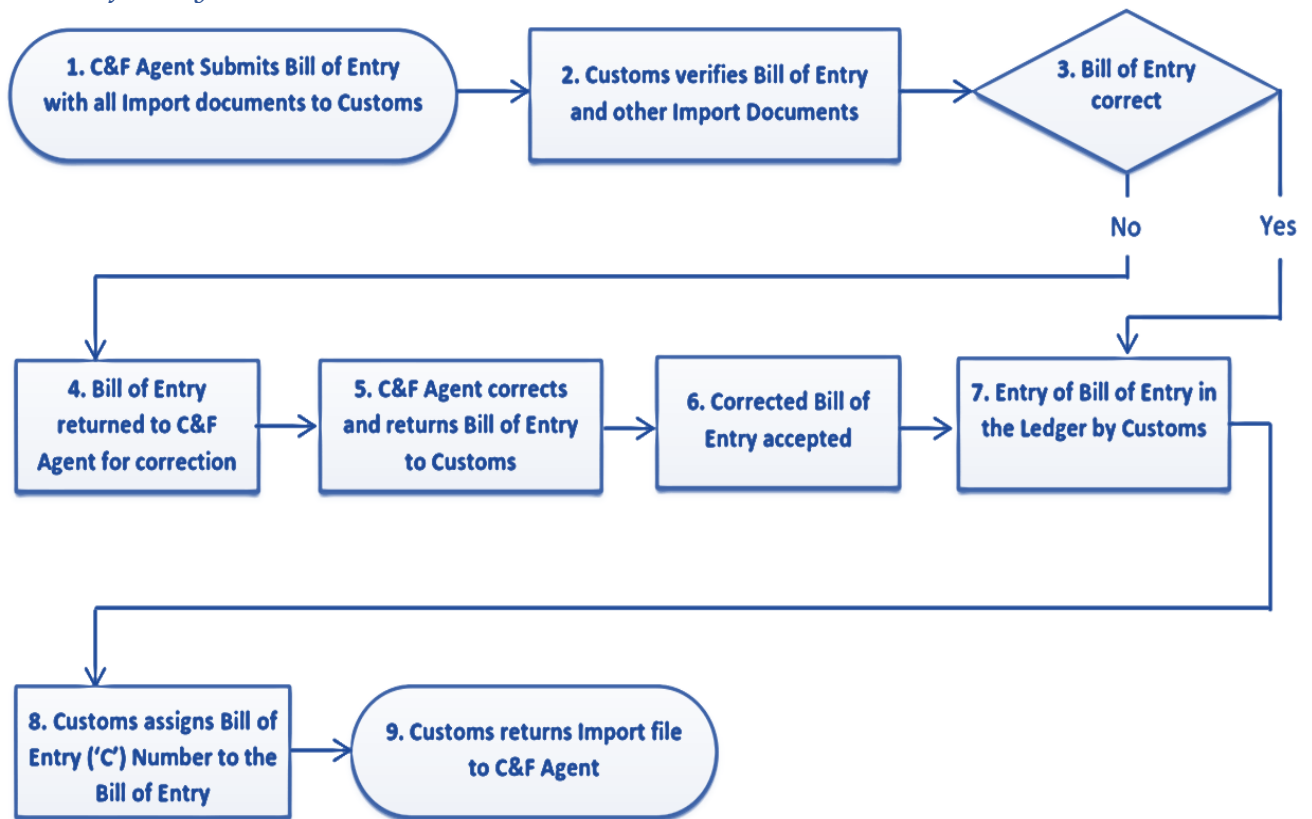
c. Entry into Port Authority Area



Source: TRS and BFTI field visit

1. Once Customs approves the Car pass, the cargo truck moves towards the land port and arrives at the land port gates.
2. At the gate of the land port after checking the car pass document, the cargo truck is granted access inside the land port.
3. After entering the port, cargo trucks are weighted at the weighbridge.
4. When the weighing is done cargo loaded truck can enter the land port yard for unloading.
5. In the port yard, C&F agent organizes the unloading of imported goods.
6. Imported goods are directly unloaded onto the Bangladeshi truck or at warehouse.
7. After unloading the empty or unloaded truck is weighed again.
8. By weighing loaded and unloaded trucks customs receives information on the net weight of import goods.

d. Bill of Entry Record/Provide Customs Declaration



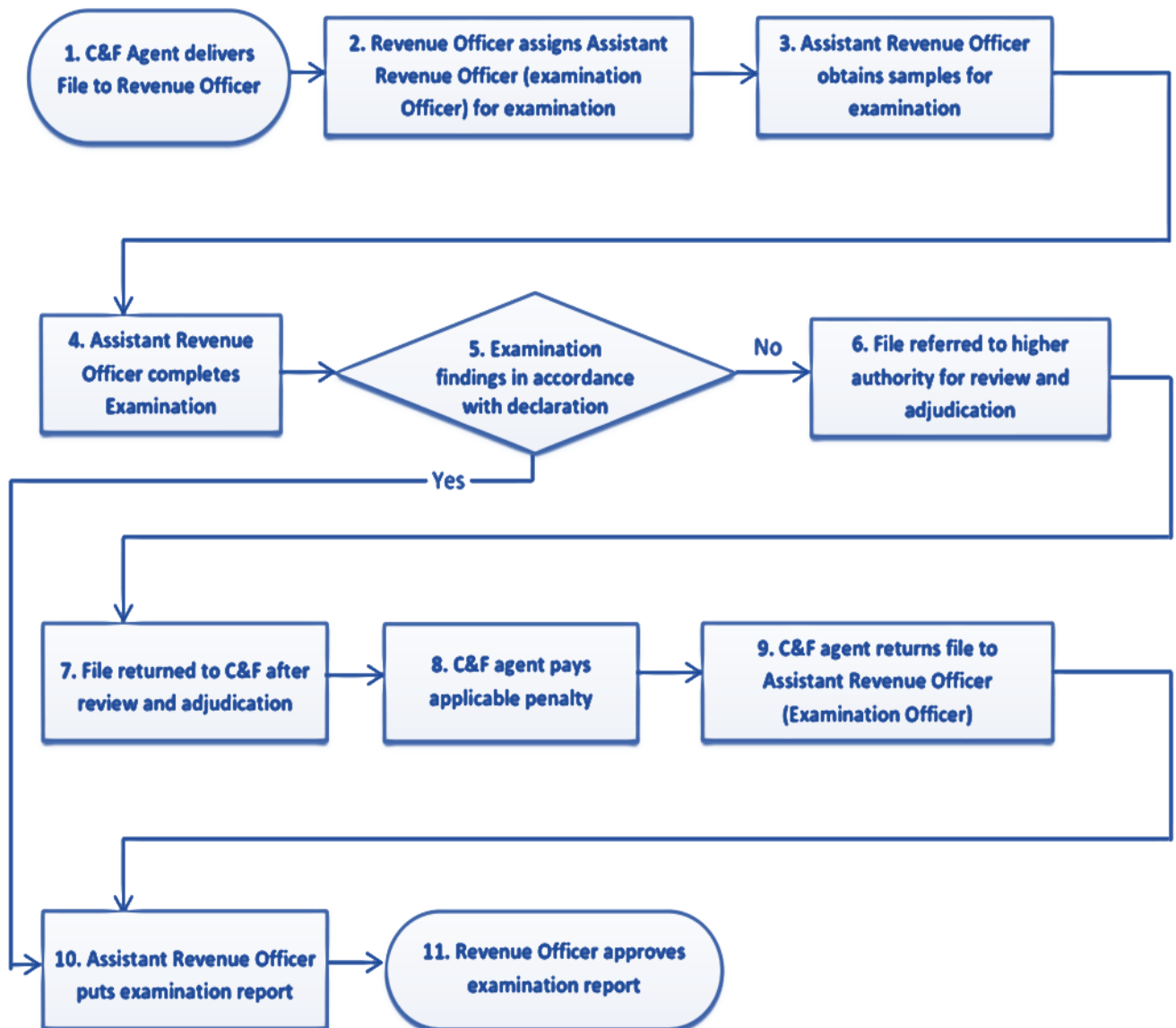
Source: TRS and BFTI field visit

1. For getting the custom approval for unloaded goods, the C&F agent fills up the BOE form in EDI. Then after printing it, C&F agent submits the bill of entry with all other relevant documents to the customs.
2. After receiving the bill of entry and other import documents, customs verify them.
3. If the bill of entry and other documents are correct, customs make an entry of the bill of entry in the ledger.

However, if it is not correct:

4. BOE will be returned to the C&F agent for correction
5. After correcting the BOE, C&F agent will have to submit it back to Customs.
6. Customs then approves the corrected BoE.
7. Customs makes the entry of BoE in its ledger.
8. Customs assigns a "C" number (custom reference number) in BoE.
9. Customs returns all import-related files to the C&F agent for further processes.

e. Examination



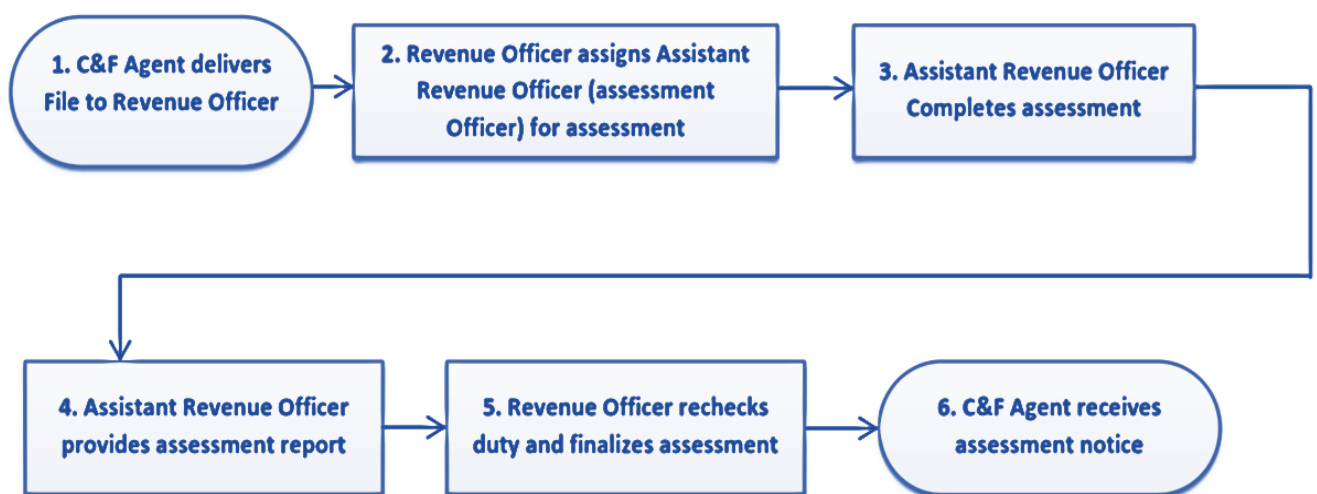
Source: TRS and BFTI field visit

1. After receiving declaration and other Import documents from customs, the C&F agent delivers the import file consisting Bill of import and all export related documents to the revenue officer.
2. The revenue officer assigns an assistant revenue officer (ARO) for the examination of the consignment or goods.
3. Assistant revenue officer collects sample for verifying the consignment.
4. After verifying the consignment based on the BOE and other import documents, ARO (assistant revenue officer) completes the examination.
5. If the examination findings are inconsistent with the declaration:
6. Then the file is referred to a higher authority for review and adjudication.

7. File is sent back to the C&F agent after review and adjudication.
8. C&F agent pays the applicable penalty.
9. After paying the penalty set by the review and adjudication, the C&F agent returns the file to ARO (Examination Officer).
10. ARO prepares a report outlining the examination findings.
11. Checking the report, Revenue Officer (RO) approves the examination report.

If the findings are in accordance with the declaration, then step 6-9 will not be required.

f. Assessment



Source: TRS and BFTI field visit

This process is often parallel to the examination.

1. C&F agent submits the Bill of entry and import file to the Revenue Officer (RO)
2. The revenue officer assigns an assistant revenue officer (ARO) for the assessment of the duty and tax of the consignment or goods.
3. Using the examination information, ARO completes the assessment of the duty/ tax of the consignment.
4. ARO prepares and presents the assessment report to RO.
5. Revenue Officer rechecks duty and finalizes the assessment.
6. After finalizing duty, the C&F agent receives an assessment notice for payment.

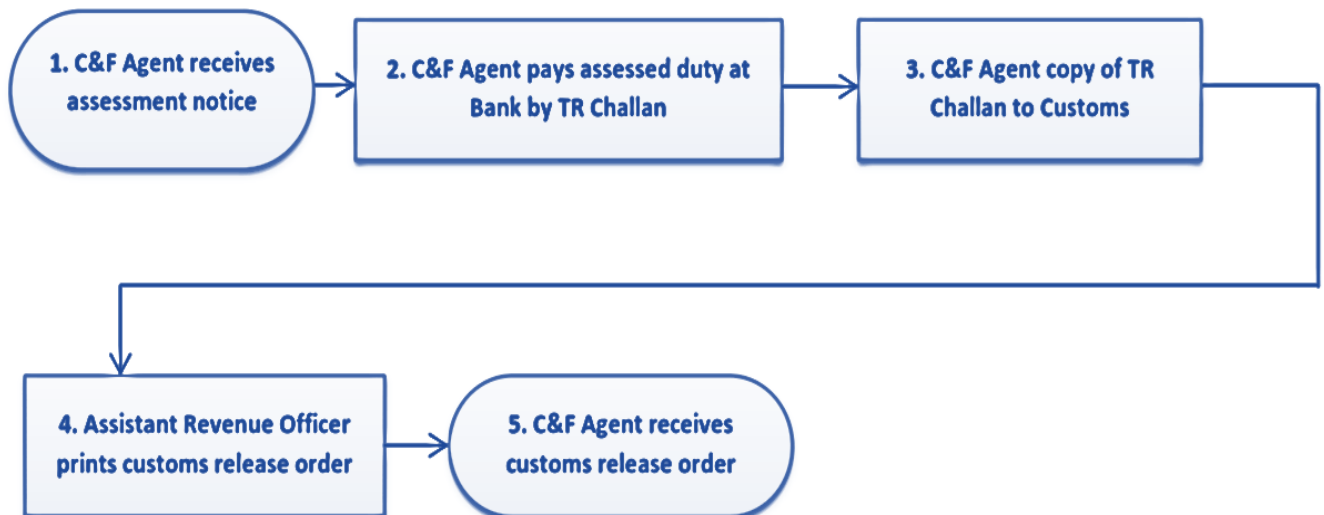
g. Testing and Certification process

For the customs clearance of imported animals, plants and plant products, quarantine conditions (such as certification from quarantine, fumigation, BSTI etc.) are observed. Testing and certification process includes:



1. For some goods, Customs inquires for appropriate testing certificates.
2. The sample is sent to the BSTI, Plant quarantine, or atomic energy commission for testing the sample. The sample is sent by the client or C&F agent to the respective testing agencies.
3. Respective authorities either test the sample by eye inspection or laboratory testing procedures based on the nature of sample. Some samples are sent to Dhaka for laboratory testing.
4. Once the testing is done certificates are provided by the respective authority and C&F agent collects them submits to the customs.

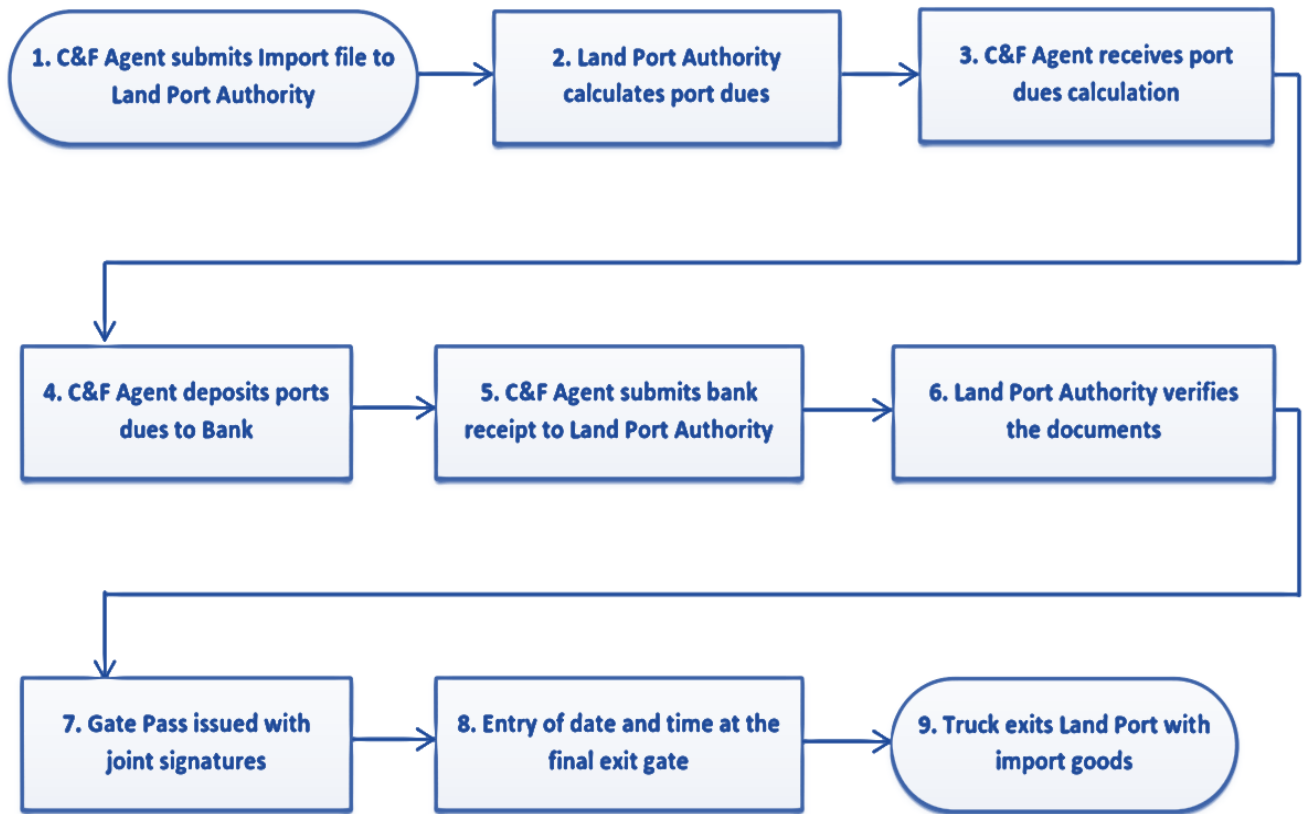
h. Payment of Duty and Taxes- Customs Release



Source: TRS and BFTI field visit

1. Once the duty/tax is finalized, the C&F agent receives an assessment notice.
2. C&F agent pays the assessed duty via e-payment system or TR challan at the bank
3. After payment, the C&F agent shows the TR challan or proof of payment to the customs
4. Verifying the payment and other test certificates, ARO provides an 'R' Number and prints the custom release order.
5. C&F agent collects the release order for further procedures.

i. Port Authority Release- Final Exit of Import Goods

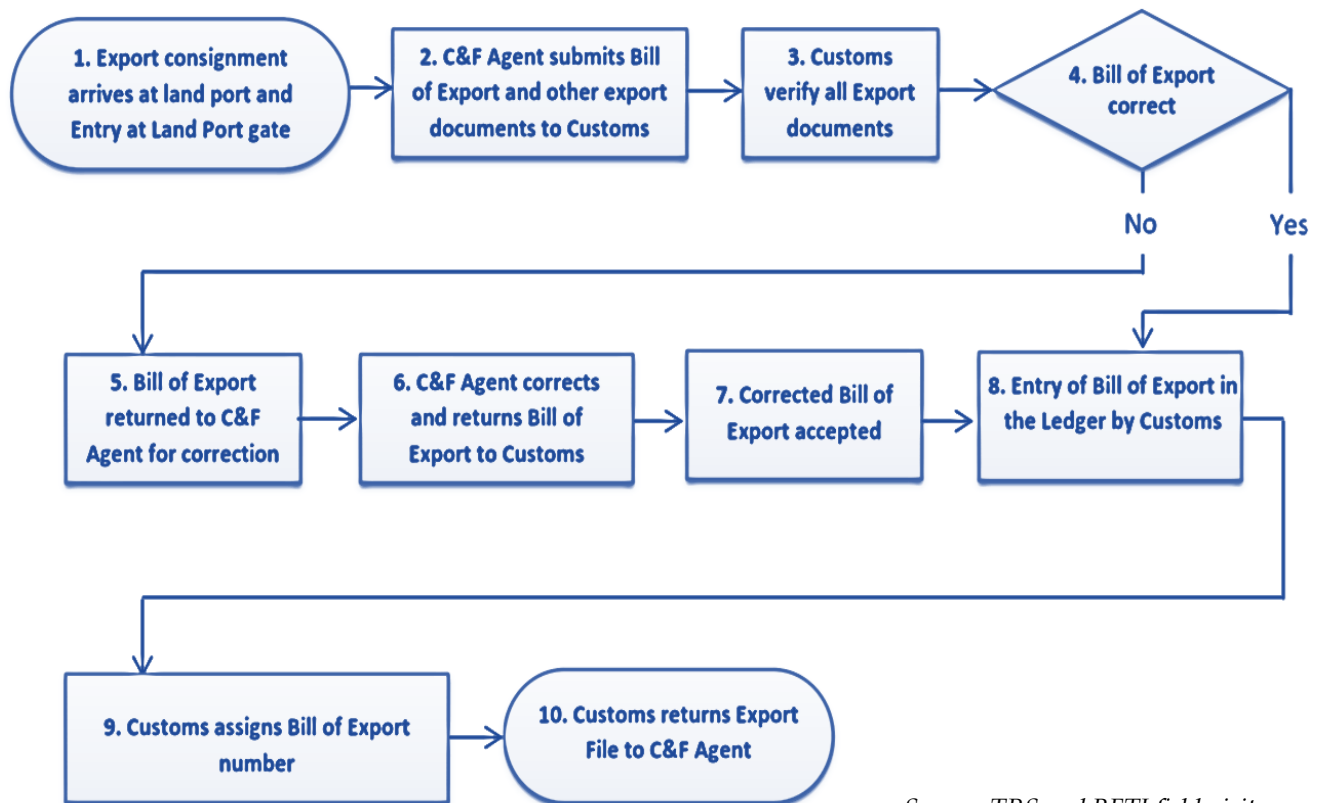


Source: TRS and BFTI field visit

1. After collecting the release order C&F agent submits the release order and other import-related documents to the land port authority;
2. The land port authority checks the import files and calculates port dues.
3. Calculated Port dues are then provided to the C&F for payment.
4. C&F agent pays the port dues to the bank.
5. As proof of payment, the C&F agent submits the bank receipt to the port authority.
6. Land port authority checks and verifies the payment of port dues.
7. A gate pass is issued by the port authority with the joint signature of both the port authority and customs.
8. After getting the gate pass loaded truck move towards the exit gate where the date and time of departure entry are given.
9. Finally, the truck loaded with import goods leaves the land port.

4.3.2 Export process

a. Submission of Bill of Export/Provide Customs Declaration



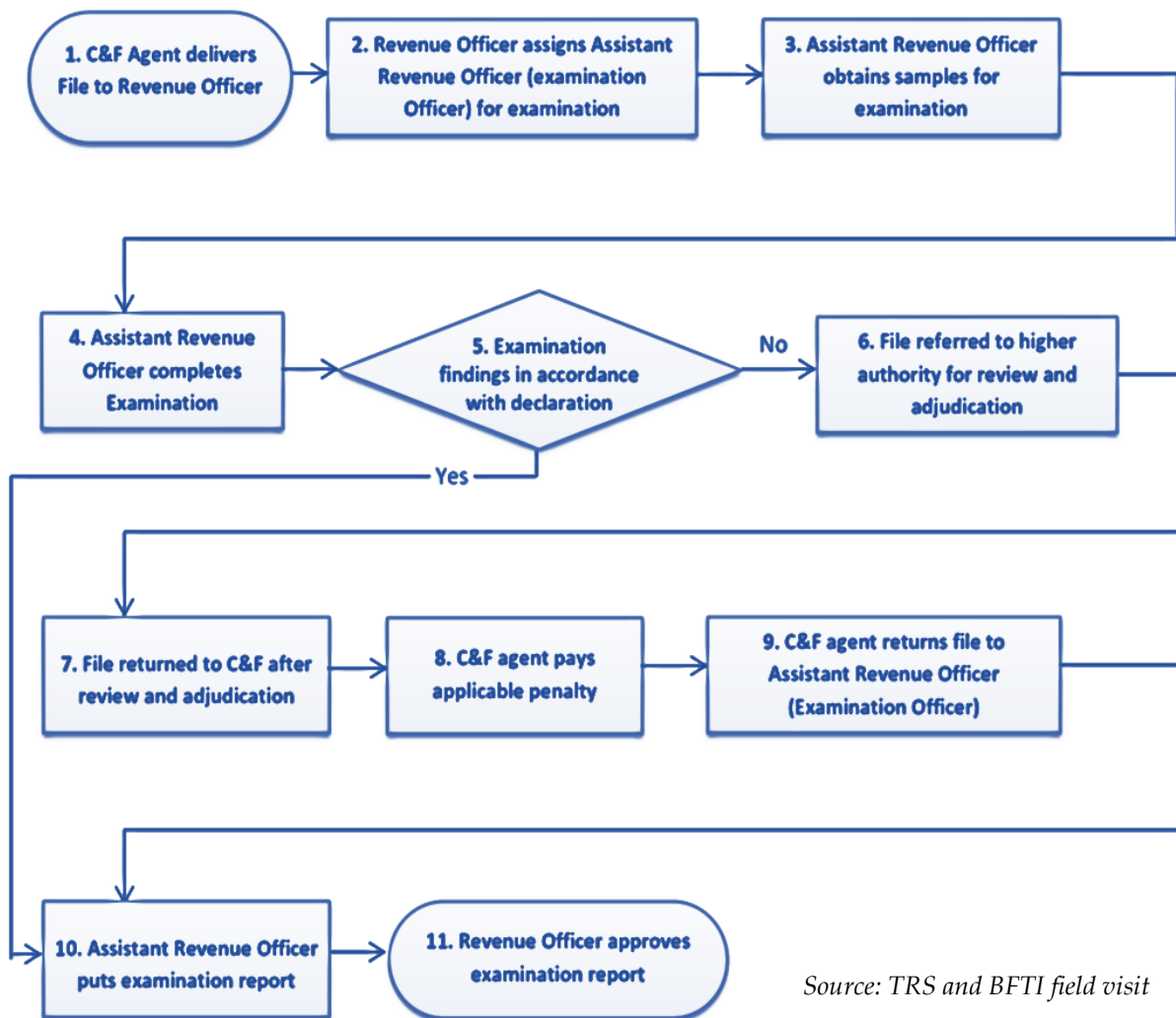
Source: TRS and BFTI field visit

1. Truck filled with export consignment arrives at the land port gate and enters the land port.
2. The C&F agent fills up the Bill of export form in EDI. Then after printing it, C&F agent submits the bill of export with all other relevant documents to the customs.
3. After receiving the bill of export and other export documents, customs verify them.
4. If the bill of export and other documents are correct, customs make an entry of the bill of entry in the ledger.

However, if it is not correct then:

5. Bill of entry (BOE) will be returned to the C&F agent for correction
6. After correcting the BOE, C&F agent will have to submit it back to Customs.
7. Customs then approves the corrected BoE.
8. Customs makes the entry of BoE in its ledger.
9. Customs assigns the BOE number as approval.
10. Customs returns all export-related files to the C&F agent for further processes.

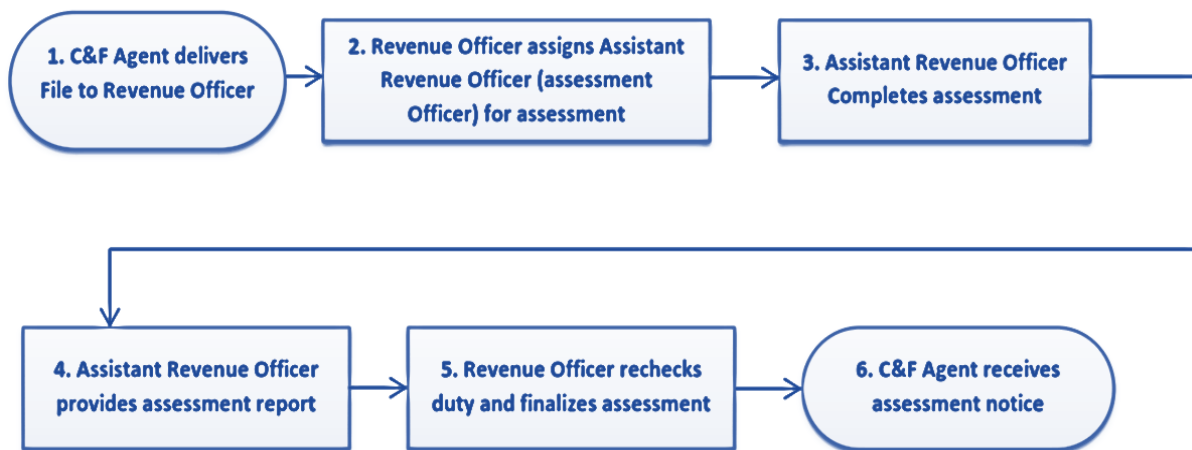
b. Examination



Source: TRS and BFTI field visit

1. After receiving declaration and other export documents from customs, the C&F agent delivers the export file consisting Bill of export and all export related documents to the revenue officer.
 2. The revenue officer assigns an assistant revenue officer (ARO) for the examination of the consignment or goods.
 3. Assistant revenue officer collects sample for verifying the consignment.
 4. After verifying the consignment based on the BOE and other export documents, ARO (assistant revenue officer) completes the examination.
 5. If the examination findings are inconsistent with the declaration:
 6. Then the file is referred to a higher authority for review and adjudication.
 7. File is sent back to the C&F agent after review and adjudication.
 8. C&F agent pays the applicable penalty.
 9. After paying the penalty set by the review and adjudication, the C&F agent returns the file to ARO (Examination Officer).
 10. ARO prepares a report outlining the examination findings.
 11. Checking the report, Revenue Officer (RO) approves the examination report.
- If the findings are in accordance with the declaration, then step 6-9 will not be required.

c. Assessment



This process is parallel to the examination.

1. C&F agent submits the Bill of export and import file to the Revenue Officer (RO)
2. The revenue officer assigns an assistant revenue officer (ARO) for the assessment of the duty and tax of the consignment or goods.
3. Using the examination information, ARO completes the assessment of the duty/tax of the consignment.
4. ARO prepares and presents the assessment report to RO.
5. Revenue Officer rechecks duty and finalizes the assessment.
6. After finalizing duty, the C&F agent receives an assessment notice for payment.

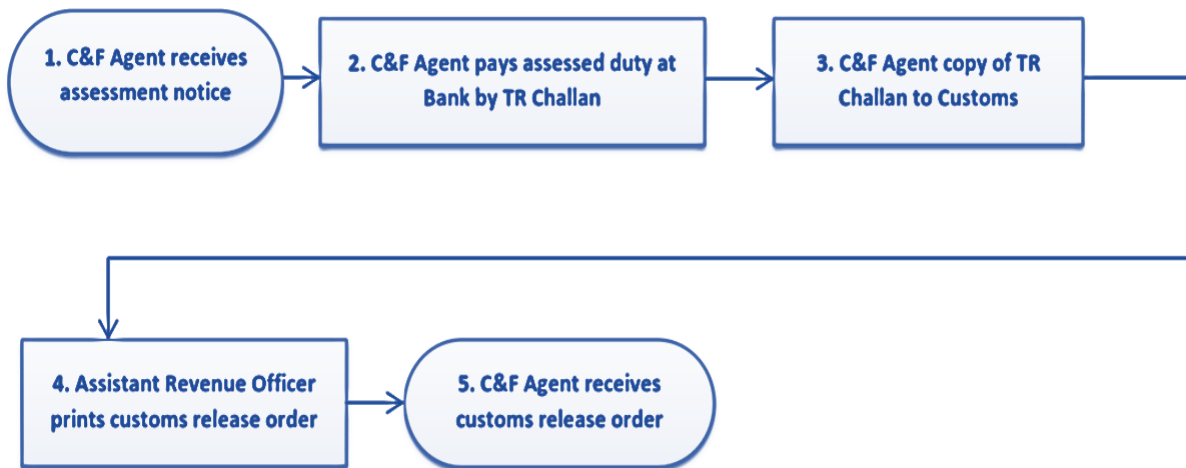
d. Testing and Certification process

For the customs clearance of imported animals, plants and plant products, quarantine conditions (such as certification from quarantine, fumigation, BSTI etc.) are observed. Testing and certification process includes:



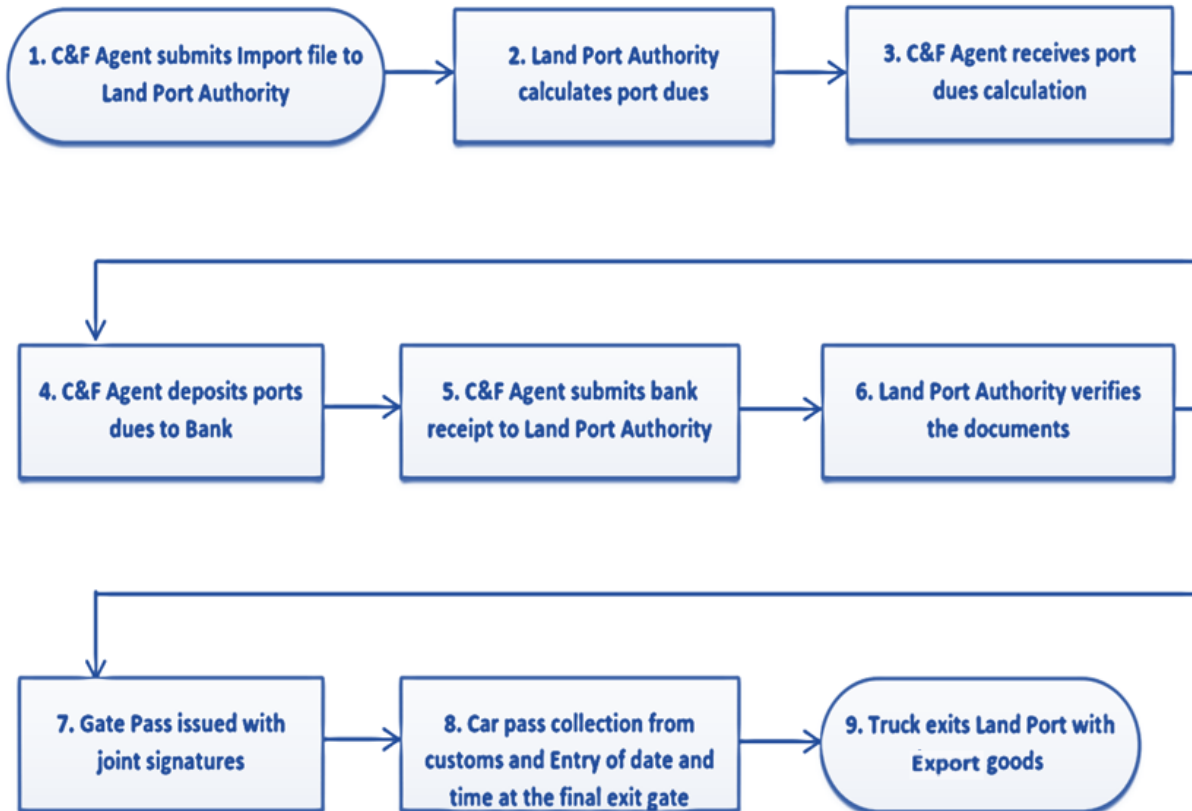
1. For some goods, Customs inquires for appropriate testing certificates.
2. The sample is sent to the BSTI, Plant quarantine, or atomic energy commission for testing the sample. The sample is sent by the client or C&F agent to the respective testing agencies.
3. Respective authorities either test the sample by eye inspection or laboratory testing procedures based on the nature of sample. Some samples are sent to Dhaka for laboratory testing.
4. Once the testing is done certificates are provided by the respective authority and C&F agent collects them submits to the customs.

e. Payment of Duty and Taxes (If Any)- Customs Release



1. Once the duty/tax is finalized, the C&F agent receives an assessment notice.
2. C&F agent pays the assessed duty via e-payment system or TR challan at the bank
3. After payment, the C&F agent shows the TR challan or proof of payment to the customs
4. Verifying the payment, ARO provides an 'R' Number and prints the custom release order.
5. C&F agent collects the release order for further procedures.

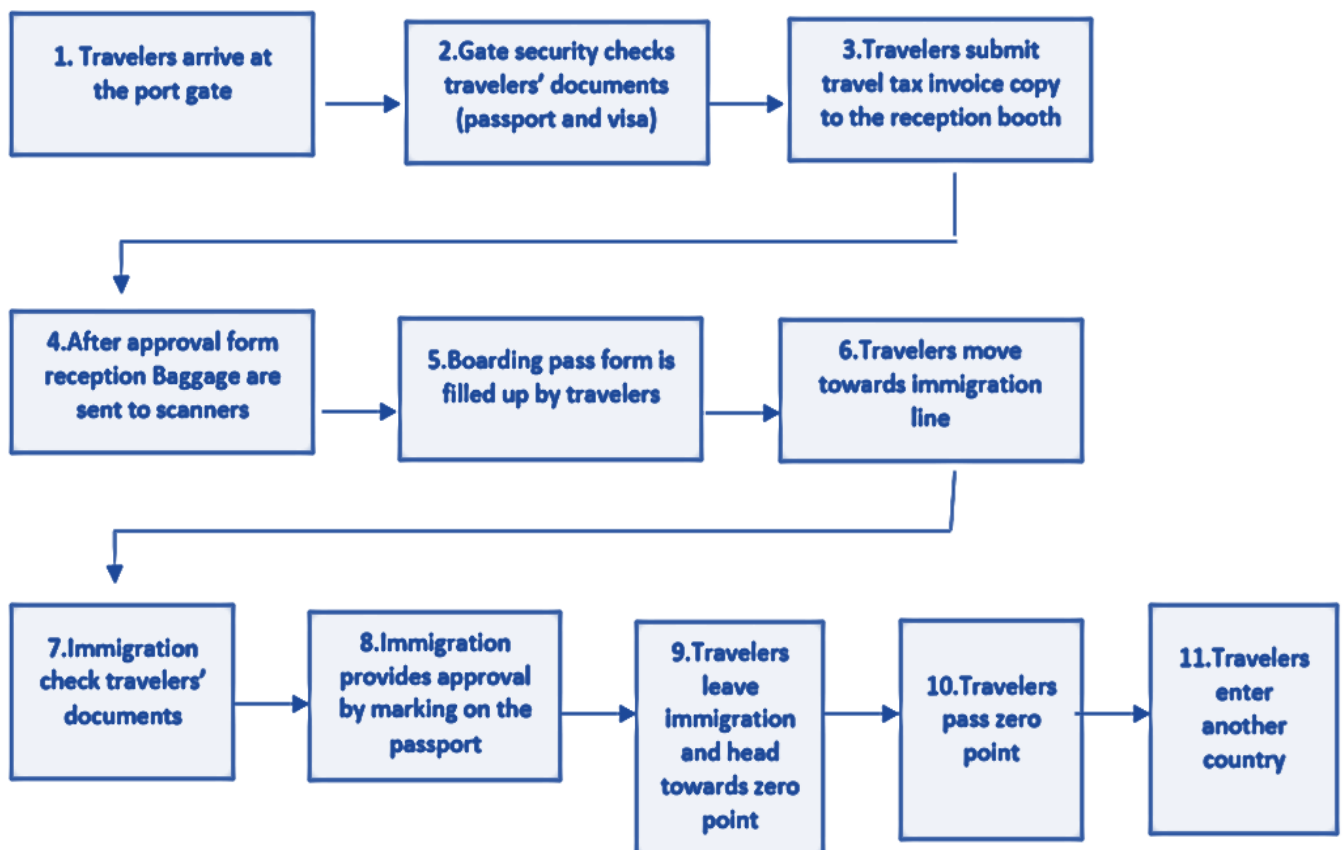
f. Port Authority Release- Border Crossing of Export Goods



Source: TRS and BFTI field visit

1. After collecting the release order C&F agent submits the release order and other Export-related documents to the land port authority;
2. The land port authority checks the import files and calculates port dues.
3. Calculated Port dues are then provided to the C&F agent for payment.
4. C&F agent pays the port dues to the bank.
5. As proof of payment, the C&F agent submits the bank receipt to the port authority.
6. Land port authority checks and verifies the payment of port dues.
7. A gate pass is issued by the port authority with the joint signature of both the port authority and customs.
8. A car pass is also collected from the customs by the C&F agent for submitting to the Indian side and after getting the gate pass loaded truck move towards the exit gate where the date and time of departure entry are given.
9. Finally, the truck loaded with export goods leaves the land port.

4.3.3 Immigration process



Source: BFTI field visit

1. Travelers intending to visit India, Myanmar, or Nepal using land ports arrive at the port gate.
2. Gate security checks every passenger to detect trespassing or unwanted entry. Traveler's documents like passports and visas are checked by security.
3. After verifying the passports and visas of the travelers, they are granted entry to the port and after entering the port travelers submit their tax invoice copy to the reception center.
4. After receiving approval from the reception center, baggage is sent to scanners for scanning.
5. A boarding pass is fulfilled by the traveler.
6. Traveler move towards the immigration line.
7. The immigration center checks traveler documents like boarding pass, passport, and visa.
8. If everything checks out well, immigration provides approval by marking the passport.
9. With the marked passport, travelers leave immigration and head towards zero point
10. Travelers pass the zero point
11. After passing the zero-point travelers enter the landlocked country.

4.4 Streamlining the existing standard operating procedure:

From the present standard operating system, the following criteria can be followed to streamline the operating procedure of land ports and ensure efficient trade time and process facilitation:

1. In the zero-point car pass entry process of export, the entry time of BGB is often high which should be reduced. Also, a single-entry system can be introduced through automation so that one entry will make the car pass available to all relevant agencies (Customs and land port authority).
2. Custom Inspection including Examination and Assessment often takes much time. Customs should make the "examination" procedure online in the land ports, where examination officers will be able to provide reports in real-time through the online system after examining a consignment and the assessment officer will receive that information promptly. This automated system will help reduce land port trade time.
3. For testing products, the sample is usually carried to the testing facilities by the client or C&F agent. In this case, an express mail system can be used where the sample will be delivered through rapid courier services.
4. Plant Quarantine or other testing authorities should be granted access to the custom database so that they can receive the information and share certificates with the customs online.
5. Eye inspection and laboratory tests depend on the consignment or product type. An emergency testing system can be introduced in this regard. Also,

specific time requirements for goods can be reduced to make testing services faster.

6. After filling up the bill of entry/export, C&F agents need to print it and use the hard copy. A lot of time is wasted in the bill of the entry submission phase. This process should be automated and made paperless.
7. C&F agents have to pay the Port dues or fees in the bank and this system is still manual. e-payment system should be introduced here for faster and easier payment.
8. C&F agent has to carry the hard copy of custom clearance certificate and submit it to the land port authority. In this case, customs can email the release order to the land port authority for eliminating hard documents submission procedures.
9. A joint signature of the land port authority and customs is required for issuing the gate pass. Since customs already provide the clearance before, in this stage, customs' signature can be removed as a redundant action.
10. In case of immigration, a port tax of 42 takas is collected from all travelers. Although an automated payment system is available for this, for the facilitation of travelers, this tax system can be removed.
11. Travelers often have to wait a long time in the immigration line. A token system should be introduced in this regard. Also, accommodation and entertainment facilities can be developed for removing congestion and making the travel experience seamless for travelers.
12. In case of travelers coming from India, BGB checks travelers thrice and while going India through land ports, BGB checks twice. This checking should be made only once for reducing travel hassle.
13. Port service agencies like Customs, BLPA, BSTI and Plant quarantine should set a specific timeline for each activity so that procedures and trade activities can be time efficient.

Chapter 5: International Standards, Best Practices and Technologies Used Elsewhere in Terms of Operation of the Land Port

5.1 International standards of land port management

In its capacity as landlords, port authorities around the world have created rules and regulation on port operations, standards, procedures, and conduct for all port users, including terminal operators and relevant agencies. On port websites, rules and regulations are made available to port users and workers. The laws, ordinances, operating methods, and standards of the industry are updated together with the rules and regulations. Primary and standard Land port features and functions that are regulated are listed in the following table. These duties differ from port to port depending on regional and municipal laws, international agreements, contracts with the private sector, and the institutional structure unique to each port.⁴⁹

Table 31: Standard and major functions, features of a port

<ul style="list-style-type: none"> • Land and border access • Infrastructure for transport station • Road and rail network • Industrial area management • Control of vehicles entering and leaving the port • Environmental control 	<ul style="list-style-type: none"> • Control of dangerous cargo • Safety and security Systems • Immigration, health, customs and commercial document control • Warehouse facilities • Use of parking and sheds • Loading, discharging, storage and distribution of cargo
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Source: USAID Principles of Port Operations Regulation

Some ports regulate only certain aspects, while others fully address all aspects of port operations but standards should include comprehensive operating rules and regulations.

Ports serve as important transportation hubs that facilitate goods movement to businesses in local communities and worldwide markets. Land ports can connect goods to consumers through our highway system, railroads, air transit and domestic marine highways (water transportation routes).

A Land Port of Admission (LPOE), sometimes known as a border station, offers regulated entry into or exit from the United States for people or goods. It houses U.S. Customs and Border Protection (CBP) and other federal inspection organizations in charge of upholding relevant federal laws. For tourists and trade, LPOEs offer a combination of safety and security. In the LPOE, U.S. Customs and Border Protection enforces the import and export regulations and immigration programs of the U.S. government. The Department of Agriculture also performs inspections to protect the U.S. from potential carriers of animal and plant pests or diseases that could cause

⁴⁹ Principles of Port Operations Regulation- USAID

serious damage to crops, livestock, pets, and the environment. This search includes documents from other agencies with related immigration, border protection, and customs responsibilities. The U.S. Land Port of Entry Design Guide details the types of standards found in land ports of entry. These include:

Table 32: Features and standards of land port of entry

1. Pedestrian/Bus Passenger Queuing, Processing, and Inspection Areas
2. Commercial and Non-Commercial Vehicle Queuing, Processing, and Inspection Areas: including areas for animal and agriculture inspection and quarantine.
3. Counters/Work Areas
4. Offices
5. Laboratory (Dry)
6. Laboratory (Wet)
7. Holding Cells/Detention Areas: for holding detained travelers.
8. Private Toilets
9. Automated Data Processing Center (Mainframe)
10. Automated Data Processing Center (High PC)
11. General Storage Areas
12. Outside Parking Areas (Surface): referral, visitor, staff, and service parking areas should be separated.
13. Fitness Center
14. Dog Kennels: dogs are used to search vehicles and cargo.
15. Impoundment Areas: for seized vehicles and other large items.
16. Light Industrial Areas
17. Warehouse
18. Residences: federally-owned, permanent structures where the inspectors live or for the overnight stay of inspectors.

Source: Land Port of Entry- U.S. Department of Homeland Security

Dry ports or inland ports are can be very closely related with land ports. Dry ports could be inland terminals within a country that has a gateway port or they could be located in adjacent land-locked countries. According to the Economic Commission for Europe (ECE), United Nations Conference on Trade and Development (UNCTAD) and Customs Co-operation Council (CCC), Dry ports was defined as: "A common user facility with public authority status, equipped with fixed installations and offering services for handling and temporary storage of any kind of goods (including containers) carried under customs transit by any applicable mode of transport, placed under customs control and with customs and other agencies competent to clear goods for home use, warehousing, temporary admissions, re-export, temporary storage for onward transit and outright export." The standard facilities provided at a dry or inland port can vary considerably.⁵⁰ Minimum facilities would provide:

⁵⁰ Handbook on Management and Operation of Dry Ports-UNCTAD

Table 33: Facilities provided in a dry/ inland port

- Customs control and clearance;
- Temporary storage during customs inspection;
- Container-handling equipment for 20-foot and 40-foot containers;
- Offices of an operator, either the site owner, lessor or contractor;
- Offices of clearing and forwarding agents;
- Complete enclosure, fencing and a security system;
- Reliable and efficient communication facilities;
- Container freight station with stuffing and unstuffing services.

Source: UNCTAD

A dry or inland port with a more comprehensive set of facilities would include:

Table 34: Comprehensive set of facilities provided in dry/inland ports

- Offices of shipping line agents;
- Railway goods office;
- Road haulage brokerage;
- Cargo packing services;
- Consignment consolidation services;
- Unit train assembly and booking services;
- Container clearing services;
- Computerized cargo-tracking services;
- Container repair facilities;
- Clearing and fumigation services (atmospheric and vacuum);
- Refer refrigeration points;
- Weigh bridges.

Source: UNCTAD

Landlocked custom station or integrated check posts are also synonymous with land ports. Based on the land ports authority of India, Land Customs Stations/ICPs/Land Ports have following standard functions:

- Develop, sanitize and manage the facilities for cross border movement of passengers and cargo.
- Systems to address security imperatives.
- Set up warehouse, roads, terminals and buildings.
- Install and maintain communication, security, goods handling and scanning equipment.
- Space and facilities to regulatory agencies, banks, Foreign Exchange Bureau, tourist info center etc.

- Co-ordination among agencies at the ICP.

They should have following standard facilities for cargo and passenger:

For Cargo	For Passenger
<ul style="list-style-type: none"> ➤ Electronic Weigh Bridge ➤ CCTV Surveillance ➤ Cargo Scanner-FBTS ➤ Inspection Shed ➤ Confiscated Goods Shed ➤ Quarantine Block ➤ Rummaging Pit ➤ Public Utilities. 	<ul style="list-style-type: none"> ➤ Immigration Counter ➤ X-Ray Bag Scanner ➤ Bank & Foreign Exchange Bureau ➤ Waiting Area ➤ Cafeteria ➤ Public Conveniences ➤ Health Check ➤ Trolley & Wheel Chair ➤ Prayer Room ➤ Parking & Taxi Services ➤ Shuttle Bus Service ➤ Child Care Room

Source: Land Ports Authority of India, Government of India, Ministry of Home Affairs, Dept. of Border Management, New Delhi

However, standard port operations rules and regulations address issues relevant to port operations, standards, procedures, conduct on port premises, and rules for the use of the port, in general. Port authorities, customs, and other governing bodies, operators, drivers, workers, security officials, inspectors, contractors, and every person working at the port must follow them. For individuals entering, traveling through, or working at port facilities, rules and regulations are papers that should be made available to all port employees and users in electronic format on the port website. Before using the facilities, some ports need visitors and port users to read and sign the operating rules and regulations.

Depending on its unique circumstances and requirements, each port defines and sets its own operational norms. The majority of them employ regional laws and global rules or standards from the IMO, ILO, World Bank, and ISO as a guide.

The international standards, conventions, protocols, laws, and customs that serve as the foundation for the port's operating rules and regulations are listed in the following table:

Table 35: Commonly used international agreements, laws, regulations, standards, and procedures in ports

Health and safety
<ul style="list-style-type: none"> • ILO, International Labor Standards on port Workers • ILO Code of practice Safety and Health in ports • ISO 45001 Occupational health and safety • OSHA 1800 Occupational Health and safety

Environmental
<ul style="list-style-type: none"> • World Bank environmental and social framework • ISO 14001 environmental management systems • ESPO green guide
Operational
<ul style="list-style-type: none"> • Security plan development • WCO Kyoto convention on simplification and harmonization of customs process • Container Security Initiative (CSI) • Customs Trade Partnership against Terrorism • Business Alliance for Secure Commerce

Source: Principles of port operations regulation- USAID

The emphasis of current best practices and standards is on operational safety, the influence of port operations on the environment, and scrutiny from environmental organizations, society, local governments, consumers, the media, and business organizations. Common concerns with regards to contemporary port operations, laws, and regulations include:

- Increased significance on environment, safety, and security;
- The new role of port authorities to incorporate the private sector in port operations;
- The use of technology in port operations as a tool to communicate efficiently with different port actors;
- The necessity to review, update, and change the current rules on a periodic basis thus treating rules and standards as a living document to recognize the evolutionary essence of the transportation industry.

In order to increase productivity, protect the environment, and ensure the security of port users, employees, traders, and other agencies, a number of port operating regulations incorporate national and international standards and laws into every aspect of port operation. Land Port authorities can communicate their power and responsibilities by using port operating rules and regulations, adopting best practices. The following general subjects and standard content that are frequently covered in port operations should be recognized by port operational rules and regulations as part of the diverse range of activities in port operations:

- **General:** An overview of the port regulations, including their objectives, definitions, operational guidelines, scope, parties subject to the rules, applicable laws, governing bodies, security measures, operating hours, and locations and facilities of the port, among other things should be made available.
- **Reporting and information requirements:** Protocols for communication, reporting of hazardous materials, waste generated by cargo loading/unloading, basic information requirements, and notifications of damages and deficiencies.
- **Traffic and port stay:** Operating rules, entry authorization, transport entering and leaving the port, assignment of parking positions, and conditions, special

instructions for inclement weather, road links to transport, manning and surveillance of port, checking, inspection rules.

- **Security and conduct in the port:** Smoking, dealing with fire and open flames, hot work, maintaining safe distances when parking vehicles or unloading cargo, bunkering, active cathodic corrosion protection, prohibited activities, hazard statement, port access control, emergency response, surveillance and security, protection of transport vehicles and port facilities, and port restrictions are just a few examples of the regulations that are applied to the port.
- **Loading, discharging and storage of cargo:** Cargo declaration, document production, storage, and cargo movement services processes are some logistic activities conducted in the port.
- **Environmental:** Protection of the environment, management of trash and cargo residues, and mitigation of pollution. Workplace safety standards, first aid protocols in ports, and administration of rescue efforts of all aspects of health and safety should be maintained.

5.2 Best practice for land port management

For improving the performance efficiencies of land ports and ensuring trade facilitation, port authorities around the world adopt standard procedures which often generate exemplary results that are contemplated as best practices for replication. Because of the limited number of land ports and lack of uniform standard procedures due to country differences, best practices are not often comprehensive, however, some observable best practices are outlined in the following:

5.2.1 Development of Integrated Check Posts (ICP)

ICPs provide numerous services like customs, immigration, border security, and quarantine under one wing and place that facilities trade procedures in the land ports. Integration of port services Development of ICPs has changed India's land port performance significantly since 2012. ICPs have revolutionized land-based trade in India and leveraging the benefits from ICPs, value of land-based trade increased to \$ 12.73 billion in 2020-21 from a \$ 4.37 billion in 2012-13. Even India's rating in terms of cross-border trading criteria increased from 109 in 2012 to 63 in 2019-20, according to the World Bank's Ease of Doing Business report.⁵¹

At the border checkpoints, ICPs are intended to offer sufficient passenger and freight processing facilities all under one roof. Customs, immigration, and border security are the three-core border-related operations that ICP aspires to unify. By using monitoring mechanisms and installation technology, customs covers the clearance of cargo/goods carried by vehicles, valuable personal items of passengers, and currencies. Passports, visas, and passenger identification are all inspected during immigration. Border

⁵¹ How modernization of Land Ports has been a game changer in India's cross-border trade- Center for International Trade, Economics & Environment (CUTS CITEE), 2022

security includes upholding security, stopping the flow of illegal guns and other lethal weapons, and giving customs and immigration back-up support.⁵²

To encourage trade, ICPs should offer facilities such warehouses and open yards for the storage of goods, parking lots for efficient truck traffic, on-site truck weighing stations, and security for the items to avoid theft at the warehouse. Immigration and customs services are both located under one roof and are facilities for people's movement. The following amenities should be present in a model ICP: waiting areas, canteens, refreshment booths, public restrooms, animal quarantine, warehouses, freight and baggage inspection yards, banks, post offices, communication facilities, tourist information centers, and taxation agencies.

It is necessary to involve a variety of stakeholders to increase the ICPs' effectiveness. The Central Board of Indirect Taxes, border guards, banks, food safety departments, warehousing authorities, plant quarantine, and other key stakeholders are among the stakeholders. The Land Port Authority of India (LPAI) was established by the Indian government to oversee ICPs. The development, sanitization, and management of the facilities at the authorized checkpoints along India's border with neighbors fall under the purview of LPAI, which is a division of the Indian Ministry of Home Affairs' Border Management Department.

The main goal of ICP is to make cross-border movement of people and goods systematic, seamless, and secure by ensuring effective passenger flow, providing sufficient passenger facilities, streamlining the process, maximizing the use of facilities, systematizing support facilities, and enhancing traffic flow.

There are currently nine ICPs operational in India at Attari, Agartala, Petrapole, Raxaul, Jogbani, Moreh, Sutarkandi, Srimantapur and PTB at Dera Baba Nanak. India has 4 major ICPs with Bangladesh which are Agartala, Petrapole, Srimantapur and Sutarkandi ICP. So far, 20 border checkpoints in India have been designated as ICPs. Among these ICPs, ICP Petrapole is the largest land port in South Asia, which is located along the international border between India and Bangladesh, at a distance of about 80 kms from the city of Kolkata. Petrapole (India)-Benapole (Bangladesh) is an important land border crossing for India-Bangladesh both in terms of trade and passenger movement. Nearly 30 percent of land-based trade between India and Bangladesh takes place through ICP Petrapole. Since its operationalization in February 2016, the ICP has been witnessing an increasing number of passenger movement with an average of 22 lakh people crossing the border post on either side each year. Petrapole ICP is now equipped with ICP/CMS web based automated operations, Electronic Data Interchange system⁵³ and overall coordinated infrastructures including passenger terminal, cargo terminal, parking area, Electric Sub-Station & Pump House, Bank Extension Counter, Public Health Office, Fumigation Shed, Quarantine Building and so on.

⁵² Neilwalker (2019) Analysing Integrated Check Post in the India's border with Bangladesh, Border security report.

⁵³ ICP Petrapole- Land Port Authority of India

5.2.2 Investment in infrastructure development and automation

Automation increases operations' dependability, predictability, safety, and competitiveness. Ports consume a lot of land, therefore automated vehicles and cranes in ports increase production and ensure more effective land usage and allocation. Modern automated machinery also helps to prevent crashes and other physical harm because they are fast, affordable, and require low maintenance. In September 2016, Singapore opened Gate 3 of the Pasir Panjang Terminal Building for containerized goods within the Singapore Port. There are eight additional flow-through container lanes accessible from the terminal. Investments in the port's infrastructure and automation were made at the same time as the port was expanded. As a result, the port's terminal handling procedures have improved, and import and export times have dropped. Also, PSA Singapore opened Tuas Port, world's largest fully automated container terminal with substantial investment in infrastructure and automation approaches. Tuas Port is augmented by cross-industry collaboration to drive collective action towards supply chain sustainability. PSA has also built up its data analytics and digitalization capabilities, allowing for flexibility and agility to respond to rapidly changing demands as it continues to develop into the 2040's and beyond.

The Janela nica Portuária II port community system, which was improved by the Port of Luanda in April 2018, enabled electronic information interchange between various agents, including the port, terminal operators, and shipping lines. As a result, the port's terminal handling procedures have improved, decreasing export and import processing times. The Port Community System PCS 1x, which acts as a centralized platform for all port transactions between government organizations, the private sector, and banks, was once also introduced by the Indian Ports Association in December 2018. This reduced the time and expense associated with meeting border and documentary requirements.

5.2.3 Simplification of Procedures

Often cutting down bureaucratic process or simplifying service processes by removing specific unnecessary requirements can improve land ports' service quality. For instance, Ukraine removed automotive parts from the list of military items that are subject to State Service inspection and control in 2018, eliminating the necessity that importers of automotive parts present a verification document from the State Service of Export Control. According to Doing Business data, Ukraine's time for document compliance and import costs have since fallen by 72 hours and \$50, respectively. By streamlining the standards for auto part conformity certification in 2019, Ukraine further cut the import turnaround time. In a similar vein, China has removed the license requirement for the import of mechanical and electrical goods as of January 1, 2019, which has speed up the process of importing auto components from Japan.

A new method for the transportation of goods in ports that complies with European norms was implemented by Ukraine. The development of an electronic community, the streamlining of control procedures, and the promotion of business-friendly conditions were all part of the Ukrainian Port Reform effort, which improved the efficiency of trade in Ukrainian ports.

5.2.4 Ensuring private participations (PPP Model)

The duration and price of cross-border trade are both influenced by private trade service providers like customs brokers, transportation and logistics firms, freight forwarders and port service providers. Lower prices and higher service quality may result from more competition among trade service providers. Due to increased competition, the cost of port and terminal handling has fallen since the Russian Federation opened a new Multifunctional Cargo Complex at the Port of Bronka in 2016. Therefore, the cost of border compliance for goods passing through the port has decreased for importers and exporters. Besides decreasing costs, PPP model can also foster better development of ports since private operators compete in delivering the best services. For instance, Port Newark Container Terminal (PNCT) is one of the largest ports in the USA with PPP-based ownership that emphasizes customer-centric comprehensive services addressing its stakeholder needs and requirements. With this approach, this port has become one of the significant ports in the New Jersey area which is even contributing positively to the state's responsive supply chain system. PPPs have the potential to deliver infrastructure projects better and faster.

Public-private partnerships ("PPPs") in ports have become a means to manage port operations more effectively, as well as to develop new port infrastructure, traditionally both exclusively government functions. Interporto Quadrante Europa one of the top dry ports in the European region developed trade efficient and client friendly practices following the PPP model.

Following PSIG-2004, the Ministry of Shipping and the Bangladesh land port authority decided to develop twelve land ports on Build-Operate-Transfer (BOT) basis through private sector for better and efficient storage & handling of cargoes. Among initially selected twelve land ports, five land ports have been transferred under this program. Under the BOT system, BLPA acquires the land and leases it to an investor. The investor is selected through a bidding process to develop, operate and maintain the land port for 25 years. In return, the investor will pay an agreed amount of royalty (Fixed and Variable Royalty) to BLPA. At the end of the concession period, the investor will transfer the port to BLPA including all fixed and movable assets. However, considering the Tekanf and Sonamashjid port, government's PPP project findings revealed that at public- private stage moderately high cooperation leads to near success but public- private stage lower cooperation leads to a near non-success PPP project.⁵⁴

5.2.5 Reformed legislative standards

Effective and proven legislative standards of other countries can be considered as good practices for land port development and trade facilitation. Some of the good practices from to the Land Ports Authority Act of India are:

- Encouraging and improving inter-agency collaboration in the operation and management of land ports by including representatives of the relevant

⁵⁴ Second Meeting of the Infrastructure Financing and PPP Network of Asia and the Pacific- PPP Agreement Management at The Implementing Agency, PPP Authority-Prime Minister's Office (2019).

ministries or divisions that increased the Board's diversity and efficiency at decision making.

- Members of the business community, trade bodies or port users on the Board try to make decisions more user-friendly and guarantee customer satisfaction together with the efficient operation of the ports.
- The worker representation on the Board helps to improve working-class relations and give them a sense of ownership. Additionally, it is anticipated to improve the workforce by fostering inclusion, equity, and accessibility.
- To facilitate better coordination, the law becomes more useful by mentioning the duties of various organizations operating under the purview of a land port.

5.2.6 Holistic Port Management

Starting from the management of ports to design functions and port procedures with user friendly elements can result in better port efficiency in terms of trade facilitation and user satisfaction. In case of European inland ports best practices involve public-private partnerships, which enable collaboration between the public and private sectors and result in a fair distribution of each sector's objectives, benefits, and drawbacks. The best practices also incorporate multi-entity characterization that enables the development of a network system of institutions and businesses cooperating in cargo-handling procedures, the mode of transportation, and cargo units, where the potential of inland ports enables the implementation of a variety of activities/services in transportation systems (including intermodal transport), supply chains, and municipal logistics.⁵⁵ Following table summarize the best practices of Europe's best practices in port management:

Table 36: Best practices in managing inland ports in Europe

The key factor	Best practice
The ownership system	Public-Private (PPP)
Transport availability (mode of transport)	Inland, Road, Rail transport – Multimodality
Spatial layout	Dispersed
Presence of entities	Multi-entity
Trading products	Cargo
Functional correlation with other economic structures	Element of the regional socio-economic system in the network system of production centers / distribution and urban logistics
Activity functions	Transport, Industrial, Logistics and Distribution
Spatial functions	City-forming, urban, region-forming and regional

Source: *Best practices in managing inland ports in Europe- Andrzej Montwiłł (2019)*

Based on the table, the key factors and best practices are:

⁵⁵ Best practices in managing inland ports in Europe- Andrzej Montwiłł (2009), Scientific Journals of the Maritime University of Szczecin.

Public-private partnership (PPP): The simultaneous involvement in the development of an inland port of public and private sectors allows for a balanced distribution of the goals, advantages, and disadvantages of each. Organizational and financial involvement of the public sector, the goals of which include not only business but also social and national development aspects, is primarily aimed at the construction of technical infrastructure, including transport infrastructure, and the inclusion of the port organism in the socio-economic system of the region. Public sector developed technical infrastructure, and principles of local business rules are the basis for business development by the private sector, which, by representing a business approach, invests in buildings (warehouses, production, reloading, and storage), transport and transport superstructures, thus creating jobs and influencing the socio-economic development of the region.

Multimodality transport accessibility: Involvement of the public sector related to the development of infrastructure, ensuring that access to the inland port is a key activity of the sector conditioning its long-term development by including it in transport systems of various scales. The multi-branch transport accessibility allows inland ports to be part of complex transport systems, in particular intermodal transport. Therefore, accessibility for inland, road, and rail transport is the key to the development of inland ports. This allows for transport in both water-to-land and land-to-land systems, thus including the inland port in a system of network supply chains or urban logistics.

Dispersed spatial layout: Construction and development of an inland port in a dispersed system allows, on the one hand, the full exploitation of the potential of riverside areas without excessively expending the port inland, and, on the other, locating its part within or outside the agglomeration depending on whether the functional segment's scope port area is included in urban logistics or not. The areas of the inland port located in the area of cities are usually surrounded by their buildings, meaning that the movement of large streams of cargo in transit through the city contributes to the build-up of congestion and, consequently, to increased transport costs. Therefore, it is optimal to locate handling and storage terminals that generate large cargo streams and industrial enterprises in port areas and so ensuring access to them while bypassing built-up areas.

Presence of Multi-entity: The implementation of a wide range of services and production activities in the inland port area requires an expanded functional segment with a division into the sphere of management and the sphere of exploitation (and production). As indicated earlier, one of the good practices in managing inland ports is the PPP format, where the sphere of management is the domain of the public sector and the sphere of exploitation is the domain of the private sector. On the other hand, the appropriate quantitative and qualitative service of cargo and means of transport (cars, wagons, barges) requires a developed functional segment (port operators, freight forwarders, transport companies, agents, control companies, customs and phytosanitary institutions, service and supply companies) of the inland port.

Cargo as the basic trade product: Unlike passenger service, where the range of services comes down to several services, cargo handling in inland ports can include several dozen different activities / services and thus create high total value-added services. The range of services depends on the degree of development of the objective

functions of the inland port, where various processes are carried out for cargo, means of transport, and transport units.

Activity Functions: As in the case of seaports, the inland port activity can be divided into several functions, i.e., transport, production, and logistics and distribution. As part of the transport function, processes for cargo, means of transport, and loading units are carried out related to the reloading and storage of cargo and loading units. The production function includes the processing of goods at various stages of complex production. In turn, transport and logistics services for cargo related to warehousing and supply of goods are implemented as part of logistics and distribution functions. The wider range of processes implemented within individual functions, the greater the total added value created in the inland port space and the greater the port's ability to develop over the long term.

Spatial Functions: The PPP format means that the public sector is interested in the development of the inland port as an important element of the development of the social and economic system of the city and region. As a result, the port begins to affect the development of its surroundings, leading to the development of its spatial functions, where the port contributes to the development of the city and region (city and region-forming functions), and becomes an important element of the processes implemented in the agglomeration and region (urban and regional functions).

5.2.7 21st Century Border Management

The 21st Century Border Management Initiative is a bilateral cooperation mechanism with a clear goal of improving border security and promoting the economic competitiveness of North America. The Joint Declaration on 21st Century Border Management between the US and Mexico was signed in 2010. This initiative outlines several criteria for facilitating trade through border area.⁵⁶ Some of its key features are:

- **Single Entry of Trade Data and Single Cargo Inspections:** The goal of this program is to hasten the movement of people and all goods across the US-Mexico border. In the pre-screening, clearance, and inspection of people, goods, and products, both governments anticipate working together and coordinating their efforts. Intercepting harmful people, items, and contraband while reducing congestion is the goal. Additionally, this project anticipates the standardization of a single input of trade data (importers and exporters only supply information once), which would lower the administrative burden and the cost of trade.
- **Certification and food safety:** Through the National Health Service, Food Safety and Quality and the US Department of Agriculture, the Mexican Secretariat of Agriculture signed a letter of intent to formally establish cooperation for creating electronic certification systems for plants and animals that are compatible with one another. This agreement intends to ensure compliance for agricultural product import and export, improve food safety, and increase bilateral trade.

⁵⁶ The 21st Century Border Management Initiative- U.S. Embassy & Consulates in Mexico.

- **Trusted trader programmes:** A mutual recognition of trustworthy merchants' agreement was struck by the US and Mexico. The goal is to give businesses that have been approved by the relevant authority unique advantages so that their vehicles can be in front of the line at border crossings which is facilitating bilateral trade between the nations.

5.2.8 One-Stop Border Post (OSBP)

The OSBP refers to the legal and institutional framework, facility and associated procedures that enable goods, people and vehicles to stop in a single facility in which they undergo necessary controls following applicable regional and national laws to exit one State and enter the adjoining State.

An OSBP is the application of joint controls to minimize routine activities and duplications across borders. OSBP is a border management model that promotes a coordinated and integrated approach to;

- Facilitate trade, the movement of people, and improving security.
- The border crossing dwell times for travelers and transporters i.e shortens the clearance time at the border crossing points.
- Reduce logistic costs.

The OSBP concept consists of four pillars:

1. **Legal and Institutional Framework:** It is generally agreed that the application of national laws is limited to the territory of a state. OSBPs rely on the principle of extraterritorial application of laws, which allows a state to extend the application of specific national laws outside its own territory.
2. **Simplification and Harmonization of Procedures:** Implementing an OSBP requires simplifying and harmonizing border crossing procedures rendering an OSBP effective.
3. **ICT and Data Exchange:** ICT is a critical component of collaborative single window systems, simplification of documentation, border management, and modernization of customs, immigration, and related services.
4. **Hardware Infrastructure:** This includes OSBP facilities such as offices for border officials, operational equipment, warehouses, and parking.

OSBP can have 3 types of models, which are⁵⁷:

1. **Juxtaposed Model:** Under the juxtaposed model, State A and State B share facilities in the country of entry. This implies that passengers and cargo stop only once in the country of entry for both exit and entry formalities. Exit formalities must be done before undertaking entry formalities, e.g Taveta/Holili and Malaba/Malaba. All OSBP offices in Tanzania are of Juxtaposed Model.

⁵⁷ Tanzania Revenue Authority, One Stop Border Post (OSBP), viewed at- <https://www.tra.go.tz/index.php/one-stop-border-post-osbp>

2. Straddled Model: This is where a single facility is built across the border line for the two adjoining states to share. Similarly, passengers and cargo stop once but start with exit formalities before undertaking entry formalities. e.g Nemba/Gasenyi
3. Wholly located model (Single Country): It is the (common) single country model, i.e, an OSBP wholly located in one of the two adjoining states, a single shared border facility is constructed in one of the countries to house officers from both countries to carry out border controls e.g Ruhwa border station.

Chirundu Border Post is the name of the primary border crossing between the two nations. It is thought that the One-Stop Border Post (OSBP) between Zambia and Zimbabwe is the best OSBP in Africa. This OSBP serving the functions of a land port also features following trade beneficial practices:

- Shortened clearing time of under a day
- Information sharing among border agencies
- Remodeling the border's infrastructure and establishing a Common Control Zone (CCZ) would enable the Zambian and Zimbabwean border agencies to coordinate their operations at one site.
- Fewer stoppage and shorter periods of time between stops in cross-border trade and transit transactions.
- Establishment of a framework for cooperative processing and simplifying processes and systems.⁵⁸

5.2.9 Digital Transport Corridor

A Digital Transport Corridor (DTC) is a set of data-related services across physical cross-country transport corridors for end-to-end information exchange at all stages of transportation – air, road, rail and sea. This includes services and applications for supply chain stakeholders like information submission for authorities, visibility services, marketplace services, booking and ordering services, and chain composition services.

When logistics businesses move goods and services across borders, they interact with different logistics systems in different neighboring countries. This creates technical barriers hampering the instant exchange of logistics information between countries. In addition, legal frameworks for logistics processes and information systems being developed are not the same in these countries, making logistics processes even longer and more complicated. This translates into higher logistics costs, and delays in the delivery of goods and services.

The Digital Transport Corridor system can help to organize logistics processes and electronic transport data flow so that information is exchanged instantly between

⁵⁸ The One Stop Border Post Concept – A Case of Chirundu Border Post Between Zambia and Zimbabwe, Muyambango Nkwemu (2011), Zambia Revenue Authority.

logistics chain participants (traders, freight forwarders, customs, other government agencies and consumers), optimizing the flow of goods and services and saving time and money.

For instance, Digital Transport Corridor from the Baltic to the Black Sea initiative has been Initiated where to facilitate and harmonize logistic information exchange, the EU has adopted the Regulation on electronic freight transport information (eFTI) and is developing supporting acts/specifications to be followed by EU Member States, moving towards a decentralized federated network of platforms, enabling public authorities to acknowledge electronic data as legal.⁵⁹

Digital transport or freight corridor can ensure optimal data flows, increase trade visibility and transparency and help secure paperless trading system.

5.2.10 The Cross Border Transport Agreement

The Cross Border Transport Agreement between Vietnam and Laos dictates the full cooperation in Laobao-Dansavanh border crossing point for cross border trade facilitation. Some of the good practices of this initiative includes:

- Extensive involvement of the two countries' border enforcement agencies, including customs, border guard, police, immigration, and quarantine
- Enhanced compliance, quicker and simpler clearing procedures.
- Issuance of the business certificate of international transport to companies having the sufficient business condition between two countries.
- Issuance of the interstate permit to vehicle crossing the border.
- Simplified the custom, border procedure to vehicles.⁶⁰

5.2.11 Gulf Cooperation Council

For the landlocked Arab states on the Persian Gulf, namely Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE this council provides advanced collaborative arrangements between customs administrations by forming a custom union. The Customs Union exemplifies several different forms of collaboration and best practices, including a single-entry point system for imported goods, common customs regulations and procedures, common criteria for calculating the customs value of foreign goods, etc. Additionally, there are possibilities for the interchange of customs officers and shared training programs to share experience in customs.

5.2.12 Border pass management system of Cambodia-Thailand

Cambodia's General Department of Immigration implemented a new border pass management system at the Doung International Border Control Post, in Battambang province on the Cambodian–Thai border in 2018. The system uses software developed

⁵⁹ EU4digital (2020), A Digital Transport Corridor from the Baltic to the Black Sea: it sounds ambitious but what exactly does it mean and how will it help trade? Available at- <https://eufordigital.eu/e-card/a-digital-transport-corridor-from-the-baltic-to-the-black-sea-it-sounds-ambitious-but-what-exactly-does-it-mean-and-how-will-it-help-trade/>

⁶⁰ Nguyen Van Thach, cross border transport facilitation between Vietnam and neighboring countries and ASEAN countries, ministry of transport of Vietnam.

by IOM, the UN Migration Agency. The Migration Information and Data Analysis System (MIDAS) has been installed, with financial support from Canada, to allow Cambodia to more effectively manage cross-border movements of local residents and migrant workers traveling with border passes. MIDAS is a powerful border management information system that processes and records all information about border pass travellers, including their biographical data and facial images. It also provides a systematic registration of all entries and exits, allowing for analysis of statistics and trends to inform evidence-based migration policies. MIDAS helped to optimize Cambodian border control posts and border operations for effective border management, and promote orderly cross-border migration.⁶¹

5.2.13 Border Management Coordination Agency Development by Indonesia

Border management in Indonesia handled by specialized agencies, namely BNPP (Badan Nasional Pengelola Perbatasan) at the national level, BPPD (Banda Promosi Pariwisata Daerah) Province, and BPPD Regency/City. In accordance with Law No.43/2008 on the territory of the State, each level has the authority, as well as the duties and functions like any other public institution. BNPP has limited authority coordination with other ministries and non-ministerial agencies at the central level, and vertical coordination with BPPD provincial and regency/city. In accordance with the Presidential Decree No.12 of the year 2010 on the BNPP, BNPP in performing their duties can invite and involve ministers, leaders of non-ministerial government agencies, and other officials of government agencies; in organizing tasks and functions, BNPP coordinating with the governing body at the local level; BPPD coordination between BNPP and includes coaching, facilitation and supervision; in organizing tasks and functions BPPD Province coordinated by the Governor in his capacity as representative of the Government and members of BNPP; and procedures for BNPP working relationship with the border services in the area governed by the Head of BNPP.⁶² Policy reform for border management through dedicated agency improved coordination through infrastructure development, proper the arrangement of space, efforts to increase economic growth, and efforts to improve basic services and quality of human resources of the land border area.

5.2.14 Inter-agency coordinated border management committee by Philippines

An inter-agency coordinated border management committee, a body which aims to strengthen and pass border control and management of various government agencies against illegal practices, with the member agency heads and representatives, signed a Memorandum of Understanding on Enhanced Border Protection in 2020. The main objectives of the MOU were to institute a systematic mechanism for sharing of information among government agencies for purposes of strengthening its border control capabilities, to eliminate/prevent smuggling activities, customs fraud, promote public health protection, fair trade practices, and sound regulatory foundation for domestic and international trade. These also promoted the spirit of

⁶¹ The International Organization for Migration (2018) available at- <https://www.iom.int/news/border-pass-management-system-facilitates-cambodian-thai-border-crossing>

⁶² Rusdiyanta, Rusdiyanta. (2017). Strengthening of the coordination of the national agency for border management (BNPP) in border management in Indonesia. *International Journal of Applied Business and Economic Research*. 15. 515-520.

inter-agency coordination and cooperation with the end goal of maximizing utilization of data and information resources for the protection and common good of the people. The MOU was signed by 29 out of the 31 government agencies for the Inter-Agency Coordinated Border Management. It ensured the shared efforts of all government agencies to execute and maintain border protection while continuously increasing trade facilitation.

5.2.15 Authorized Economic Operators

The AEO concept is based on the Customs-to-Business partnership introduced by the World Customs Organization (WCO). Traders who voluntarily meet a range of criteria work in close cooperation with customs authorities to assure the common objective of supply chain security are entitled to enjoy benefits throughout the trade procedures. This implies that there must always be a relationship between customs and the applicant/AEO⁶³. This relationship must be based on the principles of mutual transparency, correctness, fairness and responsibility. The benefits of AEO include faster processing and clearance of cargo, deferred payment of duty, direct port delivery/entry, and benefits under Mutual Recognition arrangements (MRA). For instance, Since January 2010, Malaysian customs has operated a fully functional Authorized Economic Operator (AEO) program. There are now 56 exporters, importers, and manufacturers that are AEO compliant. As an effective replicable practice AEO provided following benefits for traders for easing trade process in cross border trading:

- Submission of electronically minimum data in the form of Permission Request Slip (PRS) for customs clearance;
- Removing physical inspection (except on specific reason) on cargo i.e customs release via green lane, for import, export and bond-to-bond movement;
- Allowing deferred duty payments via electronic Fund Transfer (EFT) done periodically with the CS;
- Allowing to use the Consolidated Statement (CS) to apply for the Certificate of Origin from the Ministry of International Trade and Industries;
- Entitling the benefits offered by international customs administrations under Mutual Recognition Arrangements (MRA) with Royal Malaysian Customs Department (RMCD)⁶⁴.

The National Board of Revenue is currently working on developing the Authorized Economic Operator/ Trusted Traders system in Bangladesh, as part of its customs modernization program⁶⁵. The National Board of Revenue offered the coveted status only to three firms in 2019 and currently aiming to select at least 10 more firms – mainly from textile, pharmaceutical and leather sectors.

Once the AEO system is developed and fully implemented in Bangladesh, A firm with the AEO status will enjoy the privilege of carrying their goods from ports to their

⁶³ What is AEO? - Taxation and Customs Union, European Commission.

⁶⁴ Authorized Economic Operator Programme, Royal Malaysian Customs Department.

⁶⁵ Economic Operators- Custom House Benapole.

warehouses directly without physical customs inspection, which will help them save time and stay on external trade schedules. This will improve the trade time, process and overall trade efficiency in the land ports substantially.

5.2.16 Automated border management

Automated Border Control (ABC) or management is defined as the use of automated or semi-automated systems which can verify the identity of travelers at border crossing points (BCPs), without the need for human intervention. In general, an ABC system consists of one or two physical barriers (e-Gates), document readers, a monitor displaying instructions, a biometric capture device, and system management hardware and software.

In short, an ABC system performs the following tasks (the same ones as in the manual border control) with a high degree of automation:

- Check that the traveller trying to cross the border is carrying a genuine and valid travel document. This is more formally referred to as the “Document authentication process”.
- Verify biometrically that this travel document belongs to the traveller trying to cross the border. This is more formally referred to as the “identity verification process”
- Check that the traveller is indeed entitled/authorized to cross the border
- Allow/deny passage according to a pre-defined logic, sometimes requiring the intervention of the border guard operating the system
- Guarantee the security in the overall process, meaning that only a traveller who has been cleared is allowed to cross the border (i.e. no tailgating), and that travellers who have been rejected are properly handled (e.g. refused in order to be redirected to the manual control). This is typically achieved by the usage of single or double automatic barriers (e-Gates) and tailgating detection/prevention mechanisms.

In general, an ABC system involves the use of:

- Physical barriers (one or two e-Gates)
- Full page e-Passport readers: optical recognition of the biographic data page, the MRZ and a radio frequency (RF) reader for communication with the chip.
- Monitor displaying instructions.
- Biometric capture device.
- System management hardware and software.

5.2.17 Motor Vehicles Agreement (MVA) of the BBIN

Motor Vehicles Agreement (MVA) can facilitate a way for a seamless movement of people and goods across their borders for the benefit and integration of the region and its economic development. Presently the Motor Vehicles Agreement (MVA) of the sub-regional Bangladesh-Bhutan-India-Nepal (BBIN) signed on 15 June 2015 provides

with significant opportunities to utilize land borders or ports to proliferate regional trades. The Motor Vehicles Agreement was signed for the Regulation of Passenger, Personal and Cargo Vehicular Traffic between Bangladesh, Bhutan, India, and Nepal. The finalization of the BBIN MVA would allow the countries to move forward, in an accelerated fashion, with implementation of land transport facilitation arrangements between and among signatory countries. Eventually it would enable the exchange of traffic rights and ease cross-border movement of goods, vehicles, and people, thereby helping expand people-to-people contact, trade, and economic exchanges between signatory countries⁶⁶. With trade facilitating features like trans-shipment of goods, free transport, electronic permit and etc. BBIN can increase the use of land ports and ease trade with landlocked countries. However, the agreement will enter into force after it is ratified by all four member nations⁶⁷. So far, the agreement has been ratified by Bangladesh, India and Nepal. The lower house of the Bhutanese parliament approved the agreement in early 2016, but it was rejected by the upper house in November 2016.

5.2.18 UN TIR (Transports Internationaux Routiers) system

The United Nations TIR Convention (1975) is one of the most effective international instruments, overseen by the UN. It is the only global customs transit system that provides seamless movement of goods across borders in sealed compartments or containers under customs control from the customs office of departure to the customs office of destination. The system ensures that goods travel across borders with little interference en route, maximum security and minimal customs administration.⁶⁸ The TIR streamlines border crossing procedures and reduces congestion and saves time at borders, thus decreasing costs of trade. Under the TIR, clearance of goods can be done at the final destination rather than on borders.

The TIR system plays an important role in facilitating cross border trade flows, adding considerable value to improving regional trade mechanisms. Globally, the TIR system has been a successful model for reducing trade transaction costs and facilitating higher growth of intra-regional and inter-regional trade.

Given the significance of TIR in boosting regional connectivity, and India's decision to accede to the TIR Convention, there is a compelling case for other BBIN countries to opt for TIR in the context of the current BBIN MVA. TIR can significantly improve the effectiveness and robustness of the MVA in the region by establishing effective transit procedures among the four countries and by connecting the BBIN region to other world markets.

TIR can profoundly accelerate cross border trade with neighboring countries through land ports or routes. The adoption of TIR in the BBIN MVA would facilitate

⁶⁶ Nepal Foreign Affairs, Full Text of BBIN Agreement on Motor Vehicles, available at- <https://nepalforeignaffairs.com/bbin-agreement-on-motor-vehicles-agreement/>

⁶⁷ M. Absar Alam (2021) Discussion Paper on BBIN Motor Vehicles Agreement Scope for developing integrated logistics and transport infrastructure and other related services. CUTS International.

⁶⁸ European Commission, TIR (Transports Internationaux Routiers, International Road Transport) available at- https://taxation-customs.ec.europa.eu/customs-4/customs-procedures-import-and-export-0/what-customs-transit/tir-transports-internationaux-routiers-international-road-transport_en

integration between customs and other stakeholders based on mutually accepted protocols, thereby eliminating the potential risks and irregularities in the course of the clearance of traffic and transit. A fully operational TIR system has been estimated to yield economic benefits ranging from 0.14 percent to 1.31 percent of national gross domestic product.⁶⁹

5.2.19 Coordinated Border management of Singapore

Singapore's early experience in developing its National Single Window (NSW), known as TradeNet, provided it with the insight that coordinated border management (CBM) is fundamental to developing and sustaining a SW environment. Both the NSW and the CBM mind-set are complementary elements of Singapore's 'whole-of-government' (WOG) approach to providing efficient services to the trading community. One of the most noteworthy developments in recent times took place in 2003, when the government recognized the need for greater synergy, and for a reorganization of the trade and border authorities in Singapore. This resulted in the formation of the Immigration & Checkpoints Authority of Singapore (ICA) as the single command for checkpoints and border control functions, while Singapore Customs was established as the single contact point for all Customs, revenue, and trade matters. Whereas the former Customs and Excise Department was mainly focused on revenue matters, the new Singapore Customs is vested with responsibility for both revenue and trade facilitation matters. This working arrangement allows the ICA and Singapore Customs to share the responsibility of securing Singapore's borders, and yet be effective in facilitating legitimate trade.⁷⁰

5.2.20 Innovative Finnish model for border coordination

Finland is bordered by Sweden in the west, Norway in the north, and Russia to the east, while Estonia lies in the south, across the Gulf of Finland. The Nordic countries – Denmark, Finland, Iceland, Norway and Sweden – are members of the Schengen Area, an area comprising 26 European countries that abolished passport and other types of controls at their common borders. As a result of the implementation of the Schengen Agreement in 2001 by the Nordic countries, most of Finland's land border controls are, therefore, focused on the Finnish-Russian border, which is 1,324 km long – 1,269 km runs on dry land, while the rest is covered by lakes and waterways. The two main agencies managing Finland's border are Customs and the Border Guard, and in some cases, the Finnish Police. They do this under the framework of the Police, Customs, and Border Guard (PCB) cooperation agreement. PCB agencies are all law enforcement and pre-trial investigation authorities. The PCB agencies have been cooperating since 1927. Their long history and high degree of cooperation includes established coordination mechanisms and structures at the national and regional level. This cooperation is based on legislation, with the first decree providing a regulatory basis for such cooperation being promulgated as early as 1949. The current legal basis, the PCB Act 687/2009 was passed by the Finnish Parliament in 2009.

⁶⁹ CUTS International (2017), Benefits of the TIR Convention for the implementation of the BBIN Motor Vehicles Agreement, available at- https://www.iru.org/system/files/BBIN%20media%20fact%20sheet_0.pdf

⁷⁰ WCO- Singapore's 'whole-of-government' approach to coordinated border management: maintaining its edge amidst new challenges.

Alongside this legislation are the trilateral and bilateral agreements signed by the heads of the PCB agencies.

5.2.21 Road Cargo System (ROCARS) (Hong Kong China)

In order to keep abreast with global, regional and national developments in moving towards electronic customs clearance and enable the industry stakeholders to submit electronic advance cargo information to Customs, Hong Kong Customs (HKC), with support from the government, developed a system, namely, “Road Cargo System” (ROCARS), for customs clearance of road cargoes at all land border custom stations.

Under this approach, a shipper or a freight forwarder acting as a shipper is obliged to submit a pre-defined set of cargo information to HKC through ROCARS 14 days in advance or at least 30 minutes before the cargo consignment being imported from or exported to China by truck. As an acknowledgement after successful submission of cargo information, ROCARS returns a “Customs Cargo Reference Number” (CCRN) for the cargo consignment to the shipper who should then pass it together with the cargo description to the relevant truck driver. No less than 30 minutes before the truck arriving at a LBCP, the truck driver should do the “bundling” through ROCARS (via the Internet or by phone) by providing the CCRN and his vehicle’s registration number to HKC. The ROCARS will then direct a time slot for the truck driver to cross the boundary. Under ROCARS, officials of HKC can conduct risk profiling on every cargo consignment in advance for determining whether a truck needs to be attended for inspection. When the cross-boundary trucks arrive at the LBCPs, they are only required to stop at one kiosk for immigration and customs clearance. With the introduction of one-stop clearance process, the clearance time is significantly reduced from 60 seconds to 20 seconds. This approach allowed Customs officers to conduct risk assessment on land cargo consignments based on the electronic advance cargo information. Also facilitated the introduction of one-stop customs clearance for inter-modal transshipment cargoes.

These best practices of different countries are compared and illustrated in the table below:

Table 37: Comparison of best practices in port management

Comparison of best practices in port management
<p>Integrated Check Posts (ICP) of India</p> <p>ICPs are modern border infrastructure that are central to India’s connectivity plans in the region. ICPs consist of border infrastructure for facilitation of trade and people. They also act as important centers to advance other multi-modal intra- and inter-regional connectivity initiatives. ICPs are envisioned to provide adequate passenger and freight process facilities under one roof at the border checkpoints. ICP aims to integrate three main border-related functions- customs, immigration and border security.</p>

Comparison of best practices in port management

Investment in infrastructure development and automation by Singapore.

Tuas Port, the largest completely automated container terminal in the world, was inaugurated by PSA Singapore after significant investments in infrastructure and automation techniques. Cross-industry cooperation at Tuas Port enhances efforts to support the supply chain as a whole. As PSA develops into the 2040s and beyond, its data analytics and digitalization skills have also been strengthened, giving it the flexibility and agility to respond to swiftly changing demands.

Simplification of Procedures by the Ukrainian port authority

Ukraine adopted and introduced a new procedure for the passage of goods in ports meeting European standards. Also, Ukrainian Port Reform initiative included Development of e-community, simplification of control procedures, creation of favorable conditions for business that increased the trade efficiency in Ukrainian ports.

Ensuring private participations (PPP Model) in European ports

Public-private partnerships ("PPPs") have emerged as a means of improving the management of port operations and the construction of new port infrastructure, both of which have historically been monopolized by the government. Following the PPP concept, Interporto Quadrante Europa, one of the main dry ports in the European region, created trade-efficient and customer-friendly processes.

Reformed legislative standards of India

Legislative requirements that have been proved to be effective might be regarded as best practices for developing land ports and facilitating trade. For instance, the Indian port legislative reform included increasing the diversity and effectiveness of the Board's decision-making by encouraging and improving inter-agency collaboration in the operation and management of land ports by including representatives of the pertinent ministries or divisions.

21st Century Border Management Initiative by USA and Mexico

This initiative focused on single entry of trade data and single cargo inspections, efficient certification and food safety measures, trusted trader programs and so on.

Comparison of best practices in port management
<p>One-Stop Border Post (OSBP) management by the African nations.</p> <p>The OSBP model of border management encourages a coordinated and integrated strategy to ease trade, improve security, and allow for the free movement of people. It shortens the time needed for clearance at border crossing locations by reducing dwell periods for travelers and transporters as well as overall logistical expenses. Zambia and Zimbabwe, Tanzania and Kenya OSBPs are contributing in seamless cross border trade.</p>
<p>Cross Border Transport Agreement of Vietnam</p> <p>Agreement on road motorized vehicle facilitation signed between the Socialist Republic of Viet Nam and the Democratic Republic of Laos on 23rd, April 2009 in Ha Noi that facilitated cross border trade and simplified the custom, border procedure to vehicles facilitating bilateral trade.</p>
<p>Gulf Cooperation Council</p> <p>Landlocked gulf countries facilitated border trade through a custom union that included measures like a single-entry point system for imported goods, common customs regulations and procedures, common criteria for calculating the customs value of foreign goods, etc.</p>
<p>Authorized Economic Operators of Malaysia</p> <p>With the fully functional Authorized Economic Operator (AEO) program, Malaysian customs authority has facilitated border trade by reducing processes and time requirements for special traders.</p>
<p>Border pass management system of Cambodia-Thailand</p> <p>In Battambang province, near the Cambodian-Thai border, the General Directorate of Immigration of Cambodia implemented an updated border pass management system in 2018. The system processes and records all information about border pass travellers, including their biographical data and facial images. The system resulted in optimization of Cambodian border control posts and border operations for effective border management.</p>
<p>Border Management Coordination Agency Development by Indonesia</p> <p>Border management in Indonesia handled by specialized agency named BNPP and coordination in setting program policy, budget, execution, and monitoring and evaluation of border management is devised with clear guidelines that outlines the</p>

Comparison of best practices in port management

authority of the BNPP as a coordinating body to facilitate effective border management.

Inter-agency coordinated border management committee by Philippines

Philippines formed an inter-agency coordinated border management committee consisting of 29 out of the 31 government agencies for the Inter-Agency Coordinated Border Management. These agencies include border service providers like Bureau of Customs (BOC), Bureau of Animal Industry (BAI), Bureau of Plant Industry (BPI), Bureau of Fisheries and Aquatic Resources (BFAR), Intellectual Property Office of the Philippines (IPOPHL), Environmental and Management Bureau (EMB), Bureau of Quarantine (BOQ) and so on. It guaranteed that all government organizations would work together to implement and maintain border protection while continually enhancing trade facilitation.

Coordinated Border management of Singapore

The Singaporean government realized that the country's trade and border authorities needed to be reorganized in order to work more efficiently. As a result, Singapore Customs was founded as the single point of contact for all Customs, revenue, and trade-related issues, and the Immigration & Checkpoints Authority of Singapore (ICA) was created as the single command for checkpoints and border control duties.

Finnish border collaboration approach

The two main agencies managing Finland's border are Customs and the Border Guard, and in some cases, the Finnish Police. The Police, Customs, and Border Guard (PCB) cooperation agreement serves as the framework for their actions. Their extensive history of cooperation includes national and regional coordinating procedures and institutions that have been in place for many years. This collaboration is based on law, and the first decree that established the regulatory framework for it was issued in 1949.

Road Cargo System (ROCARS) (Hong Kong China)

As an acknowledgment after successful submission of cargo information, ROCARS returns a Customs Cargo Reference Number (CCRN) for the cargo consignment to the shipper who should then pass it together with the cargo description to the relevant trucker. Not less than 30 minutes before the truck arriving at a land boundary control point ("LBCP "), the trucker should do the 'bundling' work through ROCARS.

From the logistics performance index score perspective, all of these countries are doing well in terms of managing better trade logistics for trade. Not only because of special practices but rather through overall logistics and trade support measures development, these countries are scoring higher in the LPI index. For instance, The LPI 2023 score of the countries analyzed for best practices are illustrated in the table following:

Table 38: LPI of the selected countries with best practices

Countries	LPI Rank	LPI Score	Customs	Infrastructure	International shipments	Logistics competence	Tracking & tracing	Timeliness
Singapore	1	4.3	4.2	4.6	4	4.4	4.4	4.3
Finland	2	4.2	4	4.2	4.1	4.2	4.2	4.3
USA	17	3.8	3.7	3.9	3.4	3.9	4.2	3.8
China	19	3.7	3.3	4	3.6	3.8	3.8	3.7
Malaysia	26	3.6	3.3	3.6	3.7	3.7	3.7	3.7
India	38	3.4	3	3.2	3.5	3.5	3.4	3.6
Viet Nam	43	3.3	3.1	3.2	3.3	3.2	3.4	3.3
Philippines	43	3.3	2.8	3.2	3.1	3.3	3.3	3.9
Indonesia	61	3	2.8	2.9	3	2.9	3	3.3
Mexico	66	2.9	2.5	2.8	2.8	3	3.1	3.5
Bangladesh	88	2.6	2.3	2.3	2.6	2.7	2.4	3
Cambodia	115	2.4	2.2	2.1	2.3	2.4	2.8	2.7

Source: World Bank

LPI score is generated considering several dimensions like the efficiency of customs and border management clearance, the quality of trade and transport infrastructure, the ease of arranging competitively priced shipments, the competence and quality of logistics services, the ability to track and trace consignments, the frequency with which shipments reach consignees within scheduled or expected delivery times. Countries with higher LPI score and tends to score well in all of these dimensions. For instance, Singapore’s NSW system, custom modernization approaches and compliance with TFA ensured its efficient customs and border management clearance, good trade logistics and less release time. Similarly, countries with best practices like the Finland, USA, China, Vietnam, Malaysia, India etc. are better at managing efficient, customs and border management clearance systems, good quality of trade and transport infrastructure, time efficient and responsive logistic services providing proper tracking and traceability measures along with reduced time of consignment release. From the different aspects of trade following improvement in each sector, countries tend to improve their LPI score.

The table data shows the top countries with LPI scores. Bangladesh has much scope for improving the LPI score by addressing the problems of LPI dimensions and improving them. Replicating best practices from the countries can be constructive for Bangladesh to improve overall trade performance and trade facilitation aspects.

5.3 Technologies used in the operation of land ports

Modernization is crucial for ports now to ensure trade facilitation by introducing easier and digitalized transparent processes. As a result of daily processing and traffic, the land ports continue to encounter new difficulties. Inventory control and warehouse logistics can all be made better with the help of technologies and automation. Digitalized technologies can assist in automating the loading, dispatching, and transportation of goods as well as parking lot optimization and traffic flow. For port management and port users, sensors, cameras, drones, and other technology can automatically collect and disseminate data on the weather, traffic, and pollution. By streamlining processes, technologies can make procedures of ports swifter and user friendly. Some of technologies use in the land ports are explored below:

Integrated Check Posts (ICP) integrated with Land Port Management System (LPMS)

ICPs includes Land Port Management System (LPMS) that provide numerous integrated and automated facilities such as customs, immigration, border security, and quarantine, among others, within a single facilitation zone. ICPs help save time by allowing customs and immigration authorities to work together in the same building to clear passengers and cargo more quickly. ICPs are reducing stay time and trade transaction costs to promote cross-border trade and people-to-people contacts, and they work to adopt the best international practices. ICPs provide secure, seamless, and efficient platforms for cargo and passenger movements. In neighbor country India, since the initiation of ICP in 2012, 2012, the ICPs have helped streamline cross-border trade and passenger flows through the modernization of border management infrastructure⁷¹. In Benapole land port, a similar technology of LPMS (Land Port Management System) has been implemented to automate the port and increase its efficiency. This system usually integrates myriad other systems like Weighbridge entry sub-module Transshipment Module for Perishable Goods Posting Branch Module, Warehouse Cargo Entry/Exit (Inventory) Module, Assessment and billing module, Bank sub module with payment integration, Maintenance Module, Master Data Module, Reporting Module, Financial accounting information system and so on.⁷²

ASYCUDA World

The UNCTAD Automated System for Customs Data (ASYCUDA) is an integrated customs management system for international trade and transport operations in a modern automated environment. ASYCUDA system is available in almost every port and land ports of the world. ASYCUDA helps to improve revenue collection by modernizing customs operations. It drastically cuts transaction time and costs and

⁷¹ Linking land borders: India's integrated check posts- The Hindustan Times, August, 2021

⁷² Land Port Management System- Datasoft

increase trade efficiency as well as competitiveness. It also enhances security by expediting the processes for cargo control, goods transit, and clearance, and aid fighting against corruption by increasing transaction transparency⁷³. Almost every Land port and customs station in the Bangladesh is covered under ASYCUDA world system.

Port Automation

Automation technology refers to shifting of manual documentation and checking activities into automated and digitalized forms. Automation of port equipment helps minimize downtime, boost security, and assure effective cargo handling Port planning and scheduling that is precise and uses autonomous information exchange systems less operations are needed for transferring containers. Automated systems assist in gathering data from carriers, logistic providers, and port operators to make proper decisions. Support structure like automated vehicles registration and monitoring operations result in lessen traffic, with having a positive influence on the environment, and increased safety. For instance, Brisbane AutoStrad inland port or terminal in Australia reaped benefit from fully automated system and increased its truck handling capacities.

Port automation is the application of integrated technology to create intelligent solutions for the effective management of trade and traffic flows on the port, consequently enhancing port capacity and efficiency.

Cloud-based software is typically used by smart ports (also known as automated ports) to help create the operational flows that make the port run efficiently. At the moment, most ports across the world have some level of technological integration, if not full management. However, as a result of international government initiatives and the exponential rise in marine traffic, there has been a progressive increase in the number of smart ports.

Some automation approaches in the smart port management are:

- **Digital Connectivity:** Ports can be physically and digitally integrated with the larger supply chain network through digital connectivity. Digital connectivity with important industry sectors can boost productivity among supply chain participants, such as vehicles, cargo owners, and logistics service providers, and aid in coordinating cargo flow in a safe and intelligent way. Enhancing regulatory effectiveness and allowing fast information sharing and data flow among port users and stakeholders, locally and beyond the region, depend heavily on the development of an advanced digital infrastructure.
- **Satellite Tracking (GPS):** Smart and automated ports can offer real-time tracking and reporting of all types of cargo or containers through GPS system.
- **Automatic Truck Identification:** Automatic truck identification system can automatically monitor the progress through the terminal, identify what is coming in and out of the terminal and identify what truck is being handled by the Container Handling Equipment (Weight scale, crane etc.). Using adhesive

⁷³ Customs automation – ASYCUDA- UNCTAD

tags with unique identification, RFID system can be used to identify and track trucks or cargo vehicles.

- **Internet of Things (IoT):** Internet of Things (IoT) is one of vital things which can be quite useful in digitizing delivery processes and cargo/shipment monitoring. At the Hamburg port, this is in use. By utilizing comparable technology, it transformed itself into a "smart port" that now uses sensors and geo-referencing techniques to keep an eye on all the assets, including cranes, warehouses, and roads. Another instrument that simplifies handling containers is the High Bay Storage (HBS) system. A normal yard's capacity can be increased by three times with this automated container handling software, which can stack containers up to 11 stories high. Due to its emphasis on real-time communication, block chain is another significant technology that has the potential to digitize port supply chains.⁷⁴
- **Digital warehouse management system (WMS):** WMS enables the reduction of transient and monetary losses during warehouse operations. It enables ports to maintain a consistent reporting system and work with a single range of products for all of the terminal's warehouses. It offers effective receiving, storing, and shipping operations in bulk terminals, ports, and temporary storage facilities for general cargo as well as enables rapid searches for products, whether they are in containers, sheds, bulk carriers, or general cargo. An automated warehouse management system keeps track of all requests, invoices, CMRs (container movement requests), and other pertinent papers as well as the statuses and histories of the movement of cargo lots through the port. Under overall layout of the WMS system, all data of the warehouse goods into the library, delivery of cargo from storage, loading, inventory, goods location adjustment, the site location commodity query, etc. can be obtained in large quantities and transmitted real-time and two-way.⁷⁵ For instance, up in Scotland, the Grangemouth port, Scotland's largest container port located midway between Glasgow and Edinburgh has been using WMS for efficient cargo management.

IoT, sensors, RFID, QR code and wireless communication technology

These technologies are now currently used in many dry or inland ports and they offer real-time tracking and tracing in ports, automatic identification of units at gates, and consignment security. By delivering alerts for risky situations and the safety of perishable goods, they ensure cargo security.⁷⁶ They also use real-time data to optimize mode selection. These technologies are used to streamline the port calling process by giving stakeholders access to real-time information from trucks to track shipping process efficiently. Also, driver identification method can be used in

⁷⁴ Osama Rizvi, Automation of Ports - Global Supply Chains, available at <https://www.datasciencecentral.com/automation-of-ports-global-supply-chains/>

⁷⁵ Dong, Xisong & Xiong, Gang & Yuantao, Li & Xiujiang, Guo & Yisheng, Lv. (2013). Intelligent ports based on Internet of Things. Proceedings of 2013 IEEE International Conference on Service Operations and Logistics, and Informatics, SOLI 2013. 292-296. 10.1109/SOLI.2013.6611428.

⁷⁶ Digitalization and Automation in Intermodal Freight Transport and Their Potential Application for Low-Income Countries- Helen et al (2022), Future Transportation Journal

combination, for instance, using Radio Frequency Identification (RFID) and Barcode QR cards that the driver swipes for obtaining the access permission to the terminal area.

Web-based platforms, AI, cloud computing, and big data

These technologies are currently used in ports to broadcast schedules and give stakeholders a clear presentation of the necessary data and processes. They facilitate quick and reliable decision-support systems, enabling the best chain when choosing a shipping service, and offer sight of the products in transit. Additionally, they offer a consolidated and quick method for booking trucks or cargo as well as decision making convenience for logistics providers.

Electronic data-sharing tools

These technologies are apparent in many inland ports because these provide easy and quick port administration in port calling, customs declaration, clearance notification, Port-EDI for a one-stop service (single window) facilities. These technologies also help exchange booking and boarding instructions between consignee and freight forwarders. For instance, Thanaleng dry port or land port in LAO PD using one stop service center for facilitating trade processes.

Automated/ Intelligent Warehouse Management System

By the means of RFID technology, data acquisition and processing can be fast, accurate, achieved, and warehouse business processes can be optimized. Then, the customs supervision warehouse goods out of warehouses are intelligent real-time monitored, to improve the speed and efficiency of supervision customs clearance, and to reduce the cost of warehousing. In addition, the system computer is interacted with 3D virtual reality technology, to real-time, dynamically display warehouse, and support immersion-style roaming goods locating hidden features to facilitate authority to understand the situation of the goods in a warehouse, and greatly improve work efficiency, reduce operating costs.⁷⁷

Surveillance technology

Surveillance technologies are installed in every land port and from CCTV to cargo scanner, and thermal imagers and sonar type can ensure the safety of cargo under port process and also identifies plate numbers of trucks entering port. They Ensure cargo safety throughout the chain and chain control security of cargo and drivers in inland transport.

Terminal Operating Systems (TOS)

Terminal operating systems manage the movement of containers at cargo terminals. Authority of cargo terminals use TOS software to monitor a range of activities across an entire port or inland terminal and maximize efficiency when loading and unloading cargos. These systems help terminal authority coordinate complex daily logistics involving ships, trains, trucks, cranes, various types of cargo, and port workers. Cargo terminal professionals use a TOS to track the movements of cargo containers, optimize space allocation in the yard, and make decisions based on real-

⁷⁷ Intelligent Ports Based on Internet of Things- Dong Xisong (2013)

time information about terminal operations. Terminal operating software helps streamline all the load-unload, yard, and gate operations in the port.

The most apparent technologies in the land ports around the world can be summarized in the table below:

Table 39: Technologies used in land ports

<ul style="list-style-type: none"> ▪ Internet of Things (IoT) ▪ Automated System for Customs Data (ASYCUDA) ▪ Radio Frequency Identification Devices (RFID) ▪ Terminal Operating System (TOS) ▪ Integrated Check Posts (ICP) ▪ Land Port Management System (LPMS) ▪ Multi-agent systems (MAS) ▪ Xray Cargo scanner 	<ul style="list-style-type: none"> ▪ AI and cloud computing ▪ Sensors and Big data management ▪ Electronic data-sharing tools ▪ Block-chain technologies ▪ Enterprise Management System (EMS) ▪ Automated weighing, billing, payment and monitoring systems. ▪ Automated/ Intelligent warehouse monitoring system.
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In case of land ports of Bangladesh, based on the KII responses, the technology usage is illustrated in the table below:

Table 40: Technologies used in land ports of Bangladesh

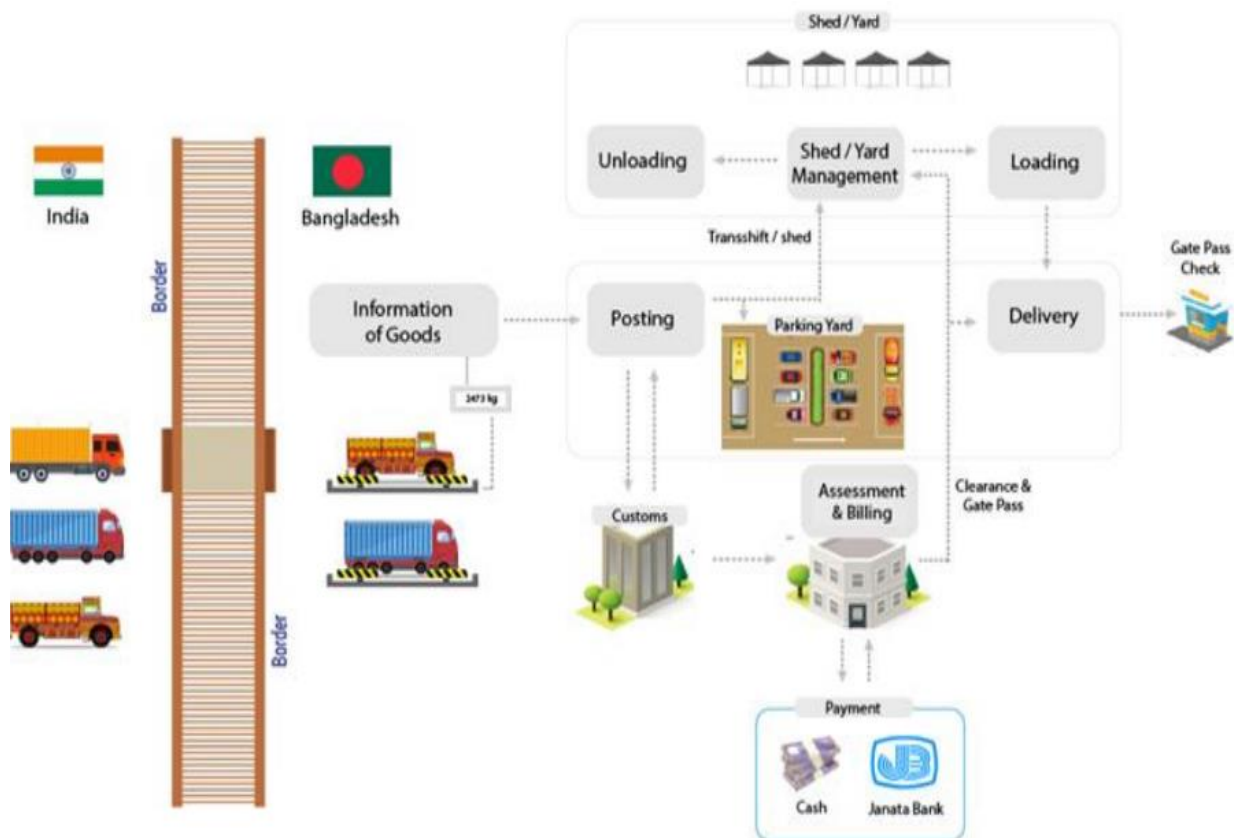
SL	Services	Technology used
1.	Loading/unloading of goods	Manually, Forklift Crane
2.	Product weighing	Semi digital and digital Weighing Machine
3.	Customs Clearance	ASYCUDA, Manually
4.	Collection of customs duties by the bank	E-payment
5.	Traffic management	Manually
6.	Determination of port charges	Manually, Semi Digital system
7.	Product storage	Cold storage, Warehouse
8.	Storage of perishable goods	Cold storage and transshipment yard
9.	SPS/ Quarantine activities	Lab Test
10.	Security and Safety	BGB, Ansar, CCTV Monitoring system, Immigration Police, Dog squad

Source: KII by BFTI

In terms of technology, Bangladesh is lacking a lot of updated systems compared to the globally best land ports. For instance, the application of integrated LPMS or RFID scanning is still missing. Also, automated warehouse systems, X-ray cargo scanning, and terminal operating systems types technology are yet to be implemented which can substantially improve the operational efficiency of land ports.

BLPA has launched an e-port management system in land ports of Bangladesh to automate the ports and their procedures. So far, the system has been proposed to be installed at 12 land ports out of 24 in the country which are under the supervision of Bangladesh Land Port Authority (BLPA). This system can render port services online and also ensure automation of billing, posting of goods, issuance of gate pass of BLPA, online delivery, online monitoring and report, online payment system and others' information about Indian truck drivers and clearing and forwarding agents.⁷⁸ In order to bring mobility in import and export trade at the land port and to ensure transparency and accountability, the pilot program of e-Port Management System with the technical/consultant support of Aspire to Innovate (A2I) at Burimari Land Port under the e-services has been initiated. The 'e-Port Management System' has been set up by the Bangladesh Computer Council for testing and hosting at the National Data Center. This will ensure 100 percent security of information. The service is providing 16 people-friendly services at Burimari land port and will serve about 65,000-70,000 people a year. The E-Port system is represented visually in the following:

Figure 24: Proposed E-port diagram



Source: BLPA

⁷⁸ BLPA Annual Report 2021-22

At present E-port management is apparent in Benapole land port where warehouse management to shading facilities and different port processes have been eased with digitalized systems. The e-port management system has been initiated preliminary in Burimari and Tamabil land, the project is also being pilot tested in Bhomra land port.

Moreover, following automation initiatives taken by the BLPA are worth mentioning:

- The Bangladesh Land Port Authority's headquarters currently host the live server where the e-filing procedure is carried out. Benapole, Bhomra, Burimari, and Tamabil land ports will gradually begin e-filing operations.
- After the pilot program of the e-Port Management System with the technical assistance of Aspire to Innovate (A2I) at the Burimari, the live program has been launched in the Burimari Land Port where activities are being carried out digitally to facilitate services and e-services in order to bring dynamism to import and export processes at the land port and to ensure transparency and accountability. Though this system, the existing services of land ports and citizen services will be completed through e-services. As a result, port authorities, C&F agents, importers and exporters will benefit and service users will reduce their TCV (time-cost-visit) and increase import-export at land ports.
- Under the Annual E-Governance and Innovation Action Plan for the financial year 2021-2022, Indian cargo vehicle entry data and product weight data processing at Sonahat land port has been automated on a small scale.
- A program titled Swisscontact Digitalization of the Border procedures at Bhomra Land Port has been taken up with the funding of Global Alliance for Trade Facilitation (GATF).
- With the help of ADB (Asian Development Bank) a project is undertaken that aims to implement full automation at Tamabil and Akhaura land ports which was approved via The Executive Committee of the National Economic Council (ECNEC) on 01/06/2022.
- "Improvement of security System for Benapole Land Port" program is ongoing with the financing of the World Bank.

Chapter 6: Findings from Survey, KII, FGD and Public Consultation

The Study conducted a survey, and FGD and some KIIs as well as one public consultation to find more insights on compiled policy and regulatory guidelines/standard operating procedures (SOP) for Cross Border Land Port Management with respect to international trade and transport formalities, procedures, documentation and related matters. The insights gathered from these approaches are presented in the following section.

6.1 Survey insights

A total of 201 participants from Benapole land port, Bhomra Land Port, Shona Masjid Land port, Akhaura land port and Banglabandha land port were surveyed for the study. Participants or respondent's category is presented in the table below:

Table 41: Sample distribution (Respondent's Category)

Respondent's Category	Freq.	%
C&F agent	45	22%
Importer - Exporter	42	21%
Bangladesh Land Port Authority	14	7%
Customs	15	7%
Operator	2	1%
Certification and regulatory authority	12	6%
Bank	11	5%
Transport and logistics companies	18	9%
Driver	15	7%
Port workers	16	8%
Immigration	6	3%
BGB	5	2%
Total	201	100%

Respondents were selected from different sectors where C&F agents account for 22% of the respondents and 21% of the respondents were importer-exporters. The survey also included respondents from transport and logistics companies (9%), Customs (7%), Bangladesh Land Port Authority (7%), port workers (8%), Certification and Regulatory Authority (6%). Banks official, drivers, operators, immigration officials, respondents from BGB also participated in the survey.

Findings

Respondents were asked to mark the Efficiency level of 8 categories of service providers (Port authorities, Operator, Customs, Bank, Workers, Standard Testing Authority, Transportation, BGB) for assessing their views on land port efficiency in trade facilitation and inter-port management. A fair number of respondents (39%) expressed satisfaction with port authorities' services while a majority (43%) of the respondents evaluated their services as average. 38% and 32% of the respondents viewed the services of customs and banks as satisfactory. Standard testing authority, transportation and BGB services were found satisfactory by 26%, 24% and 38% of respondents respectively. Most of the respondents evaluated services of transportation agencies, standard testing authority port workers as average.

Table 42: Port users' views on land port efficiency in trade facilitation and inter-port management (Efficiency of relevant service providers)

Port users' views on land port efficiency in trade facilitation and inter-port management	Extraordinary	Satisfactory	Average	Weak	Very Weak
Port authorities	3%	39%	43%	13%	2%
Operator	0%	14%	47%	38%	0%
Customs	0%	38%	30%	18%	14%
Bank	0%	32%	33%	23%	11%
Workers	0%	28%	37%	35%	0%
Standard Testing Authority	0%	26%	32%	32%	10%
Transportation	0%	24%	43%	33%	0%
BGB	0%	38%	34%	21%	7%

Respondents were asked to rate the quality of port services in case of imports and some import pertinent aspects were presented to them to express their perspectives.

A significant portion of respondents (42%) thought that the process of cargo truck arriving in the port of Bangladesh from the port of India/Nepal/Bhutan is satisfactory. A majority (61%) thought the quality of the existing presentation of import-related documents process was average. The weighting process was found average by 50% of the respondents while the truck parking system was evaluated as weak by most (43%) of the respondents.

A substantial portion of respondents (43%) expressed satisfaction with the discharge of imported goods from the customs area. The departure of empty trucks and Discharge of goods imported from the customs area was found satisfactory by 47% and 43% of the respondents. 39% of the survey participants denoted Risk Management - Food, Animal and Plant Quarantine systems as satisfactory and 49% of them found the process of arrival of Bangladeshi trucks to carry imported goods satisfactory. Details responses are presented in the table following:

Table 43: Quality of land port services in case of import

Quality of land port services in the case of import	Extraordinary	Satisfactory	Average	Weak	Very Weak
The process of cargo truck arriving in the port of Bangladesh from the port of India / Nepal / Bhutan	0%	42%	36%	17%	5%
Presentation of import related documents	0%	39%	61%	0%	0%
The weighing process is complete	0%	40%	50%	9%	1%
Truck parking	0%	35%	10%	43%	12%
Unloading goods from the truck	0%	40%	28%	28%	4%
Departure of empty truck	0%	47%	29%	19%	5%
Discharge of goods imported from customs area	1%	43%	54%	2%	0%
Risk Management - Food, Animal and Plant Quarantine	1%	39%	45%	12%	3%
The process of arrival of Bangladeshi trucks to carry imported goods	0%	49%	45%	6%	0%

Survey respondents were presented with 8 criteria to provide their ratings in order to assess the quality of land port services in the case of export. 61% and 38% respondents marked the process of delivery of export goods to the port and Product weighing process as satisfactory. Discharge of goods for export from custom areas was found satisfactory by 65% of the respondents. 43% respondents found Risk management system as satisfactory while a large portion (64%) denoted the system of submission of export documents to the customs authorities as satisfactory. Most of the respondents (63%) are satisfied with the movement of freight trucks from the port of Bangladesh to the port of India and the car pass system. However, only 33% respondents marked the departure of Bangladeshi trucks after unloading export goods at India/Nepal/Bhutan ports as satisfactory while 43% of the respondent evaluated storage facilities for Bangladeshi products in India/Nepal/Bhutan as weak and very weak. Detailed response numbers are illustrated in the following table.

Table 44: Quality of land port services in case of export

Quality of land port services in the case of export	Extraordinary	Satisfactory	Average	Weak	Very Weak
The process of delivery of export goods to the port	4%	61%	33%	2%	0%
Product weighing process	2%	38%	52%	6%	2%
Discharge of goods for export from custom areas	1%	65%	34%	0%	0%
Risk management	2%	43%	46%	5%	4%
Submission of export documents to the customs authorities	3%	64%	33%	0%	0%

Quality of land port services in the case of export	Extraordinary	Satisfactory	Average	Weak	Very Weak
The truck of goods goes from the port of Bangladesh to the port of India and the car pass system	1%	63%	29%	7%	0%
Departure of Bangladeshi trucks unloading export goods at India / Nepal / Bhutan ports	2%	33%	43%	14%	9%
Storage facilities for Bangladeshi products in India / Nepal / Bhutan	2%	18%	37%	22%	21%

In response to the evaluation of other land port services like the process of getting passengers, passenger arrival and Confiscated/ Abandoned Product Management, a majority (53%) of the respondents was satisfied with the process of getting passengers, and a significant number of respondents (60%) also find the process of passenger arrival satisfactory. However, in case of Confiscated/Abandoned Product Management, 46% respondents expressed satisfaction. Following table represents the elaborated responses of survey participants:

Table 45: Quality of other land port services

Quality of other land port services	Extraordinary	Satisfactory	Average	Weak	Very Weak
The process of getting passengers	0%	53%	39%	6%	2%
The process of passenger arrival	0%	60%	34%	5%	1%
Confiscated / Abandoned Product Management Process	0%	46%	41%	12%	1%

Respondents were asked if there was any coordination system present in the port for coordination between the service providers and the majority (83%) responded affirmatively. The following table shows the details of the responses:

Table 46: Coordination system in the port for coordination between the service providers

Coordination system in the port for coordination between the service providers	Freq.	%
Yes	173	86%
No	28	14%
Total	201	100%

Of the respondents who responded affirmatively, a substantial portion (39%) evaluated the coordination system as satisfactory. 39% of them believe the system is average and 28% of the respondent evaluated the coordination system as weak.

Table 47: Assessment about the current coordination system

Assessment about the current Coordination system	Freq.	%
Extraordinary	0	0%
Satisfactory	67	39%
Average	41	24%
Weak	49	28%
Very Weak	16	9%
No Comment	0	0%
Total	173	100%

When participants were asked whether the quality of service will improve if one-stop service is introduced in the land port, the majority (91%) of the participants responded positively. Table below shows the responses in detail:

Table 48: Perception of service quality improvement if one-stop service is introduced in the land port

Perception of service quality improvement if one-stop service is introduced in the land port	Freq.	%
Yes	182	91%
No	5	2%
No Comment	14	7%
Total	201	100%

The survey respondents valued Infrastructure development, port efficiency enhancement, Increasing the quality of logistics and transportation services, Standard Operating Procedure (SOP), Automation, and reinforced transportation safety for making Bangladesh's land port more efficient. Table below shows their top picked options:

Table 49: Necessary things to be done for making Bangladesh's land port more efficient

Sl.	Necessary things to be done for making Bangladesh's land port more efficient	Responses
1	Infrastructure development	196
2	Increase port efficiency	177
3	Increasing the quality of logistics and transportation services	131
4	SOP	130
5	Automation	108
6	Strengthen safety in transportation	107
7	Customs process development	78
8	Development of multimodal transport system	76
9	Others	76
10	Reduce the number of required documents	49

6.2 Insights from KIIs, FGD and Public Consultation

Stakeholders of the land ports provided valuable insights into different areas of port operation, management, and services. The detailed findings of the KIIs, FGD and PC is available at **Appendix-8**. Summary of their inputs, expressions, and opinions are presented in different thematic areas in the following section:

Challenges in terms of documentation, time and cost involved in exporting and importing through land ports:

<p>Challenges in Document collection and preparation</p> <p>The stakeholders revealed that documentation process in the land ports is lengthy and time consuming. Lack of automation system in documentation process also hinders paperless trade. Moreover, poor internet and networking system create digital documentation system more cumbersome</p>
<p>Time efficiency challenges</p> <p>Time requirement in the export imports increases due to shortages of the proper transportation system in the port area, paucity of space in the port area, lack of inter-agency, inter-border and intra-agency coordination.</p>
<p>Trade cost challenges</p> <p>Due to syndicate problems in the border region, expenditure frequently increases and prolonged documentation, export-import procedures also increase the total cost of trades.</p>

Weaknesses of institutions involved in the management of land ports:

Institutions/Agencies	Weakness/issues
Bangladesh Land Port Authority/ Port Operators	<ul style="list-style-type: none"> The stakeholders expressed that land ports lack sufficient infrastructure and space, for example there are not enough warehouse, shed and weighing scale facilities, trollies, cranes and forklifts and existing ones do not function well, also lighting, electricity, internet services and security is not up to the mark in the land ports. Based on the opinion of the stakeholders, some activities managed by the land port authority are inefficient. Like land ports cannot maintain 24/7 trade functionalities because of human resource shortages, existing software for recording entry-

Institutions/Agencies	Weakness/issues
	<p>exit vehicle tracking systems is problematic, duty-free products stay for a long-time creating congestion for other shipments and so on.</p>
Customs	<ul style="list-style-type: none"> • Stakeholders revealed that Customs rules and regulations are not updated and shared with port users over time. • In the Land ports, software and automated systems are frequently not recognized or accepted by customs. For instance, Customs does not utilize scanners at land ports. • Bill of entry submission takes much time in customs. This paper has to be printed which increases the time and documentation requirements in trade. • Stakeholders expressed that customs automation is not integrated with other agencies like bank, BLPA, testing and certification agencies, hence, information sharing is not sufficient with other agencies.
C&F Agent	<ul style="list-style-type: none"> • C&F agents lack knowledge on custom rules and regulations and they do not receive proper training. Because of knowledge insufficiency Sometimes, they have to pay a 200% fine for mis-declaring the product HS code. Also, C&F agents frequently make inaccurate declarations, which makes it difficult for BSTI to deliver testing results on time.
Transport and Logistics Company	<ul style="list-style-type: none"> • Transport and logistics service providers often face contentious situation due to lack of coordination between C&F agent and labor unions • Insufficient truck terminal facilities inside the port hinders their service level. • Syndicate problem within the transportation service providers creates higher trade cost for the importer-exporters
Certification and Quality Control Authority	<ul style="list-style-type: none"> • Testing authorities or agencies like BSTI, Plant quarantine, or atomic energy commission lack sufficient manpower and logistic support management to send the sample for testing and sample for testing is usually carried or sent to the Dhaka labs by the client • Some consignments are delayed in port release due to the BSTI laboratory testing time requirements.

Institutions/Agencies	Weakness/issues
	Like, perishable goods are often eye-inspected which takes 10 minutes to 1 hour. In case of import, seeds that require germination take 3 to a maximum of 7 days for completing the testing facilities. These time requirements increase the overall time of the trade.
Immigration	<p>Port stakeholders' opinions on the weaknesses or issues of immigration are:</p> <ul style="list-style-type: none"> • Immigration lacks sufficient manpower • The operating hours of the immigration service are not sufficient • Efforts to build awareness on paying the Travel tax, port tax, etc. online are scant. • Immigration lacks a proper queue management system. • Passenger facilities are not sufficient in the land ports.
BGB	<ul style="list-style-type: none"> • BGB checking in some land ports are repetitive • BGB checks a passenger thrice now which creates inconvenience for passengers. • Car pass entry time by the BGB and passenger checking system are much time consuming

Way forwards suggested by the port stakeholders

For improving the services of port agencies as well as trade procedures, coordination and other functionalities, stakeholders provided their opinions on myriad aspects. The summary of these findings is presented in the following table:

Topic/Area	Suggested Initiatives
BLPA/Port operator	<ul style="list-style-type: none"> • Port space and shaded area, warehouse and cold storage facilities need to be enhanced. • Skilled manpower is needed in port operational sectors. Training programs are required for upskilling port employees. • Infrastructures like hospital, fire station needs to be inside or nearby port premises. • Number of vehicles scanners, trollies, cranes, forklifts, should be increased and seamless electricity and internet should be ensured. • Ensuring safety including adequate installation of CCTV cameras and lights.

Topic/Area	Suggested Initiatives
	<ul style="list-style-type: none"> • Proper parking facilities should be developed in the land port, an 8-lane road can be effective in reducing traffic congestion.
Customs	<ul style="list-style-type: none"> • Customs rules and regulations need to be updated and shared with port users over time. • Customs and land port authorities can jointly organize knowledge-sharing workshops to educate port users about the rules and regulations of land ports and customs. • Bill of entry, car pass etc. other documents need to be fully automated. • Customs should increase coordination and data sharing with other port agencies.
Immigration	<ul style="list-style-type: none"> • A token system needs to be implemented for long passenger queue management. • Rest houses, accommodation and other facilities should be introduced required for passengers. • The number of workforces needs to be increased in immigration.
BGB	<ul style="list-style-type: none"> • Repetitive and time consuming BGB checking should be addressed to reduce the hassle of the port users.
Quarantine and Testing	<ul style="list-style-type: none"> • For reducing testing lag, samples can be sent to Dhaka via an express mail transfer service, where testing will be done and reports uploaded on the website to save time, money, and boost efficiency. • Major land ports ought to have every BSTI testing facility possible. Other Land ports might start a Booth system to gather samples and deliver them to neighboring labs for analysis. • Testing facilities may have emergency and regular testing systems so that products can be tested urgently to shorten trade times.
One stop service and automation	<ul style="list-style-type: none"> • Prior to the introduction of one-stop service center, ICT and infrastructural development are needed. • Operating a one-stop service center requires skilled personnel. • All land ports should be equipped with contemporary machinery such as cranes, unified scale systems, and scanners. • The automation process should be standard and coordinated; ideally, all agencies involved with land ports would use a single uniform program, or at the very least, the software used by various agencies would be

Topic/Area	Suggested Initiatives
	interchangeable or able to access data from other software.
Coordination	<ul style="list-style-type: none"> • Interagency coordination and intra-agency coordination both are required for improving the land ports of Bangladesh. • A permanent or stable method of coordination system between the existing agencies may be created. • Interagency coordination like coordination between land port authority, BSTI, Plant Quarantine and customs need to be improved. All relevant agencies including government and private should work in a coordinated way. • Cross border coordination like Coordination between Bangladesh and India should be improved. • It should be assured that coordination exists among the field-level service professionals rather than just at the top or head office level.
Miscellaneous	<ul style="list-style-type: none"> • Infrastructure or service development activities for land ports should be prioritized based on their functionality in terms of export-import. • Since road transportation requires more time and money inland waterways may be used to link to the land port commerce logistics system. The synchronization with inland waterways can speed up and reduce the cost of trade. • For Bangladesh, smart borders, integrated border points, and data exchange best practices can be useful. For instance, Bangladesh's NBR could get data from the Indian side customs.

Chapter 7: Requirements of Legislative, Administrative and Policy Reforms Identified

7.1 Legislation, administrative procedures and policies that govern the Land Port Management

Land ports in Bangladesh are generally governed by the Bangladesh Land Port Authority and its relevant acts. The BLPA 2001 act contains the features of legislative, administrative and other policies that set the outline for governing managing the land ports. The Bangladesh Land Ports Authority Act, 2001 (Act No. XX of 2011)'s major goal is to create the Bangladesh Land Ports Authority, which will oversee all land port operations, management, development, expansion, maintenance, and related activities. With only 23 sections, the Act is condensed and simplified. The following are the key elements of the Act:

- Bangladesh Land Ports Authority Act, 2001 was published on April 16, 2001, after being approved by the President and getting passed by the National Parliament.
- The Act gave the government the authority to designate any land customs station as the land port anywhere in the nation.
- It also provided the government the authority to create a statutory organization called the Bangladesh Land Ports Authority, which will be in charge of overseeing facilities for the cross-border movement of people and goods at certain locations along the international land boundary.
- The Authority will consist of a chairperson, three full-time government representatives, three part-time representatives, one of whom will be an officer from the Internal Resources Division (IRD), and one private individual who will represent business and industry.
- The Authority may, among other things: (a) create policies for the operation, management, development, expansion, and maintenance of land ports; (b) hire private operators to receive, store, and deliver goods from land ports; (c) create a schedule of taxes, tolls, rates, and fees that can be collected from land port users with the government's prior approval.
- Any land required by the Authority shall be assumed to be required for a public purpose and shall be acquired in accordance with the provisions of the applicable law. The Authority shall have the power to enter into any contract necessary to carry out the purposes of the Act.
- The Act mandates that the government receive the Authority's program of activity and financial estimates. Additionally, it mandates that the Authority must maintain accounts, which must be audited annually.
- The Authority is permitted to impose the fees and rent specified by rules. It must set up its own finances to which all receipts must be credited.

Under the provisions of Section 10 of the BLPA Act, tariffs are fixed by the BLPA for the land ports. For Benapole Land Port and all other Land Ports, respectively, two orders are issued, each carrying a tariff schedule. Both in terms of composition and prices, the tariff schedules for the two categories varied significantly. The schedule has four sections for Benapole Land Port:

- Warehouse and Open Yard Space Charges;
- Handling Charges;
- Passenger Facilities Charges; and
- Other Charges.

Storage fees are assessed differently depending on the type of cargo, including warehouse and open yard space expenses. Loading, unloading, and stacking/restacking fees for manual work and equipment utilization are all included in handling charges. Passengers using the land port are subject to the passenger facilities charge, which includes the entry fee, waiting fee, service fee, etc. Other fees include the entry and halting cost for cars, carpenter fees, weighment fees, document fees, equipment and material hiring fees, etc. The tariff schedule for all other land ports includes several fees and charges like:

Table 50: Charges and fees in land ports

<ul style="list-style-type: none"> • Custom Charges and fees: <ul style="list-style-type: none"> ➤ Document processing fee (for automated Customs assessment) ➤ PSI services charge (in case of goods imported under Pre-shipment Inspection System) ➤ Merchant overtime charge (in case of overtime duties by Customs officials) ➤ Container scanning charge ➤ Transshipment fees ➤ Customs fee on transshipment under Inland Waterways Protocol between India and Bangladesh ➤ Fees for supplying copy of document ➤ Fees for supplying Customs information ➤ Fees for amendment of documents ➤ Fees for amendment of errors • Fees by Land Port Authority • Fees and Charges by BSTI • Fees and Charges by Plant Quarantine Wing • Fees and Charges by Atomic Energy Commission • Fees and Charges by CCI&E

Due to the existence of riverine routes in some of the land ports, certain additional fees are added for other ports. A noteworthy difference between Benapole and the other land ports is the tariff rate is a bit low in other ports.

The BLPA Act's Section 21 allows the government to issue regulations in order to carry out the Act's goals, while Section 22 gives the BLPA Board authority to create regulations. According to the Act's provisions, rules or regulations may be made regarding the following:

- Procedures of the Board meeting [Section 7(1)];
- Procedures and terms of appointment of private operators [Section 99(1)];
- Procedures for recruitment and terms of service of officers and employees [Section 12(1)];
- Fund management of the Authority [Section 14(2)];
- Maintenance of accounts and preparation of annual financial statement [Section 17(1)];

Furthermore, rules or regulations on additional topics related to the Act's goals may be developed. The Bangladesh Land Port Authority Employee Service Regulation, 2004, is the only regulation that the BLPA has released thus far

7.2 Recommendations on reform requirements of legislative, administrative and policy

Some proposed reformed **legislative** recommendations are:

- By integrating the BLPA's specialized duties into the nation's overall trade promotion and management process, the Bangladesh Land Port Authority Act 2001 may specify the precise role of the BLPA.
- The Board may also include representatives from trade associations, port users' associations, and worker's associations.
- By allowing women to participate in the management of the BLPA, the Board may become more gender-sensitive. It may specify a minimum percentage of women nominees for the Board, either overall or by category.
- Women business leaders from the nation can also be included in the Board as members.

In case of **administrative** decision-making process, following reform suggestions can be implemented:

- A National Committee may be established with the participation of the respective ministries/divisions, trade groups, think-tank organizations, intelligentsia, etc. to allow better coordination at the policy level.
- Creating an eco-system for the supply chain that is both ecologically friendly and technically sound at the land ports.
- Creating regional offices with sufficient staff and technical resources for relevant government agencies, such as the Export Promotion Bureau, the

Department of Agricultural Extension, the Department of Livestock Services, and Bangladesh Standards and Testing Institution.

- Development and maintenance of the essential infrastructure, such as office buildings, warehouse facilities, transportation networks, etc.
- For ensuring the future development of the land ports, a supportive financial structure, including a digital payment system, can be implemented.
- Land ports' banking, insurance, lodging, dining, and bathroom services should be upgraded.
- For facilitating movement within restricted areas whenever necessary, issuing an immigration pass to importers and exporters who routinely engage in international trade through a land port can be considered.

Policy level actions require following reform actions:

- Ensuring that every land port is equipped with an integrated and thorough response that involves all stakeholders in order to successfully meet the challenges of the Fourth Industrial Revolution.
- Incorporating a corporate land port management approach with a focus on stakeholders' and port users' value creation.
- Assessing roles, functions of different parties and processes of the port for identifying non-essential procedures, and then simplifying other processes for the facilitation of port users.
- Before declaring any LCS as a land port, full feasibility analysis should be conducted.
- Each of the land ports that have already been declared can have its long-term sustainability and financial viability properly reviewed, and the right decisions can be made then.
- Training and capacity building initiatives for government employees and other stakeholders in land ports. NBR should take special measures to increase the capacity of customs officials.
- A national master plan can be developed including long-term objectives, activities, and targets for the development, management, and modernization of land ports.
- Increase the private sector's involvement in the creation of policies and the day-to-day operation of land ports.
- For managing human resources in efficiently, capacity and needs assessment should be done, a capacity-development plan should be created, and a rigorous capacity-development strategy need to be implemented.
- Providing lucrative incentive package to the land ports' technical and non-technical workers for motivation and increased work efficiency.

- Reviewing and improving importer and consumer-friendly traffic policy.

Also, for reforming the BLPA's act for port management, following requirements should be considered:

- By including representatives from important ministries including Finance, Industry, Home, Agriculture, Food, Fisheries, Road Transport, and National Board of Revenue, the Board's constitution may be altered. A representative from a trade organization, a port user organization, or a worker's association may also be present.
- To make the law more understandable, the Act's provisions relating to Board member disqualifications may be changed.
- To ensure effective coordination in the operation of various agencies in the land ports, a working group may be established locally in each land port with involvement from all parties, including the local administration.
- The Act might emphasize the placement of an Authorized Officer with magistracy authority at each land port to monitor the state of law and order there.

Chapter 8: Adjustments or Modifications Required for Making the Bangladesh Land Port Management Efficient, Effective and Harmonized for Trade Facilitation

A set of suggestions are made for the authorities' consideration to make the Bangladesh Land Port Management efficient, effective and harmonized for trade facilitation based on the information gleaned from various sources and methods are prescribed below:

8.1 Recommendations on SOP

The study recommends following SOP for the land port trade management:

Import Process

a. Zero-point entry and car pass procedure

Cargo truck loaded with goods will arrive at the border and car pass provided by the Indian customs authority will be submitted to the authority where a single entry of car pass will make it available to customs and land port authority. C&F agent will submit car pass and other relevant documents to customs, and verifying them, customs will either accept or return car pass to the C&F agent for correction. After accepting the car pass, customs will make an entry in its ledger and allow the truck to head towards the land port.

b. Entry into the port authority area

Entering the land port, the truck will be weighted at the weighbridge and after weighting, the truck will move towards the land port yard. C&F agent will arrange for the unloading of the truck, goods will be either unloaded into another truck or to the warehouse. After unloading the empty truck will be weighed again so that customs can get the net weight information of imported goods.

c. Bill of entry/ custom declaration

At this stage, C&F agent will fill up the bill of entry online and submit it with other relevant documents to the customs. If the bill of entry is not correct, customs will return it to the C&F agent for correction. If BOE and every other document check out, customs will return other documents and BOE to the C&F agent and after that examination and assessment process will commence.

d. Simultaneous examination, assessment and testing/ certification

C&F agent will submit files to the customs revenue officer for examination and assessment. At the same time, C&F agent will send a sample to the testing agencies for certification (if required). Customs will start physical examination of the consignment and assess duties of the consignment. Examination can use non-intrusive methods (if possible) and reports will be sent online real-time for assessment. Testing/certification processes will go on parallelly and when done, C&F agent will receive an assessment notice and respective test certificates. Testing authorities will submit their certification report to the C&F agent and customs via online systems.

e. payment of duty and taxes/ custom release

C&F agent will pay the duties based on the assessment notice through e-payment system. The payment slip will be submitted to customs and after verifying it, customs will issue a release order.

f. port authority release, final exit of import goods

C&F agent will submit the custom release order and other import files to the port authority and based on that port authority will calculate port charge to be paid by the C&F agents. C&F agent will pay this charge through e-payment system and provide prove of payment. After verifying it, port authority will provide gate pass and allow the loaded truck to exit the port premise. At the final gate, the time and date of departure will be recorded and truck will leave the port with imported goods.

Export Process

a. Submission of bill of export/ custom declaration

Export consignment arriving at the land port will enter the and port yard and C&F agent will fill up the bill of export online and submit it with other relevant documents to the customs. If the bill of entry is not correct, customs will return it to the C&F agent for correction. If BOE and every other document checks out, customs will return other documents and BOE to the C&F agent and after that examination and assessment process will commence.

b. Examination, Assessment and testing/ certification

C&F agent will submit files to the customs revenue officer for examination and assessment. At the same time, C&F agent will send a sample to the testing agencies for certification (if required). Customs will start physical examination of the consignment and assess duties of the consignment. Examination can use non-intrusive methods (if possible) and reports will be sent online real-time for assessment. Testing/certification processes will go on parallelly and when done, C&F agent will receive an assessment notice and respective test certificates. Testing authorities will submit their certification report to the C&F agent and customs via online systems.

c. payment of duty and taxes/ custom release

C&F agent will pay the duties based on the assessment notice though e-payment system. Payment slip will be submitted to customs and verifying it, customs will issue release order.

d. port authority release, final exit of export goods

C&F agent will submit custom release and other import files to the port authority and based on that port authority will calculate port charge to be paid by the C&F agents. C&F agent will pay this charge though e-payment system and provide prove of payment. After verifying it, port authority will provide gate pass and allow loaded truck to exit the port premise. At the final gate, time and date of departure will be recorded and truck will leave the port with export goods.

Miscellaneous Recommendations on SOP

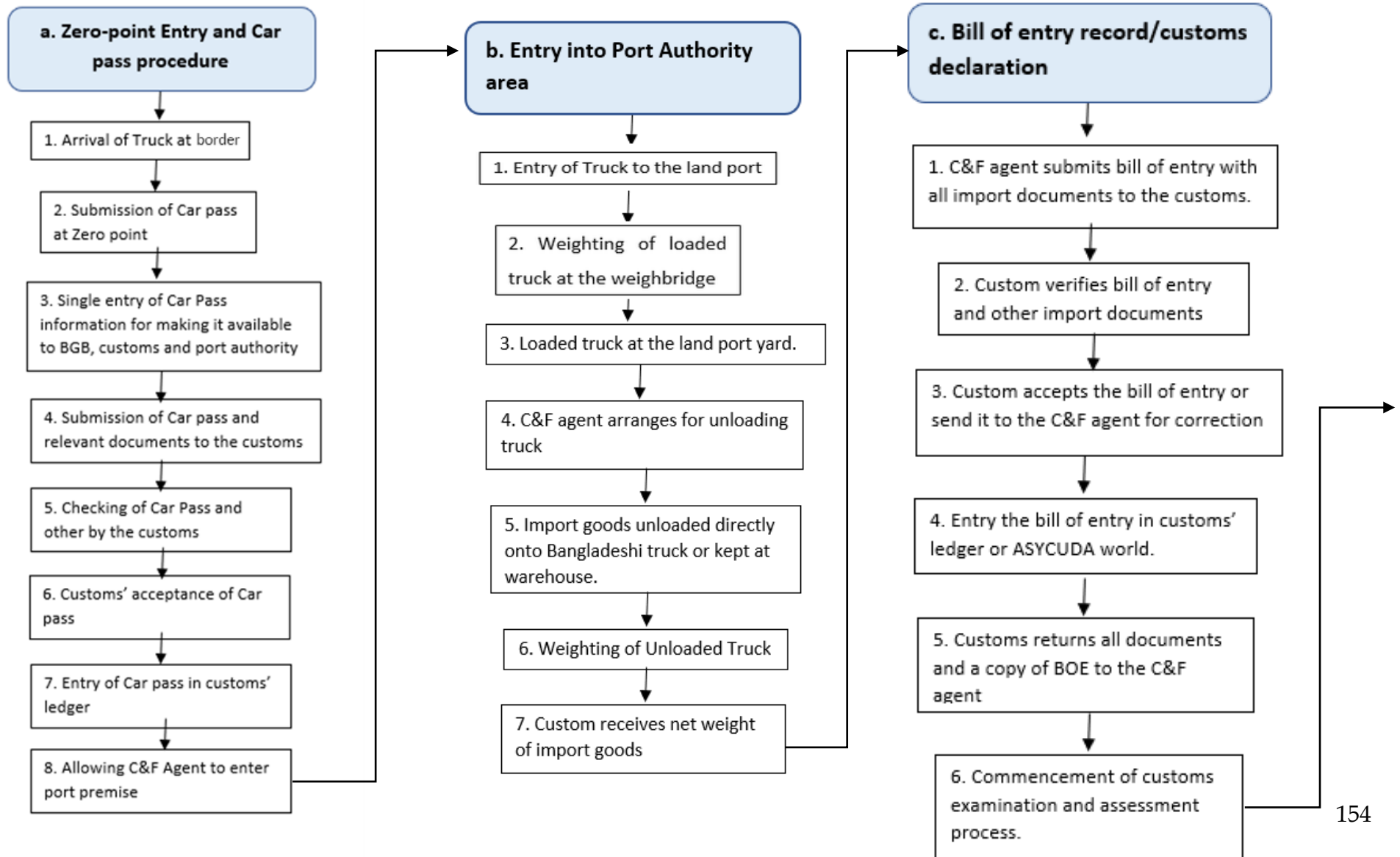
1. Each agency involved in the SOP should set a specific timeline for completing their services which will facilitate monitoring mechanisms and time efficiency in processes.
2. A single-entry system for car passes should be introduced through automation so that one entry will make the car pass available to all relevant agencies (Customs and land port authority) to eliminate the long car pass procedures.
3. Customs should make the “examination” procedure online based, where examination officers will be able to provide examination reports in real-time through the online system after examining a consignment and the assessment officer will receive that information promptly.
4. Plant Quarantine or other testing authorities should be granted access to the IGM (Import General Manifest) so that they can receive the information and share certificates with the customs online.
5. Bill of entry/export submission should be automated instead of manual submission.
6. E-payment system should be introduced to pay the port charges or fees by land port authority.
7. Customs should email the release order to the land port authority for eliminating hard copies of document submission procedures.
8. The joint signature system should be eliminated for issuing gate pass.
9. Container handling facilities should be introduced in the land ports, customs rules should be reformed in this regard and land ports’ container handling capacity needs to be developed.
10. If products are not released by the importers/exporters within 30 days, those goods will be auctioned. Customs rules in this regard should be applied accordingly.
11. NBR’s SRO regarding perishable goods should be imposed properly for handling the perishable goods appropriately.

Treatment for AEO in the SOP

3 tiers of AEO can be implemented for cross border trade facilitation. For instance, AEO-T1 status holder should be eligible for 24/7 cargo clearance, exemption from payment of merchant overtime fee, separate space in custodian’s premises and facility of Direct Port Delivery (DPD) for import and export consignments. Status of AEO-T2 certificate holder will have the facility of self-sealing of export goods without seeking case to case permission from the authority. Status of AEO-T3 will allow that if the applicant has continuously held an AEO-T2 status for two or more years, they will be issued an AEO-T3 Certificate within 30 days of applying. AEO-T3 will be the highest level of accreditation.

The flow charts of the recommended SOP are presented in the following page:

SOP for Import



SOP for Import (contd.)

d. Examination, Assessment and testing/ certification

1. C&F agent submits files to customs revenue officer for examination and assessment
2. C&F agent sends sample to the respecting testing agency for certification
3. Physical examination of the consignment by the customs
4. Duty Assessment of the consignment by the customs
5. C&F agent receives assessment, notice and respective test certificates

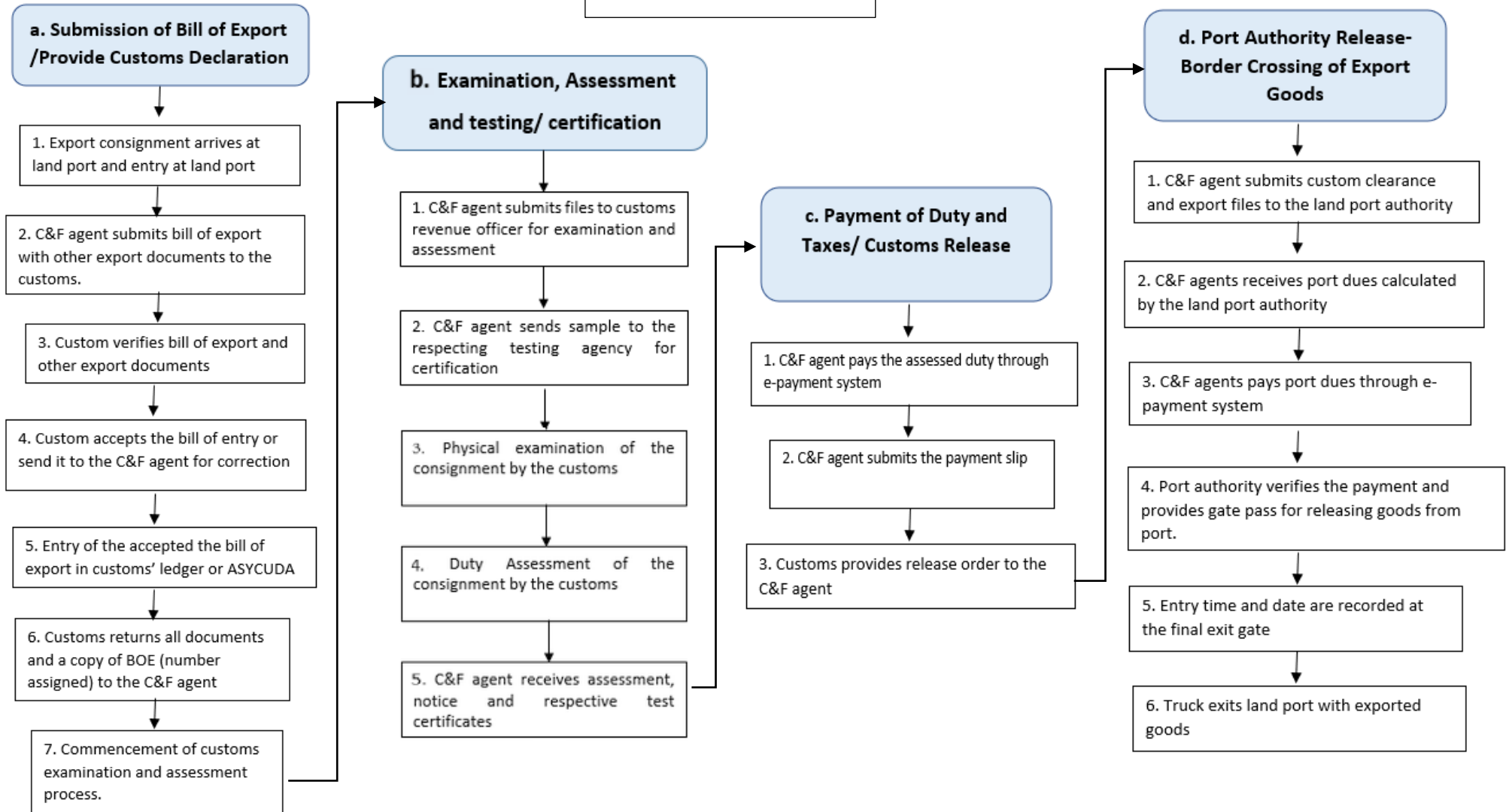
e. Payment of Duty and Taxes- Customs Release

1. C&F agent pays the assessed duty through e-payment system
2. C&F agent submits the payment slip
3. Customs provides release order to the C&F agent

f. Port Authority Release- Final Exit of Import Goods

1. C&F agent submits custom clearance and import files to the land port authority
2. C&F agents receives port dues calculated by the land port authority
3. C&F agents pays port dues through e-payment system
4. Port authority verifies the payment and provide gate pass for releasing goods from port.
5. Entry time and date are recorded at the gate and truck leaves the land port

SOP for Export



8.2 Recommendations on custom procedures

Following recommendations can be followed to streamline customs procedures in the land ports:

1. A joint signature of the land port authority and customs is required for issuing the gate pass. Since customs already provide the clearance before, in this stage, customs' signature can be removed as a redundant action.
2. Customs should set a specific timeline for examination and assessment procedures to reduce trade time.
3. E-port system should be designed with an interface to connect customs (ASYCUDA) for data sharing.
4. Customs laboratories need to be developed in all land ports for making the examination procedure of chemical and relevant products time efficient.
5. A partial shipment system should be allowed reduce congestion in the land ports. If one truck of a convoy of 15 truck is delayed due to mechanical fault or road condition, all the trucks are delayed in BOE submission because all the items are under one consignment. So specific procedure for releasing of the other trucks except the one in delayed should be made.
6. Container handling facilities should be introduced in the land ports, customs rules should be reformed in this regard and land ports' container handling capacity needs to be developed.
7. Customs rules for auctioning products should be enforced properly following a specific timeline.
8. Pre-arrival processing system is available in seaports and airports but not inland ports. Customs SRO should be changed and land ports should be allowed to utilize the pre-arrival processing system.
9. After filling up the bill of entry/export, C&F agents need to print it and use the hard copy. A lot of time is wasted in the bill of the entry submission phase. This process should be automated and made paperless.
10. C&F agent has to carry the hard copy of custom clearance certificate and submit it to the land port authority. In this case, customs can email the release order to the land port authority for eliminating hard documents submission procedures.
11. Documentation procedures in case of file submission to customs need to be phased out by removing redundancies and using automated systems instead of manual form fill-ups and file submissions.
12. When the bank opens an LC it includes checking other documents like HS code, invoice no., IRC (import registration certificate) number, LCA (letter of credit authorization) number, etc. also the LC information becomes available in ASYCUDA. So, Customs should coordinate with Banks and start assessment of goods without demanding all documents which are already referred in the LC.
13. Inspecting LC in case of import and Exp. Form (export permission form) in case of exports can reduce other documentation checking as these two documents are issued by verifying other documents.
14. Car pass is issued by the Customs should be digitalized and integrated so that C&F agents don't need to carry and submit hard copy of paper documents to the land port authority.

15. Digitalized Export permission form (EXP form) submission and acceptance need be ensured instead of hard copies.
16. The usage of ASYCUDA world needs to be fully adapted eliminating manual procedures and BCOM (Bangladesh Custom Office Management) should be used extensively for easing customs procedures in the land ports.
17. Software and automated systems used in the Land ports should be recognized or accepted by customs (e.g., Scanners).
18. Smart border, integrated border points, and data sharing type good practices can be considered, for instance, data from the Indian side can be shared with NBR of Bangladesh for seamless trade.
19. NBR and different trade bodies can work together to develop training programs for port service users. Web portals of different trade bodies can be integrated with NBR and Customs for easing trade and customs procedures.
20. Customs should implement and follow the expedited release and settlement of perishable goods rule 2021 accordingly for ensuring seamless perishable goods trade via land ports.

8.3 Recommendation for the Bangladesh Land port Authority/ Private Operators

For the Bangladesh land port authority and other operators running the BOT-based land ports, the following are the automation, transport facilitation, and infrastructure development suggestions:

8.3.1 Automation

1. An electronic or automated documentation/data-sharing system should be introduced.
2. Automated warehouse or shed management initiatives may be introduced in the land ports. Real-time space monitoring systems and WMS software can be applied in land ports for efficient shade management and congestion reduction.
3. C&F agents have to pay the Port charges or fees in the bank and this system is still manual. E-payment system should be introduced here for faster and easier payment.
4. Agreement should be made with e-payment or mobile financing service providers for paperless and queue less e-payment of terminal fees through mobile financial services.
5. For modernization, automated systems and modern equipment like digital crane, unified scale systems, and scanners should be installed in the land ports.
6. Vehicle registration, and entry-exit vehicle tracking system management software should be upgraded and modern weigh machines should be installed for accurate measurement.
7. QR code-based driver identification, cargo/vehicle scanning, terminal registration can be introduced for faster port procedures.
8. LPMS (Land Port Management System) should be introduced for digital port management.
9. OSS based digital help desk should be developed for better port services.
10. A digitalized traffic management system can be introduced in the land port area streamlining with the internet system.

11. Automated space monitoring systems like Chittagong port can be introduced in the land ports so that how much space is available in warehouses can be known easily.
12. Automation should be uniform and coordinated, it would be better if every agency related to the land ports use one uniform software or at least software used by different agencies will have some sort of interchangeability or to be able to use information available through the other software.
13. Smart ID cards for C&F agents, and for all port management officials should be ensured for clear identification of different officials of different port agencies.
14. As E-Auction system has been introduced now and for clearing warehouses in Land ports, land port authority should utilize this facility by coordinating with customs.
15. Automation should not be vendor-led, rather organizations wise as vendor-led automation involves a third party and creates more complications in usability.
16. Sufficient manpower with technical knowledge is required for running digitalized systems in the land ports.
17. Port fees and charge payments need to be digitalized by introducing paperless e-payment systems for streamlining the port procedures and reducing documentation.

8.3.2 Transport facilitation

18. Rail transportation facilities can be connected with land ports for transport facilitation.
19. Inland waterways can be considered to connect with the land port trade logistics system since cost and time requirement is higher in road transport. A synchronization with inland waterways can make trade faster and less costly.
20. Fitness-less vehicles should not be allowed to carry transport as they often create congestion and traffic problems.
21. More weigh scales should be installed for reducing congestion and weigh scales should be at the entry point instead of inside the port area so that reweighing the same consignment can be avoided.
22. For facilitating transport movement, the port authority needs to improve roads, for instance, a four-lane road construction can be effective.
23. For removing traffic jams and congestion in the port areas, respective agencies should be trained up with proper traffic management knowledge.
24. More shed and truck parking facilities need to be developed inside or outside the port premises for removing congestion problems.
25. Private parking system can be initiated for enhancing space for parking facilities.
26. A separate lane facility for immigration and departure should be introduced for risk-free passenger movement.
27. For integrated border trade management and trade facilitation in cross-border trade, a multimodal transportation system should be implemented.
28. The joint border system must be improved for easier transit through multimodal systems.
29. Extortion and other unethical subscription type issues should be addressed and stopped for smooth transportation facilities.

30. Size and number of truck terminals inside the port area should be increased.

8.3.3 Infrastructure development

31. For providing uninterrupted services, land ports and services of relevant land port agencies should be kept open 24/7.
32. For ensuring efficient operating hours, land ports can engage manpower based on peak and off-peak hours.
33. Parking areas for cargo vehicles should implement a serial-wise separate parking system for import and export vehicles. Demarcation system should be in the parking facilities.
34. Designated parking areas need to be developed. A separate parking area should be for passengers' and tourists' vehicles and buses. Another segregated parking area should be for cargo vehicles. Efforts should be given to acquire more land for building these parking spaces.
35. Number of sheds or shaded areas should be increased in the 5 land ports covered in this study.
36. A container management system with proper equipment should be introduced in major land ports to handle containers.
37. More warehouses should be developed and cold storage facilities should be made available in port areas for perishable goods.
38. Illumination facilities of the ports should be improved.
39. More vehicle scanners should be installed on the port premises.
40. More cranes, forklifts and trollies need to be arranged for ensuring better port services.
41. Internet services in the land port area should be improved, fast and flawless internet connectivity should be ensured for seamless port operations. Free internet service can be introduced for the port users.
42. 24/7 steady electricity is needed in the land ports for effective port services.
43. The number of CCTV cameras should be increased for better monitoring and proper 24/7 surveillance should be ensured.
44. Fire service stations can be relocated inside the port or closer to the port.
45. Hospital facilities within the port terminal or compound should be introduced.
46. With the growing trade, Land ports now should incorporate sufficient facilities for accommodation, food and recreation.
47. A helipad facility should be constructed in the port premise both for government and private sector for emergencies.
48. Pure drinking water services should be ensured for port users, travelers and port officials. Deep well pumps can be installed in port areas for freshwater supply.
49. Bank facilities should be made available inside the port premises.
50. Private sector's participations like private warehouse, as well as private parking systems, can be considered for utilizing port infrastructures.
51. Separate depots should be constructed for handling and storing chemical materials.

8.4 Recommendations on quarantine and testing

For the testing authorities like BSTI and Plant quarantine, following suggestions are prescribed:

1. An Express Mail Transfer Service can be used for sending samples to Dhaka where testing will be done and reports will be uploaded in the website for reducing time and cost and to increase efficiency.
2. Plant Quarantine or other testing authorities should be granted access to the customs database so that they can receive the information and share certificates with the customs online.
3. An emergency testing system can be introduced in this regard. Also, specific time requirements for testing goods can be reduced to 5-7 days from 5-22 days for making testing services faster.
4. There is a specific timeline (maximum 8 days, minimum 72 hours for some) for testing and providing certificates for products and this timeline can be reduced for some products.
5. Sample can be sent to Dhaka for testing through courier companies for faster services.
6. Major land ports should have all possible testing facilities of BSTI. Other Land ports may initiate a Booth system for collecting and sending the samples to nearby testing labs. An assessment study can be taken to assess the requirement and feasibility of establishing testing facilities in the land ports.
7. SPS certificates should be made easier for goods imported-exported through land ports. Online certification facilities need to be initiated.
8. Nearby university labs can be engaged for testing facilities.
9. Testing facilities should include both emergency and regular testing systems so that goods can be tested on an emergency basis to reduce trade time.

8.5 Recommendations on immigration service

As a key stakeholder in land port management, Immigration services can be improved through following recommendation:

1. A token system should be introduced for long queue management. With the token system, passengers will not have to stand in the immigration line rather based serial number of the token and wait time, they can pass this time in other recreational activities.
2. A separate roadway or lane should be constructed for the passengers or travellers. Parking facilities should incorporate a designated section for passenger vehicles where serial-based parking systems should be implemented. One-way movement of vehicles and separate lanes should be ensured for congestion-free vehicle movement.
3. Restrooms, Entertainment sections, and shopping malls can be constructed within the port premise to facilitate a seamless immigration system and better passenger management.
4. Passenger entry charge of 42 taka should be eliminated to reduce the congestion of passengers in the land ports.
5. Checking points or integrated checking points for passengers should be introduced.

6. International passenger terminals should be restricted for unauthorized people.
7. An online passport entry system should be incorporated for smooth transitions.
8. Different passenger terminals for sick and healthy people can be developed.
9. Labors should be allowed inside the port so that they can carry baggage for the sick and old people.
10. Banks or banking facilities should be available at passenger shed for the ease of travel tax facilities.
11. For improving the present immigration system, the number of workforces needs to be increased in the immigration.

8.6 Recommendations for BGB

1. Car pass entry time by the BGB need to be reduced.
2. BGB's cargo/vehicle checking system needs to be time-bound.
3. BGB passenger checking system need to be time efficient.
4. BGB should check a passenger only once.

8.7 Recommendations for C&F agents

1. Continuous training and promotional programs should be initiated and maintained for increasing port users' knowledge of customs rules and regulations including HS code and advance ruling systems. Business association can take initiatives for training programs in this regard.
2. C&F license should be provided after a certain period of time after evaluating necessary criteria. Experienced and knowledgeable person should be in C&F business.

8.8 Recommendations on coordination mechanism and harmonization

1. Following the TFA agreement of the WTO, Bangladesh should work on enhancing cooperation and coordination mechanism through alignment of working days and hours, alignment of procedures and formalities, development and sharing of common facilities among border agencies and, joint controls initiative and establishment of one stop border post control.
2. Following the Singapore's coordinated border management approach, formation of an Immigration & Checkpoints Authority as the single command for checkpoints and border control functions, while establishing Customs as the single contact point for all Customs, revenue, and trade matters may be effective for harmonized border management of Bangladesh. Also, the way Finland's land borders are manned by only two authorities - Customs and the Border Guard can be followed for better coordination mechanism.
3. Interagency coordination can be increased by creating a stable coordination system outlining each institution's specific roles and managerial authorities. Data sharing among the different service providers or agencies need to be enhanced through the internet and digitalized systems.
4. A coordination committee can be formed including all service providers at land port co-chaired by appropriate representative of Customs and BLPA.
5. Copies of documentation required by different agencies need to be reduced by interagency coordination, document sharing can be automated through emails.

Even the Indian side can be included in the automation system through online data exchange for paperless information sharing.

6. Automated system used by Bangladesh Bank for uploading LC related information on ASYCUDA can be used by customs and all the agencies working in the Land Port, which will reduce the number of required documents for different agencies.
7. At Zero point, a single umbrella service should be introduced. One representative from different port stakeholders or service providers should be there so that importers/exporters can get seamless services. This umbrella should be linked with automation so that each stakeholder can send and receive data seamlessly.
8. As an essential need for trade facilitation, One Stop Service should be implemented by incorporating required ICT supports and infrastructures.
9. Comprehensive coordination between land port authority and customs should be ensured and skilled manpower needs to be engaged in developing and maintaining one-stop service centers in the land ports.
10. There can be separate One-stop service centers for Import/Export and passengers.
11. Land port authority and Customs can jointly organize knowledge-sharing workshops to know and share the existing and updated rules and regulations of both parties.
12. City corporations, local authorities, Roads and Highways Department, Law enforcement, and other relevant parties should be included in the coordination mechanism.
13. For adjusting better coordination with neighboring countries, stakeholders from private sectors need to be included in country meetings like JCC (joint coordinating committee) meeting. Moreover, Problems regarding land port operations and other issues may be discussed in the Joint Working Group meeting between India and Bangladesh.
14. For implementing Standard Operating Procedures, coordinated training programs will be required. NBR and different trade bodies can work together in this regard.
15. Integrated check post-development and SOP need to be harmonized with the neighboring countries for better outcomes. This can be implemented in mutual discussion with neighboring countries through JWC (Joint Working Group) meeting between India and Bangladesh. Customs data sharing for paperless trade between the two countries may be also initiated by MRAs with the neighboring countries.

8.9 Recommendations on implementing international standards, technologies and best practices

1. Since the BOT-operated land ports are not exhibiting better performance compared to the BLPA operated port, a handling company can be developed for managing land ports following other PPP models like Build-Own-Operate (BOO), Build-Operate-Lease-Transfer (BOLT), Design-Build-Operate-Transfer (DBFOT), Lease-Develop-Operate (LDO), Operate-Maintain-Transfer (OMT), etc.

2. Agencies and services of land ports can be integrated following the ICP concept that describes facilities such as customs, immigration, and border security, quarantine, among others, within a single facilitation zone. Following the ICP concept of India, Bangladesh can develop Multi-Agency Service Centers in the land ports.
3. Automation is crucial for port modernization, paperless border trade, and trade facilitation. Compared with the international standards of technology usage, land ports are lagging behind. Technologies like x-ray cargo scanners, IoT-based vehicle tracking, RFID, EDI based one stop service, automated warehouse monitoring and etc. may be developed in the land ports.
4. One-Stop Border Post (OSBP) system of Zambia and Zimbabwe, Tanzania and Kenya initiatives may be considered in case of the Bangladesh-India border. As prescribed in the best practices chapter, juxtaposed model, straddled model, wholly located model can be considered for developing OSBP with India and Myanmar to facilitate cross-border trade through land ports. Single Customs inspection between two countries can be considered for such OSBP system.
5. A Digital transport corridor may be developed with neighboring countries for seamless movement of vehicles and optimal data flows that will increase trade visibility and transparency and help secure paperless trading system.
6. In the wake of untapped opportunities, speedy implementation of the MVA becomes crucial for BBIN countries. As the agreement is yet to be ratified by Bhutan's Parliament, the signing of a tripartite tool as proposed in the last BBIN meeting held in 2022 could pave way for phased implementation of BBIN MVA among BIN countries. Bhutan may join later. Speedy implementation of BBIN can help improve cross border coordination remarkably.
7. India and Bangladesh can consider the UN TIR (Transports Internationaux Routiers) system as a potential alternative to the existing inter-border and multi-border transportation system to boost trade. The benefits of TIR can be presented in the TIR convention meeting.
8. Cross Border Transport Agreement of Vietnam and Laos type initiatives can be replicated to enhance integration and collaboration with the Indian side so that car pass, custom, and consignment information can be interchanged in a paperless way.
9. The AEO (Authorized Economic Operators) concept needs to be adopted more profoundly. AEO benefits can make trade procedures easy for some traders. The number of AEOs needs to be increased in Bangladesh for facilitating land port trades.

8.10 Recommendation on risk management at border point

1. IMDG Code (International Maritime Dangerous Goods Code) is not followed in most of the ports. For handling flammable, explosive products (warehousing, packaging) this code should be followed properly in land ports to minimize fire risks and accidents. Separate warehouse and shed should be made in land ports following the IMDG code.
2. Customs' automated risk management software (ARMS) should be introduced and activated as soon as possible which will help to reduce time trade time as customs will not have to interfere with all shipments.

8.11 Other recommendations for increasing land port efficiency

1. For seized/abandoned goods, port authority needs to clarify relevant rules and regulations.
2. Yarn import is only allowed in Benapole port and if three more ports namely Bhomra, Shonamashjid and Darshana can allow yarn import, the congestion problem in Benapole land port will be reduced.
3. Procedures for releasing detained vehicles need to be outlined clearly and the rate of costs or demurrages should be let known to the port users.
4. Counters in the no-man's land should be multiplied and the detention time on India-Bangladesh Border should be reduced.
5. A feasibility study should be conducted on the export-import volume and immigration amount/opportunity of the Land Customs Station (LCS) before declaring LCS as a land port.

Conclusions

Trade through the land ports is increasing over the years and with special focus on regional connectivity and trade facilitation, land ports have become important means of the country's overall trade growth. Regarding the current practices and operating procedures of the land ports, many port users and stakeholders expressed their concerns about ports' service issues and operational inefficiencies. Internal issues including lack of necessary infrastructures, communications and coordination problems, gaps in port authority and other service provider agencies and their laws and systems as well as redundant procedures are responsible for operational inefficiencies in land ports. In reality, the existing operational procedures of the land ports have not kept up with the rising demand for services. The procedures, transport formalities, and time requirements associated with the land ports presented drawbacks and more room for improvement. Procedural hindrances associated with land port authority, immigration, customs, C&F agents and other stakeholders also hinder the goal of achieving trade facilitation and ease of doing business goals. However, by identifying the bottlenecks and redundancies in the current operating procedures, and streamlining the processes in the prescribed ways, trade through land ports can be made seamless.

Bangladesh can also take lessons from neighboring countries, international standards, and best practices of land ports around the world. The Land port authority can consider implementing advanced technologies and global port management practices for removing operational and bureaucratic hindrances. Addressing the current issues on the port procedures from KII, FGD, PC, and field survey, and through realizing and devising the standard operating procedure accordingly, the port authority can increase port efficiency and contribute to trade facilitation through land ports. Relevant stakeholder organizations from the public and private sectors must be considered and included for proper coordination and cooperation in this regard.

If the aforementioned recommendations are put into practice, BLPA, which is dedicated to enhancing resources and access for the user community of Bangladesh's land ports, should be able to improve its port management and operations by devising current practices, and implementing appropriate standards of procedures for all land ports across the country.

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Appendix-1: Questionnaire of the field survey

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার

বাণিজ্য মন্ত্রণালয়

ডব্লিউটিও সেল

বাংলাদেশ রিজিওনাল কানেস্টিভিটি প্রজেক্ট-১

জরিপ পরিচালনার প্রণয়মালা- ২য় স্টাডির জন্য

(৪টি স্টাডি, পিএসসি কর্তৃক নির্ধারিত)

আন্তর্জাতিক বাণিজ্য এবং পরিবহন ব্যবস্থাপনা, পদ্ধতি, নথিভুক্তি ও সংশ্লিষ্ট বিষয়ে আন্তঃসীমানা স্থল বন্দর ব্যবস্থাপনার নিমিত্ত সংকলিত নীতি, আইনগত দিক-নির্দেশনা / প্রাথমিক পরিচালন পদ্ধতি (স্ট্যান্ডার্ড অপারেটিং প্রসেডিউর) প্রস্তুত করা।

Study 2: A compiled policy and regulatory guidelines/standard operating procedures (SOP) for Cross Border Land Port Management with respect to international trade and transport formalities, procedures, documentation and related matters;

১. প্রথম অংশ: উত্তরদাতার পরিচিতিমূলক তথ্য

উত্তরদাতার নাম:..... পদবী:.....

প্রতিষ্ঠানের নাম:.....

প্রতিষ্ঠানের ধরন চিহ্নিত করুন:

<input type="checkbox"/>	বাংলাদেশ স্থলবন্দর কর্তৃপক্ষ	<input type="checkbox"/>	সিঅ্যান্ডএফ এজেন্ট
<input type="checkbox"/>	ট্রান্সপোর্ট ও লজিস্টিক কোম্পানি	<input type="checkbox"/>	আমদানিকারক – রপ্তানিকারক
<input type="checkbox"/>	কাস্টমস	<input type="checkbox"/>	অপারেটর
<input type="checkbox"/>	সনদপত্র ও মাননিয়ন্ত্রণকারী কর্তৃপক্ষ	<input type="checkbox"/>	ব্যাংক
<input type="checkbox"/>	ইমিগ্রেশন	<input type="checkbox"/>	অন্যান্য হলে নির্দিষ্ট করুন:
<input type="checkbox"/>	শ্রমিক		

প্রতিষ্ঠানের ঠিকানা:.....

মোবাইল নম্বর ইমেইল ঠিকানা:.....

:.....

মন্ত্রণালয়/ বিভাগ (প্রযোজ্য ক্ষেত্রে):

২. বাংলাদেশ স্থলবন্দর ব্যবস্থাপনার বর্তমান চিত্র (বন্দরের নাম)		
		(কাস্টমস+ পোর্ট/বর্ডার হ্যান্ডলিং+ অন্যান্য)
ক	আমদানি প্রক্রিয়া সম্পন্ন করতে কত সময় প্রয়োজন হয় (ঘণ্টা)	
খ	রপ্তানি প্রক্রিয়া সম্পন্ন করতে কত সময় প্রয়োজন হয় (ঘণ্টা)	
গ	আমদানি প্রক্রিয়া সম্পন্ন (প্রতি ইউনিট) করতে কত অর্থ ব্যয় হয়?	
ঘ	রপ্তানি প্রক্রিয়া সম্পন্ন (প্রতি ইউনিট) করতে কত অর্থ ব্যয় হয়?	
ঙ	আমদানির ক্ষেত্রে প্রয়োজনীয় ডকুমেন্ট সংগ্রহ ও প্রস্তুত করতে কত সময় প্রয়োজন হয়?	

চ	রপ্তানির ক্ষেত্রে প্রয়োজনীয় ডকুমেন্ট সংগ্রহ ও প্রস্তুত করতে কত সময় প্রয়োজন হয়?	
ছ	আমদানির ক্ষেত্রে প্রয়োজনীয় ডকুমেন্ট সংগ্রহ ও প্রস্তুত করতে কত অর্থ ব্যয় হয়?	
জ	রপ্তানির ক্ষেত্রে প্রয়োজনীয় ডকুমেন্ট সংগ্রহ ও প্রস্তুত করতে কত অর্থ ব্যয় হয়?	

৩. বাণিজ্য সহজীকরণ ও আন্তঃবন্দর ব্যবস্থাপনার ক্ষেত্রে স্থলবন্দরের দক্ষতা সম্পর্কে পোর্ট ব্যবহারকারীদের মতামত

অনুগ্রহ করে নিচের সেবাপ্রদানকারী প্রতিষ্ঠান সমূহের কর্মদক্ষতা যাচাই করুন (উপযুক্ত ঘরে টিক চিহ্ন দিন)

পক্ষ	১=অসাধারণ	২=সন্তোষজনক	৩=গড়পরতা	৪=দুর্বল	৫=খুব দুর্বল
বন্দর কর্তৃপক্ষ					
অপারেটর					
কাস্টমস					
ব্যাংক					
শ্রমিক					
স্ট্যান্ডার্ড টেস্টিং কর্তৃপক্ষ					
পরিবহন					
বিজিবি					
অন্যান্য থাকলে লিখুন					

৪. অনুগ্রহ করে স্থলবন্দরের সেবাসমূহের মান যাচাই করুন (উপযুক্ত ঘরে টিক চিহ্ন দিন)

ক্রমিক নং	কার্যক্রম	১=অসাধারণ	২=সন্তোষজনক	৩=গড়পরতা	৪=দুর্বল	৫=খুব দুর্বল
আমদানির ক্ষেত্রে						
ক	ভারত/নেপাল/ ভুটানের বন্দর থেকে বাংলাদেশের বন্দরে কার্গো ট্রাক আসার প্রক্রিয়া					
খ	আমদানি সংক্রান্ত নথি উপস্থাপন					
গ	ওজন প্রক্রিয়া সম্পন্ন					
ঘ	ট্রাক পার্কিং					
ঙ	ট্রাক থেকে পণ্য আনলোডিং					
চ	খালি ট্রাকের প্রস্থান					
ছ	কাস্টম অঞ্চল থেকে আমদানিকৃত মালামাল ছাড়করণ					
জ	ঝুঁকি ব্যবস্থাপনা – খাদ্য, উদ্ভিদ ও প্রাণী পৃথকীকরণ (Food, Animal and Plant Quarantine)					
ঝ	আমদানিকৃত পণ্য বহনের জন্য বাংলাদেশী ট্রাক আসার প্রক্রিয়া					
রপ্তানির ক্ষেত্রে						
ক	বন্দরে রপ্তানি পণ্য পৌঁছানোর প্রক্রিয়া					
খ	পণ্য ওজন প্রক্রিয়া					
গ	কাস্টম অঞ্চল থেকে রপ্তানির উদ্দেশ্যে পণ্য ছাড়করণ					
ঘ	ঝুঁকি ব্যবস্থাপনা					
ঙ	রপ্তানির নথিসমূহ কাস্টমস কর্তৃপক্ষের নিকট উপস্থাপন					

চ	পণ্যের ট্রাক বাংলাদেশের বন্দর থেকে ভারতের বন্দরে যাওয়া এবং কার পাস সিস্টেম					
ছ	ভারত/নেপাল/ ভুটানের বন্দরে রপ্তানি পণ্য আনলোড করে বাংলাদেশী ট্রাকের প্রস্থান					
জ	ভারত/নেপাল/ ভুটানের বাংলাদেশী পণ্যের স্টোরেজ সুবিধা					
যাত্রী যাওয়ার প্রক্রিয়া						
যাত্রী আসার প্রক্রিয়া						
বাজেয়াপ্ত/ পরিত্যক্ত পণ্য ব্যবস্থাপনা প্রক্রিয়া						
৫. সেবা প্রদানকারী সংস্থাসমূহের মধ্যে সমন্বয়ের জন্য বন্দরে কি কোনো সমন্বয় পদ্ধতি রয়েছে?						
হ্যাঁ			না			
৬. যদি হ্যাঁ হয়, তবে বর্তমান সমন্বয় পদ্ধতি সম্পর্কে আপনার মূল্যায়ন (উপযুক্ত ঘরে টিক চিহ্ন দিন)		১=অসাধারণ	২=সন্তোষজনক	৩=গড়পরতা	৪=দুর্বল	৫=খুব দুর্বল
৭. স্থল বন্দরে ওয়ান স্টপ সার্ভিস চালু হলে সেবার মান উন্নয়ন হবে বলে কি আপনি মনে করেন?						
হ্যাঁ			না			
৮. বাংলাদেশের স্থলবন্দরকে আরও কার্যকর, দক্ষ হিসেবে গড়ে তোলার জন্য কি করা প্রয়োজন? (টিক চিহ্ন দিন)						
১) অবকাঠামো উন্নয়ন ২) কাস্টমস প্রক্রিয়া উন্নয়ন ৩) প্রয়োজনীয় নথিপত্রের সংখ্যা হ্রাস ৪) অটোমেশন			৫) বন্দরের দক্ষতা বৃদ্ধি ৬) লজিস্টিক্স এবং পরিবহন সেবার মান বৃদ্ধির ৭) মাল্টিমোডাল পরিবহন ব্যবস্থার উন্নয়ন ৮) পরিবহনে নিরাপত্তার জোরদার করা ৯) SOP ১০) অন্যান্য			

উত্তর দাতার স্বাক্ষর

জরিপকারীর নাম

তারিখ

স্বাক্ষর

Appendix-2: Questionnaire for the key informant interview

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার

বাণিজ্য মন্ত্রণালয়

ডব্লিউটিও সেল

বাংলাদেশ রিজিওনাল কানেক্টিভিটি প্রজেক্ট-১

KII (Key Informant Interview) পরিচালনার প্রশ্নমালা- ২য় স্টাডির জন্য

(৪টি স্টাডি, পিএসসি কর্তৃক নির্ধারিত)

২য় স্টাডির বিষয়ঃ আন্তর্জাতিক বাণিজ্য এবং পরিবহন ব্যবস্থাপনা, পদ্ধতি, নথিভুক্তি ও সংশ্লিষ্ট বিষয়ে আন্তঃসীমানা স্থল বন্দর ব্যবস্থাপনার জন্য সংকলিত নীতি ও আইনগত দিক-নির্দেশনা /প্রামাণিক পরিচালন পদ্ধতি (স্ট্যান্ডার্ড অপারেটিং প্রসেডিউর) প্রস্তুত করা।

Study 2: A compiled policy and regulatory guidelines/standard operating procedures (SOP) for Cross Border Land Port Management with respect to international trade and transport formalities, procedures, documentation and related matters;

প্রথম অংশ: উত্তরদাতার পরিচিতিমূলক তথ্য

উত্তরদাতার নাম:..... পদবী:.....

প্রতিষ্ঠানের নাম:.....

প্রতিষ্ঠানের ঠিকানা:.....

মোবাইল নম্বর:..... ইমেইল ঠিকানা:.....

মন্ত্রণালয়/ বিভাগ (প্রযোজ্য ক্ষেত্রে):

দ্বিতীয় অংশ:

১. স্থলবন্দরসমূহের মাধ্যমে আমদানি করার ক্ষেত্রে ডকুমেন্টেশন, প্রযোজ্য সময় ও ব্যয়ের ক্ষেত্রে কোনো চ্যালেঞ্জ রয়েছে বলে মনে করেন কি? যদি কোন চ্যালেঞ্জ থেকে থাকে তবে কী কী চ্যালেঞ্জ রয়েছে উল্লেখ করুন?

কার্যক্রম	চ্যালেঞ্জসমূহ
১। ডকুমেন্ট সংগ্রহ ও প্রস্তুত	
২। সময় ব্যবস্থাপনা	
৩। ব্যয়	

২. স্থলবন্দরসমূহের মাধ্যমে রপ্তানি করার ক্ষেত্রে ডকুমেন্টেশন, সময় এবং ব্যয়ের ক্ষেত্রে কোনো চ্যালেঞ্জ রয়েছে বলে মনে করেন কি? যদি কোন চ্যালেঞ্জ থেকে থাকে তবে কী কী চ্যালেঞ্জ রয়েছে?

কার্যক্রম	চ্যালেঞ্জসমূহ
১। ডকুমেন্ট সংগ্রহ ও প্রস্তুত	
২। সময় ব্যবস্থাপনা	

৩। ব্যয়	
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৩. স্থল বন্দরসমূহের ব্যবস্থাপনায় যে প্রতিষ্ঠানসমূহ জড়িত রয়েছে তাদের কি কোনো প্রাতিষ্ঠানিক দুর্বলতা রয়েছে? থাকলে কী দুর্বলতা রয়েছে? এসব ক্ষেত্রে কীভাবে উন্নয়ন করা যায়?

পক্ষসমূহ	প্রাতিষ্ঠানিক দুর্বলতা	দুর্বলতা দূরীকরণের উপায়
• বাংলাদেশ স্থলবন্দর কর্তৃপক্ষ		
• সিয়ান্ডএফ এজেন্ট		
• ট্রান্সপোর্ট ও লজিস্টিক কোম্পানি		
• আমদানিকারক –রপ্তানিকারক		
• কাস্টমস		
• অপারেটর		
• সনদপত্র ও মান নিয়ন্ত্রণকারী কর্তৃপক্ষ		
• ব্যাংক		
• ইমিগ্রেশন		
• অন্যান্য (নির্দিষ্ট করুন)		

৪. স্থল বন্দর ব্যবস্থাপনার ক্ষেত্রে বর্তমানে কি কোনো আন্তঃসংস্থা (যেমন: সিয়ান্ডএফ এজেন্ট, ট্রান্সপোর্ট ও লজিস্টিক কোম্পানি, কাস্টমস, অপারেটর, ব্যাংক ইত্যাদি) সমন্বয় পদ্ধতি (Inter-Agency Coordination Mechanism) রয়েছে? সমন্বয় পদ্ধতির উন্নয়ন করতে কী করা প্রয়োজন?

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৫. স্থলবন্দর ব্যবস্থাপনার ক্ষেত্রে পার্শ্ববর্তী দেশের (ভারত, নেপাল, ভুটান) সঙ্গে কি কোনো সমন্বয় পদ্ধতি (যেমনঃ Joint customs authority, যোগাযোগ) রয়েছে? থাকলে কী ধরনের সমন্বয় পদ্ধতি রয়েছে?

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৬. পোর্ট ব্যবহারকারীদের সেবা প্রদান সহজতর করার জন্য ওয়ান স্টপ সার্ভিস একটি অন্যতম উপায়। স্থল বন্দরসমূহ প্রযুক্তি ও প্রক্রিয়াগত দিক থেকে ওয়ান স্টপ সার্ভিস চালু করার ব্যাপারে কী প্রস্তুতি রয়েছে? স্থল বন্দরসমূহে ওয়ান স্টপ সেবা চালু করার ক্ষেত্রে কী কী করা প্রয়োজন বলে মনে করেন?

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৭. অনুগ্রহ করে স্থল বন্দরে আমদানি-রপ্তানির ক্ষেত্রে কার্যক্রম সম্পাদনে সাধারণ প্রক্রিয়াসমূহ ও চ্যালেঞ্জসমূহ চিহ্নিত করুন-

ক্রমিক নং	কার্যক্রম	প্রক্রিয়া উল্লেখ করুন	জটিলতা/চ্যালেঞ্জসমূহ উল্লেখ করুন।
আমদানির ক্ষেত্রে			
1.	ভারত/ নেপাল/ ভুটানের বন্দর থেকে বাংলাদেশের বন্দরে কার্গো ট্রাক আসার প্রক্রিয়া-(কার পাস সিস্টেম)		
2.	আমদানি সংক্রান্ত নথি উপস্থাপন		
3.	ওজন পরিমাপ প্রক্রিয়া সম্পন্ন করা		
4.	ট্রাক পার্কিং		
5.	ট্রাক থেকে পণ্য আনলোডিং		
6.	খালি ট্রাকের প্রস্থান		
7.	কাস্টম অঞ্চল থেকে আমদানিকৃত মালামাল		

ক্রমিক নং	কার্যক্রম	প্রক্রিয়া উল্লেখ করুন	জটিলতা/চ্যালেঞ্জসমূহ উল্লেখ করুন।
	ছাড়করণ		
8.	ঝুঁকি ব্যবস্থাপনা—খাদ্য, উদ্ভিদ ও প্রাণি সংগনিরোধ (Food, Animal and Plant Quarantine)		
9.	আমদানিকৃত পণ্য বহনের জন্য বাংলাদেশী ট্রাক আসার প্রক্রিয়া		
রপ্তানির ক্ষেত্রে			
1.	বন্দরে রপ্তানি পণ্য পৌঁছানোর প্রক্রিয়া		
2.	পণ্য ওজন পরিমাপ প্রক্রিয়া সম্পন্ন করা		
3.	কাস্টম অঞ্চল থেকে রপ্তানির উদ্দেশ্যে পণ্য ছাড়করণ		
4.	ঝুঁকি ব্যবস্থাপনা		
5.	রপ্তানির নথিসমূহ কাস্টমস কর্তৃপক্ষের নিকট উপস্থাপন		

ক্রমিক নং	কার্যক্রম	প্রক্রিয়া উল্লেখ করুন	জটিলতা/চ্যালেঞ্জসমূহ উল্লেখ করুন।
6.	পণ্যবাহী ট্রাক বাংলাদেশের বন্দর থেকে ভারত/ নেপাল/ ভুটানের বন্দরে যাওয়া- (কার পাস সিস্টেম)		
7.	ভারত/ নেপাল/ ভুটানের বন্দরে রপ্তানি পণ্য আনলোড করে বাংলাদেশী ট্রাকের প্রস্থান		
যাত্রী যাওয়ার ক্ষেত্রে			
যাত্রী আসার ক্ষেত্রে			
বাজেয়াপ্ত/পরিত্যক্ত পণ্যের ক্ষেত্রে			

৮. বন্দরে বিভিন্ন কার্যক্রমে ব্যবহৃত প্রযুক্তিসমূহ অনুগ্রহ করে চিহ্নিত করুন-

ক্রমিক নং	সেবাসমূহ	ব্যবহৃত প্রযুক্তি
1.	পণ্য লোডিং/আনলোডিং	
2.	পণ্য ওজনকরণ	
3.	কাস্টমস ক্লিয়ারেন্স	
4.	ব্যাংক কর্তৃক কাস্টমস্ শুদ্ধ আদায়	
5.	স্ট্যান্ডার্ড টেস্টিং	
6.	ট্রাফিক ব্যবস্থাপনা	
7.	পোর্ট চার্জ নির্ধারণ	
8.	পণ্য সংরক্ষণ	
9.	পচনশীল পণ্য সংরক্ষণ	
10.	এসপিএস/ কোয়ারেন্টাইন কার্যক্রম	
11.	নিরাপত্তা	
12.	অন্যান্য (নির্দিষ্ট করে লিখুন)	

৯. স্থলবন্দর ব্যবস্থাপনায় ব্যবহৃত আন্তর্জাতিক স্ট্যান্ডার্ড, সর্বোত্তম চর্চা (বেস্ট প্র্যাকটিস), হ্যান্ডবুক, কনভেনশন বা প্রযুক্তি সম্পর্কে পরামর্শ বা সুপারিশ প্রদান করুন।

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১০. স্থলবন্দর সংশ্লিষ্ট আইন, প্রশাসন এবং নীতিসমূহে কী ধরনের সংস্কার প্রয়োজন বলে আপনি মনে করেন?

১। আইনি সংস্কার	
২। প্রশাসনিক সংস্কার	

৩। নীতিগত সংস্কার	
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১১. স্থল বন্দর ব্যবস্থাপনায় দক্ষতা উন্নয়নে বন্দর ব্যবস্থাপনার ক্ষেত্রে কী ধরনের পরিবর্তন প্রয়োজন হতে পারে?.....

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১২. সমন্বিত সীমান্ত বাণিজ্য ব্যবস্থাপনা উন্নয়নের জন্য কী ধরনের পদক্ষেপ গ্রহণ করা যেতে পারে?

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১৩. সীমান্ত বাণিজ্য ব্যবস্থাপনা উন্নয়নে উল্লেখিত মতামত ছাড়া অন্য কোন মতামত থাকলে বলুন?

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উত্তরদাতার নাম এবং অফিসিয়াল সীল

উত্তর দাতার স্বাক্ষর
জরিপকারীর নাম
তারিখ.....
স্বাক্ষর.....

Appendix-3: Sample distribution for conducted quantitative survey

Sample distribution for conducted quantitative survey

S. L	Name of the ports	Participants	Location	Probable Representation of participants
01.	Benapole land port	52	Jessore	<ul style="list-style-type: none"> • Bangladesh Land Port Authority (7) • Transport and Logistics Company (4) • Customs (3) • Certification and Quality Control Authority (4) • Immigration (3) • Worker (5) • C&F Agent (10) • Importer-Exporter (10) • Operator • Bank (3) • Driver (4) • BGB (2)
02.	Bhomra Land Port	50	Shatkhira	<ul style="list-style-type: none"> • Bangladesh Land Port Authority (4) • Transport and Logistics Company (5) • Customs (4) • Certification and Quality Control Authority (3) • Immigration (1) • Worker (5) • C&F Agent (9) • Importer-Exporter (9) • Operator • Bank (3) • Driver (4)
03.	Shona Masjid Land Port	37	Chapainabganj	<ul style="list-style-type: none"> • Bangladesh Land Port Authority (4)

S. I	Name of the ports	Participants	Location	Probable Representation of participants
				<ul style="list-style-type: none"> • Transport and Logistics Company (2) • Customs (4) • Certification and Quality Control Authority (3) • Immigration • Worker (3) • C&F Agent (11) • Importer-Exporter (6) • Operator • BGB (2) • Bank (2) • Driver (3)
04.	Akhaura land port	26	Brahmanbaria	<ul style="list-style-type: none"> • Bangladesh Land Port Authority (3) • Transport and Logistics Company (5) • Customs (1) • Certification and Quality Control Authority (2) • Immigration (1) • Worker • C&F Agent (10) • Importer-Exporter (3) • Operator • Bank (1) • Driver
05.	Banglabandha land port	36	Panchagarh	<ul style="list-style-type: none"> • Bangladesh Land Port Authority • Transport and Logistics Company (2) • Customs (3) • Certification and Quality Control Authority (2) • Immigration (1) • Worker (2) • C&F Agent (5)

S. L	Name of the ports	Participants	Location	Probable Representation of participants
				<ul style="list-style-type: none"> • Importer-Exporter (14) • Operator (1) • Bank (2) • Driver (4)
Total Participants		201	Bangladesh	<ul style="list-style-type: none"> • Bangladesh Land Port Authority (14) • Transport and Logistics Company (18) • Customs (15) • Certification and Quality Control Authority (13) • Immigration (3) • Worker (16) • C&F Agent (45) • Importer-Exporter (49) • Operator (2) • Bank (11) • Driver (15)

Appendix-4: List of respondents of key informant interviews

Serial No.	Name	Designation	Organization
1	Md. Mahmudul Hassan	Deputy Commissioner	Bhomra Land Port Authority
2	Abdul Rashid Mia	President	Custom House
3	Md. Mofizur Rahman Shojon	C&F President	Clearing & Forwarding Agent Association
4	Md. Harunor Rashid	Senior Principal Officer	Confidence Cargo Ltd
5	Titumir Rahman	General Secretary	Pubali Bank
6	Mohammad Atiur Rahman Raju	C&F President	Sonamasjid export and import group
7	Md. Mubarak Hossain Bhuiyan	C&F President	Adnan Traders
8	Md. Rezaul Karim	Additional Deputy Director	Plant Quarantine Wing
9	Alamgir Kabir	General Secretary (Importer Exporter Association)	M/S Islam Traders
10	Shafiqul Islam	Proprietor	M/S Pritom Enterprise
11	Monir Hossain Babul	Deputy Commissioner	Sonamasjid Landport, Custom Station
12	Mr. Sayed Mokaddes Hossain	Port in Charge	Banglabandha landport Ltd
13	Mr. Md. Abul Kalam Azad	Revenue Officer	Bangabandhu Custom Station
14	Shahidul Islam	Traffic Inspector	Sona Masjid Land Port Authority
15	Mr. Alimuzzaman	Traffic Inspector	Benapole Land Port
16	Mr. Md. Moniruzzaman	Assistant Commissioner	Custom House
17	Md. Amir Mamun	Assistant Commissioner	Immigration
18	Md. Jahangir Hossain Khan	Commissioner	Benapole Custom House
19	Md. Azizur Rahman	Deputy Director (Admin)	Bhomra Custom House
20	Abdul Jalil	Deputy Commissioner	Benapole Custom House
21	Md. Mostafizur Rahman	Deputy Commissioner	Bhomra Land Port Authority

Appendix-5: List of participants in the focus group discussion

Sl.	Name & Designation	Organization
01	Dr. Md. Jafar Uddin CEO	Bangladesh Foreign Trade Institute (BFTI)
02	Md. Obaidul Azam International Trade Expert-2, 04 Studies	Bangladesh Foreign Trade Institute (BFTI)
03	Mr. Tanvir Ahmed Deputy Commissioner	Bangladesh Custom, Benapole
04	Mr. Abdul Jalil Director, Additional Charge	Bangladesh Land Port Authority (Benapole)
05	Mr. Mamun Kabir Terafder Deputy Director	Bangladesh Land Port Authority (Benapole)
06	Farzana Islam, AC Land, Sharsha	DC Office, Jashore
07	Mr. Gobinda Kumar Ghosh Assistant Director (CS)	BSTI, Khulna
08	Mr. Hemonto Kumar Sarkar Deputy Asst. Director	Plane Quarantine Station
09	Mr. Md. Akhtar Faruque Manager (SPO)	Sonali Bank Limited
10	Mr. Md. Elias, OC	Benapole Port Thana
11	Mr. Md. Hossain Ali Foyzul Asst. Programmer (FE)	Bangladesh Land Port Authority (Benapole)
12	Mr. Atiquzzaman Shen President	Transport owners' Association
13	Md. Khairuzzaman Sr. Vice President	Benapole Clearing & forwarding Agent Association
14	Md. Kamal Uddin Shimul Vice President	Benapole Clearing & Forwarding Agent Association
15	Sub Md. Nazul Hosain Cap. Cum ICP	Border Guard Bangladesh (BGB)
16	Md. Shahin Mia Subedar	Border Guard Bangladesh (BGB)
17	Mr. Mohammad Raju Officer in Charge (OC) Immigration	Immigration Police
18	Mr. Hannan Bappi Jr. Officer	Pubali Bank Ltd.
19	Mr. Md. Julfikar Ali Montu President (Proposed)	Importers & Exporters Association, Benapole
20	Mr. Saddam Hossen Manager	M/S G.K. Enterprise

21	Mr. Md. Sakender Ali, Managing Director	Twenty Corporation, Benapole
22	Mr. Raton Sarker Administrative Officer	Benapole Land Port
23	Mr. Abhik Das Audit Officer	Benapole Land Port
24	Md. Fashed Hossain AD	NSI
25	Sanjoy Barai Asst. Director (traffic)	Benapole Land Port
26	Md. Tanvir	N.S. I
27	Mr. Suhen Mahmud Ripon Importer	
28	Mr. Toufiq Sub-Inspector	Benapole Port Thana
29	Mr. Rashedul Kabir Research Associate (RA)	Bangladesh Foreign Trade Institute (BFTI)
30	Mr.H M Simon Research Associate (RA)	Bangladesh Foreign Trade Institute (BFTI)

Appendix-6: List of participants in the public consultation

List of Participants in the Public Consultation

SL	Name	Designation	Organization
1.	Mr. Imam Gazzali	Second Secretary (Customs)	NBR
2.	Mr. Mohammad ileas Mia	Director-1 (Deputy Secretary)	Ministry of Commerce
3.	Mr. Ashrafur Rahman	Deputy Secretary (FTA-4)	Ministry of Commerce
4.	Mr. Md. Aminul Islam	Deputy Secretary (Export-7)	Ministry of Commerce
5.	Ms. Farhana Iris	Joint Secretary	Ministry of Commerce
6.	Mr. Abdul Mannan	Senior Asst. Secretary(Macroeconomic)	Ministry of Finance (MoF)
7.	Mr. Md. Hafizur Rahman	DGM (Head Office)	Sonali Bank
8.	Mr. Tanvir Ahmed	Deputy Commissioner	Customs House, Benapole
9.	Mr. Md. Mamun-Ur-Rashid Askari	Joint Chief (Current Charge)	Bangladesh Trade and Tariff Commission
10.	Mr. Shamimur Rahman	Deputy Secretary	FBCCI
11.	Mr. Md. Mokaddem Ahamad	Joint Director	Bangladesh Bank
12.	Ms. Salma Binte Zaman Sharna	Quarantine Pathologist	Department of Agricultural Extension (DAE)
13.	Mr. Amin Hasan	Assistant secretary	Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA)
14.	Mr. Md. Zakirul Islam	Asst. Deputy Secretary	Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA)
15.	Mr. Md. Arifur Rahman	Deputy Secretary	Bangladesh Investment Development Authority (BIDA)
16.	Ms. Tania Yasmin	Assistant Director	Export Promotion Bureau (EPB)
17.	Ms. Shahinur Akter	Deputy Secretary	Bangladesh Garment Manufacturers and Exporters Association (BGMEA)

SL	Name	Designation	Organization
18.	Ms. Shahnewaz Latika	DGM	International Chambers of Commerce Bangladesh
19.	Ms. Wasima Sadia	Assistant Executive Secretary	Dhaka Chamber of Commerce & Industry (DCCI)
20.	Mr. Md. Jalal Uddin	AGM	Leather goods & Footwear Manufacturers & Exporters Association of Bangladesh (LFMEAB)
21.	Mr. Md. Hafizur Rahman	Secretary	Bangladesh Fruits, Vegetables & Allied Products Exporter's Association (BFVAPEA)
22.	Mr. Md. Ahmedul Kabir	Senior Manager (Export)	Pran RFL
23.	Mr. Mir Sharif Ahammad	Deputy Executive Director	Walton
24.	Mr. Abu Faisal	Senior Additional Director	Walton
25.	Mr. Md. Masudul Haque Prodhan	Sr. Research Associate	Policy Research Institute of Bangladesh (PRI)
26.	Mr. Nazimuddin	Research Associate	Business Initiative Leading Development (BUILD)
27.	Ahmed Ishmam Chowdhury	Examiner of Accounts	RJSC
28.	Mr. Khairul Alam Bhuiyan	Officer	Dhaka Customs Agents Association
29.	Md. Tazul Islam	CEO (IXpress Limited)	e-Commerce Association of Bangladesh (e-CAB)
30.	Ms. Farhat Mahjabin Samira	Deputy General Manager	e-Commerce Association of Bangladesh (e-CAB)
31.	Mr. Razibul Islam	Co-Founder & COO, Paperfly Private Limited	e-Commerce Association of Bangladesh (e-CAB)
32.	Mr. Md. Serajul Islam	Senior Asst. Director	Department of Fisheries (DoF)
33.	Dr. Md. Arif Hossain Mazumder	Assistant Professor	BRAC University

SL	Name	Designation	Organization
34.	Mst. Rebeka Sultna	Field Officer	BSTI
35.	Mr. Moksud Belal Siddiqui	Deputy Secretary- General	MCCI
36.	Mr. Evance Rozario	Marketing Executive	BAPA

Appendix-7: Validation workshop proceedings and participants

Government of the People's Republic of Bangladesh
Bangladesh Regional Connectivity Project-1
Ministry of Commerce
Level-12 (west side) Prabasi Kalyan Bhaban
71-72, Eskaton Garden, Dhaka-1000

Validation Workshop on Study

- (i) A compiled policy and regulatory guidelines/standard operating procedures (SOP) for Cross Border Land Port Management with respect to international trade and transport formalities, procedures, documentation and related matters;
- (ii) Sanitary and Phyto-sanitary (SPS) and Technical Barriers to Trade (TBT), coordination and notification, certification process and infrastructure for promoting trade.

Jointly Organized by: Bangladesh Foreign Trade Institute (BFTI) and Bangladesh Regional Connectivity Project (BRCP)-1, WTO Wing, Ministry of Commerce

Date: February 09, 2023

Venue: Bangladesh Foreign Trade Institute (BFTI) Conference Room

Introduction:

Bangladesh Foreign Trade Institute (BFTI) organized a Validation Workshop on 2nd and 4th studies of four under Bangladesh Regional Connectivity Project-1 of WTO Wing, Ministry of Commerce on February 09, 2023, at 09:30 AM in Bangladesh Foreign Trade Institute (BFTI) Conference Room and Class Room 2, BFTI Dhaka.

Ms. Wahida Akter, Secretary, Ministry of Agriculture graced the occasion as the Chief Guest of the validation workshop. Mr. Md. Obaidul Azam, Director, BFTI delivered the welcome remarks, and Mr. Md. Hafizur Rahman, Director General, WTO Wing, Ministry of Commerce and Mr. Md. Mijanur Rahman, Project Director (Joint Secretary), Bangladesh Regional Connectivity Project (BRCP)-1 were present as special guests. Dr. Md. Jafar Uddin, Chief Executive Officer (CEO), Bangladesh Foreign Trade Institute (BFTI) presided over the Validation Workshop as the chairperson.

Summary of the Welcoming Session:

Mr. Md. Obaidul Azam, Director, BFTI welcomed the guest and shared the background of the studies, including the process on how data was collected and draft reports were prepared in consultation with relevant stakeholders. He remarked that post LDC graduation scenario and aspiration to become a developed country was taken into consideration as policy recommendations that were proposed in the studies.

Chief Guest, Ms. Wahida Akter, Secretary, Ministry of Agriculture thanked BFTI for conducting the study on SPS & TBT and SOP for Cross Border Land Port Management. She further expressed her gratitude to make the opportune for gracing the occasion as the chief guest. She informed that the traditional agriculture sector of Bangladesh had been transforming into an export-oriented sector through commercialization and pragmatic policy and fiscal support provided by the government. She also informed that Bangladesh has become self-reliant in onion production and successfully met our demand due to a strong supply chain in the agriculture sector. Citing the contribution of the Ministry of Agriculture in securing the food safety of the nation, she informed that the Ministry has expanded mustard plant production to become self-reliant in oil production. She added that now Bangladesh can almost meet up the demand for rice with our domestic production. She further informed Bangladesh needs 2.5 crore metric tons of rice yearly and we could meet the largest portion of this demand domestically. *Citing the importance of the SPS issue in trade, she urged that SPS certificates for exporting agricultural products should be upgrade to international standards so that importing countries could accept our certificate.* Finally, *she put emphasis on complying with SPS and TBT-related regulations to increase the export competitiveness of the agricultural product, where both Ministry of Agriculture and the Ministry of Commerce can work together.*

Dr. Md. Jafar Uddin, Chief Executive Officer (CEO), BFTI Chairperson of the Validation workshop thanked BRCP-1 and the personnel working at the project and WTO wing, as they had trusted BFTI to conduct these studies. He informed that the Ministry of Agriculture and the Ministry of Commerce had worked together to ensure the food safety of the nation during Covid-19. Addressing the significance of product diversification, he highlighted that the export basket of Bangladesh is limited to few products. In this context, the agriculture sector could contribute to product diversification as it has about 100% value added products. He expressed that if Bangladesh could comply with the SPS and TBT issues in the agriculture sector, it would **proliferate** product diversification and new market access.

Mr. Md. Hafizur Rahman, Additional Secretary & Director General, WTO Wing, Ministry of Commerce informed that Bangladesh is compliant with the notification process to WTO. He further informed that the country would not need to notify WTO if she follows international product testing procedures. However, if Bangladesh sets a higher standard, then Bangladesh will have to notify WTO with scientific evidence. He further added that Bangladesh presently faces SPS and TBT-related notification processes and infrastructural challenges. Addressing the importance of Mutual Recognition Agreement (MRA) in trade, he informed that Bangladesh and India are working on MRA and India sent a draft agreement of the MRA, which is under the consideration. He further added that India presently accepts certificates for 21 products from Bangladesh. Regarding SPS and TBT issues, he stressed interagency coordination for resolving SPS TBT challenges. Moreover, for efficient land port management, he suggested that the SOP related study should explore the processes that can ease export-import procedures in Land ports. Moreover, he remarked that SOP should also prescribe the ways for improving interagency coordination among land ports, customs and other agencies.

Mr. Md. Mijanur Rahman, Project Director (Joint Secretary), Bangladesh Regional Connectivity Project (BRCP)-1 remarked that complying with SPS and TBT conditions is a precondition for exporting/importing agricultural and other products into a foreign and domestic market. He emphasized on infrastructure development and strengthening coordination among the different related organizations, working for SPS and TBT issues. He further stressed the efficiency of the trade procedure of ports and interagency coordination among ports, customs and export-import-related agencies to ease the export-import procedure.

After the welcoming session, representative from BFTI gave presentation on the 2nd and 4th studies and the panellist and participants shared their comments, suggestions and recommendations on the same which are summarized below:

Recommendations for Study:

- (i) A compiled policy and regulatory guidelines/standard operating procedures (SOP) for Cross Border Land Port Management with respect to international trade and transport formalities, procedures, documentation and related matters;

Technical Session-1

Moderator: Md. Munir Chowdhury, National Trade Expert, BRCP1, Ministry of Commerce

1st Panelist: Mr. Mohammad Jahangeer Kobir, Joint Secretary, Member (Traffic), Bangladesh Land Port Authority.

- The main objective of the BLPA is to facilitate trade for importers and exporters.
- Different land ports have different types of infrastructures and due to poor infrastructures, trade facilitation is being hamper in some land ports.
- Trade volume is the highest in the Burimari Land port but the area of Burimari Land port is only 15 acres. For the future expansion of Burimari land port, the 50-acre land acquisition process is going on.
- In Benapole land port, congestion occurs when 300 to 400 vehicles enter the port. Congestions become apparent while customs clearance and port fee payment processes for a large number of vehicles.
- Benapole land port was not developed in a planned way, as it is located on an international highway, which creates traffic congestion for the port incoming and outgoing vehicles. However, 25 acres of new land are now being acquired for developing vehicle containers in the Benapole port. Moreover, more land acquisition efforts are going on for developing yards, and chemical storage.

- A project of 300 crore taka for making a cargo vehicles terminal in 75 Bigha land for Benapole port is going on.
- India is looking forward to opening a common gate at the Benapole border point with Bangladesh and Bangladesh has agreed to develop the gate. Also, a second gate will be developed with a cargo terminal, connecting 4 lanes of the road for traffic movement from and to India.
- In the Petrapole land port of India, trucks carrying exported goods from India are prioritized rather than trucks carrying exported goods from Bangladesh because Bangladesh's import volume from India is higher compared to the export volume to India.
- Passenger queue has been minimized in Burimari land port by creating waiting room facilities for the passengers.
- Benapole has to deal with an average of more than ten thousand passengers daily which is higher than the daily average passenger handling of Dhaka airport.
- Land ports can't be kept open 24/7 for immigration because the Indian side usually closes immigration processes after 5 pm.
- Automation is still not appearing in the land ports. Customs and land port authorities, both parties need automation. Even for paying the terminal fee, there is a long queue due to a lack of automation.
- In Benapole port, an agreement has been made with Bkash for paperless and queue less e-payment of terminal fees through mobile financial services.
- BLPA received 217 crore taka from ADB for the expansion and modernization of the Akhaura and Tamabil land ports.
- Many ports do not have sufficient CCTV cameras and lighting facilities. Only Benapole has 389 CCTV cameras to monitor the whole land port.
- Bangladesh-India joint declaration was made on trade facilitation so that no infrastructure development should be impeded in the port area and both countries should cooperate with each other regarding this issue. However, the bureaucratic process for communication with the Indian side takes much time, which hinders the timeline of the port infrastructure development process. So intergovernmental cooperation is needed in this regard.
- A feasibility study should be conducted on the export-import volume and immigration amount/opportunity of the Land Customs Station (LCS) before declaring LCS as a land port.
- Container movement through Benapole is still under consideration because trade bodies and the ministry of rail need to agree on introducing this facility.
- Indian-side approval is also required for shipping containers and cargo through railways and discussions are going on in this regard. Separate yards and warehouses for train transport facilities will be developed.
- Copies of documentation required by different agencies need to be reduced, document sharing can be automated through emails. Even the Indian side can be included in the automation system for paperless information sharing.
- There is no LCS on the opposite side of Bhomra Land port.
- The study appropriately reflected the current challenges of land ports. We agree with the recommendation of the study regarding Automation and a SOP which can significantly improve the performance of the ports.

2nd Panelist: Mr. Md. Alauddin Fokir, Former Member, Bangladesh Land Port Authority, Additional Secretary, Retired.

- The study includes most of the recommendations I thought of. However, I will extend the points from my own experience.
- An electronic or automated documentation/data-sharing system should be introduced. The present documentation processes are backdated and not up to the mark for trade facilitation standards.
- Online data transfer between India and Bangladesh can be recommended for paperless trade.
- At Zero point, a single umbrella service should be introduced. One representative from different port stakeholders or service providers should be there so that importers/exporters can get seamless services.



This umbrella should be linked with automation so that each stakeholder can send and receive data seamlessly.

- The time required for trade in Land ports can be affected by the service time and operating hours of land ports. For instance, Petrapole and Benapole port authorities decided to keep the port open 24/7. But service provider offices like quarantine, and banks are not kept open 24/7. So along with the port, all services should also be made available 24/7.
- Only 5-10% of vehicles enter the Bangladeshi land ports from 09.00 am to 02.00 pm but the rest of the vehicles arrive after 02 pm, which creates congestion. Indian officers closed their offices at 6.30 pm and therefore, exporter vehicles from Bangladesh have to wait in line, causing congestion. This timing situation vehicles arrival should be made effective.
- IMDG Code (International Maritime Dangerous Goods Code) is not followed in most of the ports. For handling flammable, explosive products (warehousing, packaging) this code should be followed properly in land ports to minimize fire risks and accidents. Separate warehouse and shed should be made in land ports following the IMDG code.
- A declaration from the Ministry of Commerce should be sought to load export cargo in trains that unloads imported goods from India.
- Container handling facilities should be introduced in the land ports, customs rules should be reformed in this regard and land ports' container handling capacity needs to be developed.
- One-way movement of vehicles and separate lanes should be ensured for congestion-free vehicle movement.
- Trade with Myanmar through Teknaf land port can be mentioned in the study.
- Fitness-less vehicles should not be allowed to carry transport as they often create congestion and traffic problems.
- Problems regarding land port operations and other issues should be discussed in the Joint Working Group meeting between India and Bangladesh
- A transshipment yard is not available in Petrapole which creates a problem for exporting and importing perishable goods.
- There is no quarantine or testing facility on the Indian side of the Akhaura land port which creates perishable goods trading difficult.
- Goods exported to Nepal via India are often impacted by the Indian side inspections and processes.
- According to customs rules, if products are not released by the importers/exporters within 30 days, those goods will be auctioned. However, many goods are still kept in the yard which reduces space in the yard. Customs rules should be enforced properly in this regard.

3rd Panelist: Mr. Muhammad Safiur Rahaman, First Secretary, (Customs Modernization & Project Management), NBR

- Components of TFA implementations are reported in different categories by customs. For instance, TFA components that are completed are categorized as A, which are under work are categorized as B, and which will be done in the future are categorized as C.
- The study should review E-payment, digital linkage with customs, and bank topics and update following the Customs' review.
- Complying with trade facilitation, NSW is being implemented which will facilitate import and export. However, not all port processes are customs-related like shed management, and warehouse management.
- National Single window will help coordinate customs, land port authority, certification authority and importers exporters with data sharing and paperless trade facilities.
- So far 39 institutions have signed MoU for NSW. Among 21 of them are CLPA (certification, license and permitting authority). Many of these institutions/agencies do not have sufficient automation.
- Along with custom modernization, each of the agencies or stakeholders needs to be modernized or automated to be connected with customs and NSW.
- Customs also introduced automated risk management software (ARMS) which will help to reduce time trade time as customs will not have to interfere with all shipments.
- The study should be reviewed by NBR before finalization to remove any discrepancies in information with submitted TFA implementation reports.



- The recent Time Release Study TRS should be referred to in the study mainly instead of the old TRS as they did not follow proper methodologies.
- Customs' physical examination takes 80% of the total time taken by the customs procedures in the recent TRS.
- Physical examination and assessment cannot be done simultaneously. Either assessment or examination, one process will be followed by another.
- Assessment reports are now submitted online through ASYCUDA.
- Custom is now introducing scanning/image analysis for the examination process for quick examining shipment. A fixed container scanner will be installed in the Bhomra land port. One fixed and one mobile scanner will be installed in the Benapole land port which will reduce examination time significantly.
- The number of authorized economic operators (AEO) is now 12 from 3, moreover, 51 AEO requests are now in process of approval.
- Pre-arrival processing system is available in seaports and airports but not inland ports. Customs SRO will be changed and land ports will be allowed to utilize the pre-arrival processing system.

Mr. Md. Munir Chowdhury, National Trade Expert, BRCP-1

- The next secretary-level meeting between India and Bangladesh may incorporate land port related challenging issues for traders as an agenda for resolution. This issue should also be presented in the other joint meetings with India.
- Intra-agency and interagency coordination mechanisms should be mentioned in the study.
- Importance of the Transport Integrated Route (TIR) Convention may be mentioned in the recommendation section.
- BBIN topic should be mentioned in the study.

Dr. Mostafa Abid Khan, Senior Trade Specialist, BRCP-1

- In the case of Import and export, directly involved stakeholders like Customs, Land Port Authority, Plant quarantine wing, and BSTI should be identified for the SOP. The processes of these stakeholders should be covered in the SOP.
- NBR's SRO regarding perishable goods should be reviewed to find out whether it is effective in the case of land ports.
- IGMs (Import General Manifest) are submitted electronically in seaports and airports but not inland ports. The Indian side should be consulted for this.
- Customs testing facilities and laboratories should be checked out, in which land ports they are available (one is available in Benapole)
- Our ASYCUDA and Indian custom system are different which may hinder data sharing and electronic coordination.
- E-port management systems in Burimari port can be mentioned in the study.
- A container management system should be suggested in major land ports.
- Indian Assessment officers are located far away from ports so cargo assessment takes time and increases trade time.
- Many land port challenges issues occur due to Indian side problems, which may be mentioned.
- Reasons behind the high time requirement in capital machinery import in Beanpole land port may be explored in the study.
- Recommendations can include Pre-arrival processing which can reduce trade time significantly.
- E-port system should be designed with an interface to connect customs (ASYCUDA) for data sharing.

Ms. Nadia Binte Amin, Director, FBCCI

- The observation method is used in the study but not mentioned in the methodology.
- Total export import information (including air and Sea) may be mentioned with land port export import information.
- QR code in Automation is not much focused in the study which should be included.
- BSTI lab-related, certification information should be added.
- Container carrying facility through the railway should be included in the recommendation.
- Selecting 2022 Time Release Study as a baseline, a timeline for conducting the next TRS can be mentioned for future comparison.

Signature

Engr. Mohabbat Ullah, Director, Bangladesh Chamber of Industries (BCI)

- Weaknesses of BSTI and testing authorities should be included in the study.
- A specific timeline should be there for customs examination and assessment which will reduce trade time.

Mr. Shahidullah, Sr. Deputy Secretary, Bangladesh Plastic Good Manufacturers & Exporters Association (BPGMEA)

- Internet services are not working properly in many land ports.
- In proportion to the volume increase in the land ports, manpower and service standards have not improved proportionally which should be mentioned.

Mr. Asif Ayub, Joint Secretary General, Metropolitan Chamber of Commerce and Industry (MCCI)

- Logistic Performance Index (LPI) of the different countries with best practices can be compared in the study.
- LPI and TRS of the ASEAN countries can be mentioned and compared in the study.

Mr. SM Zahid Hasan, Senior Executive Director, Walton Group

- Land port weekly holiday issues for traders should be addressed in the study.
- Land port-related services are not available on the weekend in Bangladesh (Friday, and Saturday) and on Indian weekend (Sunday). This holiday problem reduces service time in the land ports.

Ms. Lily Akther Banu, General Member, Bangladesh Women Chamber of Commerce and Industry

- Land ports lack automation. When LCs are issued from banks, they are physically sent by couriers instead of a digital system which takes 2 days.
- Costing information provided by C&F agents varies from C&F agent to C&F agent which should be standardized.

Mr. Md. Sajib Hossain, Sr. Assistant Secretary (R&D), Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA)

- Single Customs inspection between two countries can be a recommendation for this study.

Mr. Md. Atiqur Rahman Khan, Team Leader, 04 Studies

- The comments and suggestions received from the panellist and participants will be incorporated in the study accordingly.

The moderator thanked all the panellist and participants for their valuable inputs and recommendations for streamlining the existing operating procedure of Land Port Management. To do this reform of legislative, operational and administrative and policy are needed. He further emphasized that a well-drafted SOP for Land Port Management will provide efficient, effective and harmonized for trade facilitation. He requested all the relevant agencies for further inputs within seven working days and formally concluded the Technical Session.



Technical Session-1

Following participants were present in the validation workshop for the Study

- (i) A compiled policy and regulatory guidelines/standard operating procedures (SOP) for Cross Border Land Port Management with respect to international trade and transport formalities, procedures, documentation and related matters.

Sl.	Name and Designation	Organization
1.	Mr. Md. Mijanur Rahman Project Director (Joint Secretary)	BRCP-1
2.	Mr. Md. Munir Chowdhury National Trade Expert	BRCP-1
3.	Dr. Mostafa Abid Khan Senior Trade Specialist	BRCP-1
4.	Md. Atiqur Rahman Khan Team Leader, 04 Studies	BFTI
5.	Mr. Md Julfikar Islam Keynote Presenter, Research Manager	BFTI
6.	Ms. Nadia Binte Amin Director	FBCCI
7.	Ms. Lily Akther Banu General Member	Bangladesh Women Chamber of Commerce and Industry
8.	Mr. Md. Sajib Hossain Sr. Assistant Secretary (R&D)	Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA)
9.	Rtn. Engr. Mohabbat Ullah Director	Bangladesh Chamber of Industries (BCI)
10.	Mr. Wasfi Tamim CEO	Chittagong Chamber of Commerce & Industry (CCCI)
11.	Ms. Syeda Shahnewaz Lotika Deputy General Manager	International Chamber of Commerce (ICC) – Bangladesh
12.	Mr. SM Zahid Hasan, Senior Executive Director,	Walton Group
13.	Mr. Asif Ayub, Joint Secretary General	Metropolitan Chamber of Commerce and Industry (MCCI)
14.	Mr. Abdul Matin Senior Executive	Bangladesh Agro-Processors' Association (BAPA)
15.	Mr. S.A. Wadud Secretary General	Bangladesh Fish Exporters and Importers Associations (BFEIA)
16.	Mr. Shahidullah, Sr. Deputy Secretary	Bangladesh Plastic Good Manufacturers & Exporters Association (BPGMEA)
17.	Mr. Sayed Arafat Research Officer	BFTI

Appendix-8: Findings from KII, FGD and PC

Key informant Interview

Key informant Interview conducted for this study revealed following insights: Challenges in terms of documentation, time and cost involved in exporting and importing through land ports:

Activities	Challenges
1. Document collection and preparation	<ul style="list-style-type: none"> • Documentation process is lengthy and time consuming • Poor Internet and Networking system • Lengthy procedure for LC documentation • Lack of automation system in documentation process
2. Time management	<ul style="list-style-type: none"> • Lack of proper transportation system in the port area • More time was needed than normal because to the paucity of space in the port area. • Lack of inter border coordination • Lack of skilled manpower • Lack of coordination with Land port and Customs
3. Costs	<ul style="list-style-type: none"> • Due to syndicate problems in the border region, expenditure frequently increases. • Documentation costs frequently change • Due to the prolonged documentation procedure, expenditure frequently increases.

Weaknesses of institutions involved in the management of land ports and ways to overcome weakness in these areas:

Particulars	Institutional weakness	Ways to remove weaknesses
Bangladesh Land Port Authority	<ul style="list-style-type: none"> • The port lacks infrastructure and space. • Activities in the port are inefficient. • Lack of essential machinery in the port area. • Lack of skilled manpower in the port area. • Lack of warehouse, shed and weighing scale. 	<ul style="list-style-type: none"> • Digital weighing scales are required • Expansion of space in the warehouse and sheds are required. • Improvement of infrastructure in the port area. • Need to increase inter border coordination • Need to increased skilled manpower in the port area. • The port's capacity needs to be increased.

Particulars	Institutional weakness	Ways to remove weaknesses
C&F Agent	<ul style="list-style-type: none"> • Lack of knowledge among the C&F agents on custom rules and regulations • Lack of training 	<ul style="list-style-type: none"> • C&F agent needs to improve their capacity, training program can be initiated for this.
Transport and Logistics Company	<ul style="list-style-type: none"> • Lack of coordination between C&F agent and labor unions • Lack of truck terminal inside the port area • Syndicate problem in the transportation service providers. 	<ul style="list-style-type: none"> • Need coordination between C&F agent and labor unions • Need to increase number of truck terminal inside the port area. • Subscription must be stopped • The development of a multimodal logistics system is required.
Importer-Exporter	<ul style="list-style-type: none"> • Lack of coordination with land port authority, customs and Bank. 	<ul style="list-style-type: none"> • Need to increase coordination with land port authority, customs and Bank
Customs	<ul style="list-style-type: none"> • Lack of coordination in automation system • Everything occurs according to custom decree. • Lack of skilled manpower 	<ul style="list-style-type: none"> • The custom requires a coordinated automation system with other agencies. • Number of workforces need to be increased in the customs section for faster service.
Operator	<ul style="list-style-type: none"> • Lack of security within the port area • Lack of skilled manpower • Lack of automation system in operating • Lack of required scanning system in the land port area 	<ul style="list-style-type: none"> • Need to increase security within the port area • Need to increase skilled manpower • Automation Process is necessary for speedy delivery • Modern and coordinated scanners are required in the land ports.

Particulars	Institutional weakness	Ways to remove weaknesses
Certification and Quality Control Authority	<ul style="list-style-type: none"> • Relocation problem of plant quarantine authority • The logistic support management to send sample for testing is poor • Lack of Manpower 	<ul style="list-style-type: none"> • Need to relocate plant quarantine authority within the port area • Need to increase logistic support • Need to increase skilled manpower
Bank	<ul style="list-style-type: none"> • Lack of coordination between central bank (Bangladesh Bank) and Private Bank and customs 	<ul style="list-style-type: none"> • Need to increase coordination between bank and other port agencies.
Immigration	<ul style="list-style-type: none"> • The support service in the immigration is poor. • The infrastructure facility for the passengers is poor • Immigration lacks sufficient manpower 	<ul style="list-style-type: none"> • Need to improve support service and infrastructure facility for the passengers.

Ways to develop coordination mechanisms (border management and with neighboring countries):

- Modification of policies, rules, and regulations.
- Establishing a permanent or stable method of coordination system between the existing interagency.
- Inter ministry coordination is poor that should be improved.
- Private stakeholder should be involved during JCC meeting with neighboring country.

Preparation for one stop service at land ports:

- ICT and infrastructure development is required before introducing one stop service.
- Skilled man force is required to operate one stop service.
- Coordination between land port authority, BSTI, Plant Quarantine and customs need to be improved.

Process and challenges in carrying out import-export operations at land ports:

Import Process:

- BGB completes the registration process by verifying the paperwork and invoice of an Indian truck driver. The registration process as a whole takes, on average, five minutes. After completing the BGB registration process, the Indian truck enters the customs manifest registration. Four copies of the manifest are produced and given an IGM manifest number after being checked for required export documentation. From the four copies of the manifest, one copy goes to BGB, one to customs, one to the land port, and one to the C&F agent. The truck departs for the weigh station

after all the data has been entered into the customs operating system.

- After submitting the required paperwork, a custom operator weighs the truck and provides the weight-related documents for entering the information.
- The truck enters parking after being digitally weighted with the necessary paperwork.
- A C&F agent begins filling out the bill of entry form after entering the parking area with the required paperwork. Following completion of the BOE form, a RO and an ARO inspect and evaluate the truck, and the ARO provides customs with an inspection report. If the assessment is accurate, a subsequent evaluation for product match-up and a subsequent physical inspection are conducted, and an ARO provides a report. A final report is submitted after the physical inspection is finished. The TAX is chosen and updated in the BoE form based on the final report. After receiving a BoE number and necessary documentation, C&F agents pay the tax. One copy of the assessment report is kept by the Bank. After the banking process is finished, a R number (custom release number) is generated following the conclusion of the banking process.
- Upon receiving the R number, the unloading process starts.
- The truck empties the imported goods, presents the required paperwork, exits the customs area, and arrives at zero point. The truck leaves the border area once it reaches zero point.
- Bangladeshi truck arrives at a specific port area after unloading the goods, finishes the required paperwork, obtains an exit pass, and departs the port area.

Export Process:

- A C&F agent begins filling out the bill of entry form after entering the parking area with the required paperwork. Following completion of the BOE form, a RO and an ARO inspect and evaluate the truck, and the ARO provides customs with an inspection report. If the assessment is accurate, a subsequent evaluation for product match-up and a subsequent physical inspection are conducted, and an ARO provides a report. A final report is submitted after the physical inspection is finished. The TAX is chosen and updated in the BoE form based on the final report. After receiving a BoE number and necessary documentation, C&F agents pay the tax.
- After the process is completed a car pass is given.
- A line of trucks awaits and once the paperwork and invoice have been approved, BGB completes the registration process by releasing the truck.

Complications/challenges in the trade and immigration process:

- Lack of wide roadways and special electricity supply line.
- Prolonged checking system of BGB and Bangladesh Customs.
- BGB checking is often more than once which increases the time of the trade.
- Prolonged documentation procedure.
- Insufficient amount of digital scale.
- Inadequate functionality of weight scale.
- Shortage of Shed and truck terminal within the port area.
- Modern instruments are missing in the land ports.
- Presentation of import documents are Manually completed.

- For completing the weighing process, a semi-digital scale is used for the weight measurement.
- Improper management system for product in case of seized/abandoned goods
- Weak immigration management system in terms of passenger handling and service delivery.
- Due to a lack of separate lane for immigration facilities and departure, passengers are at risk of accidents.

Technologies used in various activities at the land ports:

SL	Services	Technology used
13.	Loading/unloading of goods	Manually, Forklift Crane
14.	Product weighing	Semi digital and digital Weighing Machine
15.	Customs Clearance	E-payment, ASYCUDA,
16.	Collection of customs duties by the bank	Manually, E-payment
17.	Standard Testing	Lab Testing
18.	Traffic management	Manually
19.	Determination of port charges	Manually, Semi Digital system
20.	Product storage	Cold storage, Warehouse
21.	Storage of perishable goods	Cold storage and transshipment yard,
22.	SPS/ Quarantine activities	Lab Test
23.	Security/Safety	BGB, Ansar, CCTV Monitoring system, Immigration Police, Dogs

Replicable international standards, best practices, handbooks, conventions or technologies in land port management:

- One stop service
- Automation of the customs and land port procedure
- Use of BCOM (Bangladesh Custom Office Management)
- Technology based standard operating procedures.

Ways to improve efficiency in land port management

- More port space and sheds need to be added.
- Land port authority personnel need to be capacitated through various effective training.
- Skilled manpower is needed in port operational sectors.
- Development of modern infrastructures
- Ensuring safety including adequate installation of CCTV camera and lights.

Steps that can be taken to develop integrated border trade management:

- A multimodal transportation system is required.
- Adding more lanes to the roads within and outside the land ports.

- 24/7 electricity supply, accommodation facilities, and contamination-free (iron) water are required.
- Smart ID cards for C&F agents and all port management officials are required.
- The joint border system must be developed through launching multimodal transit services.

Miscellaneous opinions on the development of border trade management:

- The evolution of border trade management necessitates administrative and policy changes.
- The land port authority should consider partial shipment in special cases.

To increase the efficiency at the boarder entry point, all relevant agencies can use similar digital interface. **Focus group discussion**

Focus Group discussion for the study revealed following insights:

Issues in land ports identified by the land port stakeholders:

Procedural and infrastructural Issues

- Port Authority, Customs, and BGB entry import goods into their inbuild system separately, as a result, too much time is wasted at Zero point.
- For passing a truck, there are 5 hours needed instead of only 10 minutes from the port area.
- Detention vehicles require 35-40 days to be released and C&F agents have to pay large amounts of demurrage.
- There is a transportation syndicate problem in the bypass road in Benapole land port.
- Importers and C&F agents lack clear knowledge about the HS code of a product. Sometimes, importers have to pay a 200% fine for mis-declaring the product HS code.
- The no-man's land counter opens in delay which creates congestion for vehicles and passengers.
- Sometimes, duty-free products are staying for a long-time creating congestion for other shipments.
- The land ports cannot stay open 24/7 hours because of human resource shortages.
- There is a problem in existing software for recording entry-exit vehicle tracking systems as it only records "in" time but not "out" time.
- The Plant quarantine certificate is issued from Dhaka which creates testing lags.
- For cranes and forklifts, they do not function well and lighting is not sufficient in the port area at night.
- There are not sufficient trollies in the land port.
- The bypass road lacks sufficient security in the Benapole port.

Immigration Issues:

- BGB checks a passenger thrice now which creates inconvenience for passengers.
- Travel tax, port tax, etc. are collected online but users are not well aware.
- Tax for children is half but it has to be collected manually as there is a problem with the online system for children.

- Immigration provides service from 6:30 AM to 6:30 PM but needs more time (most of the time 9:10 PM) to finish work. Now, per day 5 thousand passengers pass through the port but it was 7-8 thousand before the pandemic. Only 1.5-2 minutes per passenger time is needed but passengers need more than 1-2 hours to complete the immigration process.
- There is no queue management system or shedding facilities for the passengers.
- During the Eid festival, 10-15 thousand people pass through the port and congestion occurs.

Way forwards suggested by the Port stakeholders

Customs

- Customs rules and regulations need to be updated and shared with port users over time.
- Customs and land port authorities can jointly organize knowledge-sharing workshops to educate port users about the rules and regulations of land ports and customs.
- Washrooms and waiting rooms need to be established at the customs point.
- After a certain period of time, C&F licenses should be provided. Experienced and knowledgeable persons should be in the C&F business.

Land Port Authority (Procedural)

- Detention time on India-Bangladesh Border should be reduced.
- The entry-exit vehicle tracking system should record both entry and exit times for effective port management.
- For removing traffic jams, the Ansar battalion or relevant authorities should be trained up for traffic management.
- The land ports need to increase facilities proportionate to the crowd and trade volume.
- Empty vehicles waiting for nothing in the port need to be penalized.
- The port needs sufficient manpower for running the digital system. In this case, manpower with relevant technical expertise is needed.
- In land ports, cargo checking time should be reduced, and a shipment tracking system should be developed
- Officials in the land port need to be upskilled.

Land Port Authority (Infrastructural)

- There should be a helipad both for the government and private sector for emergencies.
- The hospital facility needs to be improved in the port area. A hospital facility within the terminal compound for any medical emergency is needed.
- School facilities for the children who are living and working here are needed. Need to have school playground facilities within the land port premises.
- Ports need 8-lane roads for trucks in and out to reduce congestion.
- Modern equipment i.e., Crane, Unified Scale system, and Scanner should be added in all land ports.
- CCTV cameras should be set up in all ports for monitoring 24/7 activities.

- In land ports, the number of working personnel needs to be increased.
- The weigh scale should be at the entry point instead of in the port area. Then they need not reweigh the same truck again.
- Port space needs to be increased
- The cold storage facility should be improved.
- Fire Service Station needs to be inside the land ports.
- Standard weigh machines should be installed as the weight varies sometimes.
- The number of counters in the no man's land should be increased and their space needs to be enlarged.
- The number of vehicle scanners should be increased.
- Parking systems need to be improved.
- the number of trollies in the land port should be increased.
- There should be waiting rooms in every land port room for the crowd.
- For fire service facilities, the water scope and sources need to develop in the premises so that the fire service professional can get easy access to the water when needed.
- There should be a help desk for visitors to ports.
- It is now important to build private warehouses in the land port.
- More road lights should be installed on the bypass road. City corporations or relevant authorities can take the responsibility for this.
- Accredited labs should be developed near land ports by private or public initiatives.
- For Bangladeshi truck parking facilities, land acquisition is very necessary now.
- Proper parking facilities should be developed in the land port area with an automated traffic system.

Immigration

- There can be a token system for long queue management in immigration and different passenger terminals for healthy, sick and old passengers.
- Need to have an online passport entry system for smooth transitions.
- 24/7 Surveillance should be ensured in the international passenger terminal.
- The international passenger terminal is needed to be restricted to unauthorized people.
- The number of passengers checking by BGB should be reduced to one.
- Advertisement or promotional activities need to be implemented for utilizing online tax.
- The laborers should be allowed inside the port so that they can carry bags and baggage for the sick and old people.
- Banking facilities should be in the same place at the passenger shed.
- Good quality rest houses should be developed for passengers on the port premises.

Coordination

- To reduce the time at Zero-point, API (Application Programming Interface) in the Land Port system need to be used so that only one organization will entry

the product information and other organization will get data automatically using API. If the system is integrated, then it will be easy for all.

- If some key information from the ASYCUDA system is shared, such as release, order no. etc. BLPA can provide faster service then.
- Coordination between Bangladesh and India should be improved.
- An online gateway system needs to be started. Coordination is a must need for One Stop Service (OSS) implementation. There can be separate One-stop service centers for Import/Export and One-stop service center for passengers.

Public consultation

Public Consultation of this study generated following remarks in different section from the relevant stakeholders:

Standard Operating Procedures

- Now globally all trade activities are digitized, and a technology focused SOP can make trade easier as well as it will reduce trade costs.
- For implementing Standard Operating Procedures, training programs will be required. NBR and different trade bodies can work together in this regard. Web portals of different trade bodies can be integrated with NBR for easing trade and customs procedures.
- Monitoring and inspection system should be investigated and SOP should include a monitoring mechanism to oversee whether inspection time is taking more than standard time.
- SOP should include how Internal workflows will be maintained, for instance, Customs is automated but land ports are not, and this situation will hinder internal workflow.
- Integrated check post-development and SOP need to be harmonized with the neighboring countries for better outcomes. This can be implemented in mutual discussion with neighboring countries through secretary or joint secretary level meeting. For instance, in case of import from India, after unloading, an empty truck should not pass through the loaded truck lane rather should use a separate lane, and the Indian authority can be consulted for this issue.

Coordination

- Integrated border management is an important issue now. Product release time is longer in land ports and as a result it increases costs, so efforts should be given to reduce this release time.
- For overcoming the challenges and bottlenecks in the land ports, close coordination is required between BLPA, BSTI, NBR and other relevant port agencies.
- Land port officials need to follow the government's mandate for providing facilities to the port users and maintain cooperation with the relevant stakeholders. However, port officials often fall short of such efforts.
- For trade growth and facilitation, all relevant agencies including government and private should work in a coordinated way.

- For developing integrated check posts in land ports, first, ports services need to be well integrated. Instead of integrated check posts, 24 land ports should be named “Multi-Agency Service Centers” since ICP is used for Indian land ports.
- Some trade and documentation procedures are repetitive in land ports which can be removed. For instance, automated system used by Bangladesh Bank for uploading LC related information can be used by all the agencies working in the Land Port, which will reduce the number of required documents for different agencies.
- Automation should be uniform and coordinated, it would be better if every agency related to the land ports use one uniform software or at least software used by different agencies will have some sort of interchangeability or be able to use information available through the other software.
- If all port agencies can be brought under one roof and a uniform software is used by every port agency, then digitalization will be smoother and internal workflow will be smooth.
- Collaborative, coordinated (system procedures) and smart border management (digitalization) are required for improving the land ports of Bangladesh. Interagency coordination and intra-agency coordination, both are required in this regard.
- Coordination should not be only at the top or head office level rather it should be ensured that coordination exists among the field-level service personnel.

Customs

- Software and automated systems used in the Land ports are often not recognized or accepted by customs. For instance, Scanners of land ports are not used by Customs.
- Bill of entry submission takes much time and this issue should be resolved.
- Customs Acts and land port acts could be reformed for better harmonization and to create a clear, transparent framework.
- Car pass is issued by the Customs and then shown to the port authority, this process can be digitalized and integrated so that importer-exporters don’t need to carry and submit paper documents.
- Customs is now trying to make the “examination” procedure online in the land ports, where examination officers will be able to provide input in real-time through online system after examining a consignment and the assessment officer will receive that information promptly.
- In case of import, car pass is issued by Indian customs, car pass includes information regarding the driver, car no., and the weight of the cargo. Drivers enter Bangladesh showing the car pass to the land port authority and the car is weighed again in Bangladesh to verify the weight and provide a weight slip. In this process, Customs examiners or Assistant revenue officers stay present. This process often varies in different ports but both customs and land port machine operators stay present in this process.

- After the assessment, for duty, there is now an e-payment system available since 1st January 2022 and it takes a maximum of one and half a minute to pay duty tax.
- However, after the assessment of duty, duty payers often pay after 2 or more days for various reasons that increase the time of goods release.
- After the payment of duty/tax, a release order is issued. Also, a gate verification process of goods and document are in place, which is reconciled to verify whether the right goods are released or not.
- Customs has now introduced e-payment and with the national single window, release orders will be automatically sent to the land port authority.
- Customs only get involved in the Export-import process when the bill of entry is entered in the ASYCUDA world.
- From the bill of entry to the issue of the release order, Customs usually takes a maximum of one day time, but this process gets delayed due to delayed payments.
- Since NSW is not fully implemented, in this interim period, customs can email the release order to the land port authority for eliminate hard documents submission procedures.
- For time efficiency, Customs has initiated a risk management Commissionerate. Risk management will be done and the goods will be cleared through Red, Green and Blue, channels. The red channel will use physical inspections. Blue channel will provide post-clearance audit for exporters whose inspection record is clean. And green channel will include Authorized economic operators which will include more and more operators.
- E-Auction system has been introduced now and for clearing warehouses in Land ports, land port authority can utilize this facility by coordinating with customs.
- If for getting an Export registration certificate, submission of membership Certificate from local business association/ chamber certificate, is needed then submission of membership certificate can be reduced from the export process.
- When IRC ERC is submitted by the Office of the chief controller of Imports and Exports (CCI&E), they check the membership certificate. So only Import Registration or Export registration certificate is enough and a membership certificate is not necessary for port trade procedure.
- A partial shipment system can also reduce congestion in the land ports.
- A 200% fine for the wrong HS code system should be changed.
- if one truck of a convoy of 15 truck is delayed due to mechanical fault or road condition, all the trucks are delayed because all the items are under one consignment. There should be some procedure for release of the other trucks except the one in delayed.
- If LC required IRC, then IRC is no more required for import file document list.
- In Sydney Airport and nearby Private container depots, Customs only checks a few containers and for their prompt checking ability, there is no congestion in these ports.
- When the bank opens an LC it includes checking other documents like HS code, invoice no. IRC number, LCA number, etc. So Customs can trust Banks and

start assessment of goods without demanding all documents which are already referred in the LC.

- Although Banks have interconnectivity with Customs and ASYCUDA, the ASYCUDA system is not available in all land ports, so online system does not work there and hard copies of documents are still required there.
- Export permission form (EXP form) is digitalized and its hardcopy is not usually required but in the land ports, still, the practice of hardcopy submission is apparent.
- Inspecting LC in case of import and Exp. Form in case of exports can reduce other documentation checking as these two documents are issued by verifying other documents.

Land Port Authority

- Automated space monitoring systems like Chittagong port can be introduced in the land ports so that how much space is available in warehouses can be known easily.
- In import, when a truck enters, only the car pass is checked by the land port authority and then the truck moves to the weighbridge. Other documents are mostly automated.
- In export, when Bangladeshi drivers reach India, the Indian authority takes much time to check trucks and divers which delays the land port trade.
- Agencies like Customs, Immigration, and C&F agents should be closely related and linked with the Land port authority.
- For import and export- Car pass, custom clearance certificate, commercial invoice, parking and weighting list are usually needed in land ports.
- Car pass integration and digitalization are required for increasing time efficiency in land port trade.
- For the Indian drivers, Terminal and accommodation facility is there but they are reluctant to use the facilities.
- In most cases, for goods imported from India, the assessment is weight-based. The land port authority manages this weighing process and helps customs by providing the information. As the coordination is now better than before, the weighting process and information dissemination have become faster as well.
- In case of goods that need to be kept in shade, there is a posting system in which a specific product will enter in which shed are mentioned. The land port authority manages this process swiftly and assessment also starts when goods are in the shed.
- Land port authority's functions include taking weight, keeping the goods in a shed or yard, and after receiving the release order, releasing the goods.
- For ensuring efficient operating hours, land ports can engage manpower based on peak and off-peak hours.
- Women members should be included in the management of the land ports.
- Port holidays need to be fixed by consulting with the Indian side to ensure uninterrupted trade.
- Roadways connecting the land ports are not up to standard which delays shipment.

- In the land ports, perishable products face issues because of a lack of cold storage and cold chain facilities.
- Along with efficiency and effectiveness, port resilience is also important now. For port resilience, communications strategy development, technological solution, and mitigation measures are necessary.
- The number of Board members of BLPA should be increased and stakeholders should be included as board members.
- Proper Human Resource Management and Accountability systems are essential in the Land Ports for developing workforce capacities.
- Bank facilities should be made available inside the port premises.
- Unnecessary and miscellaneous charges in the land ports should be addressed and eliminated.

BGB

- BGB checking in some land ports are repetitive which should be addressed to reduce the hassle of the port users.

Immigration

- For improving the present immigration system, the number of workforces needs to be increased in the immigration.
- When passengers enter the land port, only the passenger entry charge of 42 taka is received and checked. This process should be eliminated to reduce the congestion of passengers in the land ports.
- Drivers coming from India enter and exit Bangladesh without immigration documents while keeping their trucks in Benapole side of the land ports which creates a security risk.

Quarantine and Testing

- The presence of Quarantine and testing facilities is not equally important for all the land ports rather some land ports need them more. For instance, Benapole, Bhomra, Akhaura, Banglabandha, Bhomra, Teknaf land ports and other land ports that specially deal with perishable products mostly.
- An Express Mail Transfer Service can be used for sending samples to Dhaka where testing will be done and reports will be uploaded in the website for reducing time and cost and to increase efficiency.
- In case of testing facilities, except quarantine, other government testing facilities are not available in land ports.
- Some consignments are delayed in port release due to the BSTI laboratory testing time requirements.
- NSW will also include testing organizations like the atomic energy commission to share certificates and other information seamlessly.
- BSTI provides two types of clearance certificates, one is temporary clearance, and another is final clearance. Final clearance is issued after laboratory testing.
- There is a specific timeline (maximum 8 days, minimum 72 hours for some) for testing and providing certificates for 69 products and this timeline can be reduced for some products.

- Sample for testing is usually carried or sent to the Dhaka labs by the client. In this regard, to reduce time, an express system can be initiated where the sample will be sent through courier companies.
- The timeline of the specific testing period should be decreased to ensure time efficiency in the testing procedure.
- Major land ports should have all possible testing facilities of BSTI. Other Land ports may initiate a Booth system for collecting and sending the samples to nearby testing labs.
- C&F agents often provide misdeclaration which creates problems for BSTI to provide timely testing result.
- Testing takes time because there is a specific time requirement for some testing procedures. For instance, fumigation takes a minimum of 3-5 days.
- Some products only require “Eye Inspection” which may take 10 minutes only. Some products require microbial tests that take around 7 days of time.
- Quarantine should be granted access to the IGM (Import General Manifest) module for seamless information sharing.
- In case of exports, perishable goods are often eye-inspected which takes 10 minutes to 1 hour. In case of import, seeds that require germination take 3 to a maximum of 7 days for completing the testing facilities.
- Testing facilities may include emergency and regular testing systems so that goods can be tested on an emergency basis to reduce trade time.

Miscellaneous

- Land Ports should be categorized, based on functionality in terms of export-import and infrastructure or service development initiatives should be prioritized based on that.
- The importance of land ports was realized during the dreadful pandemic (COVID-19) time. Many Special goods were imported through land ports during that time.
- Among 24 land ports, 3 ports namely Benapole, Burimari and Bhomra are responsible for almost 80% of all land port trade so these 3 land ports can be well improved, most of the problems will be solved.
- Inland waterways can be considered to connect with the land port trade logistics system since cost and time requirement is higher in road transport. A synchronization with inland waterways can make trade faster and less costly.
- Neighboring countries of Bangladesh present a huge market with a 1.8 billion population which is about 25% of the global population. To capture this market, there is no alternative of making land ports efficient for growing trade.
- Recent TRS was done on the basis of 4 categories of goods and the focus should be on the major goods associated with the land ports.
- Smart border, integrated border points, and data sharing type good practices can be considered, for instance, data from the Indian side can be shared with NBR of Bangladesh.
- Smart gates or digital corridor systems of other countries should be considered for replicating the same in case of Bangladesh.
- Rail transportation facilities can be connected with land ports for transport facilitation.

- A designated agency for troubleshooting problems and providing suggestions can help in achieving trade facilitation objectives.
- Training programs can be initiated by Business associations to improve C&F agents' and importer-exporter's knowledge capacities on standard testing, HS code, and port/custom procedures.
- As a signatory of TFA and other agreements, the position of Bangladesh and countries with best practices should be compared for developing a further understating of implementation aspects of the best practices.
- RMG export-import is only allowed in Benapole port and if three more ports namely Bhomra, Shonamashjid and Darshana can allow RMG export-import, the congestion problem in Benapole will be reduced.

Appendix-9: List of relevant laws, policies etc.

Bangladesh Land Port Act 2001

রেজিস্টার্ড নং ডি এ-১



অতিরিক্ত সংখ্যা
কর্তৃপক্ষ কর্তৃক প্রকাশিত

সোমবার, এপ্রিল ১৬, ২০০১

বাংলাদেশ জাতীয় সংসদ

ঢাকা, ১৬ই এপ্রিল, ২০০১/৩রা বৈশাখ, ১৪০৮

সংসদ কর্তৃক গৃহীত নিম্নলিখিত আইনটি ১৬ই এপ্রিল, ২০০১ (৩রা বৈশাখ, ১৪০৮) তারিখে রাষ্ট্রপতির সম্মতি লাভ করিয়াছে এবং এতদ্বারা এই আইনটি সর্বসাধারণে অবগতির জন্য প্রকাশ করা যাইতেছে :-

২০০১ সনের ২০নং আইন

স্থলপথে পণ্য আমদানী ও রপ্তানী সহজতর ও উন্নততর করার জন্য স্থল বন্দর প্রতিষ্ঠা এবং উহার পরিচালনা, ব্যবস্থাপনা, উন্নয়ন, সম্প্রসারণ ও সংরক্ষণের জন্য স্থলবন্দর কর্তৃপক্ষ প্রতিষ্ঠাকল্পে প্রণীত আইন

যেহেতু স্থলপথে পণ্য আমদানী ও রপ্তানী সহজতর ও উন্নততর করার জন্য স্থলবন্দর প্রতিষ্ঠা এবং উহার পরিচালনা, ব্যবস্থাপনা, উন্নয়ন, সম্প্রসারণ, সংরক্ষণ ও আনুষঙ্গিক বিষয়াদির জন্য স্থলবন্দর কর্তৃপক্ষ প্রতিষ্ঠাকল্পে বিধান করা সমীচীন ও প্রয়োজনীয় ;

সেহেতু এতদ্বারা নিম্নরূপ আইন করা হইল :-

১। সংক্ষিপ্ত শিরোনাম ও প্রবর্তন।—(১) এই আইন বাংলাদেশ স্থলবন্দর কর্তৃপক্ষ আইন, ২০০১ নামে অভিহিত হইবে।

(২) সরকার, গেজেটে প্রজ্ঞাপন দ্বারা, যে তারিখ নির্ধারণ করিবে সেই তারিখে এই আইন বলবৎ হইবে।

২। সজ্ঞা।—বিষয় বা প্রসংগের পরিপন্থী কোন কিছু না থাকিলে, এই আইনে-

- (ক) "কর্তৃপক্ষ" অর্থ এই আইনের দ্বারা ৪ এর অধীন প্রতিষ্ঠিত বাংলাদেশ স্থল বন্দর কর্তৃপক্ষ ;
- (খ) "চেয়ারম্যান" অর্থ বোর্ডের চেয়ারম্যান ;
- (গ) "নির্ধারিত" অর্থ এই আইনের অধীনে প্রণীত বিধি দ্বারা নির্ধারিত ;
- (ঘ) "প্রবিধান" অর্থ এই আইনের অধীন প্রণীত প্রবিধান ;
- (ঙ) "বিধি" অর্থ এই আইনের অধীন প্রণীত বিধি ;
- (চ) "অপারেটর" অর্থ ধারা ৯ (১) এর অধীন নিযুক্ত অপারেটর ;
- (ছ) "বোর্ড" অর্থ এই আইনের ধারা ৬ এর অধীন গঠিত বোর্ড ;
- (জ) "সদস্য" অর্থ বোর্ডের সদস্য ;
- (ঝ) "স্থল বন্দর" অর্থ এই আইনের ধারা ৩ এর অধীন ঘোষিত কোন স্থল বন্দর ।

৩। স্থল বন্দর ঘোষণা ও উহার সীমা নির্ধারণ।- Customs Act, 1969 (IV of 1969) এর section 9 এর Clause (b) এর অধীন ঘোষিত কোন স্থল শুষ্ক স্টেশন (land customs station) কে সরকার, সরকারী গেজেটে প্রজ্ঞাপন দ্বারা, স্থল বন্দর বলিয়া ঘোষণা করিতে পারিবে :

তবে শর্ত থাকে যে, সরকার সরকারী গেজেটে প্রজ্ঞাপন দ্বারা, কোন স্থল বন্দরের সীমা পরিবর্তন ও পরিবর্ধন করিতে পারিবে ।

৪। কর্তৃপক্ষ প্রতিষ্ঠা।—(১) এই আইন বলবৎ হইবার পর সরকার, যতশীঘ্র সম্ভব, এই আইনের উদ্দেশ্য পূরণকল্পে, সরকারী গেজেটে প্রজ্ঞাপন দ্বারা, বাংলাদেশ স্থল বন্দর কর্তৃপক্ষ নামে একটি কর্তৃপক্ষ প্রতিষ্ঠা করিবে ।

(২) কর্তৃপক্ষ একটি সর্ববিধিবদ্ধ সংস্থা হইবে এবং উহার স্থায়ী ধারাবাহিকতা ও একটি সাধারণ সীলমোহর থাকিবে এবং এই আইনের বিধানাবলী সাপেক্ষে, উহার স্থাবর ও অস্থাবর উভয় প্রকার সম্পত্তি অর্জন করার, অধিকারে রাখার ও হস্তান্তর করার ক্ষমতা থাকিবে এবং উহার নামে উহার পক্ষে বা বিরুদ্ধে মামলা দায়ের করা যাইবে ।

৫। পরিচালনা ও প্রশাসন।—(১) কর্তৃপক্ষের পরিচালনা ও প্রশাসন একটি বোর্ডের উপর ন্যস্ত থাকিবে এবং কর্তৃপক্ষ যে সকল ক্ষমতা প্রয়োগ ও কার্য সম্পাদন করিতে পারিবে বোর্ডও সেই সকল ক্ষমতা প্রয়োগ ও কার্য সম্পাদন করিতে পারিবে ।

(২) বোর্ড উহার কার্যাবলী সম্পাদনের ক্ষেত্রে সরকার কর্তৃক সময় সময় প্রদত্ত নির্দেশনা অনুসরণ করিবে ।

৬। বোর্ড গঠন।—(১) বোর্ড নিম্নবর্ণিত সদস্য সমন্বয়ে গঠিত হইবে, যথা :-

- (ক) একজন চেয়ারম্যান ;
- (খ) তিনজন সার্বক্ষণিক সদস্য ; এবং
- (গ) তিনজন খণ্ডকালীন সদস্য, যাহাদের মধ্যে একজন আভ্যন্তরীণ সম্পদ বিভাগের কর্মকর্তা এবং অন্য একজন শিল্প ও বাণিজ্যে নিয়োজিত বেসরকারী ব্যক্তি হইবেন ।

(২) চেয়ারম্যান ও সার্বক্ষণিক সদস্যগণ সরকার কর্তৃক নিযুক্ত হইবেন ও কর্তৃপক্ষের সার্বক্ষণিক কর্মকর্তা হইবেন এবং সরকার কর্তৃক নির্ধারিত মেয়াদে ও শর্তাধীনে কর্মরত থাকিবেন।

(৩) খন্ডকালীন সদস্যগণ সরকার কর্তৃক নিযুক্ত হইবেন এবং নিয়োগের তারিখ হইতে দুই বৎসরের মেয়াদে স্থায় পদে বহাল থাকিবেন এবং পুনরায় নিয়োগ যোগ্য হইবেন।

(৪) চেয়ারম্যান কর্তৃপক্ষের প্রধান নির্বাহী কর্মকর্তা হইবেন।

(৫) চেয়ারম্যানের পদ শূন্য হইলে কিংবা অনুপস্থিতি বা অসুস্থতা হেতু বা অন্য কোন কারণে চেয়ারম্যান দায়িত্ব পালনে অসমর্থ হইলে, শূন্য পদে নবনিযুক্ত চেয়ারম্যান কার্যভার গ্রহণ না করা পর্যন্ত কিংবা চেয়ারম্যান পুনরায় স্থায় দায়িত্ব পালনে সমর্থ না হওয়া পর্যন্ত সরকার কর্তৃক মনোনীত কোন সার্বক্ষণিক সদস্য চেয়ারম্যানের দায়িত্ব পালন করিবেন।

৭। **বোর্ডের সভা**।—(১) এই ধারার অন্যান্য বিধানাবলী সাপেক্ষে, বোর্ড উহার সভায় কার্যপদ্ধতি নির্ধারণ করিতে পারিবে।

(২) বোর্ডের সভা চেয়ারম্যান কর্তৃক নির্ধারিত স্থান ও সময়ে অনুষ্ঠিত হইবে।

তবে শর্ত থাকে যে, প্রতি দুই মাসে বোর্ডের কমপক্ষে একটি সভা অনুষ্ঠিত হইবে।

(৩) বোর্ডের সভায় কোরামের জন্য একজন সার্বক্ষণিক সদস্যসহ অন্যান্য দুইজন সদস্যের উপস্থিতির প্রয়োজন হইবে।

(৪) বোর্ডের সভায় প্রত্যেক সদস্যের একটি করিয়া ভোট থাকিবে এবং ভোটের সমতার ক্ষেত্রে সভায় সভাপতিত্বকারী ব্যক্তির একটি দ্বিতীয় বা নির্ণায়ক ভোট প্রদানের ক্ষমতা থাকিবে।

(৫) বোর্ডের সকল সভায় চেয়ারম্যান সভাপতিত্ব করিবেন এবং তাঁহার অনুপস্থিতিতে চেয়ারম্যান হইতে এতদুদ্দেশ্যে ক্ষমতাপ্রাপ্ত কোন সার্বক্ষণিক সদস্য উক্ত সভায় সভাপতিত্ব করিবেন।

(৬) বোর্ডের কোন কার্য বা কার্যধারা কেবলমাত্র বোর্ডের কোন সদস্যপদে শূন্যতা বা বোর্ড গঠনে ত্রুটি থাকার কারণে অবৈধ হইবে না এবং তৎসম্পর্কে কোন প্রশ্নও উত্থাপন করা যাইবে না।

৮। **কর্তৃপক্ষের ক্ষমতা ও কার্যাবলী**।—(১) এই আইনের অন্যান্য বিধান সাপেক্ষে, কর্তৃপক্ষ এই আইনের উদ্দেশ্য পূরণকল্পে প্রয়োজনীয় ক্ষমতা প্রয়োগ ও কার্য সম্পাদন করিতে পারিবে।

(২) উপ-ধারা (১) এর অধীন ক্ষমতা ও কার্যাবলীর সামগ্রিকতা ক্ষুণ্ণ না করিয়া, কর্তৃপক্ষ বিশেষ করিয়া নিম্নরূপ ক্ষমতা প্রয়োগ ও কার্য সম্পাদন করিতে পারিবে, যথা :-

(ক) স্থল বন্দর পরিচালনা, ব্যবস্থাপনা, উন্নয়ন, সম্প্রসারণ ও সংরক্ষণের নীতি প্রণয়ন ;

(খ) স্থল বন্দরের পণ্য গ্রহণ, সংরক্ষণ ও প্রদানের জন্য অপারেটর নিয়োগ ;

(গ) সরকারের পূর্বনুমোদনক্রমে স্থল বন্দর ব্যবহারকারীদের নিকট হইতে আদায়যোগ্য কর, টোল, রেইট ও ফিসের তফসিল প্রণয়ন ;

(ঘ) এই আইনের উদ্দেশ্য পূরণকল্পে কাহারও সহিত কোন চুক্তি সম্পাদন।

(৩) কর্তৃপক্ষের দায়িত্বশীল পণ্যের ক্ষতি, ধ্বংস বা বিনষ্টের জন্য কর্তৃপক্ষ এইরূপ দায়ী থাকিবে যেরূপ Contract Act, 1872 (IX of 1872) এর sections 151, 152, 161 এবং 164 এর অধীন একজন বেইলী (bailee) দায়ী থাকেন :

তবে শর্ত থাকে যে, কর্তৃপক্ষ কর্তৃক কোন পণ্যের দায়িত্ব গ্রহণের তারিখ হইতে দশদিন অতিক্রান্ত হওয়ার পর এই উপ-ধারার অধীন কর্তৃপক্ষকে দায়ী করা যাইবে না।

৯। অপারেটর।—(১) কর্তৃপক্ষ কোন স্থল বন্দরে পণ্য গ্রহণ, সংরক্ষণ ও প্রদানের জন্য প্রয়োজন মনে করিলে, নির্ধারিত পদ্ধতি ও শর্তে কোন ব্যক্তি বা প্রতিষ্ঠানকে অপারেটর হিসাবে নিয়োগ করিতে পারিবে।

(২) অপারেটরের দায়িত্বাধীন পণ্যের ক্ষেত্রে ধারা ৭ এর উপ-ধারা (৩) এর বিধান প্রয়োজনীয় সংশোধন সাপেক্ষে, প্রযোজ্য হইবে।

১০। কর ইত্যাদির তফসিল।—কর্তৃপক্ষ সরকারের পূর্বানুমোদনক্রমে এবং সরকারী গেজেটে প্রজ্ঞাপন দ্বারা স্থলবন্দর ব্যবহারকারীদের নিকট হইতে আদায়যোগ্য কর, টোল, রেইট ও ফিসের তফসিল প্রণয়ন করিবে।

১১। টোল ইত্যাদি মওকুফ ও আদায়।—(১) কর্তৃপক্ষ বিশেষ ক্ষেত্রে, সরকারের অনুমোদনক্রমে, ধারা ১০ এর অধীন প্রণীত তফসিল অনুযায়ী আদায়যোগ্য কর, টোল, রেইট ও ফিস সম্পূর্ণ বা আংশিক মওকুফ করিতে পারিবে।

(২) কোন স্থল বন্দর ব্যবহারকারী ধারা ১০ এর অধীন প্রণীত তফসিল অনুযায়ী আদায়যোগ্য কর, টোল, রেইট, ফিস বা অন্য কোনো পাওনা পরিশোধ করিতে ব্যর্থ হইলে উহা Public Demands Recovery Act, 1913 (Ben. Act III of 1913) এর অধীন সরকারী দাবী (Public Demand) হিসাবে আদায়যোগ্য হইবে।

(৩) স্থল বন্দরে রক্ষিত কোন পণ্য সময় মত খালাস করা না হইলে অথবা উক্ত পণ্যের কোন দাবীদার পাওয়া না গেলে কর্তৃপক্ষ Customs Act, 1969 (IV of 1969) এর বিধান অনুযায়ী উহার বিলিবন্দেজ (disposal) করিবে।

১২। কর্মকর্তা ও কর্মচারী নিয়োগ ইত্যাদি।—(১) কর্তৃপক্ষ উহার কার্যাবলী সুষ্ঠুভাবে সম্পাদনের উদ্দেশ্যে প্রয়োজনীয় সংখ্যক কর্মকর্তা ও কর্মচারী নিয়োগ করিতে পারিবে :

তবে শর্ত থাকে যে, সরকারের পূর্বানুমোদন ব্যতিরেকে কর্তৃপক্ষ কোন কর্মকর্তা ও কর্মচারীর পদ সৃষ্টি করিতে পারিবে না।

(২) কর্তৃপক্ষের কর্মকর্তা ও কর্মচারীদের নিয়োগ পদ্ধতি ও চাকুরীর শর্তাবলী প্রবিধান দ্বারা নির্ধারিত হইবে।

(৩) সরকার, সর্বমুঠ পক্ষগণের সম্মতিক্রমে, কর্তৃপক্ষের কোন কর্মকর্তা বা কর্মচারীকে নিম্নবর্ণিত যে কোন সংস্থায় এবং উক্ত সংস্থাসমূহের কোন কর্মকর্তা বা কর্মচারীকে কর্তৃপক্ষে গ্রেষণে নিয়োগ করিতে পারিবে, যথাঃ-

- (ক) মংলা বন্দর কর্তৃপক্ষ (Mongla Port Authority) ;
- (খ) চট্টগ্রাম বন্দর কর্তৃপক্ষ (Chittagong Port Authority) ;
- (গ) বাংলাদেশ আভ্যন্তরীণ নৌ-পরিবহন কর্তৃপক্ষ (Bangladesh Inland Water Transport Authority) ;
- (ঘ) বাংলাদেশ আভ্যন্তরীণ নৌ-পরিবহন কর্পোরেশন (Bangladesh Inland Water Transport Corporation) ;
- (ঙ) বাংলাদেশ শিপিং কর্পোরেশন (Bangladesh Shipping Corporation)।

১৩। ক্ষমতা অর্পণ।—কর্তৃপক্ষ, সাধারণ অথবা কোন বিশেষ আদেশ দ্বারা, উহার যে কোন ক্ষমতা বা দায়িত্ব সুনির্দিষ্ট শর্তে চেয়ারম্যান, অন্য কোন সদস্য বা উহার কোন কর্মকর্তাকে অর্পণ করিতে পারিবে।

১৪। কর্তৃপক্ষের তহবিল।—(১) কর্তৃপক্ষের একটি তহবিল থাকিবে এবং উহাতে নিম্নবর্ণিত অর্থ জমা হইবে, যথা :—

- (ক) সরকার কর্তৃক প্রদত্ত অনুদান ;
- (খ) কর্তৃপক্ষ কর্তৃক গৃহীত ঋণ ;
- (গ) কোন স্থানীয় কর্তৃপক্ষ বা অন্য কোন ব্যক্তি বা প্রতিষ্ঠান কর্তৃক প্রদত্ত অনুদান ;
- (ঘ) কর্তৃপক্ষের সম্পত্তি বিক্রয়লব্ধ অর্থ ;
- (ঙ) কর্তৃপক্ষ কর্তৃক আদায়কৃত কর, টোল, রেইট ও ফিস ;
- (চ) অন্য কোন উৎস হইতে প্রাপ্ত অর্থ।

(২) কর্তৃপক্ষের তহবিলে জমাকৃত অর্থ কোন তফসিলি ব্যাংকে জমা রাখা হইবে এবং নির্ধারিত পদ্ধতিতে উক্ত অর্থ উঠানো যাইবে।

(৩) কর্তৃপক্ষের তহবিল হইতে উহার প্রয়োজনীয় ব্যয় নির্বাহ করা হইবে।

(৪) কর্তৃপক্ষের তহবিল বা উহার অংশবিশেষ সরকার কর্তৃক অনুমোদিত খাতে বিনিয়োগ করা যাইবে।

১৫। তহবিলের উন্নত অর্থ সরকারী তহবিলে জমা প্রদান।— প্রতি অর্থ বৎসর শেষে কর্তৃপক্ষ উহার তহবিলের উন্নত অর্থ এতদুদ্দেশ্যে সরকারের নির্দেশনা, যদি থাকে, সাপেক্ষে, সরকারী তহবিলে জমা প্রদান করিবেন।

১৬। বাজেট।—কর্তৃপক্ষ প্রতি বৎসর সরকার কর্তৃক নির্ধারিত সময়ের মধ্যে পরবর্তী অর্থ বৎসর বার্ষিক বাজেট বিবরণী সরকার কর্তৃক নির্ধারিত ফরমে অনুমোদনের জন্য সরকারের নিকট পেশ করিবে এবং উহাতে উক্ত অর্থ বৎসরে সরকারের নিকট হইতে কর্তৃপক্ষের কি পরিমাণ অর্থের প্রয়োজন, উহার উল্লেখ থাকিবে।

১৭। হিসাব রক্ষণ ও নিরীক্ষা।—(১) কর্তৃপক্ষ নির্ধারিত পদ্ধতিতে ও ফরমে উহার হিসাব রক্ষণ করিবে এবং হিসাবের বার্ষিক বিবরণী প্রস্তুত করিবে।

(২) বাংলাদেশ মহা-হিসাব নিরীক্ষক ও নিয়ন্ত্রক, অতঃপর মহা-হিসাব নিরীক্ষক নামে অভিহিত, প্রতি বৎসর কর্তৃপক্ষের নিকট প্রেরণ করিবেন।

(৩) উপ-ধারা (২) মোতাবেক হিসাব নিরীক্ষার উদ্দেশ্যে মহা-হিসাব নিরীক্ষক কিংবা তাহার নিকট হইতে ক্ষমতাপ্রাপ্ত কোন ব্যক্তি কর্তৃপক্ষের সকল রেকর্ড, দলিল-সম্বন্ধে, নগদ বা ব্যাংকে গচ্ছিত অর্থ, জামানত, ভান্ডার এবং অন্যবিধ সম্পত্তি পরীক্ষা করিয়া দেখিতে পারিবেন এবং কর্তৃপক্ষের যে কোন সদস্য, কর্মকর্তা ও কর্মচারীকে জিজ্ঞাসাবাদ করিতে পারিবেন।

(৪) কর্তৃপক্ষের হিসাব প্রত্যেক অর্থ বৎসরে একবার বোর্ড কর্তৃক নিয়ুক্ত, কোন নিরীক্ষক দ্বারা পরীক্ষিত ও নিরীক্ষিত হইবে।

(৫) কর্তৃপক্ষ উক্ত নিরীক্ষককে বোর্ড কর্তৃক নির্ধারিত হারে পারিতোষিক দিবেন।

(৬) প্রত্যেক অর্থ বৎসর সমাপ্তির দুই মাসের মধ্যে কর্তৃপক্ষের হিসাব নিরীক্ষা প্রতিবেদন অনুমোদিত হইতে হইবে।

১৮। প্রতিবেদন।—(১) প্রতি অর্থ বৎসর শেষ হইবার পরবর্তী তিন মাসের মধ্যে কর্তৃপক্ষ তৎকর্তৃক উক্ত অর্থ বৎসরে সম্পাদিত কার্যাবলীর বিবরণ সম্বলিত বার্ষিক প্রতিবেদন সরকারের নিকট পেশ করিবে।

(২) সরকার প্রয়োজনমত কর্তৃপক্ষের নিকট হইতে যে কোন সময় উহার যে কোন কাজের প্রতিবেদন বা বিবরণী আহ্বান করিতে পারিবে এবং কর্তৃপক্ষ উহা সরকারের নিকট প্রেরণ করিতে বাধ্য থাকিবে।

১৯। কর্তৃপক্ষের জন্য জমি হুকুমদখল বা অধিগ্রহণ।—কর্তৃপক্ষের কার্যাবলী সম্পাদনের জন্য কোন জমি প্রয়োজন হইলে উহা জনস্বার্থে প্রয়োজনীয় বলিয়া বিবেচিত হইবে এবং এতদুদ্দেশ্যে উহা The Acquisition and Requisition of Immovable Property Ordinance, 1982 (II of 1982) এর বিধান মোতাবেক হুকুমদখল বা অধিগ্রহণ করা যাইবে।

২০। জনসেবক।—কর্তৃপক্ষের চেয়ারম্যান, অন্যান্য সদস্য, কর্মকর্তা ও কর্মচারীগণ Penal Codo (Act XLV of 1860) এর section 21 এ public servant (জনসেবক) কথাটি যে অর্থে ব্যবহৃত হইয়াছে সেই অর্থে public servant (জনসেবক) বলিয়া গণ্য হইবেন।

২১। বিধি প্রণয়নের ক্ষমতা।—সরকার এই আইনের উদ্দেশ্য পূরণকল্পে, সরকারী গেজেটে প্রজ্ঞাপন দ্বারা বিধি প্রণয়ন করিতে পারিবে।

২২। প্রবিধান প্রণয়নের ক্ষমতা।—কর্তৃপক্ষ, এই আইনের উদ্দেশ্য পূরণকল্পে, সরকারের পূর্বানুমোদনক্রমে এবং সরকারী গেজেটে প্রজ্ঞাপন দ্বারা, এই আইন বা বিধির সহিত অসংগতিপূর্ণ নহে এই রূপ প্রবিধান প্রণয়ন করিতে পারিবে।

২৩। অসুবিধা দূরীকরণ।—এই আইনের বিধানাবলী কার্যকর করিবার ক্ষেত্রে কোন অসুবিধা দেখা দিলে সরকার উক্ত অসুবিধা দূরীকরণার্থ লিখিত আদেশ দ্বারা, প্রয়োজনীয় যে কোন ব্যবস্থা গ্রহণ করিতে পারিবে।

কাজী রকিবউদ্দীন আহমদ
সচিব।

Appendix-10: Terms of reference

Terms of Reference (revised)

Consultancy/Research firm for conducting 04 studies suggested by Project Steering Committee (PSC) in FY 2021-22.

Background

The Government of the People's Republic of Bangladesh has received an SDR 150 million Credit from the International Development Association (IDA) - a member of the World Bank Group - for financing the cost of the Bangladesh Regional Connectivity Project I (BRCP-1), being jointly implemented by the Bangladesh Land Port Authority (BLPA), National Board of Revenue (NBR) and Ministry of Commerce. The second component of this umbrella project is being implemented by the Ministry of Commerce as a separate technical assistance project. The overall objective of this technical assistance project is to strengthen trade related institutional capacity in order to ensure active and sustainable cooperation between multiple trade-related stakeholders and economic empowerment of women traders.

This technical assistance project consists of following three (3) components:

- Component A: Develop (pilot) programs to support female traders and entrepreneurs. This component will pilot activities to help address barriers to women becoming more integrated into regional and global supply chains and trading opportunities.
- Component B: Capacity Development Support for the National Trade and Transport Facilitation Committee. The inter-ministerial National Trade and Transport Facilitation Committee (NTTFC) has been set up to coordinate all trade and transport-related policies and activities in Bangladesh, and will also serve as the Advisory Committee for the Project.
- Component C: Improvements to Bangladesh Trade Portal and to set up a National Enquiry Point for Trade. The Bangladesh Trade Portal (BTP) was launched in March 2016. This component will support further up gradation of the BTP to expand its functionality to include information of relevance to potential Bangladesh exporters and to ensure that content is kept up to date. This component will also set up the National Enquiry Point for Trade, which will help Bangladesh to meet a key requirement of WTO Trade Facilitation Agreement.

The Ministry of Commerce intends to apply part of the IDA Credit for procuring consultancy services from qualified research/consultancy firms or institutions/individuals to conduct three studies selected from the list of studies identified under NTTFC activities of the project (Component B). These studies aim to develop in-depth understanding about three relevant areas of trade facilitation and are directly linked with the activities of three implementing agencies of the BRCP-1 umbrella project.

Study 2: A Compiled policy and regulatory guidelines /standard operating procedures (SOP) for Cross Border Land Port Management with respect to International Trade and transport formalities, procedures, documentations and related matters

In Bangladesh Land Ports are governed and managed by the "Bangladesh Land port authority" (BLPA). This Authority was established in accordance with the Bangladesh Land Port Authority Act, 2001 in order to facilitate better exportation and importation between Bangladesh and its neighbouring countries. BLPA has been active in seeking the improvement of Land routes in Bangladesh ,especially looking at infrastructure development initiatives, increase the efficiency of cargo handling , improving storage facilities and fostering public-private partnership for effective and responsive service delivery at the border. Its activities began under the regulation of the Ministry of Shipping. So far, 23 Land Customs Stations have been declared as Land Ports of which 22 are with India and only one is with Myanmar. These ports are managed by the BLPA as well as private port operators on a build-operate-transfer basis. With the goal of supporting regional connectivity, the BLPA is also active in the South Asia Sub regional Economic Cooperation (SASEC) meeting and other Land Port working group meetings, sharing information on Bangladesh's ongoing projects and experiences and retaining the knowledge needed to remain at the forefront of work that advances regional connectivity.

The Bangladesh Land Port Authority (BLPA) does not make any clear compiled policy and regulatory guidelines or Standard Operating Procedures (SOP) regarding Cross Border Land Port Management and *modus operandi* of international trade, transport formalities, procedures and documentations. Accordingly, given the fact that land port management as part of the country's overall trade economic advancement now need to adopts a broad, comprehensive approach relevant to international good practice In order to achieve the goal of trade facilitation there is a need to make trade across borders (imports and exports) faster, and cheaper and more predictable, whilst ensuring its safety and security. In terms of focus, it is about simplifying and harmonizing formalities, procedures, and the related exchange of information and documents between the various partners in the supply chain. There are great potential gains from trade facilitation for both governments and the business community. . Traders across the border will gain in terms of higher predictability and speed of operations and lower transaction costs, resulting in more competitive exports on global markets. For countries as a whole, reducing unnecessary delays and costs attracts investments, and supports growth and job creation.

In order to facilitate effective border operations, there is a need to have an enabling environment that involves different types of interventions and activities addressing the various dimensions of the government. This includes modernization of border management procedure aiming at a clear, concise, transparent framework. However, it requires an in depth analysis of present land port management and international standards and best practices that are critical for border operations. This study has therefore aimed to conduct a study to do an elaborate analysis of Standard Operating Procedures (SOP) for Cross Boarder Land Port Management that will explore the answers and guide the government through preparing recommendations in the following areas of a compiled policy and regulatory guidelines of border operations:

1. What are the current status of the Bangladesh Land Port Management , which includes speedy international trade procedure, transport formalities, documentations and related issues ;

2. Major institutional weakness for Trade Facilitation and Cross-Border management in Bangladesh including Implementation Gaps and Procedural Hindrances Identified ;
3. Identify the current co-ordination mechanism at the border point and one stop service for the Land Port Management and SOP should be cover both export and import point of view and as the mode of operation varies from the one Land port to other , so there should be categorization need to be incorporated in the SOP;
4. What are the international standards , best practices and technologies elsewhere in terms operation of the Land Port to facilitate better management at the borders;;
5. Requirements of Legislative, Administrative and Policy Reforms Identified
6. What adjustments or modifications are required for making the Bangladesh Land Port management efficient, effective and harmonized for trade facilitation?



**Government of the People's Republic of Bangladesh
Bangladesh Regional Connectivity Project (BRCP)-1
Ministry of Commerce**

**Study: Simplification of Trade Procedures, Customs Modernization,
Ease of Doing Business for Export Promotion of Bangladesh to
Ensure Policy Coherence between National Development Priorities
and International Obligations on Trade Facilitation Agreement**



Bangladesh Foreign Trade Institute (BFTI)

March 2023

**Government of the People's Republic of Bangladesh
Bangladesh Regional Connectivity Project-1
Ministry of Commerce**

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Study: Simplification of Trade Procedures, Customs Modernization, Ease of Doing Business for Export Promotion of Bangladesh to Ensure Policy Coherence between National Development Priorities and International Obligations on Trade Facilitation Agreement

**SUBMITTED TO:
The Project Director
Bangladesh Regional Connectivity Project (BRCP)-1
Ministry of Commerce
Bangladesh Regional Connectivity Project-1**

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Preface

Bangladesh as being one of the fastest growing economies in the world is enabling enormous emphasis on trade. It considers trade as an engine for growth. Trade activities of Bangladesh is not only developing business activities but also expanding the circumference of domestic employment, foreign direct investment and positioning national business to global. Trade communities often face impediments, delays and additional costs due to the complex import, export and customs procedures as well as banking provisions necessary for clearance and shipment of consignments. Pertinently, trade facilitation covers necessary steps that can be taken because of smoothing the flow of trade.

The objectives of the study are to find the current status of Bangladesh in implementation of simplified trade procedures, customs modernization for ease of doing business for export promotion, the policy gaps between the obligation of the Trade Facilitation Agreement (TFA) and present situation in implementation of the TFA in Bangladesh. Furthermore, the study also covers the policy/act/rules to support simplification of trade procedure, documentation, automation and paperless trade according to the international standards, institutional weakness and procedural hindrance and best practice of the regional countries in implementation of TFA.

Moreover, the study also aims to identify the areas of reforms in acts, rules and policies to support simplification of trade procedure, documentation, automation relating to Bangladesh's commitments on Trade Facilitation Agreement (TFA) and provides recommendations useful for the policymakers.

I would like to convey my sincere thanks to BFTI team and all the relevant stakeholders directly and indirectly contributing with their valuable opinions and efforts for the preparation of this report.

Md. Mijanur Rahman

Project Director (Joint Secretary)

Bangladesh Regional Connectivity Project-1

Ministry of Commerce

Acknowledgements

The study addresses to the requirements for improving trade facilitation, in terms of fulfilling the commitments of Bangladesh as a signatory of the Trade Facilitation Agreement (TFA), trade related infrastructure, process efficiency, management capacity, and information transparency with the desired effect of reducing cost and time for cross border trade and for doing business in general.

The study was carried out under the contract signed between Bangladesh Regional Connectivity Project-1 (BRCP 1) and Bangladesh Foreign Trade Institute (BFTI) for conducting the study titled, "Simplification of Trade Procedures, Customs Modernization, Ease of Doing Business for Export Promotion of Bangladesh to Ensure Policy Coherence between National Development Priorities and International Obligations on Trade Facilitation Agreement" jointly funded by the International Development Association (IDA) of the World Bank Group and Government of Bangladesh. The objective of this study is to review the existing status of the trade procedures, policy gaps, institutional weakness and procedural hindrance and ongoing initiatives undertaken for implementing the various commitments under the TFA. The study followed a set of methodological approaches, that included capturing the opinions and perception of a fairly large number of stakeholders identified through a mapping exercise.

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List of Abbreviations and Acronyms

4IR	Fourth Industrial Revolution
ACTS	ASEAN Customs Transit System
ADB	Asian Development Bank
AEC	ASEAN Economic Community
AEO	Authorized Economic Operator
AIT	Advance Income Tax
AMS	ASEAN Member States
API	Active Pharmaceutical Ingredient
APTA	Asia-Pacific Trade Agreement
AR	Advance Ruling
ARMS	Automated Risk Management Software
ART	Average Release Time
ASW	ASEAN Single Window
ASYCUDA	Automated System for Customs Data
ATV	Advance Trade VAT
AWB	Air Waybill
AWSC	ASEAN-wide Self-Certification Scheme
BAEC	Bangladesh Atomic Energy Commission
BAPA	Bangladesh Agro-Processors Association
BAPI	Bangladesh Association of Pharmaceutical Industries
BB	Bangladesh Bank
BBIN	Bangladesh, Bhutan, India, Nepal
BBMPEA	Bangladesh Bi-cycle & Parts Manufacturers and Exporters Association
BCMEA	Bangladesh Ceramic Manufacturers and Exporters Association
BEIOA	Bangladesh Engineering Industries Owners Association
BEPZA	Bangladesh Export Processing Zones Authority
BEZA	Bangladesh Economic Zones Authority
BFFEA	Bangladesh Frozen Foods Exporters Association
BFLLEA	Bangladesh Finished Leather, Leathergoods and Footwear Exporters' Association
BFTI	Bangladesh Foreign Trade Institute
BGB	Border Guard Bangladesh
BGMEA	Bangladesh Garments Manufacturers and Exporters Association
BGVAPEA	Bangladesh Fruits, Vegetables & Allied Product Exporters Association
BHTPA	Bangladesh Hi-Tech Park Authority
BICF	Bangladesh Investment Climate Fund
BIDA	Bangladesh Investment Development Authority
BIMSTEC	Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation
BIN	Business Identification Number

BIWTA	Bangladesh Inland Water Transport Authority
BJGEA	Bangladesh Jute Goods Exporters Association
BJMC	Bangladesh Jute Mills Corporation
BJSA	Bangladesh Jute Spinners Association
BKMEA	Bangladesh Knitwear Manufacturers and Exporters Association
BLPA	Bangladesh Land Port Authority
BOE or B/E	Bill of Entry
BPA	Business Process Analysis
BPO	Business Process Outsourcing
BPR	Business Process Reengineering
BRCP-1	Bangladesh Regional Connectivity Project-1
BRTA	Bangladesh Road Transport Authority
BSTI	Bangladesh Standards & Testing Institute
BTA	Bangladesh Tanners Association
BTMA	Bangladesh Textile Mills Association
BTP	Bangladesh Trade Portal
BTTC	Bangladesh Trade and Tariff Commission
BTTLMEA	Bangladesh Terry Towel & Linen Manufacturers and Exporters Association
BWM	Bonded Warehouse Module
CAAB	Civil Aviation Authority of Bangladesh
CAT	Customs Appeal Tribunal
CBM	Coordinated Border Management
CCCI	Chittagong Chamber of Commerce and Industries
CCH	Chattogram Custom House
CCI&E	Chief Controller of Imports and Exports
CD	Customs Duty
CEVTA	Customs, Excise and VAT Training Academy
CFS	Container Freight Station
CH	Customs House
CIB	Credit Information Bureau
CIF	Cost, Insurance and Freight
CITES	Convention on International Trade in Endangered Species
CMAA	Customs Manual Administrative Assistance Agreement
CPA	Chattogram Port Authority
CTMS	Clinical trial management system
D8	D-8 Organization for Economic Cooperation
DA	Document against Acceptance
DAE	Department of Agricultural Extension
DCCI	Dhaka Chamber of Commerce & Industry
DFQF	Duty-Free Quota-Free
DLS	Department of Livestock Services
DP	Document against Payment
EBA	Everything But Arms

ECTS	Electronic Cargo Tracking System
EDI	Electronic Data Interchange
EPB	Export Promotion Bureau
EPC	Engineering, Procurement, and Consultancy
EPZ	Export Processing Zone
ERC	Export Registration Certificate
ERD	Economic Relations Division
EU	European Union
FBCCI	Federation of Bangladesh Chambers of Commerce and Industry
FDI	Foreign Direct Investment
FGD	Focus Group Discussion
FoB	Free on Board
FTA	Free Trade Agreement
FY	Fiscal Year
GDP	Gross Domestic Product
GSP	Generalized System of Preference
GTFP	Global Trade Facilitation Programme
HS Code	Harmonized System Code
HSIA	Hazrat Shahjalal International Airport
IATA	International Air Transport Association
ICAO	International Civil Aviation Organization
ICCB	International Chamber of Commerce Bangladesh
ICD	Inland Container Depot
ICT	Information and Communication Technology
IFC	International Finance Corporation
IGM	Import General Manifest
IIT	Imports and Internal Trade
IMF	International Monetary Fund
IMP	Import Permission
IPO	Import Policy Order
IRC	Import Registration Certificate
IRD	Internal Resources Division
JICA	Japan International Cooperation Agency
KII	Key Informant Interview
LC	Letter of Credit
LCA	Letter of Credit Agreement
LCS	Land Customs Station
LDC	Least Developed Countries
LFMEAB	Leather Footwear Manufacturers and Exporters Association of Bangladesh
LPI	Logistics Performance Index
MCCI	Metropolitan Chamber of Commerce and Industry
MIC	Middle-Income Country
MoC	Ministry of Commerce

MoF	Ministry of Finance
MoU	Memorandum of Understanding
MRA	Mutual Recognition Agreement
MVA	Motor Vehicles Agreement
NBR	National Board of Revenue
NEP	National Enquiry Point
NGOs	Non-Government Organisations
NoC	No Objection Certificate
NSW	National Single Window
NTFC	National Trade Facilitation Committee
NTM	Non-Tariff Measures
OGA	Other Government Agencies
OPCW	Organisation for the Prohibition of Chemical Weapons
OSS	One Stop Service
PAP	Pre-arrival processing
PC	Public Consultation
PCAs	Post-Clearance Audits
PI	Pro-forma Invoice
PNR	Passenger Name Record
PTB	Para Tariff Barriers
RD	Regulatory Duty
REX	Registered Exporter System
RFID	Radio Frequency Identification
RILO-AP	Regional Intelligence Liaison Office for Asia and the Pacific
RJSC	Registrar of Joint Stock Companies and Firms
RKC	Revised Kyoto Convention
RM	Risk Management
RMCD	Royal Malaysian Customs Department
RMG	Ready-Made Garment
RMU	Risk Management Unit
RTGS	Real Time Gross Settlement
S&DT	Special and Differential Treatment
SAARC	South Asian Association for Regional Cooperation
SAFE	Standards to Secure and Facilitate Trade
SAFE FOS	SAFE Framework of Standards
SAPTA	South Asian Free Trade Area
SASEC	Asia Social and Economic Cooperation
SBW	Special Bonded Warehouse
SD	Supplementary Duty
SECO	State Secretariat for Economic Affairs
SMK	Sistem Maklumat Kastam'
SOPs	Standard Operating Procedures
SPS	Sanitary and Phytosanitary

SRO	Statutory Regulatory Orders
STDB	Singapore Trade Development Board
SW	Single Window
SWOT	Strength, Opportunity, Weakness, and Threat
TCB	Trading Corporation of Bangladesh
TEUs	Twenty-Foot Equivalent Units
TFA	Trade Facilitation Agreement
TFCWG	Trade Facilitation Cluster Working Group
TFGR	Task Force for Greece
TIN	Tax Identification Number
TOS	Terminal Operating System
TRS	Time Release Study
TSC	Tariff Specific Code
TT	Trusted Trader
UNCTAD	United Nations Conference on Trade and Development
UNECE	United Nations Economic Commission for Europe
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNODC	United Nations Office on Drugs and Crime
USAID	United States Agency for International Development
USD	US Dollar
VAT	Value Added Tax
VOA	Visa On Arrival
VW	Validation Workshop
WB	World Bank
WCO	World Customs Organization
WIPO	World Intellectual Property Organization
WTO	World Trade Organization

Executive Summary

Simplified trade procedures with customs modernization and a business-friendly taxation system can reduce the cost of doing business and enhance the position of Bangladesh. Trade communities often face various impediments, delays and additional costs due to the complex procedures about export & import, customs and banking provisions for clearance and shipment of consignments. Pertinently, trade facilitation covers necessary steps that can be taken because of smoothing the flow of trade.

In this context, the study was carried out under the contract signed between Bangladesh Regional Connectivity Project-1 (BRCP 1) and Bangladesh Foreign Trade Institute (BFTI) for conducting the study titled, “Simplification of Trade Procedures, Customs Modernization, Ease of Doing Business for Export Promotion of Bangladesh to Ensure Policy Coherence between National Development Priorities and International Obligations on Trade Facilitation Agreement” jointly funded by the International Development Association (IDA) of the World Bank Group and Government of Bangladesh. The objective of the research is to identify the gaps in the ongoing national initiatives in implementing Trade Facilitation Agreement (TFA), customs modernization, and ease of doing business.

The study has shed light on the weakness in the policy and regulatory framework, cost of doing business, extra cost implication in trade and put emphasis on required capacity building, easing process of trade through TFA implementation. This study intends to serve the broader objectives of the national initiative to promote export led growth of the economy and that in turn generate employment, exploiting demographic dividend of the country.

In the introductory **Chapter**, this study discusses the background, purpose, rationale, and scope of the report along with a brief description of methodological approach of the study. The data of the study was gathered from both primary and secondary sources. A survey was conducted to capture the perception of the field level stakeholders engaged in trade and trade related services. The stakeholders included government agencies, private sector traders and sectoral associations, chambers, academia, and think tanks. In addition, the relevant stakeholders were consulted to gather insights from their views and suggestions on the trade facilitation procedure through Key Informant Interviews (KIIs), a Focus Group Discussion (FGD), a Public Consultation (PC) and finally a Validation Workshop (VW).

In **Chapter 2**, the report reviews the existing procedural steps of customs in export and import in general and attempts to find out the problematic areas or gaps and existing redundancies in the export and import procedures identified by the stakeholders. The bottlenecks, restricting the attempts to improve the ease of doing business are also discussed in this chapter.

The **Chapter 3** explores the ongoing initiatives on customs modernization and its strategic benefits are also discussed in this chapter. It underscores the requirements for customs modernization and what benefits it would bring for the businesses and the government, and so forth. The chapter also captures the present situation, the prevailing gaps, areas of improvement, commitments from the government, and ongoing initiatives and future plans for improvements and reforms. The areas of improvements and reforms covers not only the policy and legislative frameworks, but also the capacity building needs of the institutions responsible for implementation. This chapter also highlight commitments of Bangladesh under the WTO's TFA and implementation status. The chapter also conveys the importance in the trade facilitation procedures and existing implementation status of commitments to the WTO's TFA.

Chapter 4 presents a synopsis of the major laws, regulating and having direct relevance to the trade procedures in Bangladesh. It explores that trade facilitation can be ensured by reducing the complexity of regulatory regimes and simplification of trade procedures, documentation, automation and paperless trade to ease the business process. The chapter further stressed that the regulatory authorities need to make customs formalities and procedures simple, more transparent, and more efficient. Similarly, the expansion of the opportunities for the Authorized Economic Operator (AEO) system and National Single Window (NSW) to availability for traders while Customs Modernization Action Plan 2019-22 needs to be implemented within the shortest possible time. Moreover, the chapter further emphasized digital activities to collect fair taxes and a fully automated VAT return system to reduce the hassles and lengthy procedures of tax returns. Furthermore, the chapter reveals that owing to the lack of connectivity between the ASYCUDA software of customs and port authority, more time is required for the clearance of goods and products. Hence, coordination in different regulatory bodies at the port including customs, port authorities, C&F agents and logistic services becomes a significant issue for trade facilitation.

Chapter 5 describes the weaknesses and procedural hindrances faced by the traders and manufacturers at the major institutions responsible for providing trade related services. This chapter identifies the areas and ways of improvements in trade logistics, lead-time, customs clearance and release of goods and associated documents. The

chapter is an exploratory nature, narrates the level of governance and transparency in providing public services, building institutional capacity in terms of infrastructure and human capital, and increasing inter-agency cohesion.

Chapter 6 explores the implementation of TFA in regional countries. The chapter outlined the present scenario of TFA of countries like China, Myanmar, Bhutan, Sri Lanka, Vietnam, and Malaysia. Bangladesh's current progress on TFA implementation commitments is 44.5% with a time-frame spanning from February 2018 to June 2030 for full implementation. The Chapter also discusses some of the best practices for implementing TFA measures like Singapore's TradeNet system of single window, Vietnam's reform of the customs administration for a transparent and harmonized customs system, and Greece's national trade facilitation strategy. In this chapter, the study sought out centralized, decentralized and shared implementation aspects of TFA measures. For centralized efforts, customs authority generally takes the lead in establishing such a system in collaboration with other agencies of the government and Chamber of Commerce and Industry. Decentralization systems like a single window system and AEO can also play significant roles in trade facilitation. Shared implementations with different organization in port area, like cross border agency cooperation with relevant stakeholders, coordination and collaboration of customs and/or other governmental agencies with other relevant stakeholders are also crucial for achieving the TFA goals swiftly.

Chapter 7 narrates the procedures followed for primary data collection, summarizes them and highlights a number of insights regarding the regulation, infrastructure investment, customs modernization, border crossing environment, streamlining of documentary requirements and information flows, automation and electronic data interchange (EDI), ports efficiency, logistics and transport services: regulation and competitiveness, transit and multimode transport and transport security, expressed by the respondents of the FGD, KIIs, Public Consultation and Survey. However, they are often views expressed by an individual, and could not be verified or crosschecked independently.

Finally, a set of recommendations are put forward with a view to ensuring trade facilitation while addressing the regulatory and policy related gap in complex trade procedure of Bangladesh. Similarly, integrated approach for extending the cooperation among the different agencies in trade like customs, port, BGB, C&F agents and other agencies need to be ensured to ease the procedure of trade. The recommendations are related to simplification of trade procedures including gradual full automation and digitalization of services and documentation, expediting the national single window, implementation of the recommendations of time release

studied, integration, capacity development, and renewal of license period; customs modernization including resolving HS code dispute, implementation of WTO and WCO rules for customs, procedures and clearance, automation, paperless trade documentation, dissemination of notifications, interagency cooperation, tariff system, customs testing and laboratories, HS code dispute settlement and classification, policy reform and capacity development of customs, appeal system and port charges; enhanced trade facilitation policies by cooperation in risk management, border agency cooperation, inter-agency cooperation, planned investment, logistics improvement; acts, and rules of Bangladesh; and lessons from implementation of TFA in regional countries.

Chapter 1: Introduction

1.1 Background

Bangladesh has adopted export-led growth strategy. Hence, Bangladesh needs to underscore adequate infrastructure development, put in place the modern custom procedures with rational taxation and custom act along with efficient logistic supports to facilitate a trade-friendly regime. Addressing efficient trade logistic supports, improved storage facilities and efficient custom station management especially in Land or Seaports also need to be ensured in order to reduce the time and cost of doing business.

For improving the trading environment of a country, Bangladesh requires to ensure easy access to Export Registration Certificate (ERC), Import Registration Certificate (IRC), Back-to-Back Letter of Credit (LC) facilities while facilitating the international factoring process as per the declared guidelines of Bangladesh Bank. Along with this, a congenial legal environment to ease the business process like implement contracts, simplification of trade license and company registration process, etc. need to be ensured.

According to the World Trade Report¹ (2015) of the World Trade Organization (WTO), by some estimates, full implementation of Trade Facilitation Agreement (TFA) has the ability to reduce the cost of trade by an average of 14.3% and may expand global exports between US\$1.8-US\$3.6 trillion per annum apart from raising GDP growth, revenue and generating employment with a quality living standard. It is true that the export-led manufacturing sector reached new height with 12.31%² growth in FY2021-22(p³), creating ample opportunity to transform Bangladesh. These issues imply that Bangladesh should put more emphasis on trade facilitation as well diversification of product with new export market destination through easing the doing business process and implementing TFA. Given the concern, Bangladesh Foreign Trade Institute (BFTI) has conducted a study on “Simplification of Trade Procedures, Customs Modernization, Ease of Doing Business for Export Promotion of Bangladesh to Ensure Policy Coherence between National Development Priorities and International Obligations on Trade Facilitation Agreement” under the initiative of WTO Wing, Bangladesh Regional Connectivity Project-1, Ministry of Commerce.

¹ World Trade Report, 2015, https://www.wto.org/english/res_e/booksp_e/world_trade_report15_e.pdf

² Sectoral Growth Rate of GDP at Constant Prices FY 2021-22 (P), BBS

³ 'p' denotes provisional

1.2 Objectives of the Study

Simplification and integration of various documents related to import and exports and making these compatible for electronic transaction is essential to save time, cost and burden of the traders as well as the officials of all concerned. In this regard the objectives and scopes of the study are to identify the following as per terms of reference (ToR) (appendix 1):

1. To identify current status of Bangladesh in implementation of simplified trade procedures, customs modernization, ease of doing business for export promotion;
2. To identify the policy gaps between the obligation of the Trade Facilitation Agreement (TFA) and present situation in implementation of the TFA in Bangladesh;
3. To identify the policy/ Act/ Rules to support simplification of trade procedure, documentation, automation and paperless trade according to the international standards;
4. To identify institutional weakness and procedural hindrance; and
5. To identify best practice of the regional countries in implementation of TFA.

1.3 Scope of the Study

The thrust for simplification of trade processes and procedures in the context of trade facilitation is not a new issue. As a member of the international trading system and more as a least developed country (LDC), Bangladesh has been focusing on the issue of trade facilitation for several decades. Various policies adopted in the context of trade liberalization and automation of customs procedures surely bear this out. The study has a special focus on the following issues:

- Bangladesh's current and future implementation commitments of TFA and policy gaps identification;
- Bangladesh's current status of customs modernization for export promotion by the ease of doing business;
- Existing trade procedures for major products (knitwear, woven wear, cotton, yarn, fabrics, jute);
- Gap identification for simplification of trade procedures according to the international standards;
- Recommendation for resolving institutional weakness and procedural obstacles;

- Explore the best practices of TFA of regional countries especially in China, Myanmar, Bhutan, Sri Lanka, Vietnam.

The above scope was covered by literature review, and interactive interviews, focus group discussion, public consultation, analysis of information and data gathered through survey.

1.4 Rationale of the study

Trade communities often face impediments, delays and additional costs due to the complex procedures about import, export procedures, customs and banking provisions necessary for clearance and shipment of consignments. Pertinently, trade facilitation covers necessary steps that can be taken because of smoothing the flow of trade.

Simplified trade procedures with custom modernization and a business-friendly taxation system can reduce the cost of doing business and enhance the position of Bangladesh. Bangladesh position in the ease of doing business has just upgraded from 176th to 168th in 2020 report because of easing the regulatory procedure for setting up Start-up business, obtaining electricity connection and credit information procedure but Bangladesh lags more behind the regional and economic competitive peers in Asia in the different economic indicator. Especially in paying taxes, Bangladesh ranked 151 while in trade across the border, she ranked 171 in 190 countries, reflecting the requirement for much improvement of Bangladesh against her economic peers. If reducing the cost of doing business get priority, we have to improve the regulatory procedure of trade. It is thus reasonable to conclude that improving trade facilitation, in terms of infrastructure, process efficiency, management capacity, and information transparency would help reducing cost and time for cross border trade and for doing business in general.

The customs modernization strategic action plan 2019-22 outlines a development plan for Bangladesh customs with time-bound targeted interventions performance measurement indicators to be implemented in the next four years. The National Board of Revenue (NBR) has initiated the planned approach to simplify and modernize the customs operations. All modernization and reform programs primarily focus on several cornerstone issues: trade facilitation, automation, capacity enhancement and infrastructure development. In this way, it is required to meet the commitments or obligations under the Trade Facilitation Agreement (TFA). In this context, the study is being carried out to gauge the progress of Bangladesh in terms of TFA and customs modernization initiatives and identify the regulatory and institutional weakness and

hindrances. On the basis of the findings, a set of recommendations have been generated to simplify the trade procedures and thereby to contribute the trade growth of Bangladesh.

1.5 Methodology

This study involves both qualitative and quantitative approach for data collection. The study team collected required data both from primary and secondary sources. The detailed methodology of the study is as follows-

1.5.1 Review of Existing Literature

Available literatures including the Trade Facilitation Agreement (TFA) and commitment progress of TFA for Bangladesh, China, Myanmar, Bhutan, Sri Lanka, Vietnam, Malaysia, journal article and regulatory (policy/act/rules) related documents of Bangladesh have been reviewed. Moreover, the key experts of the study have reviewed official reports, published papers and policy documents of the government of Bangladesh, think-tank organisations and other international bodies, as available, have been analysed. A list of documents reviewed are added in the reference section, and have been cited in text.

1.5.2 Questionnaire design

Drafting the questionnaire: Semi-structured questionnaire for the survey was designed for primary data collection from the relevant authorities following the objectives of the study.

Field Test: To find out the actual barriers to Trade Facilitation Issues and complexities in export import procedure, a field test in a land port was done as an instrument to validate the questionnaire for the survey.

Finalization of questionnaire for the survey: The questionnaire was finalized incorporating the inputs from the field test. While finalizing the questionnaire the project authority is duly consulted.

1.5.3 Data Collection Method

Quantitative data collection: The survey data collection (quantitative) was conducted with the port authority and customs concerned officials and major exporters and importers who conduct their business through the ports with the consultation with the project office and consultants.

Sampling Method: The number of total relevant participants is 202 for survey data collection. Arbitrary Approach i.e., Rule of Thumb method for the determination of sample size for the study. It is purposive sampling method which is a non-probability sampling. Samples were selected from the five ports of Bangladesh including Benapole land port, Akhaura land port, Banglabandha land port, Chattogram seaport and Shah Jalal airport. For required data collection, the port officials, exporters, importers and service providers, C&F agents were surveyed.

Qualitative Data Collection: The stakeholders were identified by a mapping exercise. The most relevant stakeholders are the Ministry of Commerce, Ministry of Shipping, National Board of Revenue (NBR). The main trade Bodies of Bangladesh (FBCCI, DCCI, MCCI, ICCB, BGMEA, BKMEA etc.) are also valuable stakeholders for the study. Other than these, the exporters and importers through the ports are also important for their inputs. The C&F agent association, Bangladesh Freight Forwarder Association and Bangladesh Bus-Truck Association were interviewed.

Key Informants interviews (KII): A round of exploratory interview was conducted for the study with the representatives of relevant stakeholders that has primarily included the government institutions, business associations, chambers, think-tank organizations, etc. Semi-structured interviews were used via purposive sampling method. Appropriate measures have been taken to avoid any risks of bias through sampling, response and the behavior of the interviewer. Three common techniques were used to conduct key informant interviews: Telephone Interviews, Face-to-Face Interviews, Email interviews. When KIIs were conducted, a mixed method evaluation strategy was adopted to produce a satisfactory analysis. The questionnaire was evaluated by the senior trade expert, team leader of the study and the client. A total of 21 KIIs were conducted to trade facilitation, customs modernization, and ease of doing business issues.

Focus Group Discussions (FGD): One FGD was held in Dhaka involving relevant stakeholders. During discussions, participants were facilitated to discuss different aspects of the particular field amongst themselves.

Public Consultation (PC): One PC with the relevant stakeholders was held in Chattogram to collect the stakeholder views and opinions.

Validation Workshop: A validation workshop as required under the ToR of the assignment was held at 09.30 AM of 22 March 2023. The venue of the workshop was Conference Room and Class Room, Bangladesh Foreign Trade Institute (BFTI), TCB Bhaban (5th Floor), 1 Karwan Bazar, Dhaka-1215. Mr. Rashedul Kabir, Data Analyst

of the study and Research Manager (RM), BFTI presented keynote presentation including major findings of the study and obtained feedback from a total of 2 panel discussant and other 22 participants (appendix 9) in the workshop. Based on the responses received the study report is revised and finalized. Relevant extracts of the record notes of the proceedings of the validation workshop are attached at Appendix 8.

1.6 Limitations of the Study

The qualitative information obtained were often could not be validated by cross-referencing the stakeholders, i.e., service providers and service recipients often held opposite views and could not be reconciled. Besides, the scope for field level visits by senior consultant was limited due to constraints of time and funds. Besides the paucity of secondary data and literature, the survey data collection was difficult because of respondents' reluctance to provide required accurate information and inexpression of appropriate opinions relevant to the study.

Chapter 2 : Status of Bangladesh Regarding Simplification of Trade Procedures

2.1 Introduction

This chapter attempts to review the steps, procedures, and documentation requirements involved in import and export of goods. Trade procedures include the activities, practices and formalities involved in collecting, presenting, communicating and processing data and other information required for the movement of goods in international trade⁴. The views and opinions of the stakeholders were captured in identifying the problem areas where improvements could be done for bringing down the time, cost, and procedural complexities.

Export and import procedures have been streamlined to increase the trade competitiveness of domestic and foreign enterprises. Countries across the world have invested resources and adopted tactics for decades to reduce the burdensomeness of trade processes and maximize returns. The need for streamlined import and export procedures has long been recognized by Bangladeshi policymakers. The Import Policy Order (2021–2024) and Export Policy (2021–2024) both place a strong emphasis on the need to eliminate bottlenecks in the procedures involved in conducting international trade. Over the years, a number of trade facilitation measures have been implemented as a result of this worry. Import and export procedures were made simpler by lowering the number of formalities required for consignment approval and the frequency of inspection.

Table 1: Key Documents Required for Exporting and Importing in Bangladesh

S.L.	Documents related to Export Goods	Documents related to Import Goods
01	Export L/C; if there is no export L/C, Export Contract or Purchase Order or Export Guarantee approved by the negotiating bank	Letter of Credit (L/C)
02	Commercial invoice containing detailed description of goods and signed by the exporter	Commercial Invoice
03	Packing list containing quantity, weight and packing information.	Packing list
04	EXP form certified by Authorized Dealers (ADs) to ensure the realization of export proceeds.	Import License
05	Certificate of Origin of export goods (issued by EPB or Chamber of Commerce and Industry)	“Country of Origin” Certificate (except coal and

⁴ https://gtad.wto.org/trta_subcategory.aspx?cat=33121 (retrieved on January 2023)

S.L.	Documents related to Export Goods	Documents related to Import Goods
		export-oriented garments industries)
06	VAT registration certificate	SOLAS certificate
07	Taxpayer Identification Number (TIN) issued by Income Tax Department under the NBR	VAT/BIN Certificate
08	Export Registration Certificate (ERC)	Import Registration Certificate (IRC)
09	GSP/SAPTA/APTA/KPT Certificate	Customs import declaration
10	Health/Sanitary & Phyto-Sanitary Certificate	Bill of Lading/AWB/Truck Receipt/Railway Receipt
11	Bill of Export/Shipping Bill	Technical standard/Cleanliness certificate
12	Airway Bill/Bill of Lading	Terminal handling receipts
13	Insurance Policy	Insurance policy/cover note
14	Bill of Exchange	Cargo release order (Gate Pass)
15	Customs Export Declaration	
16	Terminal Handling Receipts	
17	Others (If required)	

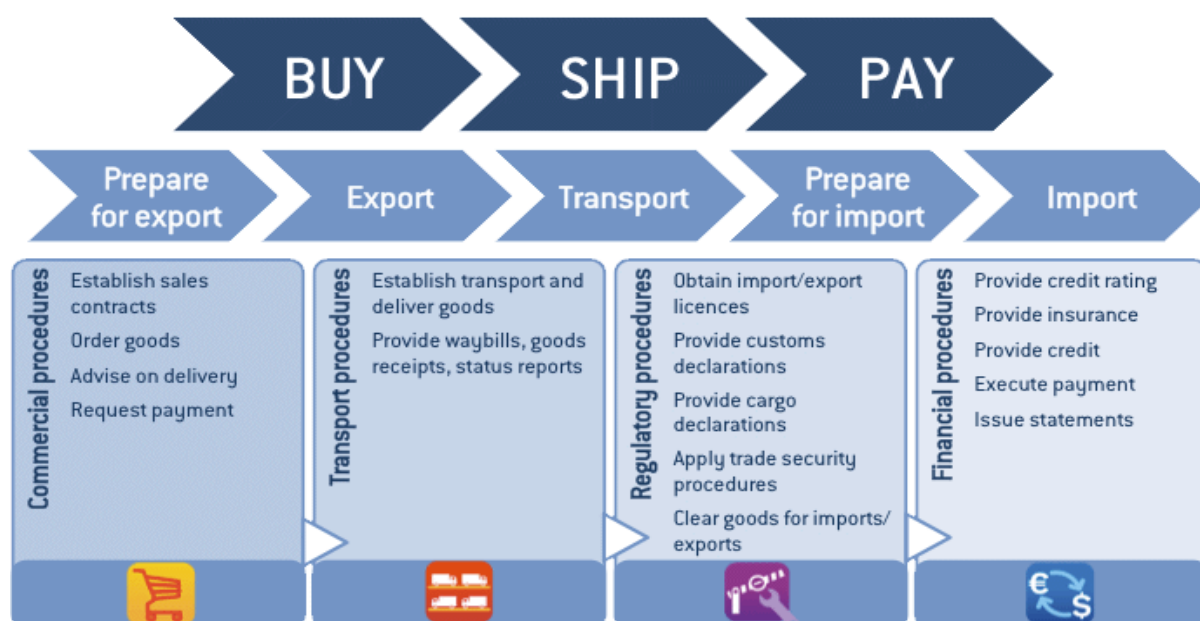
Source: http://bangladeshcustoms.gov.bd/trade_info/customs_clearance

2.2 Defining Simplification of Trade Procedures

Simplification is the process of eliminating all unnecessary elements and duplications in trade formalities, processes and procedures. Simplification of trade procedures is a major objective of the trade facilitation. Simplification of trade procedures also comprise standardization and harmonization of the procedural steps and documentation requirement up to the international norms, practices, and standards, which is a part of the commitment Bangladesh has undertaken.

For cross border trade, a vast number of stakeholders are involved with their respective and specific roles and responsibilities, starting from physical transportation, valuation, quality control, identification, inspection, tariff assessment, release, and so forth, while meeting all documentation and payment obligations along the way. The procedures are divided along the line of trade flow, which are, exports and imports.

Figure 1: The UN/CEFACT Buy Ship Pay Model



Source: UN/CEFACT International Supply Chain Reference Model)

The essential steps and participants in the global supply chain, as well as the connections between the high-level data entities of the relevant international trade and transport contracts, are all described in the UN/CEFACT-developed Buy-Ship-Pay reference models. Cross-border trade is made possible by international supply chains, which guarantee that orders for, shipments of, and payments for the items may be made while adhering to legal requirements and ensuring trade security.

Table 2: Major Ministries/Departments Related to Trade

S.L.	Ministries/Departments
01	Bangladesh Bank
02	Ministry of Commerce
03	Ministry of Finance
04	Ministry of Fisheries and Livestock
05	Ministry of Agriculture
06	Ministry of Foreign Affairs
07	Bangladesh Investment Development Authority (BIDA)
08	National Board of Revenue (NBR)
09	Chief Controller of Export and Import (CCE&I)
10	Export Promotion Bureau (EPB)
11	Bangladesh Standards & Testing Institution (BSTI)

S.L.	Ministries/Departments
12	Department of Agricultural Extension (DAE)
13	Others (If required)

Different ministries and agencies thereof are responsible for enforcement of these legal requirement. For example, the Ministry of Commerce is responsible for enforcing the Import Policy Order, whereas Bangladesh Standards and Testing Institution (BSTI) remain responsible for product testing, conformity assessment, and certification of the processed food products (imported as well as locally produced).

The level of cooperation, coherence, and institutional linkages between various implementation agencies of this diversified set of laws, in tandem with rules, regulations, and policies governing cross-border movement of vehicles, transport modes, and bi-lateral protocols governing all these need to be examined briefly during various progression of the assignment.

For example, fresh fruits imported from Petrapole-Benapole checkpoints are subject to formalin tests⁵, and irradiation⁶ and require fumigation certificates⁷. But quarantine tests are not performed for pests or diseases in these living organisms (fruits).

The major institutions that regulate, administer, execute and monitor cross-border trade of goods and provide trade facilitation services in Bangladesh are:

- Customs Department: Responsible for inspection, assessment, collection of payment, and ensuring legal compliance with all regulatory measures before clearance of goods;
- Bangladesh Land Port Authority: Responsible for providing loading-unloading, warehousing, and storage facilities and related infrastructure and services;
- Bangladesh Standards and Testing Institution (BSTI): For standards setting, quality testing and conformity assessment for items that require such testing and assessment; and
- Quarantine Divisions: For plant, animal, and fish, as the case may be for disease and pest control. Separate quarantine divisions are responsible for administering separate quarantine laws and procedures under separate ministries responsible for managing issues related to plant, fish, and animal.

In the following section, details of the current export and import procedures are explained.

2.2.1 Customs Clearance Procedures for Export in Bangladesh

Section 131 of the Customs Act, 1969 requires clearance of Customs for export. According to section 131, goods shall not be allowed to load/stuff in containers or

⁵ Formalin control act, 2015.

⁶ Nuclear safety and radiation control rules-1993

⁷ Destruction insects and pest rules, 1966

ship for export unless an export declaration (known as Bill of Export/Shipping Bill) is submitted to Customs in a prescribed format, and the same is approved by the Customs authority. Description of goods, value, name of exporters, name of foreign buyers/importers, and name of transport operators are specified in the declaration.

According to the Prescribed Bill of Entry and Bill of Export Form Order, 2001 issued by the NBR, following documents are to be enclosed (for all export consignments) with the Bill of Export for customs clearance:

1. Export L/C; if there is no export L/C, Export Contract or Purchase Order or Export Guarantee approved by the negotiating bank.
2. Commercial invoice containing detailed description of goods and signed by the exporter.
3. Packing list containing quantity, weight and packing information.
4. EXP form certified by Authorized Dealers (ADs) to ensure the realization of export proceeds.
5. Certificate of Origin of export goods (issued by EPB or Chamber of Commerce and Industry).
6. VAT registration certificate.
7. Taxpayer Identification Number (TIN) issued by Income Tax Department under the NBR.

For some categories, product-wise additional certification/ documents are necessary for export.

Some of them include:

1. ERC for jute, jute goods and tea. Additional export permits of licenses are required for these three products. For jute and jute goods, a separate license is required for the exporters to obtain from the Ministry of Textiles and Jute⁸.
2. Consignment wise export permit issued by the Bangladesh Tea Board for export of tea. The exporters have to obtain a permit from the Bangladesh Tea Board⁹ for each consignment.
3. Approval of the Ministry of Industries in the case of export of Urea fertilizer produced in all factories except KAFCO.

⁸ https://www.wikiprocedure.com/index.php/Bangladesh_-_Apply_for_Raw_Jute_Export_License

⁹ <http://www.teaboard.gov.bd/site/forms/b2dff233-56e3-49a2-9674-7783b16ee107/চা-রপ্তানির-আবেদন-ফর্ম>

4. 'No objection certificate' from the Ministry of Information in the case of export of entertainment programs, music, drama, films, documentary films etc. in the form of audio cassettes, video cassettes, CDs, DVDs etc.
5. Utilization Declaration for export of RMG under bonded warehouse or Utilization Permission for export of other goods under bonded warehouse.
6. Phytosanitary certificate for agricultural goods (such as vegetables, corns etc.) as per the requirement of the country of export (issued by the Plant Protection Wing of the Department of Agriculture Extension).
7. Quality control certificate in case of export of products for which such certificate is obligatory (e.g., quality control certificate by the Department of Fisheries is necessary as per the requirements of the country of destination for frozen fish).
8. NOC from the CCI&E and Bangladesh Bank to allow exports on an export-cum-import or returnable basis.
9. Bank guarantee equaling the value of goods to be exported on an export-cum-import or returnable basis.

Once the export declaration is approved by the Customs authority after documentary check and physical verification of export consignments, exportable goods are loaded into containers and stuffed into the ship/aircraft/truck. Export is complete once the ship/truck/airlines leave the port, and customs officer in charge (PO-on-Board/gate division officer in charge) signs on the back of the 2nd copy of the shipping bill (as 'shipped on board'). It is to be noted that where goods are loaded into containers at the private ICDs/exporters' premises, gate division officer may check the goods before it proceeds to the port area.

2.2.1.1 Process flow of Exportable Product

Export order is a document from any specific foreign buyer to purchase items from the exporter. It would indicate the exporter's Pro-forma invoice/quotation number and issuing date, including item, quantity, price, delivery date, shipping marks, insurance, payment terms etc. Before acceptance, the export orders should be scrutinized in all aspects. The following documents are commonly used in exporting.

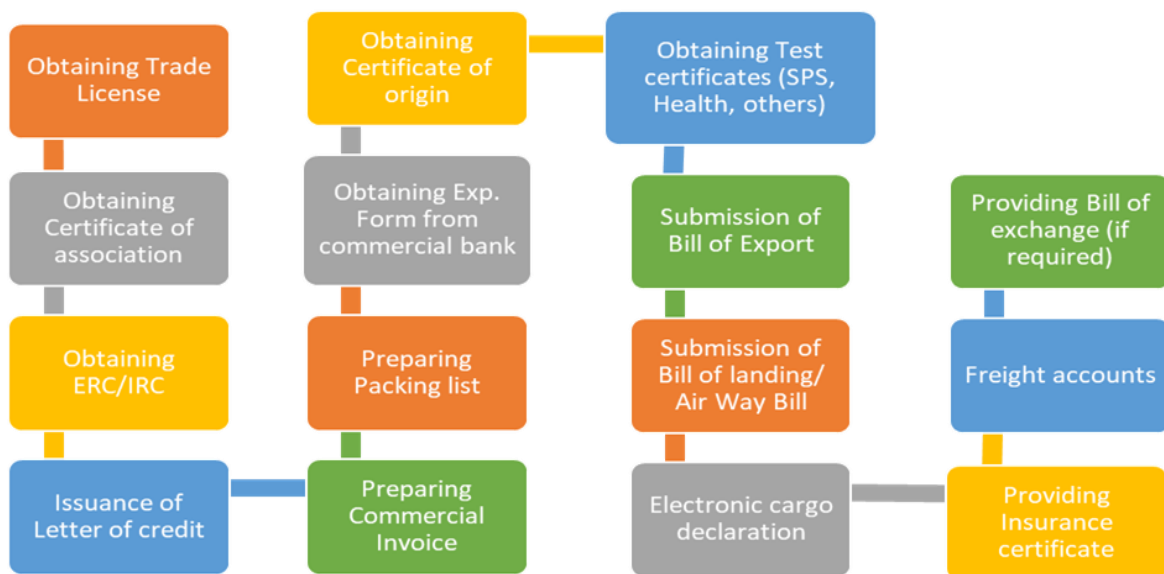
1. Pro-Forma invoice
2. Bill of lading
3. Commercial invoice
4. Certificate of origin
5. Inspection certification
6. Dock receipt and warehouse receipt
7. Destination control statement

8. Insurance certificate
9. Export Registration Certificate (ERC)
10. Export packing list

The process of exporting product starts after communicating with buyers. In general, an exporter exports his product following these ten steps.

Figure 2: Export Procedures and Requirements to Export Goods to the USA

(Flow chart of export procedures for exporting to the USA)



Source: Bangladesh Trade Portal (2022)

2.2.2 Customs Clearance Procedures for Import in Bangladesh

For imported goods into Bangladesh, shipping agents submit their manifest data (containing description of imported goods by ship) electronically to the Customs authority. In the case of import by truck (through land customs stations), trucking company/driver submits IGM to the customs authority. Once the Import General Manifest (IGM) is submitted online (In the case of import by truck, manually), the nominated C&F Agent (or the importer himself) completes the goods declaration (popularly known as Bill of Entry or B/E) from their own premises and submits the goods declaration to Customs systems through ASYCUDA World. The declaration or B/E has to be made in a specific format, known as Single Administrative Document (SAD).

The Prescribed Bill of Entry and Bill of Export Form Order, 2001 issued by the NBR outlines the documentary submission requirements. For release of goods from Customs, following documents need to be submitted along with the declaration for all types of imports:

1. Letter of Credit (L/C).
2. Invoice
3. Bill of Lading/ AWB/Truck Receipt/Railway Receipt
4. Packing List
5. "Country of Origin" Certificate (except coal and export-oriented garments industries)
6. Insurance policy/cover note
7. VAT/BIN Certificate

Following additional documents are required for importing different types of goods, such as:

1. BDS standard will be mandatory for clearance of 55¹⁰ items, and in case where no certificate from and accredited laboratory from the exporting country is available, a certificate from the BSTI is necessary, as per Import Policy Order.
2. Radioactivity test report from the concerned authority of the exporting country for food items.
3. Fresh fruits imported are subject to formalin tests¹¹, and irradiation¹² and require fumigation certificates.
4. As per rule 3(7) of the Plant Quarantine Rules-2018, any cotton imported into Bangladesh must carry an SPS certificate from the competent authorities of the exporting country. Fumigation and clearance need at least five days¹³.
5. Clearance certificate(s) from the Bangladesh Atomic Energy Commission for food items to the effect that the radioactivity level found in the imported food-stuff is within the acceptable limit. Nuclear radiation tests are mandatory for imported milk, dairy, edible oil, vegetable seeds, grains, fresh fruits, and other food products¹⁴.
6. Pre-shipment Inspection test report for milk food products and powder milk, coal and hard coke, Break Acrylic (HS 39.15 and 3915.90), M.S. Billets (7207)

¹⁰ http://file-chittagong.portal.gov.bd/files/bsti.comilla.gov.bd/files/ab755c4a_9e6a_4197_a07d_1543a6be99ad/b064c395d6d98d0807f0a3cd8224913e.pdf

¹¹ Formalin Control Act, 2015.

¹² Nuclear Safety and Radiation Control Rules -1993

¹³ <https://www.google.com/search?client=safari&rls=en&q=fumigatin+requirement+for+cotton+import+in+bangladesh&ie=UTF-8&oe=UTF-8>

¹⁴ <https://www.trade.gov/country-commercial-guides/bangladesh-prohibited-restricted-imports>

and for items where the value of a single item authorized for import by public sector agencies is Taka fifty lac or above.

7. Approval letter of the Chief Inspector of Explosives of the Ministry of Power, Energy & Mineral Resources for import of explosives.
8. Copy of intellectual property certificate (by the IPR holder of the exporting country) in the case of import of branded goods registered under any law related to IP in Bangladesh.

Once the duties and taxes are assessed by Customs, the importer (or his C&F agent) pays duties and taxes. On payment of duties and taxes assessed, Customs issues release order for clearance and after completion of port formalities, goods are cleared.

Samples valued up to US \$100 and weighing up to 5 kg is cleared (through manual system) same-day (in Dhaka Air freight) if the consignee authorizes duty and tax to be billed to the shipper on the Air Waybill. Samples valued over US \$100 and weighing more than 5 kg will require formal clearance through ASYCUDA WORLD system.

It is to be noted that for the customs clearance of imported animals, plants and plant products, quarantine conditions (such as certification from quarantine department, fumigation etc.) shall have to be observed. Fumigation is mandatory in case of import of raw cotton produced and packed in Western Hemisphere.

If an import consignment is not cleared within 21 days (of the date of unloading at a Customs airport) or 30 days (of the date of unloading at a customs-port or a land customs station or customs-inland container depot), or within the extended time as the appropriate officer may allow, the consignment may be disposed of through auction [Section 82 of the Customs Act 1969].

In cases, where it is not possible immediately to assess customs duty that may be payable on any imported goods for the reason that the goods require chemical or other test or a further enquiry for purposes of assessment, or that all the documents or complete documents or full information pertaining to those goods have not been furnished, Customs authority may assess the consignment provisionally. In such cases, the importer (except goods entered for warehousing) needs to furnish unconditional bank guarantee/security deposit of an amount (as deemed sufficient by Customs) from a scheduled bank for the payment of the excess amount of duty that may be payable after the final assessment. In this case, the final assessment has to be completed within a period of 120 working days from the date of provisional assessment.

2.2.3 Major Gaps in Simplification of Customs Procedures for Export

The issues of trade facilitation require massive infrastructure and drive to raise capacity in countries like Bangladesh. Thus, it demands additional investment in physical infrastructures, process and procedure development and automation and finally capacity building of relevant agencies. Moreover, it requires top-level political decision to avoid bureaucratic complexity for carrying out all trade facilitation measures. It is difficult to determine the whole process under any particular ministry or agency. To accomplish trade facilitation tasks, five types of interventions can be taken -- Simplification of rules, procedures, and documentation; Inter-agency dialogue, coordination and integration; Strengthening border agencies; Modernization of border operations; and investing in border-related infrastructure and logistics.

Simplification of trade procedures involves both local and international trade and business activities; some of the measures that can be initiated by the respective authorities are listed here:

1. Getting quick registration of product levels, marks and quality certification from the government's standard body;
2. Easy access to export registration certificate, import registration certificate, bonded warehouse facilities, back-to-back L/C facility etc.;
3. Congenial legal environment to avail/impose business documentations like implementing contracts, commercial invoice, bill of lading, air ways bill, inspection certificate, quality control certificate etc.;

Harmonisation and automation of international trade procedures refer to the following measures:

1. Harmonisation of standards between importing and exporting countries and mutual recognition of other standards;
2. Harmonisation of HS [Harmonised System) codes, name, specifications for a specific products or components between trading nations;
3. Harmonisation of customs formalities and mutual recognition for quicker transit between partner countries;
4. Simplification of boarder/port procedures and inter agency coordination;
5. Availability of relevant infrastructures and support services at the border/port;
6. Easy release/clearance of goods and access to pre-arrival processing, electronic payment, separation of release from final determination and payment of customs duties, taxes, fees and charges;
7. Automation of total border/port formalities with a time-bound action plan. Digitisation of clearing and forwarding formalities and payment process for lowest hassle and time consumption;

8. Mutual acceptance of test reports.

Despite some progress made in simplification of the export procedures over the past years, Bangladesh still falls behind in performance, compared to its neighbors. A 2020 report carried out by the World Bank Group shows the situation of Bangladesh vis-a-vis other member states in the Bangladesh-Bhutan-India-Nepal-China-Vietnam sub-region:

Table 3: Export Performance of the Regional Countries

Indicators	Bangladesh	Bhutan	India	Nepal	China	Vietnam
Rank out of 190 economies	168	89	62	94	32	70
Time to export: Border compliance (hours)	168	5	52.12	11	20.7	55
Cost to export: Border compliance (US\$)	408.2	59.2	21	103	256.2	290
Time to export: Documentary compliance (hours)	147	9	12	43	9	50
Cost to export: Documentary compliance (US\$)	370	50	100	80	77.25	182.5

Source: World Bank Doing Business database 2020, World Bank, 2021

Here, the time and cost required for exporting from Bangladesh is way higher than those of her neighbors.

2.2.4 Major Gaps in Simplification of Customs Procedures for Import

Over the past years, the import procedures have become comparatively simple. Here, simplification refers to number of documentation and approval/signature required, and time and cost required to obtain each documentation and approval. For example, in 1999, it used to require 25 signatures, whereas, by 2005 the requirement came down to 5 signatures, as claimed in a presentation titled, "Implementation Status of Bangladesh towards Paperless Trade", jointly made by Ms. Rama Dewan, then then Joint Chief of Bangladesh Tariff Commission, and Mr. AHM Shafiquzzaman, then then Deputy Secretary, Ministry of Commerce. The documentation requirement has also been reduced significantly over the years. For example, except for certain products, the blanket requirement for Import License is no longer required. However, facilitation of import procedures does not only depend on submission of documents and obtaining signatures, but also depend on administrative procedures, communications, inspection and release, and other mandatory steps involved in

'border compliance'. A 2020 comparative scenario compiled by the World Bank Group for the Bangladesh-Bhutan-India-Nepal-China and Vietnam region shows the following picture:

Table 4: Import Handling Situation in the Regional Countries

Indicators	Bangladesh	Bhutan	India	Nepal	China	Vietnam
Rank out of 190 economies	168	89	62	94	32	70
Time to import: Border compliance (hours)	168	5	52.1	11	21	55
Cost to import: Border compliance (US\$)	900	110	266.1	190	241.3	373
Time to import: Documentary compliance (hours)	144	8	20	48	12.8	76
Cost to import: Documentary compliance (US\$)	370	50	100	80	77.3	182.5

Source: Doing Business database 2020, World Bank, 2021

As of the present, depending on the type of importable product, a total of 39 ministries, government agencies and organizations are involved for regulating and managing import (and export) related procedures. The National Single Window, a standard practice in many countries to manage these trade related organizations and functions thereof, has been in progress, and it was supposed to become functional by 2021¹⁵, as was announced in 2018 by the National Board of Revenue (NBR), the lead agency to implement it. The initiative will offer the traders the ease of access to perform necessary tasks such as getting trade registrations, obtaining export-import permits, opening letters of credit, securing permission to unload imported goods and paying taxes, everything under one platform.

2.2.4.1 US Cotton Import

The government of Bangladesh has eased the rule of compulsory fumigation test for import of American cotton, particularly from the United States, clearing the ways for smooth import of the raw material of textile mills, the backward linkage industry for country's main export earning garments. Now, the importers would be able to bring cotton grown in Western Hemisphere or American region furnishing a sanitary and

¹⁵ <https://www.tbsnews.net/economy/trade/national-single-window-2021>

phytosanitary certificate and paper certifying that the imported consignment is free from Boll Weevil, a cotton pest in North America, issued by the competent authorities.

Otherwise, a fumigation test will be needed, the commerce ministry said in a notification issued this week by adding the new provision in the Import Policy Order 2021-24¹⁶.

Prior to the change, fumigation test was mandatory for imported American cotton, which textile millers say, caused them to spend extra for the test and wait for 5-7 days to get their consignments cleared from the ports.

2.3 Process of Trade in Land & Sea Port

National Board of Revenue released the findings of its first sector-focused Comprehensive Time Release Study (TRS). The study (TRS 2022) measures and reports average release time across different import clearance processes in three major ports of Bangladesh: Benapole Land Port, Chattogram Seaport and Dhaka Airport. The TRS 2022 was planned, designed, and conducted by a group of WCO trained Customs officials from Bangladesh Customs with the active participation of all relevant stakeholders. The TRS capacity-building project was funded by funded by State Secretariat for Economic Affairs (SECO) of the government of Switzerland through the WCO-SECO Global Trade Facilitation Programme (GTFP). The TRS is a method endorsed by the World Customs Organization (WCO) for measuring the time taken by authorities to release import/export cargo and is recognized as a means of identifying bottlenecks and improving performance in import/export processes. Since entry into force of the WTO Trade Facilitation Agreement (TFA) in February 2017, members have been required to measure and publish average release times of import/export goods (Article 7.6 of the TFA).

Bangladesh became a Contracting Party to the Revised Kyoto Conventions (RKC) in September 2012. As part of this accession, the Customs is required to undertake a set of reform initiatives to fully comply with the RKC. Against this backdrop, the National Board of Revenue is undertaking various initiatives to comply with RKC with an aim to foster trade facilitation and Customs modernization in Bangladesh. For Customs modernization, NBR is implementing its Customs Strategic Action Plan 2019 – 2022, which has the stated vision of establishing “An innovative, professional leading border agency that contributes to the security and economic prosperity of Bangladesh

¹⁶ The daily star, retrived on February 23, 2023, available at <https://www.thedailystar.net/business/economy/news/rules-eased-us-cotton-import-3255031>

through cooperation, coordination, coherence, commitment, and courage” The strategic objectives reflected in the plan are listed below:

1. Strategic Planning, Financing and Management of Modernization initiatives;
2. Human Resource Management, Governance and Integrity;
3. Policy, Legislation and Procedures;
4. Infrastructure Development with built-in Modern Business Process;
5. Customs e-environment;
6. Trade Facilitation;
7. Passenger Facilitaion;
8. Tariff Modernization/Rationalization and Strengthened Valuation;
9. Modernization of Bonded Warehouse and other Export Incentives Facilities;
10. Bilateral, Multilateral and Regional Integration and Partnerships and
11. Communication and Public Relations.

Trade-related transaction costs such as freight charges and other logistical expenses are a crucial determinant of Bangladesh’s ability to participate competitively in a global economy. Some general problems that add to the costs of trade are:

- Port congestion affecting turn-around time for feeder vessels and railway wagons.
- Complicated and duplicative Customs procedures.
- Complex and non-transparent administrative requirements, often pertaining to documentation.
- High costs for processing information resulting from limited automation.

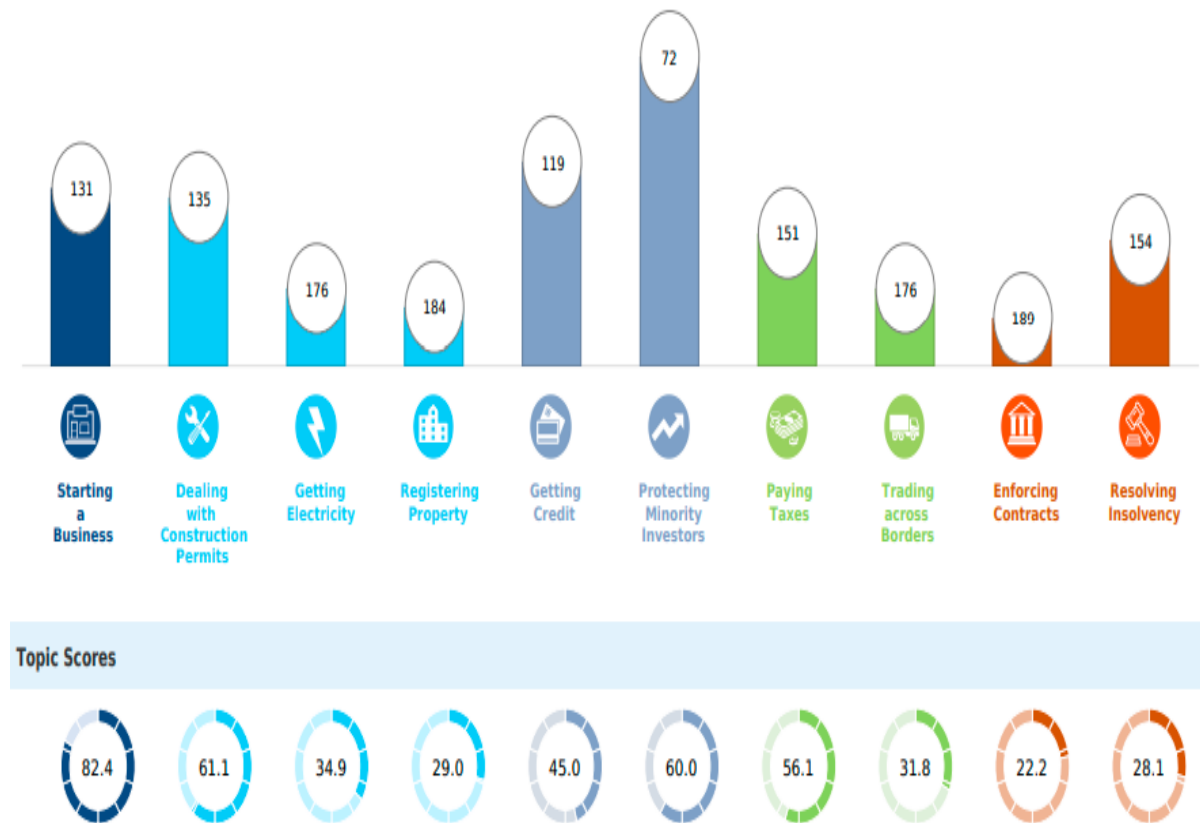
TRS of Chittagong (the largest sea port) and Benapole (the largest land port) is also a mandatory conditionality of tranche 2 of the Asian Development Bank-financed South Asia Social and Economic Cooperation (SASEC) loan program.

2.4 Ease of Doing Business Related to Trade

To improve the trading environment, Bangladesh needs to ensure easy access to Export Registration Certificate, Import Registration Certificate, back-to-back Letter of credit facilities while facilitating the International Factoring process as per the declared guideline of Bangladesh Bank. Along with this, a congenial legal environment to ease the business process like implement contracts, simplification of trade license and company registration process, etc. need to be ensured. According to World Trade Report 2015, World Trade Organization (WTO), full implementation of trade facilitation agreement has potential to reduce the cost of trade by an average of

14.3% and may expand global exports between US\$1.8 and US\$3.6 trillion¹⁷ apart from raising GDP growth, revenue and generating employment with a quality living standard. It is true that the export-led manufacturing sector reached new height with 12.7%¹⁸ growth per annum, creating ample opportunity to transform Bangladesh.

Figure 3: Rankings on Doing Business (2020) topics - Bangladesh

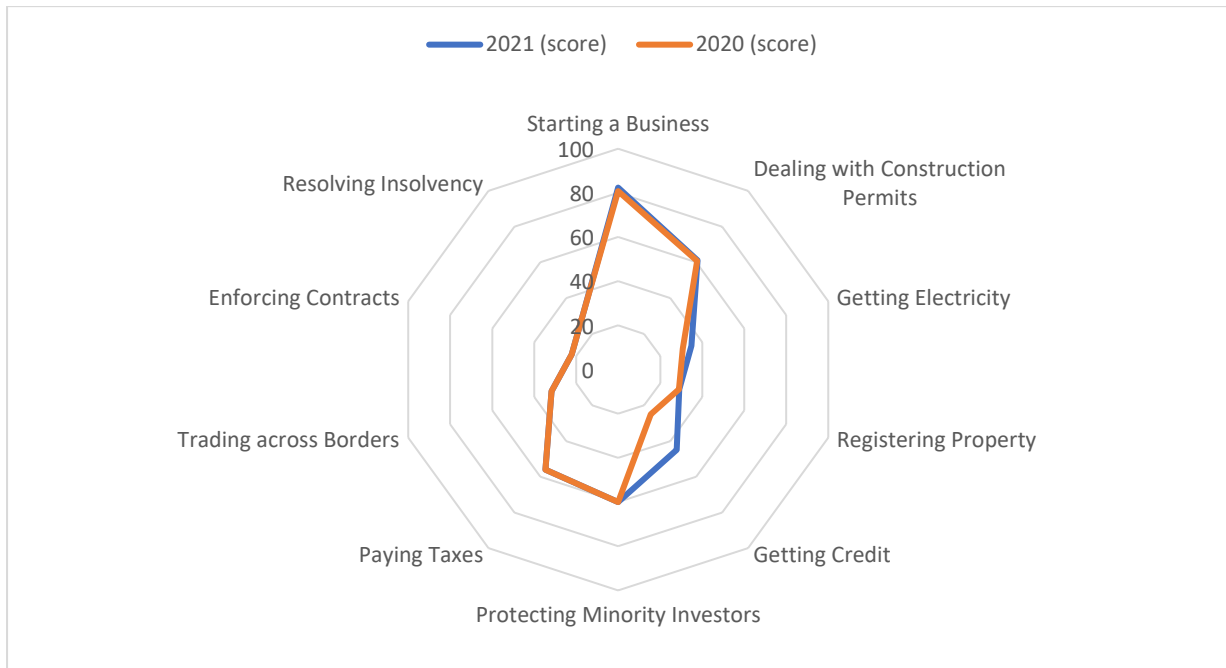


Source: *Ease of Doing Business, 2020 (snapshot)*

¹⁷ (World Trade Report 2015, 2015), Page 7-8

¹⁸ 8th Five Year Plan, Page xxxviii, General Economic Division (GED)

Figure 4: Ease of Doing Business Score between 2021 and 2020 for Bangladesh



Source: *Ease of Doing Business, 2020*

But the overall investment and business climate in Bangladesh remains not so optimistic. A widely accepted parameter for assessing the business climate of a country is the World Bank Group’s “Ease of Doing Business” Index, published annually. In 2021, Bangladesh ranked 168 among 190 countries. Bangladesh advanced 8 positions compared to the previous year, 2020 when Bangladesh was placed in the 176th position. As per the World Bank Report, reduced registration fees, improvement in case of getting new electricity connection and improved access to credit information helped the country to level up by 8 notches. In 2021, Bangladesh was ahead only of Afghanistan in the South Asia region. India topped the list in South Asia, as 63rd as of 2020. Weak governance, inefficient administrative procedures, lack of transparency, and slow pace of file approval are popularly considered as the key factors preventing Bangladesh from achieving a better score in the ease of doing business index.

A very recent development has occurred in regard to license renewal time frame for licenses issued by the Ministry of Commerce and agencies thereof for facilitating trade procedure simplification, the yearly license renewal period has been extended to 3 to 5 years for different organizations under the Ministry of Commerce. However, Bangladesh is not attracting substantial FDI because of multiple document submissions, and multiple agency services requirements. A report published by Global Alliance for Trade Facilitation¹⁹ (2017) found that improving the trade

¹⁹ A report from the Global Alliance for Trade Facilitation looks at how better trade facilitation can improve inclusive economic development. Available at <https://www.tradefacilitation.org/content/uploads/2018/02/trade-facilitation-2017-global-alliance-fdi-report.pdf>

facilitation environment by 1% corresponds with a 3.2% increase of FDI into manufacturing. TFA seeks to remedy trade transaction costs. It recognizes that transaction costs are wasteful and undesirable for both business and government. Proponents of trade facilitation argue that its principles can increase business competitiveness, improve efficiency and control and promote investments, both foreign and domestic.

2.4.1 Trading Across Borders

Bangladesh's roads are being improved, although border crossings continue to be a bottleneck. To make cross-border trade easier, less expensive, more predictable, and safer, Bangladesh needs to construct well-equipped customs stations and modernize ports.

Table 5: Bangladesh’s Time and Cost of Exporting & Importing Goods Scenario from 2018 to 2020

Bangladesh	2018	2019	2020
Time to export: Border compliance	99.7 hours	168 hours	168 hours
Time to export: Documentary compliance	147 hours	147 hours	147 hours
Time to import: Border compliance	183 hours	216 hours	216 hours
Time to import: Documentary compliance	144 hours	144 hours	144 hours
Cost to export: Border compliance	408.2 USD	408.2 USD	408.2 USD
Cost to export: Documentary compliance	225 USD	225 USD	225 USD
Cost to import: Border compliance	1293.8 USD	900 USD	900 USD
Cost to import: Documentary compliance	370 USD	370 USD	370 USD

Source: Historical Data, Ease of Doing Business, 2018-2020, World Bank

From the above table, Bangladesh’s border compliance export time rose from 99.7 hours to 168 hours during 2018 to 2020 and documentary compliance import time remained same on 147 hours during 2018t-2020. Bangladesh’s documentary compliance export cost also stunned at 225 USD in the same period of reference which was more than the other south Asian countries except Afghanistan (344 USD) and Maldives (300 USD). The time required have increased over a 3-year period in two of the parameters despite various efforts of reducing them.

Special attentions should be given to improve and ease the trading across the border significantly. In this backdrop, trade facilitation measures are effective to improve cargo clearance processes, including pre-arrival processing, perishable cargo handling, paperless transaction by using e-payment, and post-clearance audit. Government agencies need to do their part by strengthening policy reforms, integrating cross-border trade operations, and coordinating with neighbouring countries.

2.4.2 Logistics Performance Index (LPI)

Considering that the logistics sector is recognized as a core pillar of economic development, the World Bank has been producing since 2007 the Connecting to Compete report, which makes available numerical evidence on how easy or difficult it is in countries around the world to transport manufactured products. The aim of the report is to provide empirical information for policymakers, traders and other stakeholders on the role of logistics in growth and the policy reforms needed to support and improve logistics. The 2023 report, the latest one in the series, contains an analysis of the logistics performance of 139 countries based on six indicators:

1. The efficiency of customs and border management clearance.
2. The quality of trade and transport-related infrastructure,
3. The ease of arranging international shipments.
4. The competence and quality of logistics services.
5. The ability to track and trace consignments.
6. The frequency with which shipments reach consignees within the scheduled or expected delivery time.

The information is relevant for policymakers and the private sector seeking to identify reform priorities for “soft” and “hard” trade and logistics infrastructure.

Table 6: Bangladesh’s LPI Score during 2007 to 2023

Year	LPI Rank	LPI	Customs	Infrastructure	International shipments	Logistics competence	Tracking & tracing	Timelines
2007	87/150	2.47	2	2.29	2.46	2.33	2.46	3.33
2010	79/155	2.74	2.33	2.49	2.99	2.44	2.64	3.46
2014	108/160	2.56	2.09	2.11	2.82	2.64	2.45	3.18
2016	87/160	2.66	2.57	2.48	2.73	2.67	2.59	2.9
2018	100/160	2.58	2.3	2.39	2.56	2.48	2.79	2.92
2023	88/139	2.6	2.3	2.3	2.6	2.7	2.4	3

Source: LPI, 2023, World Bank

Improving customs and infrastructure matters most for raising the overall score of bottom performers like Bangladesh. The performance of customs and border agencies, as well as the quality of trade- and transport-related infrastructure, is particularly weak in the lowest performing countries.

Chapter 3: Status of Customs Modernization in Bangladesh and Trade Facilitation Agreement

3.1 Introduction

Cross-border trade entails moving products. This necessitates the execution of a number of steps outlined in the national legislation. Some of these protocols deal with security and standards, while others are focused on customs. Customs procedures are governed by the national legislation and implemented by customs staff that operate mostly under the Ministry of Finance. Conforming to these procedures is not costless, but these costs are often excessive. Through the implementation of laws and regulations that are in line with WTO commitments, customs administrations are expected to generate significant revenue, protect domestic producers, provide supply chain security, prevent the importation of prohibited or unsafe imports (for example, illegal weapons or out-of-date medicines), and combat the trade in narcotics. Customs administrations are supposed to achieve these goals as effectively and inexpensively as feasible for the budget and the trading community, all the while maintaining trade facilitation.

Bangladesh's economy has witnessed both macroeconomic steadiness and robust economic growth for nearly a decade, largely because to the rapidly expanding manufacturing industry. The government's comprehensive fiscal and non-fiscal assistance policy has resulted in a rapid expansion of the private sector, which has generated millions of new work opportunities and encouraged enterprises that generate revenue.

The government has also acknowledged the necessity of trade facilitation and its relations to customs modernization to attain the nation's economic well-being. The traditional role of Customs is changing to make its management more transparent, skilled, and customer-focused as a result of the global economy's gradual shift towards free and preferential trading settings. The global trade regime is changing, and Bangladesh Customs has been implementing a number of modernization and reform initiatives that are in line with these trends. These initiatives are anticipated to have a significant positive impact on trade integration, lower the variety of trading costs, and open up new market opportunities. This chapter will explore the ongoing initiatives on customs modernization and its strategic benefits along with the present situation, the prevailing gaps, areas of improvement, commitments from the government, and ongoing initiatives and future plans for improvements and reforms.

3.2 Customs Modernization

The WTO predicts that TFA will promote the simplification, modernization and harmonization of trade processes to reduce cost and time, boost trade flows and increase the world GDP growth²⁰. The complete spectrum of Customs operations is included in the modernization of Customs. Its fundamental goal is to make sure that Customs administrations stay up with changes in global trade, whether those changes are of a technological, legal, or economic nature.

The Revised Kyoto Convention is the generally accepted reference point for the key principles of Customs administration modernization. Custom modernization can eventually generate results like simplified processes and procedures; greater institutional efficiency; reduced transactions costs to government, trade and the Customs administration; and economic growth²¹. Following table shows the difference between traditional and modern customs:

Table 7: Customs Procedures/Practice in Traditional and Modern Customs

Customs Procedure/Practice	Traditional Customs	Modern Customs
1. International standards of the WCO and World Trade Organization (WTO)	Nonconformance or only partial conformity	Full conformity with all international Customs standards for classification, value and procedure
2. Customs automation	None or only partial	Full automation
3. Measures of performance	Limited output and process measures but frequently the wrong measures	Full measures of compliance and facilitation leading to improved performance
4. Tariff system	Complex and high duty rates	Simplified and reduced duties.
5. Revenue collection	Prior to entry of goods	Entry and collection separate – duties deferred and paid after entry
6. Enforcement and compliance approach	Characterized by manual inspections sometimes up to 100 percent in addition to paper reviews	Minimal inspections and paper documentation

²⁰ Inés, Marilyne, Cécile (2018) WTO's Trade Facilitation Agreement and Doing Business reforms: Are they related and how? Available at- <https://blogs.worldbank.org/developmenttalk/wto-s-trade-facilitation-agreement-and-doing-business-reforms-are-they-related-and-how>

²¹ Justin Zake (2011) Customs Administration Reform and Modernization in Anglophone Africa – Early 1990s to Mid-2010, IMF Working Paper Fiscal Affairs Department.

Customs Procedure/Practice	Traditional Customs	Modern Customs
7. Information	Provided at time of entry	Advance information prior to arrival of goods and conveyance and historical information available on request for audit purposes
8. Personnel	Poorly trained and low skilled	Highly trained and professional
9. Appeals of Customs decisions and transparency	Limited or unknown appeals process, limited publication notices of rules and practices	Fully defined appeals process within and beyond Customs, full transparency and cooperation with trade
10. Bottom line	Low and unknown compliance, high cost for government and industry, and poor facilitation	High and measured compliance, lower costs for government and industry, vastly improved facilitation and framework for continued improvement

Source: Customs Administration Reform and Modernization in Anglophone Africa, IMF Working Paper (2011)

The duties of customs are constantly changing. Customs offices are now more frequently recognized as "the major border agencies" in charge of all dealings involving problems brought on by people and products crossing borders. Some of these tasks are carried out closely in concert with other national organizations. Modernizing customs procedures has become the most crucial activity for complying with WTO's TFA.

3.3 A Review of Customs Practices in Bangladesh

Bangladesh Customs works under the umbrella of the National Board of Revenue (NBR), the apex body for direct and indirect tax revenue in Bangladesh and is part of the Internal Resources Division (IRD) under the Ministry of Finance. The Customs wing of the NBR formulates policy concerning levy and collection of customs duty and customs-related taxes/charges, and administration.

Bangladesh Customs is the lead agency in Bangladesh to facilitate seamless international trade by streamlining and simplifying border clearance procedures. The agency has also contributed enormously to meeting Bangladesh's development vision of increasing shared prosperity and achieving greater economic efficiency.

Customs is the most crucial agency in trade facilitation since they deal with the movement of goods and people directly. Given that the global economy has been progressively gravitating towards free and preferential trading settings, the traditional role of Customs is evolving to make its management more transparent, adept and service-oriented. Bangladesh Customs has also been implementing several

modernization and reform initiatives aligning with the changing trends of the global trade regime which is expected to bring significant benefits in terms of reducing the variety of trading costs, opening and creating new market opportunities and prioritizing trade Integration

The National Board of Revenue (NBR) has initiated the planned approach to simplify and modernize the customs operations. All modernization and reform programs primarily focus on several cornerstone issues, trade facilitation, automation, capacity enhancement and Infrastructure development. NBR has prepared Strategic Action Plan to ensure the execution of all reform interventions in an orderly manner.

Bangladesh Customs has achieved some remarkable progress by introducing ICT applications and trade-friendly innovative undertakings into customs operations. The agency has rolled out the Authorized Economic Operator (AEO) Program, established National Enquiry Point (NEP) for customs, introduced the Advance Ruling (AR) System, and set up Central Risk Management (RM) Directorate. Besides, the preparation of the new Customs Act, the establishment of the Customs Portal and provisions of Pre-Arrival Processing (PAP) of imported goods are considered as major attainments of the ongoing reform interventions.

The National Single Window (NSW), which will greatly improve trade operations by removing paperwork and cutting down on processing times, was also established by NBR through the signing of MoUs with 38 agencies.

3.3.1 History of Tariff Liberalization in Bangladesh

After independence in 1971, Bangladesh had a highly restricted trade regime characterized by high tariffs and non-tariff barriers to trade and an exchange rate system designed to encourage an import-substitution industrialization strategy. This policy was pursued with the objectives of improving the balance of payment position of the country and creating a protected domestic market for manufacturing industries (Bhuyan and Rashid, 1993). The trade regime experienced a major shift in the mid-1980s, after the introduction of a moderate liberalization. However, in the early 1990s, large-scale liberalization of trade was implemented. Since then, successive Governments have reaffirmed their commitment to the development of a more liberal trade regime²². Between 1991-1992 and 2004-2005 the unweighted average tariff rate fell from 70 per cent to 13.5 per cent. Much of this reduced protection was achieved through the reduction in the maximum rate.

In 2022, the weighted mean tariff rate stands at 11.1%. Bangladesh tariff rates for 2020 was 10.99%, a 2.35% increase from 2019. Bangladesh tariff rates for 2019 was 8.64%, a

²² (Raihan, S) <https://repository.unescap.org/bitstream/handle/20.500.12870/1431/ESCAP-2008-WP-Trade-liberalization-and-poverty-in-Bangladesh.pdf?sequence=1&isAllowed=y>

2.08% decline from 2016. Bangladesh tariff rates for 2016 was 10.72%, a 1.1% decline from 2015. Bangladesh tariff rates for 2015 was 11.82%, a 0.27% decline from 2013²³. Customs Duty (CD) presents tariff rates of 2 to 5% for basic raw materials and capital goods, 10% for intermediate goods, and the top rate of 25% for final goods (mostly on products that are produced domestically) in general. Apart from CD, other duties and taxes including Regulatory Duty (RD), Supplementary Duty (SD), Value Added Tax (VAT), Advance Income Tax (AIT), Advance Trade VAT (ATV) may be imposed depending on the nature of goods for importation in Bangladesh²⁴.

3.3.2 Evaluation of Tariff Reform in Bangladesh

The early 1990s saw additional reinforcement of the late 1980s-era program of tariff changes and rationalization of tariff structures. The first attempt to rationalize the tariff structure was made in 1985 in response to changes in the import policy order. Tariffs were restructured while preserving a hierarchy based on the degree of processing. Following then, the successive governments continued to lower tariffs in order to preserve the momentum of trade liberalization. Early in the 1990s, the process of reducing tariffs was expedited. The maximum tariff rate was decreased from as high as 350% in FY 1991–1992, to 50% in FY 1995–1996 and subsequently to 40% in FY 1998–1999. In FY 2005–06, the maximum tariff was further lowered to 25%. The maximum tariff has remained at 25% ever since.²⁵

Table 8: Pace of Tariff Structure Since 1991

Fiscal Year	Maximum Tariff (%)	No. of Duty Slabs	Un-weighted Average MFN Tariff (%)	Import Weighted Average Tariff (%)
1991-92	35.0	18	70.64	24.14
1995-96	50.0	6	28.70	17.01
2000-01	37.5	5	21.10	12.29
2005-06	25.0	4	16.39	8.09
2010-11	25.0	6	14.85	5.17
2015-16	25.0	7	14.37	5.83
2019-20	25.0	7	14.77	5.21

Source: World Bank Trade Policies in South Asia: An Overview, September 2004, Bangladesh Economic Review 2020

Even if the number of tariff slabs has increased recently to address concerns of some industries, the number of tariff slabs (including zero) has decreased from 24 in the

²³ <https://www.macrotrends.net/countries/BGD/bangladesh/tariff-rates>

²⁴ <https://bida.gov.bd/details/what-kind-tax-and-duties-are-applicable-imported-capital-machinery-and-raw-materials>

²⁵ Mostafa Abid Khan (2021), Evolution of trade policies of Bangladesh since 1972, viewed at <https://thefinancialexpress.com.bd/views/evolution-of-trade-policies-of-bangladesh-since-1972-1625238015>

1980s to only 4 in FY 2005-06. Since 1991, average duty has decreased significantly due to tariff reduction. Because of tariff reductions, the unweighted average tariff has decreased from 70.64 percent in FY 1991-1992 to only 16.39 percent in FY 2005-2006. After that, the rate of tariff reduction slowed. Only about 2 percentage points have been lost on average in tariffs between FY 2005-06 and FY 2019-20. The average import tariff will rise to some level if regulatory and supplemental charges, which are only imposed on imports, are included to the tariff. It is noteworthy that, despite a decrease in unweighted average tariff over the period, there is still a sizable difference between unweighted and import weighted average tariffs. This type of scenario may be traced to Bhutan, the SAFTA, APTA, and specific sectoral tariff exemptions and tariff concessions.

The application of other tariffs and charges placed on imports underwent frequent adjustments over the time. Beginning on July 1, 2000, the license and permit charge that had been assessed on imports since 1972 was eliminated. The VAT Act, which was introduced in 1991 and is still in effect, replaced the sales tax that had been applied on imports since 1972. Commercial imports were subject to advance trade VAT between September 2004 and June 2019. Advance VAT has been imposed on all imports since the 2012 passage of the VAT and Supplementary Duty Act. To collect money for infrastructure development between 1997 and 2007, the government imposed an Infrastructure Development Surcharge that was only applied to imports. The government eliminated the tariff value system, which had been in place since 1972, after implementing the GATT valuation system in 2000 in accordance with a WTO obligation.

But in 2015, the tariff value was reinstated in the form of a minimum import price. Despite being eliminated in 1991, the regulatory duty provision was reintroduced in the Customs Act of 2000. Additional tariffs are imposed on imported items as well. Since then, the scope of regulatory and additional duties has expanded significantly, and in FY 2020-21, nearly half and a quarter of all HS lines, respectively, are subject to these obligations. In the 80s, tariff policy reform and tariff rationalization was the main instrument for enhancing trade competitiveness. However, now, trade facilitation is the most crucial issue for trade competitiveness. Simplified tariff system and reduced is essential for seamless trading and customs operations. Although customs duty is a significant revenue source for Bangladesh and most of the developed countries increase their revenues from alternative taxation, policy reform about revenue generation can be considered since Bangladesh has to meet the requirements of the FTA regarding duty reduction.

3.4 Customs Modernization Initiatives of Bangladesh

The World Trade Organization's numerous initiatives have sparked revolutionary developments in global trade, particularly in import and export. The customs procedures have also undergone a paradigm shift in order to ensure both national security and trade liberalization. Implementing international best practices has become crucial in order to tackle this challenge and keep up with the rapidly evolving global customs landscape. With the assistance of several development partners, the National Board of Revenue of Bangladesh has implemented numerous modernization efforts and improvements in customs procedures under the WTO-Trade Facilitation Agreement (TFA). Custom Modernization Initiatives of Bangladesh involve:

- a. The new Customs law, in accordance with the Revised Kyoto Convention (RKC), WTO Trade Facilitation Agreement and SAFE Framework of Standards, worth a mention. This Act is commensurate with new trade and business horizon. The RKC presents a blueprint for modern and efficient Customs procedures in the 21st century to facilitate legitimate trade while not compromising the Customs control function. It provides a comprehensive and basic set of international Customs standards, and already covers a large portion of global trade²⁶. New custom laws of Bangladesh Customs following the revised Kyoto Convention promotes trade facilitation and effective controls through its legal provisions that detail the application of simple yet efficient procedures.
- b. The National Board of Revenue has already introduced the post-clearance audit for faster clearance of goods. Authorized Economic Operator (AEO) was incepted on pilot basis, and it is providing priority services to valued traders by releasing goods without physical examination. The number of authorized economic operators (AEO) is now 12 from 3, moreover, 51 AEO requests are now in process of approval. The AEO concept is based on the Customs-to-Business partnership introduced by the World Customs Organization (WCO). Traders who voluntarily meet a range of criteria work in close cooperation with customs authorities to assure the common objective of supply chain security are entitled to enjoy benefits throughout the trade procedures. The benefits of AEO include faster processing and clearance of cargo, deferred payment of duty, direct port delivery/entry, and benefits under Mutual Recognition arrangements (MRA).
- c. Risk Management Unit (RMU) has already been established for implementing risk-based targeting. In order to accelerate integrated faster clearance process,

²⁶ WCO,

National Single Window project has been adopted to serve with online information exchange among the relevant offices. To allow a smooth movement of goods at the border, Customs Authorities are compelled by the Revised Kyoto Convention (RKC) and Trade Facilitation Agreement (TFA) to set-up a risk management process. When applied to customs, risk management is very efficient for risk evaluation and risk treatment, its main role being to identify the consignments with the highest risk level and apply the right actions (physical inspection, documentary check, fast-track etc.). The application of customs risk management provides a wide range of benefits for customs and traders, such as: better human resource allocation; increased revenues; improved compliance with laws and regulations; improved collaboration between traders and customs; reduced release time and lower transaction costs (UNCTAD, 2008). Consequently, risk management improves overall performance, increases the transparency through widening the range of available information, as well as raises customs administrations' social responsibility and accountability. The risk management process helps customs administrations to focus on priorities and decisions on deploying limited resources to deal with the areas of highest risk²⁷.

- d. An interactive website has been launched to exchange customs-related information. Besides, National Enquiry Point (NEP) has been inaugurated to respond to customs-related queries. The WTO defines an Enquiry Point as an official or office in a member government designated to deal with enquiries from other WTO members and the public on trade facilitation issues. From Article 1 (Publication and availability of information) of the WTO Agreement on Trade Facilitation (TFA) it is stated that each Member shall, within its available resources, establish or maintain one or more enquiry points to answer reasonable enquiries of governments, traders, and other interested parties. The NBR's internet based National Enquiry Point will provide always-available, public access to the vital information required for conducting trade. In addition to an already rich source of information, it will also provide a means to submit a direct enquiry to customs which will be responded to personally by a customs officer. Each enquiry will further enrich both the quality and plenitude of the NEP. Mandatory forms and documents for importation, exportation and transit will also be provided by this NEP²⁸.

²⁷ Jovanka Biljan, Aleksandar Trajkov (2012) Risk Management and Customs Performance Improvements: The Case of the Republic of Macedonia. *Procedia - Social and Behavioral Sciences*. 44. 301–313. 10.1016/j.sbspro.2012.05.033.

²⁸ National Enquiry Point (NEP) for Customs, available at- http://bangladeshcustoms.gov.bd/legislation/enquiry_point

- e. E-payment system has been introduced to enable electronic payment of duties and taxes. Advance Ruling system has been introduced to get information of duty-tax amount before importing goods. Customs Payment can be made from all commercial banks. Importers/C&F Agents will be able to pay the Duties & Taxes using Bangladesh Bank's RTGS national payment switch. Other commercial banks have also taken the initiatives to make Customs Payment through automated process using Bangladesh Bank's Real Time Gross Settlement (RTGS). from 1 January 2022, duties and charges of any amount can be paid electronically, affecting customs in airports, seaports and land ports. Benefits from e-Payment includes: Real time settlement, Safe, secured & faster, Importers & C&F agents both can make payment, Any amount of Customs payment from any commercial bank for any Customs office, SMS confirmation, and no manual intervention.²⁹
- f. The Time Release Study (TRS) has been conducted (2022) to determine the duration of clearance procedures. The initiatives of Expedited Shipment have been taken to accelerate the prompt release of goods. In line with the globally accepted methodology developed by the World Customs Organization, the comprehensive TRS reviewed import clearance processes and measured the actual time required for the release of goods across four commodity groups: food items, pharmaceuticals raw materials, garments raw materials, and capital machineries. The TRS enables Customs authorities and OGAs to quantify bottlenecks in the clearance and release processes through the collection of time release data that effectively measures the efficiency of the border agencies and private sector stakeholders involved in the control process, from the time the cargo arrives at the border until the physical release of the goods. Based on this detailed and comprehensive diagnostic, the relevant authorities can improve the quality of services provided and identify other potential corrective actions for areas that cause unnecessary delays. Measurement of time release is critical to assessing the impact of trade facilitation reforms. The TRS provide border agencies and the trade facilitation community with a wealth of detailed data on the efficiency and speed of the border control and clearance process. Business operators, the cargo industry, and other intermediaries greatly benefit from the publication of release times because increased transparency and predictability helps them make better business decisions and trade.³⁰
- g. The Customs Act, 1969, was amended in 2001 in line with the Revised Kyoto Convention in order to harmonise customs procedures. Risk-based clearance

²⁹ Bangladesh Customs e-Payment, Available at- <https://customs.gov.bd/files/e-PaymentQuickReference.pdf>

³⁰ The World Bank Blog (2022) Time release studies: Making trade faster and more predictable in Europe and Central Asia, available at- <https://blogs.worldbank.org/trade/time-release-studies-making-trade-faster-and-more-predictable-europe-and-central-asia>

has been introduced on a limited scale in customs houses through green, yellow and red channels. In particular, customs clearance of passenger baggage in airports has been simplified, and more than 95% of passengers pass through the green channel without any intervention and delays by Customs.

- h. Significant progress in computerization of customs procedures has been made in recent times. The latest version of ASYCUDA software, i.e., ASYCUDA World, has been put in place in all of the custom stations across the country. With over 30 years of experience and having been implemented in more than 90 countries worldwide, ASYCUDA world helped reduce clearance time from 18 hours to 1.5 hours in one beneficiary country for instance. In addition, as an online computerized system, ASYCUDA world allows for a reduction by half in the number of forms to be filled in by importers and exporters. ASYCUDA also encourages trading countries to recognize their respective clearance forms - thereby reducing time and compliance issues for entrepreneurs. Another positive aspect of ASYCUDA that is particularly relevant to governments is that it allows Customs departments to have a clear overview of revenue collected through clearance. ASYCUDA contributes to transparency, is a good tool in the fight against corruption and allows for reliable data collection on imports and exports.³¹
- i. Customs Notifications are published in the National Gazette and Statutory Regulatory Orders (SRO) in compliance with GATT Article X. The Government consults with the private sector and studies proposals from that sector particularly prior to the annual budget preparation. Sharing important notification and information by the Customs authority help achieve the transparency and simplification goals in accordance with TFA. With the updated rules and regulations, traders become well aware of changes and can comply with customs rules in better ways. Moreover, SROs remove ambiguities in customs processes and newly developed rules providing clear guidelines for the traders.
- j. NBR has also signed MoUs for National Single Window (NSW) with 38 agencies, which will significantly enhance trade operations by eliminating paperwork and reducing processing time. Around 319,000 traders (exporters and importers) are anticipated to profit from the National Single Window for Trade in Bangladesh in the fifth year of the solution's operation. In the same year, it is anticipated that the average processing time for imports will drop to 122 hours and the average processing time for exports will drop to 88 hours.

³¹ UNCTAD, ASYCUDA: Delivering goods across borders in the digital era, available at- <https://unctad.org/topic/youth/asycuda-and-youth-entrepreneurship>

For Government the benefits of NSW include: Effective & Efficient Deployment of Resources, Correct Revenue Yield, Improved Trader Compliance, Enhanced Security. For Traders benefits NSW lies in Increased Integrity & Transparency, Cutting Costs through Reducing Delays, Faster Clearance & Release, Predictable Application and Explanation of Rules, Effective & Efficient Deployment of Resources and Increased Transparency.³²

- k. Bonded warehouse facility is provided by the Customs Authority in Bangladesh in order to facilitate exports. Bonded Warehousing is the term used to describe the facility offered to export-oriented enterprises for the duty- and tax-free importation of inputs/raw materials and packaging materials. To promote export-oriented industrialization and ease exports, the National Board of Revenue (NBR) offers Bonded Warehousing benefits to a variety of sectors. For industries focused on exports, using the bonded warehouse facility is crucial as it increases their export competitiveness. Bonded Warehousing facilities are granted in accordance with the terms of Sections 84–119 of the Customs Act, 1969 (Chapter 11), as well as different rules and orders periodically issued by the NBR. The NBR and the Customs Bond Commissionerates have issued a sizable number of SROs/standing orders and office orders to efficiently oversee bonded warehouse operations. A key component of the customs modernization project that started in 1999 is to address the loss of revenue created by the operation of the SBW facilities. The main initiatives include centralized management of the SBW facilities, relicensing of the SBW operators (which reduced the number of licenses by 20 percent), and the electronic tracking of the goods using the ASYCUDA computer system. Both direct exporters and deemed exporters benefit from the Bonded Warehousing facility. The term "deemed exporters" refers to businesses that outsource their export-related work and obtain payment in foreign currency via local back-to-back letters of credit rather than conducting direct export operations.³³
- l. The National Board of Revenue has implemented the advance ruling system in Bangladesh, as part of its customs modernization program. The facility is currently available only for classification of goods. The system has been in force since June 02, 2016 vide the Customs_Advance Ruling Rules 2016. Advance ruling enables traders to apply for a ruling that specifies which classification code or H.S. Code will be applied for a specific goods or item. Such advance

³² UNESCAP (2012) Single Window Implementation: Benefits and Key Success Factors, available at- <https://unnex.unescap.org/sites/default/files/switajik-sangwon.pdf>

³³ Bangladesh Customs, National Board of Revenue- Bonded Warehouse, Available at- http://bangladeshcustoms.gov.bd/trade_info/bonded_warehouse_ti

ruling provides importers and exporters certainty or how their goods will be treated by Customs nationwide, allowing the trade community to include tariff costs into their business plans.³⁴

- m. Customs authority has developed procedures for handling the potential import and export of radioactive materials and of goods having radio-active content. In the case of import or export of consignments that have the presence of radioactive materials, customs do not allow clearance until the radioactive materials are removed. In order to detect if there is any radioactive material or content in any consignment, Chittagong Custom House has installed two types of radiation detection devices, such as the Radioactive Portal Monitoring (RPM) and the portable equipment at four gates of Chittagong port. This radiation detection equipment is used to scan cargo containers for nuclear and other radioactive materials. The equipment deters, detects, and interdicts illicit shipments of nuclear and other radioactive materials that might move through the Port of Chittagong.³⁵
- n. Customs has adopted Non-Intrusive Inspection system (scanner) as a part of its modernization approach. Reformed customs act 197B outlines that “Unless exempted by official order, no consignment shall be cleared from customs control in any customs port or customs station without electronic scanning, and where electronic scanning system is not installed or functional, competent authority may allow clearance of such consignment by performing physical examination”³⁶. For verifying the nature of the goods, use of non-intrusive equipment allows scanning the merchandise inside a container, cargo unit, packaging, package or any other object, without having to unload it, in order to compare with the information in the customs declaration and verify compliance with the applicable regulations. Non-Intrusive Inspection can help reduce risks in inspection, detect contraband (e.g., narcotics and weapons) and materials that pose potential threats, and will reduce inspection, clearance time consequently. NBR has procured 9 Scanners which are now being installed in the Chittagong, Benapole and Mongla port.
- o. Provision of Promissory Note: Goods are not detained longer due to customs testing, rather importers can release their goods by issuing a promissory note to the customs.
- p. For finished export products to be shipped using the same imported raw materials trailers, organizations may apply to the customs board for approval.

³⁴ Customs House Benapole-Advance Ruling, Viewed at-
<http://www.bch.gov.bd/page/76/Advance%20Ruling>

³⁵ Bangladesh Customs, Radiation Detection Procedure, available at-
http://bangladeshcustoms.gov.bd/procedures/radiation_detection/123

³⁶ The Customs Act, 1969, ACT NO. IV OF 1969, CHAPTER XX, viewed at-
<http://bdlaws.minlaw.gov.bd/act-354/section-49186.html>

3.5 Overview of Customs Modernization Strategic Action Plan

A thorough development strategy for Bangladesh Customs is laid out in the Customs Modernization Strategic Action Plan 2019–2022, which also includes performance measurement metrics and time-bound targeted interventions. The National Board of Revenue (NBR) has created an action plan that complies with the SAFE Framework of Standards, the Revised Kyoto Convention (RKC), and the WTO Trade Facilitation Agreement (SAFE FOS). It takes into account the Bangladeshi government's technology-driven 'Digital Bangladesh' theme which leads to 'Smart Bangladesh'.

In order to maintain export-led growth and boost the competitiveness of domestic export-oriented sectors, Bangladesh Customs recognizes the highly competitive nature of the international trade sphere. To facilitate local products' entry into the global trade landscape, improve revenue performance, and safeguard society, the agency needs to adhere to a progressive modernization roadmap that will support a complete overhaul of its operational procedures in line with international best practices. NBR also requires a plan to guarantee the continuity and systematic execution of ongoing reform initiatives. NBR decided to create a new Strategic Action Plan for 2019–2022, which will serve as a national framework for all efforts related to customs modernization during that time, after taking the challenges into consideration.

The CusMod SAP's (Customs Modernization Strategic Action Plan) program areas, strategies, and priorities were designed in conjunction with customs officials, stakeholder agencies, and development partners in the belief that a more extensive consultation could produce the desired results. With assistance from the development partners, NBR is the focal party that takes the lead in implementing CusMod SAP. The strategic action plan involves following thematic areas for upgradation, reform and modernization:

- a. **Strategic Planning, Financing and Management of Modernization Initiatives:** In order to implement plans, manage finances and modernization initiatives, the strategic action plan aims to create a professional Customs service that will deliver business outcomes in line with international best practices and national socio-economic environment. For this, specific efforts like guiding, monitoring and supervising modernization initiatives, assessing, collating and report progress and impact of modernization initiatives, developing organizational structure or team and prepare ToRs for activities like AEO, NEP, RM, NSW, NII, establishing dedicated Customs ICT Team/ Directorate, preparing TOR and strengthen their capacity with sufficient resource allocation and organizational structure etc. are ongoing.
- b. **Human Resources Management, Governance and Integrity:** Ensuring organizational structures and human resources practices conducive to

effectiveness and integrity in Customs administration along with proper governance are essential for customs modernization and administrative reforms. In this regard, the action plan aims to establish an HR system that would enable and stimulate functioning of a professional Customs service through good governance and integrity. Initiatives like Conducting a Human Resource Development (HRD) needs assessment to build capacity for the implementation of modernization and reform needs, establishing an equitable rotation policy with a succession plan, Development of specialized skills for Customs Officials; Areas include: calcification, valuation, risk assessment, AEO, IPR etc. are adopted and ongoing in this context.

- c. **Policy, Legislation and Procedures:** Robust and modernization supportive customs acts rules and regulation are crucial for trade facilitation and customs modernization so CusMod SAP aims to establish a legal framework that is in line with international best practice enabling provision of a high-quality service to the community. NBR has reviewed the Customs Act, Rules Regulations and other elements in the regulatory framework identify gaps in the regulatory framework and strengthen the framework as required, drafted and issued policy guidelines, manuals and office orders related to modernization initiatives as required and has been publishing SROs, Orders and Guidelines accordingly.
- d. **Infrastructure Development with built-in Modern Business Process:** Modernization should simplify customs procedures and reduce hassles faced by the businesses or stakeholders connected with customs, so the action planned is designed to develop and establish a system of modern infrastructure to facilitate the delivery of high-level service to all stakeholders. NBR has taken initiatives to Conduct a BPA and BPR of Customs Procedure at key Custom Houses and LC Stations and introduce procedures that are in line with international best practices, prepare a Customs departmental infrastructure plan and implement efficient and effective use of Non-Intrusive Inspection technology in this regard.
- e. **Customs e-environment:** An efficient customs administration that uses technology can gain from increased security, efficiency, and transparency. However, the failure to streamline customs procedures has occasionally undermined the advantages that may be gained from a greater dependence on ICT, leading to a process where antiquated manual techniques coexist with automated practices. Although ICT for customs administration is neither a cure-all or a goal in and of itself, when integrated into a larger modernization effort, it can significantly help to successful customs administration and operations. Digital Bangladesh 2021 created the foundation for a **Smart Bangladesh** and to keep pace with the digitized government services, the

modernization action plan intends to establish an e-Customs environment aiming at strengthening the GoB e-Governance initiative. Practices like Risk Management Module, modern infrastructure development e-Auction module, e-Learning modules, Customs Automated Systems Audit are going on to achieve and comprehensive customs e-environment.

- f. **Trade Facilitation:** Bangladesh has been carrying out trade facilitation strategies to enhance export diversification and competitiveness by improving the quality of exports, signing bilateral trade and investment cooperation agreements, and promoting trade through better coordination among border agencies and private stakeholders³⁷. Tracking the TFA objectives the action plan signified approaches to facilitate legitimate and compliant cross border trade while strengthening sanctions for non-compliant trade. Required TFA actions like ensuring clearance procedures, regulatory requirements, notifications etc. are published on Customs Website, NEP and Bangladesh Trade Portal, establishing e-Payment for all fees, charges, duties and taxes, implementing Pre-arrival Processing of cargo, implementing Risk-based clearance at all CHS and LC stations, establishing a National Single Window (NSW) are in progress.
- g. **Passenger Facilitation:** Customs reform and modernization involves more than the introduction of a set of new techniques for processing cargo and passengers. In this respect, CusMod SAP's objective is to ensure facilitated clearance for legitimate and compliant travelers entering and exiting Bangladesh. Customs aims to introduce the dual-channel clearance system at all entry and exit points, implement e-currency and e-unaccompanied baggage declaration system for passengers and develop infrastructure facilities for passengers at all entry and exit points in this regard.
- h. **Tariff Modernization/Rationalization and Strengthened Valuation:** Tariff-rationalization includes some continuous efforts to promote investments and prevent misdeclarations, and eliminate distortions through, maintaining the same duty rate for products within the same HS heading, simplifying the First Schedule to remove unnecessary HS codes, and creating specific HS codes for products with voluminous trade. However, the 2019-22 strategic modernization plan aims to establish a rational tariff structure and valuation system to enhance competitiveness of domestic industries securing legitimate revenue and to create investment-friendly business environment.
- i. **Modernization of Bonded Warehouse and other Export Incentive Facilities:** Concessions like duty drawback and special bonded warehouses are provided to facilitate exports of import-dependent Bangladeshi producers for the

³⁷ ADB (2022) ADB Supports Trade Facilitation in Bangladesh, retrieved from: <https://www.adb.org/news/adb-supports-trade-facilitation-bangladesh>

purpose of facilitating exports. The Ready-Made Garments (RMG) industry in Bangladesh is significant and primarily depends on the utilization of the special bonded warehouse (SBW) facilities. RMG items are made from raw materials that are duty-free imported into SBW, produced into completed apparel, then exported. The strategic plan aims to strengthen the Bonded Warehousing system, ensuring sustenance and greater contribution to exports. Establish an effective Valuation Database following importers' compliance to responsive declaration as per form 2011 Ka of SRO 57 and confirmation by customs, Develop the skills/analytical capacity of Customs officials for proper valuation of imported goods, enhance effective functioning of Investment Promotion Team (IPT), implementation of Tariff Specific Code (TSC) etc. are some of the measures taken in this respect.

- j. **Bilateral, Multilateral & Regional Integration and Partnerships:** Multilateral or bilateral trading commitments generally entail preferential tariff treatment of goods using defined rules of origin. The ability to manage the diversity of rules of origin and predictability for customs administration and traders become crucial challenges in situations where a country is committed to many trading agreements, each with different requirements. Generally speaking, a capacity shortage makes tariff management more difficult and presents opportunities for origin fraud and abuse. The solution appears to lie in better inter-customs administration cooperation, supplemented by strong intelligence and risk management approaches, and robust information technology systems, as members of the various regional trade agreements are unlikely to withdraw from them and there is also likely little chance of harmonizing rules of origin. Considering these circumstances, the strategic plan aims to strengthen Bangladesh's efforts for regional and global trade integration with a view to maximizing trade growth and resolving of trade-related disputes. Modernization actions like implementation of the automated system for Bonded Warehouse Module (BWM), application of risk-based compliance, Audit and the Trusted Trader (TT) Concept, integration of BWM with other systems like ASYCUDA World, BGMEA/BKMEA, Bangladesh Bank, BEZA, BEPZA system have been taken by the NBR.
- k. **Communications and Public Relations:** Customs modernization handbook outlines that Information and Communications Technology Promotes Customs Modernization³⁸. In addition, a good communications system is needed to interconnect the various customs offices, and to permit the gradual integration of the various participants into the trade transaction through the implementation of the "single window" concept. Moreover, National rollout of such integrative communication mechanism requires a major public relations

³⁸ The World Bank (2005) Customs Modernization Handbook

and education campaign. Considering the significance of multi-dimensional communication effectiveness, the CusMod SAP intends to create an outreach mechanism and strengthen current communication channels to promote the reputation and goodwill of Customs, locally; regionally and internationally. Efforts like developing and strengthening bilateral customs cooperation arrangement with strategically potential countries, strengthening relationships with regional organizations such as SASEC, SAARC, BIMSTEC, JGOC, D8, BBIN, APTA etc., strengthening International Coordination, Relationship with International Organizations like WCO, WTO, IATA, ICAO, CITES, RILO-AP, WIPO, UNODC, UN, OPCW, Interpol etc. are taken in this regard.

3.6 Implementation Status of Customs Modernization Action Plan

NBR has been implementing several modernization and reform initiatives for some years to simplify, harmonize and modernize the entire cross-border trading process. Customs Modernization Plan is in line with the WTO Trade Facilitation Agreement, which aims at introducing online trading facilities in order to reduce the cost of doing business and reduce the number of steps in business procedures. The CusMod SAP or Customs Modernization Strategic Plan outlined myriad actions and interventions taken by the customs authority or NBR to modernize the customs procedures as well as reform the custom administration for ensuring trade facilitation. The progress or current status of the customs modernization initiatives is outlined in the following table:

Table 9: Implementation Status of Customs Modernization Action Plan

A. Strategic Planning, Financing and Management of Modernization Initiatives		
Objective: To create a professional Customs service that will deliver business outcomes in line with international best practices and national socio-economic environment.		
Sl.	Actions/ activities and initiatives taken	Present Status
1.	Finalization of the modernization plan with allocation of resources	Action plan completed and published by the due date/set timeline.
2.	Guide, monitor and supervise modernization initiatives	Completion or achievement of the set target by the due date under each action item in the plan are reviewed accordingly.
3.	Assess, collate and report progress and impact of modernization initiatives	Monthly Progress reports are published at a set interval.
4.	Develop organizational structure/ team and prepare ToRs for activities like AEO, NEP, RM, NSW, NII etc.	Individual team has been formed for activities like AEO, NEP, RM, NSW, NII. ToRs have been prepared accordingly.

5.	Establish dedicated Customs ICT Team/ Directorate, prepare TOR and strengthen their capacity with sufficient resource allocation and organizational structure	National ICT team has been formed. Other ICT teams are formed on ad hoc basis.
6.	Coordinate with Development Partners	Coordination meetings are continuously ongoing and NBR is working closely with development partners like USAID, JICA, WB UNESCAP etc.
B. Human Resources Management, Governance and Integrity		
Objective: To establish an HR system that would enable and stimulate functioning of a professional Customs service through good governance and integrity.		
Sl.	Actions/ activities and initiatives taken	Present Status
1.	Conduct a Human Resource Development (HRD) needs assessment to build capacity for the implementation of modernization and reform needs	Assessment study has been conducted and a report with findings a recommendation was submitted to NBR.
2.	Establish an equitable rotation policy with a succession plan	Rotation policy has been drafted, reviewed and implemented
3.	Establish a performance management, reward and incentive system	Performance management and incentive system have been drafted, reviewed, approved and implemented.
4.	Development of specialized skills for Customs Officials; Areas include: calcification, valuation, risk assessment, AEO, IPR etc.	Core group of officials (number to be fixed by management) has been identified who will receive a fixed number of trainings on each of area identified. The officials in the group trains the other customs officials on the selected areas. A certain number of trainings are conducted each year by the core group and reviewed annually.
5.	Design and initiate a customs officials' capacity development project Actions/ Activities	Bangladesh Customs Capacity Building: Need, Strategy and Action Plan has been developed ³⁹ .
6.	Implement a software solution for HRM purposes covering all HR related activities such as rotation, deployment and performance appraisals etc.	Efforts for developing the software solution is ongoing.
7.	Capacity Building of the Training Academy including the regional customs academy in Rajshahi, Jashore & Chuadanga (for sepoy training)	Regional training centers have been suggested to be set up in Darshana, Birol, Jashore, Chuadanga or Rajshahi or any other suitable locations. For the

³⁹ Available at: https://www.nbr.gov.bd/uploads/public-notice/Bangladesh_Customs_Capacity_Building_need_strategy_and_action_plan.pdf

		establishment of regional training centers NBR will start the preliminary work shortly.
8.	Staff health safety precaution measures (i.e., Preventive measures examination and ship ridding & rummaging etc.)	Bangladesh Customs, Excise and VAT Training Academy (CEVTA) is working on Safety, health and well-being of the community and Customs staff.

C. Policy, Legislation and Procedures

Objective: To establish a legal framework that is in line with international best practice enabling provision of a high-quality service to the community.

Sl.	Actions/ activities and initiatives taken	Present Status
1.	Review the Customs Act, Rules Regulations and other elements in the regulatory framework identify gaps in the regulatory framework and strengthen the framework as required	Customs Act has been enacted and put into force.
2.	Draft and issue policy guidelines, manuals and office orders related to modernization initiatives as required	Number of guidelines, manuals, office orders issued against the number identified as required. Guidelines, SROs, manuals and office orders will be issued in time to implement the new Customs Act, if the national parliament finally approves it for enactment.
3.	Compilation of SROs, Orders, and Guidelines Actions/ Activities	SROs are developed and provided regularly on ad hoc basis on activities related to modernization or other changes.
4.	Preparation and update of Citizen Charter including services provided for each Custom House and Commissionerate as well as NBR	Citizen Charters have been developed for each Custom House and Commissionerate as well as NBR

D. Infrastructure Development with built-in Modern Business Process:

Objective: To develop and establish a system of modern infrastructure to facilitate the delivery of high-level service to all stakeholders.

Sl.	Actions/ activities and initiatives taken	Present Status
1.	Conduct a BPA and BPR of Customs Procedure at key Custom Houses and LC Stations and introduce procedures that are in line with international best practices	A project for conducting BPA and BPR under USAID is ongoing. Typically, BPR is conducted on a piecemeal basis based on needs and changes.
2.	Assess infrastructure facility needs (including detection tools, equipment, labs etc.) across the organization covering all CHS and LC stations taking into account priority and feasibility	A project under World Bank's financing is going on for infrastructural development of Chittagong port. DPP has been completed and planning is underway.
3.	Prepare a Customs departmental infrastructure plan that includes:	Infrastructure plan is in place.

	<ul style="list-style-type: none"> • Independent Planning Cell for Customs with manpower from relevant departments • Develop an infrastructure management and improvement plan that includes: Prepare an integrated plan to construct building for each of the Custom House Office equipped with furniture, physical and electronic infrastructure with a full-fledged Dog Squad, Warehouses for Customs Auction Goods, with appropriate Physical Infrastructure, logistics and HR for soft component of WTO TFA, Checkpoint security (centrally monitored CCTV cameras etc.), Customs vehicles, Non-intrusive inspection technology (Spectrophotometer, scanner, Human Scanner, X-rays, weigh bridge etc. Drug and chemical analysis equipment, procurement of high-speed marine or navigational vehicles like speedboat, helicopters etc. from NBR. Special plan to construct office buildings and accommodation in each Land Customs (LC) stations. • Strengthening Customs academy: (i) Develop infrastructure and facilities of existing Customs & VAT Training Academy. (ii) Prepare a plan to establish a specialized customs-training academy on drugs, narcotics, dog squad and environment. (iii) Create existing Customs & VAT Training Academy to a regional Customs training academy of the World Customs Organization (WCO) as the connecting hub of regional partnership 	<p>NBR has planned to develop infrastructure of Custom Houses in following preferred order:</p> <ol style="list-style-type: none"> 1) Custom House, Chattogram 2) Custom House, Dhaka 3) Custom House, Benapole 4) Custom House, ICD, Kamalapur 5) Custom House, Mongla 6) Custom House, Pangaon <p>Also, NBR has decided to develop infrastructure of LCs in following preferred order:</p> <ol style="list-style-type: none"> 1) Bhomra 2) Banglabandha 3) Burimari 4) Hili 5) Sonamasjid 6) Akhaura 7) Tamabil 8) Teknaf 9) Darshana 10) Nakugaon 11) Sonarhat 12) Sheola 13) Haluaghat 14) Bibirbazar 15) Others
4.	<p>Efficient and effective use of Non-Intrusive Inspection technology</p> <ul style="list-style-type: none"> • Develop and implement a technology review and acquisition program, particularly for NII • Electronic infrastructure for archiving of NII data and interfacing NII data to the Risk Management software • Prepare an image analysis lab for NII 	<p>Preparation for implementing Non-Intrusive Inspection technology is ongoing. NBR has procured 9 Scanners which are now being installed in the Chittagong, Benapole and Mongla port.</p>

	<ul style="list-style-type: none"> • Maintain and/or upgrade Non-Intrusive Inspection • technology at airports, major seaports and border crossing points • Capacity enhancement of officials for effective use of NID/Scanners/ RFID and other sophisticated electronic equipment devices • Monitoring ECTS (Electronic Cargo Tracking System) and reporting 	
5.	<p>Strengthening Customs Laboratory</p> <ul style="list-style-type: none"> • The customs laboratory should have all the facilities to conduct each type of chemical, mechanical and other standards analysis • Prepare a plan to establish laboratory for analysis of drugs, chemicals and radioactivity in all of the customs Houses and 16 of NBR's top LC stations with a Head quarter to manage of all types of logistics measures and HR management • Each active LCS should have basic facility to conduct chemical Analysis 	No initiatives have been taken so far on strengthening the customs laboratory. Plans have been made but nothing has been implemented yet.
E. Customs e-environment		
Objective: To establish an e-Customs environment aiming at strengthening the GoB e-Governance initiative.		
Sl.	Actions/ activities and initiatives taken	Present Status
1.	Establish e-filing in all CHS and LC stations as per GoB mandate	e-filing is available in NBR as per GoB mandate.
2.	Create a Customs Intranet enabling transparent and timely communication across the organization	No dedicated Customs Intranet is available yet.
3.	Draft a Central Archiving and Records Management Policy and implement the policy to ensure archiving of all records and documents	ASYCUDA archive has been created to ensure archiving of all records and documents.
4.	Assess logistics and equipment requirements for e-Customs environment (e.g., handheld devices for Smart Inspections) and identify resources for procurement and use	Qualitative and quantitative assessment of the equipment that enables uninterrupted functioning of e-Customs has been identified. UNODC (United Nations Office on Drugs and Crime) has provided some

		spectrometer and relevant devices for use.
5.	Conduct a human resource capacity needs assessment to implement e-Customs environment	Trainings are provided on ad hoc basis, however, presently training programs are ongoing on cross border paperless trade for capacity building.
6.	Risk Management Module	Risk management system has been implemented in ASYCUDA and available in all custom houses and ports. However, Bangladesh customs does not have any green channel in its ASYCUDA. Only the Red and Yellow channel is available. The green channel is only available for airport passengers.
7.	Audit Module for PCA	Comprehensive Valuation database has been developed & updated periodically & providing audit trail to Audit team.
8.	Valuation Module	All auction activities are conducted through e-Auction system now.
9.	e-Auction Module	Academy now offers various courses both for customs officers and trade bodies (C&F, Importers etc.)
10.	e-Learning modules	Planning is underway.
11.	Customs Automated Systems Audit	No Automated Systems Audit has been conducted yet.
12.	Agents' Licensing Module	Initiatives are ongoing.

F. Trade Facilitation

Objective: To facilitate legitimate and compliant cross border trade while strengthening sanctions for non-compliant trade

Sl.	Actions/ activities and initiatives taken	Present Status
1.	Ensure the Customs Act is enacted and once enacted, translated into English	Customs Act is being enacted and translated into English.
2.	Ensure clearance procedures, regulatory requirements, notifications etc. are published on Customs Website, NEP and Bangladesh Trade Portal	Comprehensiveness information are published on the Customs website, NEP and BTP in comparison to requirements of the TFA.
3.	Establish a formal procedure for consultation with all stakeholders and publish the procedure	At least one consultation every quarter in each CH and LC station is held.
4.	Review current schedule of fees and charges applied by Customs and ensure fees and charges are commensurate with the administrative cost incurred for providing the service	Fees and charges are usually reviewed annually and the list is published.

5.	Establish e-Payment for all fees, charges, duties and taxes	All fees and charges are payable through e-payment system now.
6.	Implement Pre-arrival Processing of cargo	Pre-arrival processing option is made available in all CHS and LC stations now.
7.	Implement Risk-based clearance at all CHS and LC stations	30% GDS Green Lane, 60% Yellow Lane and 10% Red Lane across the board have been implemented.
8.	Establish PCA as the main compliance assessment tool and strengthen the compliance assessment regime	PCAs are available in all Customs houses but they are not standardized.
9.	Draw up a plan to conduct Time Release Studies (TRS) in CCH, DCH, ICD & BCH at least once in two years and publish results	One TRS was conducted in Chittagong port, Benapole land port and Dhaka airport in 2022, and results have been published next TRS will be conducted in two years.
10.	Draft a policy and guidelines to establish a Trusted Trader (TT) and Authorised Operator (AO) regime	TT and AO program was revised and implemented.
11.	Draft and implement procedures to provide simplified clearance for perishable cargo and shipments requiring expedited clearance	Simplified clearance procedure was implemented at each CH and LC station.
12.	Establish Coordinated Border Management (CBM) at CCH, DCH, ICD and BCH enabling trade related activities to be performed in a coordinated manner by the Customs and other border agencies to facilitate cross-border trade	Coordinated efforts by border agencies are now promoted to facilitate cross-border trade.
13.	Establish a National Single Window (NSW)	38 agencies have signed MoUs for being included in the NSW. Bidding for tender of NSW software development has been done.
14.	Review the current Inward and Outward Processing procedures to ensure that appropriate checks and balances are in place	Procedures for Inward and Outward processing are reviewed regularly.
15.	Establish a monitoring mechanism to assess the modifications needed for implemented reforms	Order needs to be issued from NBR Modernization desk

G. Passenger Facilitation

Objective: To ensure facilitated clearance for legitimate and compliant travelers entering and exiting Bangladesh.

Sl.	Actions/ activities and initiatives taken	Present Status
1.	Introduce API and PNR and other passenger control measures (e.g., GTAS) at the international airports	API has been procured for Hazrat Shahjalal International Airport & will be initiated soon. Planning is ongoing for introducing PNR use at all international airports.

2.	Introduce the dual-channel clearance system at all entry and exit points	Dual channel clearance are yet to be planned and implemented.
3.	Implement e-currency and e-unaccompanied baggage declaration system for passengers	e-currency and e-unaccompanied baggage declaration system are yet to be planned.
4.	Develop infrastructure facilities for passengers at all entry and exit points	Initiatives for improving infrastructure facilities for passengers are underway.

H. Tariff Modernization/Rationalization and Strengthened Valuation:

Objective: To establish a rational tariff structure and valuation system to enhance competitiveness of domestic industries securing legitimate revenue and to create investment-friendly business environment.

Sl.	Actions/ activities and initiatives taken	Present Status
1.	Carry out regular analysis of the impacts of tariff structure on overall trade, exports, investment and economic growth and implement phased reform measures as appropriate	One analysis is conducted each year before the budget. As it is a continuous process, it is done at least twice in a fiscal year
2.	Develop capacity of selected officers on revenue modelling and tariff simulation	Trainings are initiated for reviewing Revenue modelling and tariff simulation which are in practice
3.	Develop the analytical capacity of Customs officials at the policy and operational levels	At least one capacity building/ training session is held each year to train 10 officers from each level.
4.	Enhance effective functioning of Investment Promotion Team (IPT)	Quarterly meeting with stakeholders (BIDA, BB etc.) is held to analyze investment status.
5.	Establish an effective Valuation Database following importers' compliance to responsive declaration as per form 2011 Ka of SRO 57 and confirmation by customs	Valuation database is now operational on piloting basis.
6.	Develop the skills/analytical capacity of Customs officials for proper valuation of imported goods	SOP on Valuation Officers posted in Customs Stations are now trained on Valuation Rules
7.	Ensure effective evaluation and monitoring by Central Valuation Committee	Quarterly evaluation is done.
8.	Ensure Valuation Commissionerate to be member of all possible international Value journals	Quarterly evaluation of Value related dispute settlements is done accordingly.

I. Modernization of Bonded Warehouse and other Export Incentive Facilities

Objective: To strengthen the Bonded Warehousing system, ensuring sustenance and greater contribution to exports.

Sl.	Actions/ activities and initiatives taken	Present Status
1.	Review the existing legal framework and business process related to bonded warehouse management	Submission of revised legal framework and procedures for BWM was done by December 2019

2.	Develop the legal framework and business process for all activities like Licensing, Renewal, Audit, Entitlement and Reconciliation etc. conducive for an automated environment and international best practices	Regulatory framework was revised, required SRO and rules were issued by Sept 30, 2020
3.	Acquisition, installation and piloting of integrated bond automated software to automate the key functions for bonded warehouse management	Acquisition and Installation of BWM system has been completed, registration has started on piloting stage.
4.	Implementation of the automated system for Bonded Warehouse Module (BWM)	BWM is ready for operation
5.	Application of risk-based compliance, Audit and the Trusted Trader (TT) Concept	Risk-based compliance and TT program was implemented for Bonded Warehouses.
6.	Integration of BWM with other systems like ASYCUDA World, BGMEA/BKMEA, Bangladesh Bank, BEZA, BEPZA system	BWM is ready to integrate to the compatible software of the stakeholders
7.	Develop Standard Operating Procedures (SOP) and provide training to enable staff and stakeholders to utilize the new bond administration business process and IT system	SOP is being developed and training will be conducted.

J. Bilateral, Multilateral & Regional Integration and Partnerships

Objective: To strengthen Bangladesh's efforts for regional and global trade integration with a view to maximizing trade growth and resolving of trade-related disputes.

Sl.	Actions/ activities and initiatives taken	Present Status
1.	Review and take stock of existing and potential trade agreements	Review report was prepared by 31 Dec 2020
2.	Set up a Decision Support System for trade negotiations	System was set up by 01 Jan 2021
3.	Establish a stakeholder outreach program	Regular consultation and awareness program are initiated, Meeting minutes issued to relevant agencies and stakeholders.
4.	Developing and strengthening bilateral customs cooperation arrangement with strategically potential countries.	Initiatives are ongoing for Agreement signing with new countries and conducting and attending in meetings regularly
5.	Strengthen International Coordination, Relationship with International Organizations like WCO, WTO, IATA, ICAO, CITES, RILO-AP, WIPO, UNODC, UN, OPCW, Interpol etc.	Regular participation in the key events including capacity development activities.
6.	Strengthen relationships with regional organizations such as SASEC, SAARC, BIMSTEC, JGOC, D8, BBIN, APTA etc.	Participation in the meetings and other events on regular basis

K. Communications and Public Relations

Objective: To promote the reputation and goodwill of Customs, locally; regionally and internationally

Sl.	Actions/ activities and initiatives taken	Present Status
1.	Develop a communication strategy for the modernization initiatives	Strategy developed and implementation commenced by 01 Jan 2020
2.	Establish a regular system to measure impacts and develop communication pieces (Op-Eds, Case Studies, Articles)	Impact of communication assessed through a survey conducted by end 2019 and 2020
3.	Ensure the Customs Newsletter and other publications are published at regular intervals (e.g. Fiscal Frontier)	Customs Newsletter published every quarter, customs journal published once in a year.
4.	Ensure Customs presence in International Rankings, Publications, Websites and Fora.	Number of visits by user and number of responses from clients Feedback assessment by client and organizers are analyzed for improvement.
5.	Celebrate the International Customs Day	International Customs Day are celebrated each year with thematic discussions.
6.	Establishment of a Customs Communications Cell and media center	Initiatives are ongoing.
7.	Develop Mobile Apps where necessary information will be available to the user	Initiatives are ongoing.
8.	Ensure vibrant presence of customs in social media i.e. Facebook, LinkedIn, Twitter, Viber etc.	Updates and news are shared in relevant social media.
9.	Develop documentaries and other multi-media presentations	Initiatives are ongoing.
10.	Ensure visible media presence through Talk Show and organizing other programs regarding current customs issues	Initiatives are ongoing.

3.7 Bangladesh's Implementation Commitments of TFA

Against the backdrop of serious macroeconomic imbalances during the early 1980s and stagnating export performance, the policy of reforms for stabilization and structural adjustment was undertaken by the Government. This adjustment programme put forward a wide range of policy reforms in Bangladesh which included reforms in trade policy, industrial policy, monetary and fiscal policy, exchange rate policy, privatization of the state-owned enterprises, and promotion of foreign direct investment. The widespread recognition that outward-oriented policies had carved the East Asian 'miracle', and the world-wide turn against the import-substituting development policies also contributed to the decision over a policy reversal in the context of Bangladesh.

However, by the early 1990s, a large-scale liberalization program was implemented. Since then, successive governments have shown their commitments to more liberal trade regimes. These programs led to a remarkable decline in quantitative restrictions,

notable opening up of trade in many restricted items, significant rationalization and diminution of import tariffs and complete liberalization of the foreign exchange regime. Another important element of trade policy reform was the introduction of generous promotional measures for exports. While import and exchange rate liberalization were intended to correct the domestic incentive structure in the form of reduced protection for import-substituting sectors, export promotion schemes were undertaken to provide exporters with an environment in which the erstwhile bias against export-oriented investment could be reduced significantly. Important export incentive schemes that were made available include, inter alia, subsidized rates of interest on bank loans, duty free import of machinery and intermediate inputs, cash subsidies, and exemption from value-added and excise taxes. The tariff regime was also liberalized and much of the un-weighted average rate of tariff was reduced in the maximum rate.

3.7.1 Status of Implementation Commitments

When the World Trade Organization (WTO) formally agreed to open the Trade Facilitation Agreement (TFA) for acceptance in November 2014, outlining a total of 36 technical measures of trade facilitation for the member states to comply with, and set priorities on the deadline of compliance, the World Bank Group came up with technical assistance to Bangladesh to identify the gaps in compliance, single out the measures for which Bangladesh was ready to comply with readily, and prepare an implementation plan for future.

During the course of the last couple of years, some progresses have been made, and others are in the process. Some of the measures implanted during the period are listed below:

Table 10: TFA Commitments and Implementation Status in Bangladesh

Category Commitments under the Agreements on Trade Facilitation	Articles	Category	Implementation Status and Gaps
Publication and Information Available through Internet	1.1-1.2	A	Laws, rules, regulations, and orders are circulated via the official gazette, which is available mostly in hard copy form. As it has been identified as a priority, agencies' websites have made this information publicly available. Two such examples are the Ministry of Commerce's NTP, which was launched as the Bangladesh Trade Portal, and the NBR's Customs Portal, which includes data, information, forms, and application procedures pertinent to trade. While the extent to which such information is publicly available varies between agencies, the aforementioned

Category Commitments under the Agreements on Trade Facilitation	Articles	Category	Implementation Status and Gaps
			portals have filled some of the information gap. The goal for the NTP is to provide a one-stop shop for respective stakeholders to access the necessary information. This said, consistency among the various agencies would have substantial benefits and should be emphasized.
Enquiry Points	1.3	C	The NBR launched a national enquiry point on 6 September 2018. The Ministry of Commerce is also exploring the possibility of establishing an enquiry point as it would be useful for trade experts and relevant stakeholders. Implementing this across agency offices would require substantial time and monetary resources. Should the government look to approach this in stages, regulatory border agencies should get priority.
Opportunity to Comment and Information before Entry into Force	2.1	B	The majority of Bangladesh government agencies, ministries, and departments involved with trade are providing feedback prior to the enactment or amendment of relevant laws. The Ministry of Commerce and the NBR have been active in facilitating opportunities for these discussions and in making related information publicly available. A large extent of the rules and laws for trade-related activities has been developed by the Ministry of Commerce and the NBR.
Consultation	2.2	B	The Ministry of Commerce and the NBR engaged think tanks, members of the trade community, and related associations (e.g., chambers of commerce, Bangladesh Garment Manufacturers and Export Association, and the Bangladesh Reconditioned Vehicle Import Association) prior to enacting any laws or regulations.
Advance Ruling	3	A	The NBR introduced regulation to implement advance ruling in 2016. There is a rule pertaining specifically to the application process, time-bound response, subjects covered, and review formalities. While this represents progress, in order to facilitate stakeholders' ability to obtain an

Category Commitments under the Agreements on Trade Facilitation	Articles	Category	Implementation Status and Gaps
			advance ruling, other government agencies should introduce this system via the necessary legal provisions.
Procedures for Appeal or Review	4	A	Bangladesh Customs has in place functional, thorough, and effective procedures for appeal and/or review. The procedures include an alternative dispute resolution forum for representatives from the private sector in order to reduce the number of customs disputes. Other agencies do not have similar processes in place, and thus the necessary platforms or appellate forums need to be created, relevant legal provisions have to be enacted, and related procedures have to be laid down. To ensure that this takes place, inputs from relevant stakeholders need to be gathered, which will require time and rigorous investment on the agencies' part. To enable this, a change in the existing business processes of the relevant border agencies will be necessary.
Notification on Enhanced Controls or Inspections	5.1	B	To implement this provision, Bangladesh will need to revisit existing procedures to develop a more unified set of processes and ensure coordination among the border agencies. These procedural changes can be catalyzed through legislation; impacted stakeholders will need to be identified and consulted, and their roles should be clearly defined.
Detention	5.2	A	Bangladesh Customs has been practicing detention for a number of years. Specific procedures are followed by customs officials under the relevant provision of the Customs Act, 1969. The proposed new Customs Act also includes this provision.
Test Procedures	5.3	C	Specific rules have to be formulated with respect to testing and inspection procedures in order to accommodate the requests of importers for a second test of the goods under question. This will likely be a time-intensive process.
General Disciplines on Fees and Charges Imposed on or in Connection with	6.1	B	The schedule of fees for the services provided by the port authority, customs, BSTI, quarantine divisions, etc. has been rationalized over the years, and published

Category Commitments under the Agreements on Trade Facilitation	Articles	Category	Implementation Status and Gaps
Importation and Exportation			<p>every year in accessible forms, both in the web sites and in print forms.</p> <p>Fees and charges are well defined and circulated in the official gazette in Bangladesh. However, revisions to fees and charges are not published prior to their effective date.</p>
Specific Discipline on Fees and Charges for Customs Processing Imposed on or in Connection with Importation and Exportation	6.2	B	Bangladesh Customs levies only a minimal amount of fees and charges for customs processing on the basis of the services rendered.
Penalty Discipline	6.3	B	The provisions for penalties are well defined and specified in the Customs Act, 1969. Yet, some penalty provisions are missing the necessary rationalization. Identifying the rationale for these provisions has been completed and the next step is to incorporate these provisions into the proposed new Customs Act.
Pre-Arrival Processing	7.1	C	<p>Legal provisions have been amended in the Customs Act 1969 to allow provisions for pre-arrival processing for assessment of duties, but it is exercised only in case of reputable importers.</p> <p>Bangladesh Customs, with support from USAID, has implemented pre-arrival declaration of the import general manifest.</p>
Electronic Payment	7.2	B	<p>Legal provisions have been amended in the Customs Act 1969 to allow provisions for electronic payment for customs duties, carried out through ASYCUDA World software.</p> <p>Bangladesh Customs' ASYCUDA World is now interfaced with the payment receiving bank and has introduced an e-payment system.</p>
Separation of Release from Final Determination of Customs Duties, Taxes, Fees, and Charges	7.3	A	Customs Act, 1969 provisions on provisional assessment provide the legal basis for the allowing the release of goods prior to the final determination of duties, taxes, fees and charges against a bank

Category Commitments under the Agreements on Trade Facilitation	Articles	Category	Implementation Status and Gaps
			<p>guarantee. Otherwise, importers can suffer delays.</p> <p>The implementation of Bangladesh Customs' Provisional Assessment effectively managed this process, and the Customs Act, 1969 provides guidance to follow. Bangladesh has identified this provision as completed.</p>
Risk Management	7.4	C	<p>Although the NBR has formed and ensured the training of a Committee on Central Risk Management and the Risk Management Team, additional time is needed to ensure this is effectively operational at all customs stations. This requires coordination between the Risk Management Team and concerned offices. The NBR has been working with development partners on implementation, and a risk management directorate is proposed to be set up. Risk management is regarded as high priority by the NBR and therefore could be categorized as a short-term priority. For other organizations, risk management systems are not followed as per standards. To develop such a system, it will require more time and technical assistance from development partners.</p>
Post-Clearance Audit	7.5	C	<p>This provision applies to the customs audit process, which is managed by Bangladesh Customs. With technical assistance from ADB and USAID, the NBR has been working on implementing both systems-based audit and transaction-based audit. Officials have been trained by development partners on standard operating procedures through manuals and training packages. To meet the necessary best practice standards for systems-based audit, additional time and technical assistance are needed.</p>
Establishment and Publication of Average Release Times	7.6	A	<p>The Time Release Study (TRS) has been conducted (2022) to determine the duration of clearance procedures. Next time release is scheduled to be published after 2 years from 2022 TRS.</p>
Trade Facilitation Measures for	7.7	C	<p>Legal provisions have been amended in the Customs Act 1969 to allow provisions</p>

Category Commitments under the Agreements on Trade Facilitation	Articles	Category	Implementation Status and Gaps
Authorized Economic Operator			<p>for pre-arrival processing for assessment of duties, but it is exercised only in case of reputable importers.</p> <p>The NBR has committed to establishing the AEO program. ADB and USAID are assisting the NBR in designing the necessary guidelines, training, and base documents, in addition to offering capacity building workshops. The NBR has given high priority to this but it is anticipated that full implementation will take some time. The rule was issued in 2018 and the provision was initially incorporated in the Customs Act, 1969. The number of authorized economic operators (AEO) is now 12 from 3, moreover, more than 50 AEO requests are now in process of approval.</p>
Perishable Goods	7.9	C	<p>No such provision or rule has been established to handle the quick release of perishable goods. Border agencies try to expedite their release, but no rule or procedure is available to follow or provide the framework for coordination among the various border agencies. To date, no progress has been observed in addressing this issue. A draft provision on the expedited handling of perishable goods, prepared with support from ADB, has been submitted and could be implemented under the new Customs Act when it is enacted. The border agencies would need to discuss the appropriate procedures needed to implement this provision.</p>
Border Agency Cooperation	8	C	<p>This provision requires a set of arrangements among the border agencies, enabling them to work together in a cohesive and coordinated way to facilitate trade. Currently, there is a lack of a framework and governance structure to ensure border agency cooperation. The NTTFC could potentially address this issue through coordinated border management (CBM), which is an ongoing initiative with support from the World Bank. Another challenge under the area of cross-border agency cooperation is</p>

Category Commitments under the Agreements on Trade Facilitation	Articles	Category	Implementation Status and Gaps
			ensuring consistency among all border agencies during bilateral discussions with regional partner countries. As a result, the government has included this under Category C and signaled that assistance might be sought from development partners.
Movement of Goods Intended for Import under Customs Control	9	A	This provision is prevalent in Bangladesh Customs. Thus, Bangladesh has identified it under Category A. Procedures established in the areas of monitoring and supervision has also seen significant improvement.
Formalities and Documentation Requirements	10.1	C	It will be necessary for Bangladesh to revisit this provision. Bangladesh Customs has initiated the relevant work; however, other border agencies will also need to contribute to this effort.
Acceptance of Copies	10.2	A	Bangladesh is compliant with this provision. Now there are now systems available for acceptance of copies, and electronic versions of various reports and copies, which created scopes of replacing the mandatory requirement for original hard copy, and has thus expedited the goods release process at some procedural steps, but hard copies are still required at many other steps. For instance, even ASW made BOE submission electronic, importers are required to submit signed AWB (hard copy) to Customs for initiating assessment, hence, hard copies are still required for customs clearance and port authority release. Also, Customs has implemented electronic gateways to pay duty and taxes. However, the Port authorities still depend on manual payment systems, causing a delay in payment processing.
Use of International Standards	10.3	A	Bangladesh follows international standards as they pertain to the business processes of Bangladesh Customs and the activities of the Ministry of Commerce and other relevant agencies. Bangladesh is a signatory to international conventions such as the RKC, SAFE Framework, and

Category Commitments under the Agreements on Trade Facilitation	Articles	Category	Implementation Status and Gaps
			the International Convention on the Harmonized Commodity Description and Coding System, and thus is compliant with this provision.
Single Window	10.4	C	Bangladesh is in the process of implementing the NSW with support from the World Bank. The NBR is now spearheading the project. Bangladesh will need additional time to implement the NSW under Category C.
Pre-Shipment Inspection	10.5.1	A	Bangladesh Customs no longer has an active pre-shipment inspection system. However, there are other types of pre-shipment inspection requirements for imported goods that have been imposed by the Ministry of Commerce, which will continue to oversee the implementation of these provisions as a medium-term priority.
Use of Customs Brokers	10.6	A	Bangladesh has complied with this provision with the use of a self-clearance system. This said, the use of a customs broker is not mandatory.
Common Border Procedures and Uniform Documentation Requirements	10.7	A	Through regular and periodic joint meetings of customs groups between Bangladesh and India, it has been possible to agree upon common customs procedures and documentation, based on international standards of risk management and WCO standards. Bangladesh Customs follows common procedures and documentation processes across its customs stations. Other border agencies are also compliant with a uniform system; thus, the country is compliant with this provision. Through regular and periodic joint meetings of customs groups between Bangladesh and India, it has been possible to agree upon common customs procedures and documentation, based on international standards of risk management and WCO standards.
Rejected Goods	10.8	A	Special provision has been included in the Customs Act, 1969 for handling rejected goods. Further, detailed procedures guide

Category Commitments under the Agreements on Trade Facilitation	Articles	Category	Implementation Status and Gaps
			the implementation of the provision in this article.
Temporary Admission of Goods	10.9	B	Bangladesh Customs has a provision as well as procedures that pertain to the temporary admission of goods. However, the regulations will need to be revisited and updated. The government has classified this under Category B and it could fall under Bangladesh's short-term priorities.
Inward and Outward Processing	10.9	B	Bangladesh Customs follows international practice regarding this provision. However, additional modification will be necessary to enforce the Import Policy Order of Bangladesh.
Freedom of Transit	11	C	Bangladesh is committed to accommodating the freedom of transit of commercial goods across national borders. There is a clear protocol on river routes that is fully functional. Provisions pertaining to the BBIN MVA are also underway and expected to be implemented in the near future. The Customs Act, 1969 has also incorporated the necessary transit provisions. Bangladesh has classified some provisions under Category A. For some activities specifically mentioned in this article that pertain to transit facilitation-such as establishing dedicated berths and lanes, building infrastructure for roadways, upgrading ICT facilities, and creating a national coordination body-compliance needs to be ensured. To achieve this, technical assistance from development partners may be needed.
Customs Cooperation	12	B	Bangladesh complies with some of the components mentioned in this article. Bangladesh has been participating as a member of various international customs forums and been active in exchanging information with neighboring countries. To fully comply with this provision, mutual partnerships and capacity building efforts will need to be strengthened among participating countries.

3.7.2 Bangladesh Trade Portal

The Bangladesh Trade Portal (BTP) is an official source of all regulatory information relevant to traders who wish to import goods into Bangladesh or export to other countries. The Ministry of Commerce of the Bangladesh Government has established the Portal in order to improve the predictability and transparency of the country's trading laws and processes.

The Portal is also a one-stop point for information relating to export from and import into Bangladesh. Click on the relevant links on this page to look for the Tariffs relating to each commodity, any special measures, the procedures for applying for permits, licenses and Customs clearance, and much more. The Guide to Export-Import, on the top menu of this page, provides a comprehensive set of instructions and guidelines in plain language and conveniently organized by topic. The Trade Portal is in line with the government's commitment to facilitating information sharing, the 8th Five Year Plan which focuses on accelerating economic growth, as well as compliance with Article 1 of the Trade Facilitation Agreement with the World Trade Organization.

With thousands of links between its content elements, as well as external links to relevant ministries and online services, BTP is not only presented traders with comprehensive trade-related information, but it also acts as a tool for the Government and other stakeholders to help reduce, modernize and simplify regulations in accordance with international best practice. The portal provides an accessible, logical, helpful window for traders to access important regulatory and procedural information needed to export and import. This is in line with the government's commitment to facilitating information sharing, the 7th Five Year Plan which focuses on accelerating economic growth, as well as compliance with Article 1 of the Trade Facilitation Agreement with the World Trade Organization.

3.7.3 Current Status of National Single Window (NSW) and its impacts

A comprehensive form trade facilitation approach for traders includes National Single Window (NSW). Bangladesh submitted its WTO TFA (World Trade Organization Trade Facilitation Agreement) instrument of ratification in September 2016 with which it committed to implementing 37 measures of facilitating legitimate trade. The National Single Window is under Article 10.4, that states "members shall endeavour to establish a single window." The most commonly accepted definition of a Single Window (SW) is the one provided by UNECE Recommendation No.-33 that describes the SW as "a facility that allows parties involved in trade and transport to lodge standardized information and documents with a single-entry point to fulfill all

import, export, and transit-related regulatory requirements." "If information is electronic, then individual data elements should only be submitted once"⁴⁰.

For National Single Window Implementation and Strengthening Customs Modernization, The Government of the People's Republic of Bangladesh has received an USD 150 million Credit from the International Development Association (IDA) - a member of the World Bank Group - for financing the cost of the Bangladesh Regional Connectivity Project 1(BRCP-1), being jointly implemented by the Bangladesh Land Port Authority (BLPA), National Board of Revenue (NBR) and Ministry of Commerce.

In order to enhance trade volume with the neighboring nations, the Bangladeshi government has adopted a more comprehensive strategy for trade reform and established a coordination platform. The Project's goal is to improve infrastructure and trade-friendly conditions along strategically significant regional transport corridors while reducing the time and costs associated with trade. Ministry of Commerce (WTO Wing), Ministry of Shipping (BLPA), and Ministry of Finance (NBR) all work together to carry out the project.

An important component (component-c) of this project is- National Single Window Implementation and Strengthening Customs Modernization (IDA USD 65 million, managed by Bangladesh Customs of National Board of Revenue)⁴¹. National Single Window (NSW), through the introduction of an electronic, online solution, will facilitate faster and more transparent international trade procedures. NSW will also reduce transaction costs borne by traders and provide consistency and certainty to the total process.

The Government of Bangladesh has committed to the implementation of a National Single Window (NSW) system and the accompanying reform and modernization of customs and other border control agency needs in accordance with international standards following the WTO Trade facilitation agreement. When fully operational, the system will enable traders to submit all import, export, and transit data needed by customs and other important regulatory agencies through a single electronic gateway rather than repeatedly submitting the same data to various government agencies, many of which still heavily rely on paper-based processing systems.

The Ministry of Finance's Internal Resource division's NBR, the project's lead implementation agency, oversees the project's overall implementation, management, and monitoring⁴². As a part of One stop Service System, NBR's national single window

⁴⁰ United Nations, Trade Facilitation and Implementation Guide- The Single Window concept, viewed at- <https://tfig.unece.org/contents/single-window-for-trade.htm>

⁴¹ Bangladesh Regional Connectivity Project-1, Component-3 viewed at- <http://brcp-1.gov.bd/about-brcp-1/>

⁴² Available at- https://nbr.gov.bd/uploads/tender-notice/TOR_NPC.pdf

project is under way and once initiated it will benefit Bangladeshi traders significantly by reducing time and cost of trading. The NSW implementation project started in July 2017 and was primarily scheduled to be completed by June 2020. Later, it was revised and the time was extended to December 2023. The average processing time for imports and exports is expected to be reduced substantially. With the implementation of NSW traders will be able to submit all of their trade-related documentation on a single digital platform rather than depending on numerous government agencies, which will reduce paperwork and facilitate trade substantially.

With implementation of National Single Window for trade in Bangladesh, 319,000 traders (exporters and importers) are expected to be benefitted from reduced time and cost for trade in the fifth year of the operation of the solution. During the same year, the average processing time for import is expected to be reduced to 122 hours and average processing time for export is expected to be reduced to 88 hours.

However, it is not yet possible to implement the National Single Window fully now. The status of the National Single Window (NSW) is in a preliminary stage. Without modifying and updating the relevant policy, the implementation of the National Single Window is not possible. So far, PIU for NSW has been formed, officers have been assigned, a work plan has been developed, and procurements have been initiated. NBR has signed an MOU with 38 ministries and government agencies. Design specifications drafted for 2016 are being updated. Bidding for tender of NSW software development has been done and the pilot program will be initiated shortly. Inadequate coordination between Stakeholders, Organization and human resistance to change, Lack of automation of NSW relevant stakeholders, lack of technically skilled human resources, etc. are some of the challenges associated with the NSW implementation.

Bangladesh's National Board of Revenue or NBR was yet to prepare the basic layout design of its National Single Window system. The project which was launched on 11 April, 2019 to modernise the customs authority even if the revenue authorities have recently sent a proposal to the Finance Ministry seeking further extension of the NSW project deadline to 31 December, 2026. However, the deadline of completion of the project is 2024, and NBR has called a tender for vendor support to develop the basic layout design of the NSW system.

Table 11: Bangladesh’s Trade Facilitation Score from 2017 to 2021⁴³

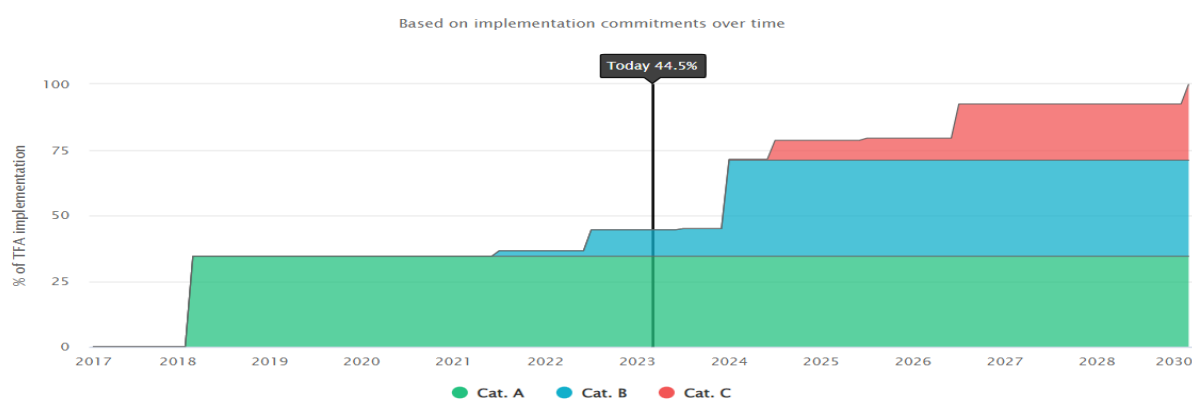
Year	Trade Facilitation Score	Particulars
2021	64.52%	<ul style="list-style-type: none"> • Transparency: 86.67%; • Formalities: 83.33%; • Institutional Arrangement and Cooperation: 66.67%; • Paperless Trade: 59.26%; • Cross-Border Paperless Trade: 27.78%.
2019	52.69%	<ul style="list-style-type: none"> • Transparency: 73.33%; • Formalities: 66.67%; • Institutional Arrangement and Cooperation: 66.67%; • Paperless Trade: 40.74%; • Cross-Border Paperless Trade: 27.78%.
2017	35.48%	<ul style="list-style-type: none"> • Transparency: 53.33%; • Formalities: 50%; • Institutional Arrangement and Cooperation: 55.56%; • Paperless Trade: 22.22%; • Cross-Border Paperless Trade: 11.11%.

This table shows that over the years Bangladesh’s implementation rate of trade facilitation increased gradually. In the year 2017 the country had a trade facilitation score of 35.48% whereas in 2021 it has become 64.52%. Also, the country has achieved 86.67% transparency and 83.33% formalities in 2021.

3.7.4 Future TFA Implementation Commitments of Bangladesh

As of February 2023, Bangladesh has been able to implement 44.5% of all commitments under the TFA, as shown in the Figure 5 below:

Figure 5: Timeline of Implementation Commitments of Bangladesh



Source: WTO Trade Facilitation Agreement Database- Bangladesh, accessed at 20 Feb 2023.⁴⁴

⁴³ UN global survey on digital and sustainable trade facilitation

⁴⁴ Trade Facilitation Agreement Database, available at- <https://tfadatabase.org/en/members/bangladesh#information-for-traders>

Bangladesh has notified the notification 66.7% & 33.3% under category B and C respectively. 100% comments and information before entry into force notified under category C, 100% Notifications for enhanced controls or inspections notified under category C, 100% general disciplines on fees and charges notified under category B, 100% specific disciplines on fees and charges notified under category B, 100% penalty Disciplines notified under category B, 100% Temporary admission of goods and inward and outward processing under category B. As the TFA agenda is not fully implemented and practiced yet those criteria are not being practiced rigorously by the authority. Following table illustrates the TFA implementation status based on notifications:

Table 12: Implementation Commitment Status

Article	Detailed notification breakdown	Category	Indicative implementation date	Definitive implementation date
1.1	Publication	A	from 22 February 2018 to 20 February 2020	from 22 February 2018 to 31 December 2023
1.2	Information available through internet	A	from 22 February 2018 to 20 February 2022	from 22 February 2018 to 31 December 2023
1.3	Enquiry points	C	by 30 June 2026	by 30 June 2026
1.4	Notification	B	from 20 February 2020 to 30 June 2026	by 31 December 2023
2.1	Comments and information before entry into force	B	by 20 February 2020	by 30 June 2022
2.2	Consultations	B	by 20 February 2020	by 30 June 2022
3	Advance rulings	A		by 22 February 2018
4	Procedures for appeal or review	A	from 22 February 2018 to 20 February 2020	from 22 February 2018 to 31 December 2023
5.1	Notifications for enhanced controls or inspections	B	by 20 February 2020	by 31 December 2023
5.2	Detention	A		by 22 February 2018
5.3	Test procedures	C	by 30 June 2030	by 30 June 2030
6.1	General disciplines on fees and charges	B	by 20 February 2020	by 30 June 2021
6.2	Specific disciplines on fees and charges	B	by 20 February 2020	by 31 December 2023
6.3	Penalty Disciplines	B	by 20 February 2020	by 30 June 2022
7.1	Pre-arrival processing	C	by 30 June 2025	by 30 June 2025
7.2	Electronic payment	B	by 20 February 2020	by 30 June 2022
7.3	Separation of release	A		by 22 February 2018

Article	Detailed notification breakdown	Category	Indicative implementation date	Definitive implementation date
7.4	Risk management	C	by 30 June 2030	by 30 June 2026
7.5	Post-clearance audit	C	by 30 June 2026	by 30 June 2026
7.6	Average release times	A		by 22 February 2018
7.7	Authorized operators	C	by 30 June 2026	by 30 June 2024
7.8	Expedited shipments	C	by 30 June 2026	by 30 June 2026
7.9	Perishable goods	C	by 30 June 2030	by 30 June 2026
8	Border Agency Cooperation	C	by 30 June 2030	by 30 June 2030
9	Movement of goods	A		by 22 February 2018
10.1	Formalities	A	from 22 February 2018 to 30 June 2030	from 22 February 2018 to 30 June 2026
10.2	Acceptance of copies	A	from 22 February 2018 to 20 February 2020	from 22 February 2018 to 30 June 2022
10.3	Use of international standards	A		by 22 February 2018
10.4	Single window	C	by 30 June 2030	by 30 June 2030
10.5	Pre-shipment inspection	A	from 22 February 2018 to 20 February 2020	from 22 February 2018 to 31 December 2023
10.6	Use of customs brokers	A		by 22 February 2018
10.7	Common border procedures	A		by 22 February 2018
10.8	Rejected Goods	A		by 22 February 2018
10.9	Temporary admission of goods and inward and outward processing	B	by 20 February 2020	by 30 June 2022
11	Transit	C	from 22 February 2018 to 30 June 2030	from 22 February 2018 to 30 June 2030
12	Customs cooperation	B	by 20 February 2020	by 31 December 2023

Source: TFA Database

A= Notified in Category A; B= Notified in Category B; C= Notified in Category C

Developing and LDC Members can request more time and capacity building support to implement the Agreement. To benefit from these flexibilities, they must designate all measures into categories A, B and/or C which have the following implementation timings:

- CATEGORY A = developing Members will implement the measure by 22/02/2017 and LDCs by 22/02/2018
- CATEGORY B = Members will need additional time to implement the measure

- CATEGORY C = Members will need additional time and capacity building support to implement the measure

Besides the notification of categories, A, B and C designations, the TFA sets out different timelines for the notification of indicative and definitive dates for implementation of categories B and C commitments as well as the technical assistance required for the implementation of category C commitments⁴⁵.

3.7.5 Customs Issues Associated with TFA Implementation

Bangladesh Customs plays important role to implement the measures of Trade Facilitation Agreement (TFA) of World Trade Organization (WTO). The TFA comprises 12 articles and 38 measures to implement. Bangladesh Customs is the lead agency as it is responsible for implementation of 37 measures out of 38. Bangladesh government itself with its own resources and in many cases with assistance from development partners has undertaken a good number of effective and timely initiatives to implement the TFA measures. Even a lot of mentioned notification issues are directly or indirectly customs related. The following table represent key TFA implementation issues associated with customs:

• Enquiry points	• Separation of release
• Advance rulings	• Risk management
• Notifications for enhanced controls or inspections	• Average release times
• Detention	• Authorized operators
• Pre-arrival processing	• Perishable goods
• Electronic payment	• Acceptance of copies
• Single window	• Pre-shipment inspection
• Use of customs brokers	• Customs cooperation

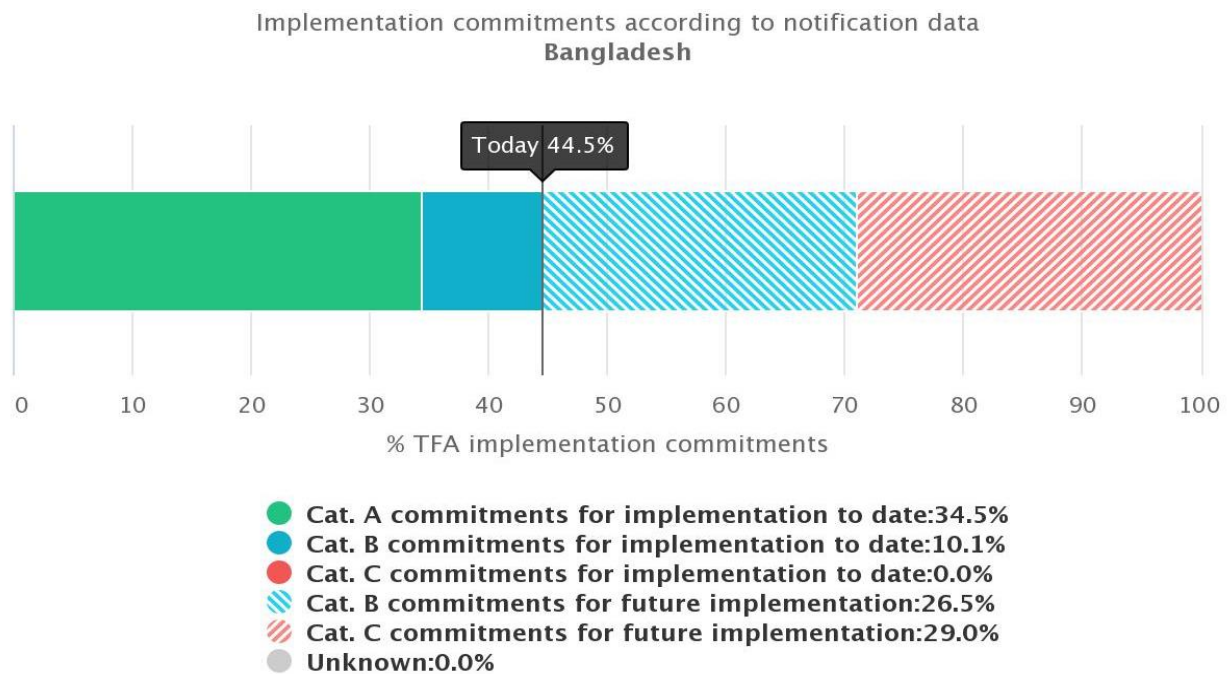
To ensure international best practices for facilitating trade, Bangladesh Customs has initiated the implementation of a new Customs website, systematic PCA environment, Advance Ruling, National Enquiry Point (NEP), Authorized Economic Operator (AEO), Systematic Risk Management environment, Expedited shipments, enforcement of de minimis, Pre-arrival Processing (PAP), Advance Passenger Information (API)/Passenger Name Record (PNR), Modernizing customs intelligence mechanism, Time Release Study, National Single Window (NSW), etc. Advance ruling, Electronic Payment Gateway, formulation of manual and standing order of system based and transaction-based post clearance audit, withdrawal of Mandatory (Pre-shipment Inspection) PSI system, 'Joint Group of Customs' initiative with India,

⁴⁵ WTO TFA Implementation Notifications (ABC), viewed at- <https://tfadatabase.org/en/notifications/implementation>

Nepal and Bhutan, agreements like BBIN MVA, BIMSTEC MVA, inland water transit protocol with India etc. are also some of the initiatives undertaken by NBR to implement TFA different measures.⁴⁶

For Bangladesh, there are outstanding commitments under Category B and Category C, to be fulfilled by 2030. There are some commitments under Category B which are to be fulfilled by December 2023. Based on TFA Notified all category ABC designations data, 34.5% of Bangladesh’s notifications are under category A, 36.6% of Bangladesh’s notifications are under category B, 29.0% of Bangladesh’s notifications are under category C and 0.0% are not yet notified. Following figure depicts the present status of TFA implementation commitments:

Figure 6: Status of Implementation Commitments of Bangladesh



TFAD (Trade Facilitation Agreement Database) www.tfadatabase.org

Source: TFA Database accessed on 20 February 2023

Based on the current commitment of implementing TFA measures, it has been estimated that within 2030 Bangladesh will achieve 100% commitment in TFA implementation. The following figure shows the expected level of TFA implementation in coming years:

⁴⁶ NBR (2018), Customs Modernisation & International Trade, Bangladesh Customs Initiatives on Implementation of WTO Trade Facilitation Agreement (TFA), available at- https://nbr.gov.bd/uploads/public-notice/Newsletter_issue_01.pdf

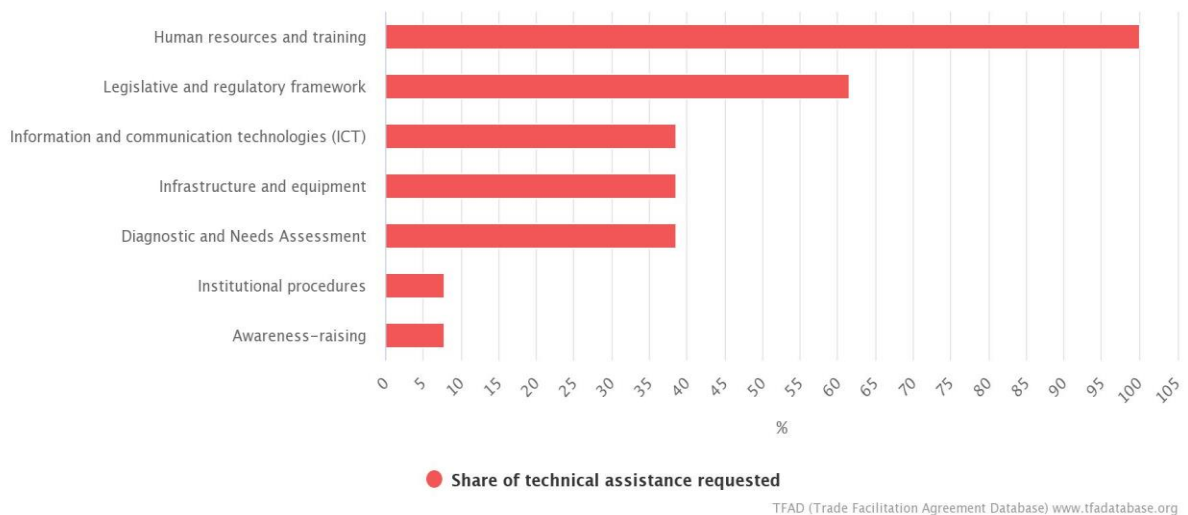
Figure 7: Timeline of Implementation Commitments of Bangladesh



Source: TFA Database

Technical assistance for trade facilitation is provided by the WTO, WTO members and other intergovernmental organizations, including the World Bank, the World Customs Organization and the United Nations Conference on Trade and Development (UNCTAD)⁴⁷. In July 2014, the WTO announced the launch of the Trade Facilitation Agreement Facility, which will assist developing and least-developed countries in implementing the WTO's Trade Facilitation Agreement. Following figure shows the type of technical assistant requested by Bangladesh:

Figure 8: Type of Technical Assistant Requested by Bangladesh



Source: TFA Database

The assistance is intended to address implementation gaps and needs, particularly those related to developing and least developed countries' category C commitments. The Trade Facilitation Agreement's (TFA) technical assistance provisions are special. They make it easier to match needs to available funding and to better monitor the actual help provisions. They consequently support the Special and Differential Treatment (S&DT) chapter's goal of developing implementation capacity before committing to carrying it out legally. On the other hand, developing and least developed country members must evaluate the need for implementation capability,

⁴⁷ Technical assistance and capacity building, available at- https://www.wto.org/english/tratop_e/tradfa_e/ta_capac_build_negoti_e.htm

plan for it, and track its development⁴⁸. So as a least developed country, Bangladesh needs to evaluate the requirement for implementation capability, strategize, and monitor its progress.

3.7.6 Policy Gaps in Implementing the Agreement

Some important observations were identified by the stakeholders and respondents during the study, on the policy gaps while implementing the Trade Facilitation Agreement. The identified gaps are as follows:

- WTO Trade Facilitation measures involve Customs & Other Border/Government Agencies (OGAs) that are involved in trade, though Customs is implementing of its own modernization and implementation of TFA measures, other OGAs in Bangladesh are not quite at par in initiating such measures. Therefore, implementation of TFA measures remains a critical challenge for OGAs like Chief Controller of Import & Export, Plant Quarantine Department, Atomic Energy Commission, Drug Administration Directorate, Bangladesh Standard Testing Institute, Bangladesh Export Processing Zone Authority, and Port authorities. However, OGAs are gradually becoming involved in TFA implementing measures. For instance, 38 OGAs have signed MOU to integrate services in the NSW. Moreover, coordination among OGAs is increasing as customs, port authorities, and certification authorities are integrating their services for making business procedures easier. Nevertheless, the lack of automation among OGAs is hindering the interagency coordination required for seamless TFA implementation.
- As no risk-based testing criteria are mentioned in the import policy order (IPO), every relevant cargo is subject to OGA interventions that creates redundancy and lag in trade. OGAs (e.g., BSTI, BAEC, Plant Quarantine, and Fisheries and Livestock), in consultation with the concerned ministries, should adopt a risk-based testing policy and have their risk criteria integrated within the ASYCUDA World selectivity module.
- Integration of export and import policy and alignment of executive orders with NBR's SROs are often not updated, causing delays in decision making by the respective officials.
- Even if there are policies and regulations in place, there are absence of Standard Operating Procedures (SOPs) in implementing them. This means, new policies and regulations are not implemented, and things are done in old ways in absence of new SOPs in place.

⁴⁸ United Nations, Trade Facilitation Implementation Guideline, accessed at- <https://tfig.unece.org/contents/technical-assistance.html>

- The clearance and customs procedures must be modernized. It must be implemented without delay. The Commerce Ministry has previously ratified WTO about this. Establishing testing procedures and their flexibility is required per WCO regulations. Consultation with the government is also required in the event that any modifications are required for the WTO's TFA agreement section 2.2. A customized dashboard and tracking system for monitoring the actions can elevate this trading technique to an entirely new level. An efficient transport and shipping infrastructure will facilitate trade-related activities.
- About Non-appliance in WCO Procedures in many areas, including standards-WCO sets a certain time frame in each and every area implementation in WCO Procedures. From Bangladesh's perspective, actions taken within this timeframe that is not much noticeable. initiatives are lagging behind in implementing some area but not like time is up and Bangladesh failed to do those.
- Partial use of technology already available due to reasons on untrained manpower to operate them. Most border points do not have the skilled manpower to properly run ASYCUDA software.

3.7.7 Institutional Framework for Implementation

Bangladesh ratified the WTO's Trade Facilitation Agreement (TFA) on 27 September 2016. Since then, the Ministry of Commerce has played a key role in mobilizing various government agencies to determine the path forward for the implementation of Bangladesh's TFA commitments. The National Trade and Transport Facilitation Committee (NTTFC) was established in January 2018 under the leadership of the Ministry of Commerce to coordinate all trade and transport-related policies and actions in Bangladesh as well as to administer all activities and initiatives linked to the TFA. The NTTFC, which consists of 31 members, including high-ranking officials and representatives of pertinent ministries, departments, and trade associations provides policy direction to the relevant agencies.

The Ministry of Commerce and its subsidiary offices-the Tariff Commission, Export Promotion Bureau, Chief Controller of Import and Export, and WTO Cell-along with the NBR, trade bodies, research organizations, academia, and relevant agencies all contributed to designing the framework and laying the foundation for how Bangladesh would tackle this challenge. The involvement of these agencies in various bilateral and multilateral trade discussions has been one of the essential building bricks for Bangladesh. This has improved access to and knowledge of the most significant international trade issues and practices.

Major activities aimed at advancing trade facilitation in Bangladesh have been supported by initiatives taken by development partners, including the United States

Agency for International Development (USAID), the World Bank, the Asian Development Bank (ADB), the International Finance Corporation (IFC), the United Nations Conference on Trade and Development (UNCTAD), and the United Nations Economic and Social Commission for Asia and the Pacific. However, many of the projects backed by institutions like the World Bank and ADB have a strong focus on transportation (such as road construction), which has substantial spillover effects on trade⁴⁹.

When the TFA entered into force on 22 February 2017, the Ministry of Commerce was entrusted with the role of being the nodal ministry for activities relating to the TFA. As such, the ministry involved relevant agencies to analyze the 36 measures of the TFA to determine the combination of Categories A, B, and C that Bangladesh would commit to as part of its accession. Other relevant agencies are listed below:

- National Board of Revenue;
- Ministry of Shipping;
- Ministry of Road Transport and Bridges;
- Ministry of Railways;
- Ministry of Civil Aviation and Tourism;
- Ministry of Agriculture;
- Ministry of Industries;
- Ministry of Shipping;
- Ministry of Power, Energy, and Mineral Resources;
- Ministry of Fisheries and Livestock; and
- Bangladesh Bank (central bank).

These organizations are adjusting their current laws, policies, practices, and procedures to comply with the new TFA's criteria. To do this, they have identified the gaps in trade facilitation and capacity-building as well as the technical help needed to close or narrow these gaps. Bangladesh informed the WTO of its category commitments under the TFA on February 20, 2018. The National Trade and Transport Facilitation Committee NTTFC and the Ministry of Commerce are working together to coordinate the hiring of the appropriate agencies to carry out the provisions and measures under each of these headings. As previously indicated, throughout the past ten years, the Government of Bangladesh, more specifically the Ministry of Commerce, has collaborated with numerous multilateral organizations on a number of programs aimed at promoting and facilitating trade.

⁴⁹ WTO Cell, Ministry of Commerce Bangladesh Regional Connectivity Project-1 (2020) Study On How Comparable Countries are Addressing Implementation of TFA, available at- <http://brcp-1.gov.bd/wp-content/uploads/2020/08/Report-3.pdf>

Since previously formed NTFC and NTTFC have almost the same scope of work and members, it was agreed in the 4th meeting of NTFC to merge the two committees and reconstitute the National Trade Facilitation Committee (NTFC) to form one committee. The institutional framework for implementation is very wide and loosely strung between various ministries and agencies thereof - a total of 39 of them who are directly involved in regulating, administering, and implementing the trade and trade related procedures. Private sector entities often play an important supporting role. For example, non-preference Certificate of Origin is issued by 7 chambers of commerce authorized by the Ministry of Commerce. Besides, there are testing laboratories in the private sector. The institutions engaged in trade and services related to trade facilitation are specifically identified by the study through a stakeholder mapping exercise. However, multilevel stakeholders like one group from all relevant government ministries/agencies, one group from the private sector (trade bodies/chambers/associations) and another group from independent research organizations can be included to build a platform to lead the implementation of the TFA as well as suggest new ideas & raising issues regarding trade facilitation.

The terms of reference of the NTFC includes:

- The Committee will make necessary recommendations and guidelines to expedite the implementation of various provisions of the WTO Trade Facilitation Agreement;
- Provide necessary recommendations and guidance to ensure the introduction, proper implementation and continuous development of an up-to-date trade facilitation system in the country;
- Review and simplify the rules and procedures related to the transit and communication system of the country in the interest of trade liberalization;
- Review bilateral communication arrangements and transit agreements with neighboring countries and advise on their further implementation;
- The committee will discuss issues related to Trade Facilitation activities among all concerned Ministries/Organizations;
- Undertake initiatives to further expand the scope of cooperation in trade, communication and transit facilitation at the regional and sub-regional levels;
- The Committee can regularly review the trade facilitation system and provide necessary recommendations and directions;
- Advising on improving traffic systems to reduce transit time and accidents;
- Identifying barriers and taking steps to remove them to improve national and inter-transport communication systems.

8 working groups for NTFC, women's trade/economic empowerment, agro trade, NSW, land port, Standard, IPRs and connectivity are at work for improving trade environment and facilitating trade through multidimensional efforts. NTFC is actively

enabling institutions to meet the TFA requirements. However, bottlenecks or issues like individual agenda and mandate of the agencies, distorted efforts towards TFA goals, lack of interagency coordination etc. hinder the NTFC's capacity to work smoothly for TFA implementation.

Chapter 4: Identification of Acts, Rules and Policies to Supports Simplification of Trade Procedure, Documentation, Automation and Paperless Trade

4.1 Introduction

Bangladesh has transformed itself from an agriculture dependent country to a trade-dependent country. The Government of Bangladesh declared its objectives to boost employment and income generation for the increasing population, and to reduce the poverty level to half, through expansion of trade. Thus, it is working to create an enabling environment for facilitating internal and foreign trade, expanding export, and increasing capacity. And in modern days, especially being a member of the WTO and having other international commitments, a country's domestic laws, regulations and trade related policies need to be aligned with those of the international community especially with Trade Facilitation Agreement (TFA). This chapter, within the limited scope of the study, attempts to capture some of the major laws directly related to trade in terms of their applications and coverage, with a view to looking at the areas of improvement for trade procedures.

4.2 Major Acts, Rules and Policies regarding Trade Procedure, Documentation, Automation and Paperless Trade

To exploit the global market before and after graduation, there need to be policy support so that the regulatory regime of trade and investment become business friendly. Therefore, the major acts, rules and policies regarding trade procedure, documentation, automation and paperless trade need to be updated and moderated as per the goal of trade facilitation.

4.2.1 Imports and Exports Control Act, 1950

This Act was promulgated in 1950 to prohibit, restrict or otherwise control imports into and exports from Bangladesh. Under the provisions of the Act, the Government is empowered to regulate all practices and procedures connected with the import or export of goods, and may also provide for applications for licenses under the act including the charging of fees, etc.

4.2.2. Import Policy Order 2021-2024

The Import Policy Order (IPO) is issued under the provision of the 'Imports and Exports (control) Act 1950' and contains procedural details for the importation of goods from a foreign country. The IPO addresses the current and emerging issues,

such as, post-LDC graduation, COVID-19 recovery, the 8th five-year plan, the perspective plan 2021-2041 and the fourth industrial revolution. It contains concrete objectives, and measures to achieve those objectives, consistent with the goals pertaining to the aforementioned plans and strategies. Some of the key features of the IPO are:

- Importation of products through confirmed agreements instead of opening Letter of Credit (LC) documents is allowed.
- Apparel exporters are allowed to keep bond goods for six months instead of 4 months.
- Local manufacturing industries are also allowed to enjoy duty-free facility through the bonded-warehouse mechanism.
- Local industries are allowed to import raw materials against partial export order through 100-percent bank guarantee.
- Accordingly, the earlier provisions of importation of two tons of old blankets, and 6 tons of sweaters, ladies' cardigans, zipper jackets (men's), and men's trousers, by an importer have been halved.
- A maximum of one ton of synthetic branded shirts are allowed to be imported instead of two tons.
- The motorcycle fuel CC is increased for manufacturing companies to import together with different freight facilities of the shipping lines.
- Import of cruise ship is allowed.
- Provision to protect the local bitumen- industry is incorporated.
- The list of restricted import products is not made longer due to WTO rules.

Further, the IPO places special emphasis on easing the imports of raw materials for use in export-oriented industries. The order further stressed that country of origin must be noted on all products, product packaging, or containers. However, for imports of coal, cotton, aluminium, and export-oriented garment and industrial-related raw materials, the country of origin is not required. Nuclear radiation tests are mandatory for imported milk, dairy, edible oil, vegetable seeds, grains, and other food products.

The IPO includes a list of import prohibited and import controlled products. Except the prohibited/controlled goods, all other goods are importable freely subject to payment of customs and other duties.

4.2.3 Export Policy 2021-24

The export policy is issued by the Government under the provisions of Section 3(1) of the 'Imports and Exports (control) Act 1950'. It has been prepared keeping in view the contemporary developments in the global and regional trade regimes that include,

among others, the world trade scenario, depression in the developed countries, probable sub-regional connectivity (Bangladesh-India-Nepal-Bhutan), One-Belt-One-Road initiative of China, BREXIT, etc. In addition, it puts special emphasis on further liberalizing trade and making the trade regime suitable for current global trends, also keeping consistency with the need of time. It also emphasizes on Bangladesh's transformation to developing nations club, effectively addressing the challenges of the Fourth Industrial Revolution (4IR), and offsetting the potential impacts on the economy posed by the pandemic⁵⁰. In addition, it prioritizes capacity building efforts in view of Bangladesh's emergence as a developing country as well as visualizing the Middle-Income Country (MIC) status.

The main objectives of the policy are:

- Attain sustainable development of export trade by 2024;
- Achieve exports of US\$ 80 billion by 2024;
- Increase exports of labour-intensive and non-traditional items;
- Improve quality verification and certification system to global standards;
- Ensure compliance and best practices to enhance exports;
- Enhanced participation women and small entrepreneurs in export-oriented industries and trade;
- Attach top priority to service sector including ICT, e-commerce and e-governance;
- Adopt strategies of fourth industrial revolution (4IR) for expansion and dynamism of exports;
- Formulate strategies to address the challenges of graduation from LDC to developing nation;
- Attract FDI in the export sector for high-value products; etc.

Top priority sectors with untapped exports potential for promotion of exports under the policy include: High-Value Added RMG; Man-made Fibre; Garments Accessories; Pharmaceuticals products; Plastic products; Footwear and Leather products; Jute and Diversified Jute Products; Agro- and processed agro-products (fruits, cut-flower); Light Engineering products (Auto parts, bi-cycle, motor-cycle, battery); etc.

In addition, the policy includes a special development sector comprising of products having export potential, but the basis of their production, supply and export is not well-organized. Such products are: electrical, electronics, and ceramic products; value-added frozen fishes; printing and packaging; cutting and polished diamond and jewelry; paper and paper products; rubber and rubber products; silk materials;

⁵⁰ Chowdhury, N.H., The New Export Policy 2021-2024: How it would Boost up the Export Target of Bangladesh, published by the Korea Institute for International Economic Policy, 2022

handloom and handicraft products; photovoltaic modules; crabs; cashew nuts; toys; halal fashion; halal meat and meat products; auger; etc.

Further, the policy newly introduced top priority service sector which include software and IT-enabled services; ICT products; Business Process Outsourcing (BPO); and Free Lancing. Likewise, the special development service sector includes tourism industry; architecture engineering and consultancy services. Moreover, considering the LDC graduation, the export policy indicated that proper measures would be taken to address the establishment and creation of Active Pharmaceutical Ingredient (API) in Dhaka and Chittagong, as well as increasing foreign investment in pharmaceuticals through various attractive incentives. Also, export incentives and policies for API and reagents will be prioritized and Mutual Recognition Agreement (MRA) may be in place with countries like USA, Philippines and other exporting markets.

The policy also provides for several special benefits for the top priority sector and special development sector, such as:

- Project loans at a reduced interest rate;
- Income tax rebates;
- Financial assistance or subsidies in conformity with the WTO Agreement on Agriculture, and Agreement on Subsidies and Counter-veiling Measures in case of utility services;
- Export credits at simplified procedures and reduced interest rates;
- Prioritized treatments for air travel;
- Tax refund and bond facility;
- Tax-free importation of equipment for setting up compliant industries;
- Assistance in exploring overseas markets; etc.

On the other hand, products prohibited for exports under the policy include: petroleum and petroleum products; jute seeds and sun-hemp seeds; firearms and ammunitions; radio-active products; archeological relics; all types of pulses; garlic, onion, and ginger; human skeleton and products made of human blood; all types frogs and frog-legs; etc.

4.2.4 The Customs Act, 1969

The Customs Administration under the National Board of Revenue conducts its operations following the provisions delineated in the Customs Act, 1969. The Act contains provisions relating to the levy and collection of customs duties on goods and other allied matters. Under the Act, the term 'Goods' mean all movable goods and include conveyance, stores and materials, baggage, and currency and negotiable instruments, while the Customs-Area means the limits of the customs-station specified under Section 10 and includes any area in which imported goods or goods

for export are ordinarily kept before clearance by the customs authorities. The Act was amended several times allowing provisions on anti-dumping and countervailing rules and safeguard rules, to introduce transaction values as the basis for customs valuation, and more importantly, to meet international standards and best practices particularly the Revised KYOTO Convention (RKC), and the SAFE Framework of Standards, which was also adopted in June 2005 by the World Customs Organization (WCO) Council⁵¹. However, a new Customs Act is under process to be drafted in order to accommodate the trade facilitation provisions of the WCO RKC and the WTO Trade Facilitation Agreement.

4.2.5 Value Added Tax (VAT) and Supplementary Duty Act 2012

This act is prepared to expand the areas of imposing value added tax, supplementary duty and turnover tax, Advance Tax (AT) and to consolidate and simplify the provisions relating to collection procedures thereof. The purposes of the introduction of the new VAT were to replace the old age sales tax, mobilize more internal revenue, to introduce a single flat rate covering a wide range of goods and services production, and ensure equity by bringing transparency and accountability in the taxation system of Bangladesh⁵². VAT introduced in Bangladesh in its initial form was a sort of consumption tax (by allowing the purchase of capital goods as input), which extended its coverage up to the level of import, production or manufacture, and service rendering but not to export (which is zero-rated), wholesale or retail level. However, because of some inherent defects in its application, the old VAT Act has been replaced by The VAT and Supplementary Duty Act, 2012 came into effect from 1 July 2019.

In the Preamble of the new VAT law, four objectives have been articulated; namely, expansion of tax-base, simplification of VAT collection procedure, integration of procedure and making other relevant provisions. Simplification has been an important objective of the new VAT law which appears elusive in the current central registration regime. VAT management system in Bangladesh has a number of steps:

- Registration for VAT;
- Declaration of value of manufactured commodities;
- Assessment of duty and taxes;
- Payment of duties and taxes;
- Delivery of goods and services; and
- Submission of return along with VAT payment.

⁵¹Asian Development Bank, Regulatory Impact Analysis Report on the Current Customs Regulatory Framework in Bangladesh, Mandaluyong City, Philippines, 2015

⁵² Lalarukh, F., & Salahuddin, C. M. (2013). Contribution of VAT to the GDP of Bangladesh: A Trend Study. *Journal of Business*, 34, 131-141.

In VAT management, first it requires making a list of the sellers which is called registration. Then, the sellers require keeping records of sale, purchase, VAT payment etc., so that the regulatory authority can check from time to time the appropriateness of payment of VAT. The sellers are of different types; such as: individuals, proprietorship firms, partnership firms, limited companies, trusts, societies, non-government organisations (NGOs), government enterprises etc., with one, several or dozens of points of manufacturing, warehousing, sale, trading, service rendering and management offices.

So, there arose the concept of unit registration and central registration. Registering one unit at one place is called unit registration and registering multiple units together is called central registration. Every entity has an account or Business Identification Number (BIN). An entity with one or multiple units maintains an account incorporating all transactions. Most documents of an entity require to be maintained under company law and VAT law. These documents are the evidences of purchase and sale, income and expenditure, profit and loss. So, one entity/company, one Business Identification Number (BIN) was adopted as the basic principle of registration.

4.3 Acts, Rules and Policies to Simplify Trade Procedure & Documentation

The current Customs Act does not meet international standards despite the government's signing of several international legal instruments. The current procedures are not adequately efficient, accountable, or transparent due to the lack of information and communication technology (ICT) applications as required in the system. The procedures are not integrated and hence require more processing time and cost.

4.3.1 Sections to be Simplified in The Custom Act 1969

The Customs Act 1969 is being modified annually which creates some uncertainty to prepare policy for investment. Especially, imposing two times to four times percent⁵³ penalty due to wrong HS Code is a hindrance to trade rather than a way to facilitate the trade procedure. According to section 156 of Table 14, if any person commits an offence under section 32⁵⁴: **Untrue statement, error, etc.**, such person shall be liable to a penalty at least twice but not exceeding four times the amount of the tax evaded in respect of which such offence is committed and such goods shall be liable to confiscation; and upon conviction by a Magistrate such person shall further be liable

⁵³ The entry was substituted by section 11 of অর্থ আইন, ২০২০ (২০২০ সনের ৯ নং আইন)।

⁵⁴ Untrue statement, error, etc.: Section 32 LEVY OF, EXEMPTION FROM AND REPAYMENT OF, CUSTOMS-DUTIES

to rigorous imprisonment for a term not exceeding five years or to a fine not exceeding Taka fifty thousand or to both. Major Area of the Law of the Custom Act 1969 needed to be changed are as follows:

Section 79 (C) on Registered users: The prescribed process for registering to Customs computer system currently involves excessive steps and discretion of Commissioner which may discourage people from joining the system. There should be prescribed rules for registering to the customs computer system and applications should be made online rather than in writing as this will help create an umbrella database for everyone and ease the process of trade and business from every aspect.

Section 82A- The provision states that if goods are not assessed and released within 7 days of providing bill of entry, the owner may serve notice to the Commissioner for the process to be completed within 3 working days. This may cause delay in the process. The provision might instead state that goods must be assessed and released within 7 days and for any delay, the concerned officers may be served show cause notice.

Section 112: allows seizing goods or machinery from the owner's plant may cause hindrance in the operation of his business. Rather, the Commissioner could first serve a notice stating that the duty must be paid within a specified time and if the owner fails to do so, then they may seize goods/machinery from the owner's plant.

Section 26: states that the Customs Authority should maintain a centralized database where the documents mentioned in section 26 can be uploaded by importers or exporters faster. Along with this, in Section 26A (1a): depicts that the list of documents to be provided may be pre-determined. This will save time and allow for faster remedy. And, uploading documents on the database, as recommended above, could also save costs for both Customs Authority and Businesses.

As the law state that in 26 (b) (requisition to produce documents), goods have been seized under this Act, an officer of Customs not below the rank of an Assistant Commissioner may, by notice in writing, require that person or any person whom the officer suspects to be or to have been the owner, importer or exporter of those goods, or agent thereof, as the case may be, as and when required, to produce and deliver to the officer or to any other specified Customs officer all books of account, invoice books, or other books, records or documents in which any entry or memorandum appears or may be supposed to appear in respect of the purchase, importation, exportation, cost, or value of, or payment for, the goods and any other goods so imported or exported or otherwise dealt with within a period of three years preceding the date of the notice.

The review of the Customs Act, the authority requires the interaction and coordination of different institutions and actors in Bangladesh. Under the proposed provisions, the NBR will be the main coordinator and implementer of the act. Customs officers may require training and capacity- building activities to ensure more professionalism and accountability in their daily work. Stakeholders affected by the legal amendments and users will need to be clearly informed about new customs practices and procedures.

Table 13: Proposed Changed in Major section of the Custom Act 1969

Proposed Provision	Law	Existing Law Provision (If Any)	Which Problem it will Address	Options Explored	Probable Impact (Benefit, Cost)
Unless it is determined impracticable, unnecessary, or contrary to public interest, the Board shall publish rules in draft form to allow stakeholders the opportunity to provide input (section 14).		Section 219: Board has general power to make rules, and is required to lay such rules at the table of the Parliament.	No formal mechanism for stakeholders to provide input on proposed rules implementing the Customs Act	Leave to Board discretion to obtain stakeholder input	increased transparency, predictability, and compliance
Board shall have authority to <ul style="list-style-type: none"> • Designate documents or payments that may be submitted or effected electronically, • Designate or appoint computer systems for transmission of such documents or payments, • Require use of electronic communication for specified documents or payments, • Prescribe technical and procedural requirements for electronic 		section 79a, 79(d), 79(e): Board authorized to accept electronic bills of entry and related documents	Inadequate legal authority to establish electronic communication for customs documents other than bill of entry (goods declaration)		-Ensured expedited customs clearance - Establishment of electronic audit trail to facilitate audit-based controls

Proposed Law Provision	Existing Law Provision (If Any)	Which Problem it will Address	Options Explored	Probable Impact (Benefit, Cost)
communication. (sections 26 and 32)				
<ul style="list-style-type: none"> • Customs valuation of imported goods shall be determined by WTO valuation rules. • Customs valuation of export goods shall be based on FOB price, inclusive of transport and related costs to move goods to the Bangladesh port of shipment. (Section 46 and fourth schedule) 	section 25: General rules for customs valuation based on the GATT Article VII (rather than WTO agreement) and containing provision for establishment of minimum prices ⁵⁵	Use of minimum price system for imported goods inconsistent with WTO rules		increased transparency and predictability - Requires increased audit-based controls that need training
Period for making refund claim extended from 6 months to 3 years (Section 53)	section 33: Period for claiming refund is 6 months from date of payment.	Limited period for discovery and correction of errors		Level playing field between reassessment (3 years) and refund (now also at 3 years)
<p>General rules for customs guarantee defined for all customs operations and processes, including</p> <ul style="list-style-type: none"> • Acceptable forms of guarantees (cash deposit, bank guarantee, bond); • Limitations on who may act as guarantor; • Rules for determining amount of 	Sections 86, 86A: Rules on bonds and guarantees generally only in the context of use of customs warehouses	Lack of clarity with respect to requirements and use of guarantees in customs operations, other than the customs warehouse procedure		Positive impact on cash flows of traders

⁵⁵ Section 25 (3) Notwithstanding anything contained in this section, the Government may, by notification in the official Gazette, fix, for the purpose of levying customs duties, tariff values [or minimum values] for any goods imported or exported as chargeable with customs-duty ad valorem:

Proposed Law Provision	Existing Law Provision (If Any)	Which Problem it will Address	Options Explored	Probable Impact (Benefit, Cost)
<p>guarantee, based on risk; and</p> <ul style="list-style-type: none"> Requirements for prompt release of guarantees upon satisfactory completion of the customs operation or process. (chapter IX) 				
<p>Owners or operators of conveyances (vessels, aircraft, road, or rail vehicles) are required to provide cargo and conveyance information to Customs prior to arrival to Bangladesh (section 67)</p>	<p>sections 43–44: Vessels and aircraft required to submit manifests after arrival to Bangladesh</p>	<p>Lack of advance warning of incoming cargo and conveyances sufficient to carry out safety and security risk assessment</p>		<p>improved risk assessment and revenue protection</p> <ul style="list-style-type: none"> - Initial increase in trade cost due to required uptake of technology, which will pay off in the long run through more transparency and reduced risk - Updates of information technology system required (time and cost impact)
<p>A goods declaration for import shall be made by the importer, and a declaration for export shall be made by the exporter. The terms importer and exporter are broadly defined to include the owner or anyone</p>	<p>sections 79 and 131: Bill of entry and bill of export to be made by “owner” of the goods</p>	<p>Overly restrictive definition of persons who may make a bill of entry or bill of export</p>		<p>Impact on other laws referring to “owner” rather than “importer” or “exporter</p>

Proposed Law Provision	Existing Law Provision (If Any)	Which Problem it will Address	Options Explored	Probable Impact (Benefit, Cost)
in possession of or with a beneficial interest in the goods. (Sections 2[u], 2[bb], and 101)				
Importer or exporter may amend declaration as a matter of right unless error has already been or would be discovered by Customs or goods have been released (section 106).	Section 205: Customs officer, in his discretion, may allow amendment of documents subject to payment of a fee.	Current law discourages importers and exporters from voluntarily correcting mistakes and thus encourages bad declaration of data		Increased transparency and predictability - Increased integrity due to a reduced level of discretion and negotiation
Conditions for use of a temporary import procedure, as well as duty and tax consequences and obligations of persons using the procedure, are defined (chapter XV).	Section 21(a): Board provided discretion to allow temporary import of any goods without payment of duty, in general or specific cases as it determined.	Unstructured and sporadic provisions, which reduced the transparency and predictability of the use of the temporary import procedure	Increased transparency and predictability - Increased integrity due to a reduced level of discretion	
Removed	sections 25a-25c: Authorization for use of pre-shipment inspection	Conformity with WTO Trade Facilitation Agreement		Increased transparency and predictability - Increased integrity due to a reduced level of discretion

Authorized Economic Operators: Authorised Economic Operators (AEO) was included in the law and for this some provisions have been created following trade facilitation agreement. Customs Act 2018; Chapter 12 (Section 107) and SRO No. 214/AIN/ 2018/37/Customs have already implemented to allow the provision of

AEO. Three pharmaceutical companies (Beximco, Incepta and Square) have been recognised as AEOs before 2022. The revenue authorities have taken a fresh move to put in operation the globally-practised trade facilitation system, authorised economic operator (AEO), in Bangladesh but the complex conditions make the opportunities limited to few industries. If the benefit is provided, SMEs would enjoy simplified import process and raw materials import, which would help them gain overall competitiveness. It would also help them to support the large industries as backward linkages. AEO for small businesses and homogenous industries that are using similar raw materials for production can be chalked out⁵⁶.

4.3.2 Rules to be Changed in VAT and SD Act 2012

However, the new VAT law is a compromise outcome entailing fundamental and sometimes arbitrary changes to the original VAT Act 2012 as part of government's understanding with the business communities. The new VAT law was made fully effective from July 1, 2019 bringing changes through Finance Act, 2019.

The original 2012 VAT Act intended to reduce dependence on supplementary duty and also lower the level of domestic protection by reducing the long list of items subject to supplementary duty (SD) and applying the SD rates equally on both domestic and imported goods and services. In the event, the new VAT law maintained the discriminatory nature of SD by applying it primarily on imports. As a result, instead of reducing the degree of protection offered through SDs, the level of protection further increased. Besides, the National Board of Revenue continues to make changes in the law to fine tune it and full fill the demands of the business community as the VAT wing of the NBR issued so many statutory regulatory orders, special orders, general orders, and directives amending the provisions of the law. It creates policy uncertainty for the businessmen to invest for long run-in specific industry.

First, the most important change is with respect to introduction of multiple VAT rates. Under the amendments in 2019 to the new VAT Act 2012, the government moves away from a uniform 15 percent VAT rate envisaged in the VAT and Supplementary Duty Act 2012 and instead introduced many VAT rates: 15 percent at the import stage; 10 percent at domestic manufacturing stage; 7.5 percent at wholesale stage; 5.0 percent at retail stage under the new system. One saving grace is that, domestic manufacturer, wholesalers and retailers may still opt for the original 15 percent VAT rate with full input tax credit, if they consider that advantageous from their business point of view. Many countries have multiple VAT rates but that generally ranges between 3 - 5 rates and are applied at different rates on different products and services taking into

⁵⁶ Customs Act 2018; Chapter 12 (Section 107) and SRO No. 214/AIN/ 2018/37/

account socio-economic and health-related issues. But Mansur (2019) simply states that Bangladesh is now an individual country in the world where different VAT rates will be applied to same products at different stages of processing or sales⁵⁷.

Secondly, reliance on advance collection of VAT in the form Advance Tax (AT) at the import stage has further increased burden under the new VAT law which need to be changed. As huge amount of capital of a businessmen stuck up in the VAT office as Advance Tax, which needs to be refunded and carry forward for long time. Moreover, the following section need to be revised to ease the process of business:

Table 14: Proposed Changed in Major section of the VAT & SD Act 2012

Proposed Law Provision	Existing Law Provision (If Any)	Which Problem it will Address	Options Explored	Probable Impact (Benefit, Cost)
(b) The commissioner shall refund the amount, on application in the form and manner prescribed, within 1 (one) month after the date of the application.	As per section 68 Carry forward and refund of negative net amount for a tax period (4) If part or all of the excess amount has been carried forward for 6 (six) tax periods without being credited – (b) in any other case, the commissioner shall refund the amount, on application in the form and manner prescribed, within 3 (three) months after the date of the application.	Duration of paying refund from 3 months to 1 month will reduce the cost of doing import for businessmen.		Reduce cost of doing business
An importer should to pay 1% Advance Tax on Capital Machineries in import	According 31 section of VAT & SD Act 2012, An importer has to pay 4% Advance Tax on Capital Machineries in import	For getting exemption from paying, Advance Tax on Capital Machineries, an individual has to pay VAT Registration Form 2.3 , Input		Reduce cost of doing business

⁵⁷ Mansur, A. H. (2020). Bangladesh: Impediments to Enhanced Revenue Mobilization and Equitable and Efficient Spending. CGD Policy Paper 167, Center for Global Development. <https://www.cgdev.org/publication/bangladesh-impediments-enhanced-revenue-mobilization-and-equitable-and-efficient>

Proposed Law Provision	Existing Law Provision (If Any)	Which Problem it will Address	Options Explored	Probable Impact (Benefit, Cost)
		Output Coefficient Form 4.3 and previous 12 months VAT return submission documents.		
Proper submission system should be developed for input-output coefficient (Form 4.3) submission through online.	Furthermore, the monthly online VAT Return is complicated and till now input-output coefficient (Form 4.3) cannot be submitted through online.	It will reduce the cost of export and import of businessmen		Reduce cost of doing business

4.3.3 Provision to be Changed in Export Policy 2021-24

The following Recommendations need to be changed and implemented to ease the process of business and trade in Bangladesh:

Existing Policy	Proposed Recommendations	Possible Impact
Provision 4.4.8.1: In the case of bonded warehouses, clearance for release and re-export will be provided by the customs authorities on the basis of the certification of the relevant lien bank in the case of the return of ready-made garments and other items after export due to defects or due to any other reason.	<ul style="list-style-type: none"> • Clearance for release and re-export will be provided by the customs authorities on the basis of the buyer's confirmation of letter. 	Expediting the release of goods upon arrival.
Provision 4.7: In the case of the export of all products, for which the quality control certificate is mandatory, the certificate issued by the appropriate authority (Bangladesh Standards and	<ul style="list-style-type: none"> • The time requirement for providing certificate should be specifically mentioned in the policy to strengthen the system for quality certification and verification 	Enhance impartiality, non-discrimination and transparency in

Existing Policy	Proposed Recommendations	Possible Impact
Testing Institution / Department of Fisheries / Department of Agricultural Extension / Bangladesh Council of Scientific and Industrial Research / Bangladesh Atomic Energy Commission/ Department of Livestock Services, others) should be submitted to the Customs authorities.	as per international standards.	case of export and import.

4.3.4 Provisions to be modified in Import policy order 2021-24

Bangladesh is going to graduate from its current LDCs status. Trade facilitation is a major issue to address as a developing country. This will necessitate a new shift in trade policy regime for enhancing productive capacity and competitiveness.

Table 15: Proposed Changed in Major Provisions of Import Policy Order 2021-24

Proposed Provision	Existing Provision (If Any)	Which Problem it will Address	Probable Impact (Benefit, Cost)
The rates and fees like surcharge for not renewing licenses and separate fees for indentors, VAT on the license in the policy etc. may not be predetermined in the IPO.	Chapter-2, clause (16): In case of import-related fees, primary registration for import, export and indenting license and its renewal and related fees will be announced by the government through gazette notification from time to time	The proposed measure can help reduce uncertainty for businesses.	In the case of fixed rates, whatever the amount or rates, businesses could get a decision regarding their business costs.
Define the HS code numbers clearly and consistently throughout the policy according World Customs Organization (WCO)	Chapter-1, clause (2-11): The HS code will mean the first schedule of the Customs Act and the number would be eight or more digits. HS codes for certain products, some are four digits, some are six, (in Annex-3 and 4). Similarly, a list of BSTI-approved BDS standards is attached as Annex-4 with different HS codes	Dispute of HS Code will be reduced. Difficulties may reduce in earmarking the exact products and cross-checking its standards.	It will remove misdeclaration problem and increase transparency.

Proposed Provision	Existing Provision (If Any)	Which Problem it will Address	Probable Impact (Benefit, Cost)
Removing the 5% value addition requirement for Entre-port could be recommended.	A definition of Entre-port in section 2 (1) imposed condition of value addition of minimum 5%.	Bangladesh is going to graduate from its current LDCs status. Trade facilitation is a major issue to address as a developing country. This will necessitate a new shift in trade policy regime for enhancing productive capacity and competitiveness. So, removing value addition requirement for Entre-port can improve entre-port business environment.	This will facilitate easier trade, improve release time and help achieve TFA criteria in Article 9 and 10.9
Section 5(4)(b)- could be removed. could have been avoided as it creates additional hassle for the importers.	Section 5(4)(b)- in the case of importation of untied goods in the private sector for aid, price quotation from at least 2 different countries and 3 suppliers or indenters should be obtained and goods should be imported at the most competitive price	The provision could have been avoided as it creates additional hassle for the importers.	It may ensure ease of import process, transparency and reduce formalities (addressing TFA article 10.1, 5)
For re-exported products, the requirement Made in Bangladesh could be removed	Section 13(8)- the words "Made in Bangladesh" and the date of expiration of the product, the details of the packing material shall be written or printed on the package or wrapper of the re-exported product	The provision can be removed as it is not a common global practice to change country of origin of re-exported products and for easing the re-export process.	It will ensure trade simplification and remove formalities following international standards.

Proposed Provision	Existing Provision (If Any)	Which Problem it will Address	Probable Impact (Benefit, Cost)
De Minimis limit can be increased and valued in USD.	De Minimis limit is only BDT 2000 in the country	If increased, it can give some relief to the non-RMG and non-traditional new exporters.	It may ensure expedited customs clearance, reduce formalities. (TFA article 7.8)
The IPO 2021-24 could have addressed the issue of the creation of Free Trade Agreement (FTAs) and Preferential Trade Agreement (PTAs). It could address the issue of standard of product, mutual recognition of the standard of different countries, issue related to intellectual property rights and others.	PTAs, FTAs or IPR issues are not well reflected in the IPO 2021-24	The IPO could address these issues as the country is already late to initiate these reforms to prepare for FTA and to face global competition after graduating from LDC.	It will prepare the country with seamless trading for sustainable graduation.
Name of getting permission/NOC/approval from a concerned government organization should be mentioned in the policy.	In the policy, in several places there is mention of getting permission/NOC/approval from a concerned government organization; in some cases, their names are mentioned, however, in most cases these are not mentioned.	New traders and foreign investors may face problems in this respect, so it needs to be clarified.	It will ensure transparency, information availability and clarity

4.3.5 Rules to be Changed in Bangladesh Land Port Authority Act

The Bangladesh Land Port Authority Act, 2001 (BLPA) does not make any clear provisions regarding the modality of engagement and modus operandi of a coordination mechanism between different ministries and agencies involved in cross border trade. A separate section in the Act is needed to clarify this position including given roles of the Bangladesh Land Port Authority in the overall trade promotion and management process of the country. Accordingly, given the fact that land port

management as part of the country's overall trade economic advancement now adopts a broad, comprehensive approach, composition of the Board should be expanded to ensure greater participation of other agencies involved in the process. Automation is also an essential to ensure speed and accuracy of port management activities. It is currently indispensable if one wants to keep pace with the world regarding Trade facilitation. To reform existing BLPA 2011, a study namely 'reviewing and reforming the Bangladesh Land Port Authority Act, 2001' (2022) conducted by BFTI and initiated by BRCP-1 is recommended to consider.

4.4 Acts, Rules and Policies to Simplify Automation and Paperless Trade

Modernisation of customs activities and integration of off-dock and on-dock activities have long been discussed but this has not improved as much as expected. Ensuring coordination among shipping agents, Automated System for Customs Data (ASYCUDA) and Chattogram Port Authority (CPA) in a bid to keep the port authority and custom officials operational 24-hours has been among some of the requests from the private sector response taken by BFTI survey team. Introduction of more on-line connectivity could pave the way for simplification.

At present, ASYCUDA could not be implemented properly because of lack of connectivity outside the docks. Port Authority and Chattogram Customs need to be connected in order to provide all kind of support services quickly for import and export procedures. A number of countries have opted for online connectivity and it has simplified the customs procedures for them but the processes for its implementation in Chittagong port are delayed because of internal link between ASYCUDA software and Chittagong port software.

Amendment of the IGM, which is important for import of goods, has not happened either. The document explains prices, amount and many other details. At the moment, importers and exporters need to go to the banks several times. This leads to waste of time and other resources for them. Hard copy of IGM and LC submission should be eliminated and all these procedures can be completed by the entrepreneurs themselves. It will help to reduce cost of doing business also. A committee in Bangladesh Bank was formed to take opinions in this regard. Chattogram Custom House (CCH) needs to properly explain that IGM and LC hardcopy submission system were eliminated. At the same time, custom authority can ensure that the e-payment will also have to become mandatory to reduce hassles for businesses.

Chapter 5: Institutional Weakness and Procedural Hindrance

5.1 Introduction

This section covers the information, opinions, and data obtained from the various study instruments used in the study on the key institutions engaged in trade facilitation. The exact or standard matrix for Strength, Opportunity, Weakness, and Threat (SWOT) is not presented here, but the same parameters are briefly highlighted for each of the institutions covered.

5.2 Major Institutions Related to Trade Facilitation

Trade facilitation efforts, such as simplifying required paperwork, modernizing procedures and harmonizing customs requirements, can slash the costs and time needed to export and import goods⁵⁸. The main objective of trade facilitations is making international trade (imports and exports) safer, faster, cheaper, and more predictable. Focusing on the simplification and harmonization of formalities, procedures, and the information and document exchange connected to them among the numerous supply chain participants trade facilitation aims to make international trade easier and speedier. The related information flows are just as crucial to the trade facilitation process as the actual movement of items in a supply chain. The institutional framework for implementation is very wide and loosely strung between various ministries and agencies thereof - a total of 39 of them who are directly involved in regulating, administering, and implementing the trade and trade related procedures. Private sector entities often play an important supporting role. For example, non-preference Certificate of Origin is issued by 7 chambers of commerce authorized by the Ministry of Commerce. Besides, there are testing laboratories in the private sector.

Additionally, it includes all governmental organizations that interfere with the movement of products as well as the many commercial organizations that operate⁵⁹. From the government sector following institutions are related to the trade facilitation in Bangladesh⁶⁰:

⁵⁸Trade facilitation — Cutting “red tape” at the border
https://www.wto.org/english/tratop_e/tradfa_e/tradfa_introduction_e.htm

⁵⁹ Trade Facilitation Implementation Guide- United Nations

⁶⁰ Trade and Transport Facilitation Audit Bangladesh Country Report- South Asia Watch on Trade, Economics and Environment (SAWTEE), 2017

Table 16: Major Institutions Related to Trade Facilitation

<p>Ministry of Commerce</p> <ul style="list-style-type: none"> • Export Promotion Bureau (EPB) • Foreign Trade Agreement (FTA) Wing • World Trade Organization (WTO) wing • Imports and Internal Trade (IIT) Wing • Office of the Chief Controller of Imports and Exports (CCI&E) • Office of the Register of Joint Stock Companies (RJSC) and Firms • Bangladesh Trade and Tariff Commission (BTTC)
<p>Ministry of Finance</p> <ul style="list-style-type: none"> • National Board of Revenue (NBR)
<p>Ministry of Industry</p> <ul style="list-style-type: none"> • Bangladesh Standards and Testing Institution (BSTI)
<p>Ministry of Shipping</p> <ul style="list-style-type: none"> • Bangladesh Land Port Authority (BLPA) • Chittagong Port Authority (CPA) • Mongla Port Authority • Bangladesh Inland Water Transport Authority (BIWTA)
<p>Road Transport and Highways Division</p> <ul style="list-style-type: none"> • Bangladesh Railway (BR) • Bangladesh Road Transport Authority (BRTA)
<p>Department of Agricultural Extension</p> <ul style="list-style-type: none"> • Plant Quarantine Wing
<p>Ministry of Livestock and Fisheries</p> <ul style="list-style-type: none"> • Department of Fisheries • Department of Livestock Services (DLS)
<p>Bangladesh Atomic Energy Commission</p>
<p>Bangladesh Investment Development Authority (BIDA)</p>

Source: South Asia Watch on Trade, Economics and Environment

From government to operational level service-related cross border management organizations in ports, major trade facilitation related institutes can be classified into the two clusters as service providers (supply side) and service receivers (demand sides). These clusters are represented in the table below:

Table 17: Major Institutions Related to Trade Facilitation and in Ports

Service providers (Supply side)	Service receivers (Demand side)
<ol style="list-style-type: none"> 1. Export Promotion Bureau (EPB) 2. Foreign Trade Agreement (FTA) Wing 3. World Trade Organization (WTO) wing 4. Imports and Internal Trade (IIT) Wing 5. Office of the Chief Controller of Imports and Exports (CCI&E) 6. Bangladesh Trade and Tariff Commission (BTTC) 7. National Board of Revenue (NBR)-Customs 8. Bangladesh Railway (BR) 9. Bangladesh Road Transport Authority (BRTA) 10. Bangladesh Land Port Authority (BLPA) 11. Chittagong Port Authority 12. Mongla Port Authority 13. Payra Port Authority 14. Port Operator 15. Certification and Quality Control Authorities (BSTI, Plant Quarantine and Bangladesh Atomic Energy Commission) 16. Bank 17. Immigration 18. Border Guard Bangladesh (BGB) 19. Department of Agricultural Extension 20. Department of Fisheries 21. Department of Livestock Services (DLS) 	<ol style="list-style-type: none"> 1. Exporters 2. Importers 3. Transport and Logistics Company 4. C&F Agents

Source: BFTI Analysis

Service provider organizations or institutions related to Trade Facilitation and Cross-Border management in Bangladesh are:

Export Promotion Bureau (EPB)

Export Promotion Bureau (EPB), Bangladesh under the Ministry of Commerce is a government agency of the country, entrusted with the responsibilities of promoting export of the country. For export growth EPB carries out a wide range of activities like coordinating export development efforts at different sectors and production levels, formulating and adopting of policy and program for active promotion of exports, Coordinating, monitoring and evaluating national export performance and analyzing export trends. EPB also issues GSP, SAFTA, APTA related CO certificates. In land port trade, EPB is actively engaged in export promotion and facilitating trade across ports for instance some new business owners from Chapai Nawabganj and Bogra have

begun exporting their goods as a result of promotional actions done by the Export Promotion Bureau, Rajshahi. These exporters are presently exporting Readymade garments, Jute and jute goods, Nylon, Water pump, Impeller, Pump shaft, round coupling flinch, Grand flinch, Bearing guard etc. under SAFTA scheme to India. The existing issue with shipping these goods to India via Benapole and Sonamaszid land port has been resolved. Also, to address the current issues with rubber export from Bangladesh to India, the Export Promotion Bureau engaged with the Bangladesh Forest Development Corporation, Bangladesh Rubber Board, Chittagong Hill Tracts, and Rubber Garden Owners Association. In order to remove obstacles to the export of rubber from Bangladesh to India, EPB informed the Ministry of Commerce and the National Board of Revenue to permit Petrapole Land Port as well as Nava Sheva and Chennai ports in India. It also requested that the H. S. Code of Rubber be harmonized⁶¹.

FTA Wing Ministry of Commerce

One of the crucial departments under the Ministry of Commerce is the Foreign Trade Agreement (FTA) Wing. It is in charge of regional, multilateral, bilateral, and free trade agreements with other nations. Protecting national interests and ensuring increased market access for Bangladeshi exports to other nations are the main goals of this wing. Bangladesh has already been associated with some Regional Trade Agreements and Bilateral Trade Agreements with different countries for enhancing its trade. Some of its key trade agreements that includes landlocked countries are South Asian Free Trade Area (SAFTA and Bay of Bengal Initiatives for Multi Sectoral Technical and Economic Cooperation (BIMSTEC). With suitable policies and efforts, role of FTA wing is crucial in regional trade development and facilitation with border countries like Nepal, Bhutan, and India under different trade agreements.

India-Bangladesh Joint Working Group (JWG) on Trade is facilitated by the wing. There are some agenda which are leaded by India and some are by Bangladesh. In its 14th meeting held on 2-3 March 202 at New Delhi. The 15th meting might be held in Bangladesh in 2023. The agenda are mostly related to ports, Statutory Regulatory Order (SRO) for LCs, trade process simplification, documentation, restrictions, banking issues, study, transportation, etc. It is mainly dealing with very specific issues. The JWG meeting is held annually between the countries.

World Trade Organization (WTO) Wing

The WTO wing, established under the Ministry of Commerce, conducts activities under the World Trade Organization (WTO) by maintaining regular contact with the Bangladesh Mission in Geneva on all matters related to the WTO. Among these

⁶¹ EPB Annual Report (2020-21)

activities, assisting in the enforcement of WTO rules in the field of international trade, working to increase overall capacity in WTO related matters, working to achieve more market benefits including preserving the country's interests in the international trade system, participating in negotiations by determining the country's position on various issues. , regular exchange of views on various issues with stakeholders, completion of studies, surveys, surveys or needs assessments on various issues of international trade. Also, this wing is involved in activities related to increasing market access (especially tariff-free and quota-free) for goods and services under the WTO, acting as a “National Inquiry Point” to provide information on Sanitary Phyto-Sanitary (SPS) Measures and Rules-Regulations of Bangladesh as per the requirements of other countries, performing functions related to trade facilitation, protecting the interests of domestic industries under WTO rules and so on.

Imports and Internal Trade (IIT) Wing

IIT wing is involved in functions related to formulation, amendment and implementation of import policy orders. This wing is also responsible for carrying out following activities:

- Regular reviewing and revising of list of prohibited and import restricted products.
- Performing functions relating to import contracts;
- Regulating procedures relating to determining the manner of importation of goods under the Special Trade Agreement (STA).
- Liaising with National Board of Revenue on imposition, remission and reduction/increase of import duty
- Clearance of goods under baggage rules.
- Engaging in Tariff Policy and Tariff Valuation and operational functions of Tariff Commission.
- Providing permission to import goods by diplomatic/foreign beneficiaries or individuals/missions, various institutions and so on.

Bangladesh Trade and Tariff Commission (BTTC)

BTTC's main duty is to formulate recommendations for policies that will protect domestic industries, foster a healthy environment for industrial production, make the best use of industrial resources, encourage exports of domestic products, take action to stop unfair trade practices like dumping when importing and selling foreign goods, and expand domestic industries' access to international, regional, and national markets. Any issue the government refers to must be investigated by the Commission. When carrying out its duties, the Commission must take four crucial factors into account: the market economy, the economic environment, bilateral and international trade agreements, and public opinion.

BTTC carries out studies and formulates policies for rationalization of tariff, liberalization of import regime and development of an incentive structure for strengthening the domestic production and export base. A list of prohibited items and a list of restricted items are both included in the government's import policy (that can be imported only on under certain specified conditions). The Commission keeps an eye on the output of industrial units that are protected by such prohibitions and restrictions. If the items' quality declines, their prices are not kept at a reasonable level, or if production levels falter and underutilize available capacity, the Commission may recommend to the Ministry of Commerce that the prohibition be lifted. The Commission keeps an eye on the costs of the prohibited or restricted goods. BTTC can influence the trade aspects like import, export, restricted items in the land port trade⁶².

Office of the Chief Controller of Imports and Exports (CCI&E)

CCI&E mainly provides direct assistance to the Ministry of Commerce in the formulation and publication of import policy orders and its implementation. Also, some of the key functionalities of this department are:

- Issuance of Indenting Certificate in favor of importers, exporters and indentors (Registration) Orders, 1981, suspension / revocation of Registration Certificate for non-regulatory work;
- Supervision of registration and renewal fee collection and collection and storage of related statistics;
- Work related to preparation of Parliamentary Q&A on import and export
- Work related to import permit/export permit/clearance permit/import permit/export work import permit on return basis;
- Work related to issuance of permits for international and regional fairs;
- Work of Committee on Import Trade Control Schedule (ITC);
- Analysis of import and export information and notification accordingly;
- Resolve issues arising from importers with customs authorities on other issues including disputes over HS code numbers, product classification or details;
- Provide any complex explanation that arises regarding the provisions of the import policy order and so on.

Bangladesh Railway (BR)

The government-owned rail transportation company in Bangladesh is titled Bangladesh Railway. The Directorate General of Bangladesh Railway is in charge of managing, operating, and maintaining all of the nation's railroads. Bangladesh Railway has a total of 2955.53 km of routes. As railways are an important land transport system for connecting one end of the country to another, the overall

⁶² Bangladesh Trade and Tariff Commission, viewed at- <http://www.btc.gov.bd/site/page/2832fd79-43d1-487c-ad53-e86dcb620665/->

development of railways plays an important role in the economic development of the country. Stakeholders expressed that the railway can be crucial for the transport of goods through borders and within the country. Railway connections with the landlocked countries can help develop efficient transport and logistics management. For instance, traders hope that by the proper development and utilization of Benapole-Petrapole railway not only will there be a manifold increase in import trade, but also new opportunities for the export of domestic products to India will be created.

Bangladesh Road Transport Authority (BRTA)

Bangladesh Road Transport Authority (BRTA) is a statutory government body under the Department of Road Transport and Highways. Notable activities of BRTA include issuance and renewal of driving license of motorists, issuance and renewal of instructor licence, driving school registration, issuance of motor vehicle registration, issuance and renewal of Trax Token, issue and renewal of ridesharing enlistment certificate, transfer of ownership of motor vehicle, issuance of fitness certificate and Renewal, Renewal of Route Permit Certificate issue, issuance of Government Motor Vehicle Repair Inspection Report, Accident Vehicle Inspection etc., which are directly related to road safety. BRTA's rules & regulations impact land port transport management and logistics service providers as well as all traders.

Bangladesh Land Port Authority

BLPA was established as a statutory regulatory agency in 2001 under the BLPA Act. The goal of BLPA is to make land-based export-import activities faster and easier while also ensuring their safety, efficiency, and sustainability. Its goals include improving storage facilities, developing and modernizing infrastructure, and ensuring effective freight handling. BLPA's also aims to meet the trade facilitation agenda through ease of doing business in the land ports. For instance, new administrative buildings are now being built by BLPA in different land ports for implementing one-stop services by converging different offices of different agencies within one building for facilitating land port trade. BLPA is working for improving interborder cooperation for trade facilitation for instance, agreements with Indian authorities for establishing common gate and port space expansion initiatives are taken by BLPA to facilitate trade via land ports. The authority is also putting efforts on improving interagency coordination as it is now increasing interconnection with other agencies like customs, BSTI, Plant quarantine etc. In the southern region of country, the land ports like Bhomra land port is likely to face higher traffic due to the impact of the Padma bridge and land ports need to be prepared to handle the growing capacity effectively. Masterplan has been made by BLPA along with the BRCP-1 project for converging computers, logistics and servers at every land port for implementing automated services.

BLPA's general operations are governed and overseen by a Board. Additionally, an advisory committee headed by the state or federal minister of shipping gives the land ports the required guidance for their growth and overall development. According to the Act, the BLPA's primary duties are:

- Drafting regulations for the establishment, administration, growth, operation, and maintenance of all land ports
- Appointing operators to receive, maintain, and send cargoes at a land port
- Creating a schedule of tariffs, tolls, rates, and fees applicable to port users with the government's previous consent;
- Signing contracts with anybody to achieve the Act's goals;
- Build, maintain and repair roads near to borders to facilitate the transit of commodities, and provide the yards and shade needed for the temporary storage of cargo and loaded trucks, etc.

The designation of 12 land ports marked the beginning of BLPA's operations. 12 additional land customs stations have since been designated as land ports. BLPA is working to develop infrastructural facilities of the land ports. BLPA aims to establish efficient, safe and environment friendly world class land port. BLPA is also engaged in promoting export-import trade through the use of modern technology in cargo handling, storage and infrastructural development of land ports. For instance, automation System is being implemented at the land ports in phases with a view to building Digital Bangladesh and has been executed at Benapole Land Port. Additionally, Burimari Land Port is now implementing the e-port management system as part of e-service initiative. For other land ports, the initiative to implement automation has also been accepted.

Customs

One of the three tax collection wing that report to the National Board of Revenue is Customs. The VAT and Income Tax are the other two wings. Planning, formulation, implementation, and revaluation of policies on customs-related issues are all tasks that fall under the purview of the Customs wing. Its main functions are-

- Collection of duties and taxes at the import stage
- Protection of domestic industry
- Trade liberalization
- Facilitation of trade
- Prevention of smuggling
- Interdiction of prohibited goods narcotics and objects detrimental to national security prevention of money laundering.

Offices under the Customs wing carry out the NBR's policy recommendations, collect customs and taxes from importers, implement pertinent laws and regulations, and ensure trade facilitation⁶³. There are several operational land Customs stations as well as six Custom Houses (Chittagong, Dhaka, Mongla, ICD Kamalapur, Benapole, and Pangaon). There are also two Customs Bond Commissionerates (Dhaka and Chittagong), one Customs Intelligence and Investigation Directorate, one Customs Valuation and Internal Audit Commissionerate, and one Customs Valuation and Investigation Directorate. Although there are 57 land custom stations, so far selected 24 operational Land Customs Stations have been declared as Land Ports. In land ports, customs duties, VAT, supplemental duties, and other taxes and fees imposed on imported or exported products are primarily assessed and collected by the customs authorities. Smuggling prevention, Imports and Exports (Control) Act implementation, and Foreign Exchange Regulation enforcement are some of its ancillary duties. The customs authority also upholds the security measures mandated by several regulations as part of its other responsibilities. Customs also responsible for activities like inspecting consignments documents and assigning duty, ASYCUDA recording, advance ruling services and release orders issuance.

Certification and Quality Control Authority

For importing or exporting goods, different certificates are required from respective authorities. VAT certificate, country of origin certificate, phytosanitary certificate, No Objection Certificate, customs transit declaration, Quarantine certificate, import permit, IRC, ERC, ISO certificates are collected from various authorities and certification boards like BSTI, Plant Quarantine, Banks, Customs, Office of the chief controller of Imports and Exports, Export Promotion Bureau, chambers of commerce and so on.

However, the designated quality-control authority of Bangladesh is Bangladesh Standards and Testing Institution (BSTI). **BSTI** is engaged in testing of products, standardization of goods and services, adoption of national standards, implementation of the international system of weights and measures, promotion of quality assurance initiatives and provision of testing facilities for goods and services. The institution playing an important role in developing and promoting industrial standardization all over the country and preparing the country in meeting the international standards properly.

Plant Quarantine is another important authority associated with foreign trade as it regulates the import of plants or plant products, beneficial organisms and packing materials for preventing the introduction of quarantine pests into Bangladesh from other countries. As a WTO signatory, Bangladesh is required to abide by the WTO-

⁶³ Custom Wing- NBR

SPS (Sanitary and Phytosanitary Measures) Agreement in order to conduct activities involving the import and export of plants and plant products. When it comes to protecting Bangladeshi agriculture, plant quarantine is active in the ports to assure the prevention of quarantine pest introduction with the importation of plants and plants' products, beneficial organisms, and packing materials. Additionally, it serves as a regulatory body to promote and maintain the export of plants, plant products, beneficial organisms, and packaging materials in accordance with international agreements and the phytosanitary criteria of the importing country. Under the direction of this Plant quarantine wing of Department of Agricultural Extension (DAE), the introduction of the e-phytosanitary certification system and modernization of the quarantine laboratories at plant quarantine stations are being carried out in order to bring Bangladesh's plant quarantine activities up to international standards.

Another noteworthy testing agency is **Atomic Energy Commission**. Bangladesh Atomic Energy Commission (BAEC) was established in 1973 as a multidisciplinary R&D organization with the view of promoting peaceful uses of nuclear energy in Bangladesh. From the very beginning of its formation, BAEC started R&D works in areas covering physical science, bioscience, engineering and nuclear medicine for human welfare and economic uplift of the country. Bangladesh Atomic Energy Commission (BAEC) provide Radiation Certificate for permitting import of radioactive material and Nuclear Reactors & its parts entering through ports.

Port Operators

A port operator is an organization or port authority that has a contract with the port authority to move cargo through a port at a predetermined minimum rate of productivity. They could be privately or state-owned-run, especially for port authorities. Operator's work involves reducing the amount of time a transport spends in port, and overseeing the transportation of cargo containers between, lorries, and freight trains as well as streamlining the flow of commodities through customs. Gantry cranes, berths, canals, roads, storage facilities, communication equipment, computer systems, and dockworkers' union contracts all are managed and upgraded by operator to maintain efficiency. In addition, the port operator oversees leasing, safety, and security. Five of the declared land ports – Benapole, Bhomra, Burimari, Akhaura, and Nakugaon – are operated by the BLPA under its own management. Sonamosjid, Hili, Teknaf, Bibirbazar, and Banglabandha Land Ports, on the other hand, are run on a BOT (Build, Operate, and Transfer) basis by Private Port Operators. Additionally, a Private Port Operator has been chosen to design and run the Birol Land Port. Panama Sonamasjid, Hili Port Link Ltd, United Land Port Teknaf Ltd Banglabandha Land Port Limited are some of the private operators who are currently running the respective land ports.

Bank

Banks facilitate cross border trade by providing financing and guarantees to importers and exporters. They can offer additional assistance in setting up outside financial institutions to repatriate early payments, including agreements to pay for exports under open account. LC documentation facilities, NOC (No Objection Certificate) type documents are provided by banks and most transactions of land port trades are carried out through banks. Distance and availability of sufficient commercial banks can make cross border trade challenging, for instance the nearest bank of Burimari landport is about 2 km faraway which hinders its trade convenience.

Immigration

A salient feature of land ports is immigration offices that facilitates cross border movement of people. Besides transit visa and VOA facilities, immigrations check posts also sustain integrity of port security by preventing trespassing. Between Benapole and Petrapole, there is a border checkpoint on the land route. 10,000 passengers pass via this path on average, and under customs inspection, a number of reformations are brought in. With a proper job schedule immigration system is currently broker-less after 47 years of liberation. Once a location of numerous troubles, land port immigration centres are now a place to breathe with trust and rest while entering and leaving India while passenger harassment was a common occurrence here. Beside Benapole, Akhaura, Banglabandha, Burimari, Shonamashjid, Bhomra ports now have immigration office facilities.

Border Guard Bangladesh (BGB)

Border Guard Bangladesh (BGB) is a renowned, exemplary, and heroic paramilitary force. Known professionally as the "ever vigilant sentinels of the border," BGB is in charge of securing the Bangladeshi border, conducting anti-smuggling and anti-narcotics operations, stopping the trafficking of women and children, stopping various transnational crimes, and maintaining internal security. The force's tasks and responsibilities have grown significantly now, and operating tactics now take into account multiple factors. BGB is governed by the Ministry of Home Affairs the force has special jurisdiction in National border patrol, security, and integrity. Since land ports are tied with the borders, additionally, this group is in charge of preventing smuggling and other border crimes. BGB also checks goods and consignments that enter or exit the country through the borders and hence has a role in the trade operation of the land ports.

Transport and Logistics Company

A crucial part of foreign or cross border trade is transport and logistics. Companies of these sectors ensures flow of goods and supply chain efficiency for enhancing trade

performance in terms of costs, time and quality. Lack of harmonization of transportation and storage facilities and their unavailability can be impediment to smooth country transit. The most crucial issues associated with road transport surround trade facilitation issues and border crossing efficiency⁶⁴. A lot of freight forwarding and logistic companies work in land ports but their service performances are often subjected to infrastructural capacities of ports.

C&F Agents

Clearing and forwarding (C&F) agencies are professionals at facilitating the clearance of products through customs procedures, working with the carrier, and managing all shipping and delivery-related tasks. Services provided by C&F agents are:

- Transportation of goods to docks and arrangement of warehousing at port.
- Providing Warehousing facilities before the goods are transported to ports. Arrangement for loading of goods on board.
- Preparation and processing of shipping documents, Bills of Lading, port Receipt, Export Declarations, Consular Invoice, Certificate of Origin, etc.
- Forwarding of banking collection papers.

A lot of C&F agents work in land ports of Bangladesh and their role is considerable in smooth trade processes and cross border trade facilitation.

Exporter and Importer

Exporters and importers are the service receivers of the land ports and the trade facilitation initiatives are taken to help make trade across borders (imports and exports) faster, and cheaper and more predictable, whilst ensuring its safety and security. Usually, exporters and importers use the services of C&F agents. Simplifying and harmonizing formalities, procedures, and the related exchange of information and documents between the various partners in the supply chain can help importer-exporters or traders to maintain and enhance their trading activities seamlessly. However, knowledge gap in trade procedures and customs formalities often hinder trade facilitation measures. Implementing trade facilitation reforms entails a number of direct benefits for a country's human and institutional development through associated investments in capacity-building and public sector reforms⁶⁵.

Land ports are good means of regional connectivity and trade growth as the trade between Bangladesh, Bhutan, India, and Nepal grew six times from 2015 to 2019, the unexploited potential for regional trade is estimated at 93 percent for Bangladesh⁶⁶.

⁶⁴ Role of Transportation and Logistics on International Trade- USAID

⁶⁵ Trade facilitation and development- Driving trade competitiveness, border agency effectiveness and strengthened governance- UNCTAD, 2016

⁶⁶ Regional Trade and Connectivity in South Asia Gets More Than \$1 Billion Boost from World Bank- The World Bank

However, BLPA's vision include facilitating export-import through land routes through infrastructure development, efficient cargo handling, improvement of storage facilities, fostering public-private partnership for effective and better service delivery. Trade facilitation objectives in land ports can be achieved successfully only when issues of importers and exporters are addressed and resolved in relevant ports.

Civil Aviation Authority of Bangladesh (CAAB):

CAAB, as the Designated Authority of the Government of Bangladesh, formulates and monitors the necessary national standards, regulations in accordance with the International Civil Aviation Organization (ICAO) Conventions and Annexes on behalf of the Government of Bangladesh. In addition, CAAB also provides all other air navigation services related to aviation including construction and management of airports and air traffic control services. Bangladesh Civil Aviation Authority is a high technology technical service organization under the transport sector. This authority is responsible for ensuring the safety and security of all aircrafts flying and landing in the airspace and airports of Bangladesh. In order to carry out the said duties and responsibilities, the Authority manages, maintains and develops existing airports, aviation facilities, and ATM centres, installs radio navigation aids, Communications, navigation and surveillance (CNS) equipments and constructs new airports and ATM centres⁶⁷. For facilitating trade, a 3rd terminal is being built at the Dhaka airport. Also, two additional terminals for import and export are being developed for facilitating airway trading. Additionally, 3 warehouses with space of 1 lakh sq feet are being developed for handling air cargo. Civil aviation only handles the scanning part of the export cargo. The scanning facility is sufficient and working properly.

Bangladesh Investment Development Authority (BIDA)

Bangladesh Investment Development Authority (BIDA) has been coordinating targeted reforms for the World Bank's Ease of Doing Business with technical assistance from the International Finance Corporation (IFC). Currently at the 168th position, Bangladesh has been unwavering in its goal to achieve double-digit ranking for the economy. Working with BIDA, government agencies have implemented a series of systematic reforms⁶⁸. The Bangladesh Investment Development Authority (BIDA) Act 2016, created on September 1, 2016, mandated BIDA to provide diversified promotional and facilitating services with a view to accelerating the industrial development of the country. BIDA's functions can be broadly categorized as investment promotion, investment facilitation and policy advocacy.

- Pre-investment counseling services
- Registration and approval of private industrial projects

⁶⁷ Civil Aviation Authority of Bangladesh, Annual report- 2021-22

⁶⁸ Bangladesh Investment Development Authority (BIDA), retrieved from <https://bida.gov.bd/doing-business>

- Approval of branch/liaison/representative offices
- Visa recommendations, work permits for foreign nationals
- Approval of royalty remittances, technical know-how, technical assistance fees
- Facilitation of import of capital machinery and raw materials
- Approvals of foreign loans and supplier credits
- Aftercare facilities

Certification Given by Livestock Department:

Department of Livestock provided a number of certificate related SPS and TBT issues such as Issuance of license for import, storage and marketing of fodder Issuance of No Objection Certificate of Import/Export of Animal feed materials, vaccines; Issuance of No Objection Certificate for Import of Cow, Buffalo, Goat, Sheep, Camel, Dumba, Rabbit, Embryo, Frozen Semen; Issuance of No Objection Certificate for export of Cow, Buffalo, Goat, Sheep, Camel, Dumba, Rabbit, Embryo, Frozen Semen; Issuance of no-objection certificate for import of chicks (including turkeys); Issuance of veterinary health certificate sanitary certificate in case of import and export of animals and animal products and Issuance of no-objection certificate for import and export of domestic animals Chemical Analysis of Animal Feeds. The process certification and time required for the service are described.

Chambers & Associations

These trade bodies provide direct and indirect support to the traders and manufacturers, and policy support to the government.

- Bangladesh Garments Manufacturers & Exporters Association (BGMEA)
- Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA)
- Bangladesh Textile Mills Association (BTMA)
- Federation of Bangladesh Chambers of Commerce and Industry (FBCCI)
- International Chamber of Commerce Bangladesh (ICCB)
- Metropolitan Chamber of Commerce and Industry (MCCI)
- Chittagong Chamber of Commerce & Industry (CCCI)
- Bangladesh Chamber of Industries (BCIC)
- Dhaka Chamber of Commerce & Industry (DCCI)
- Bangladesh Association of Pharmaceutical Industries (BAPI)
- Leather goods & Footwear Manufacturers & Exporters Association of Bangladesh (LFMEAB)
- Bangladesh Plastic Goods Manufacturers & Exporters Association (BPGMEA)
- Bangladesh Association of Software and Information Services (BASIS)
- Bangladesh Women Chamber of Commerce and Industry (BWCCI)
- e-Commerce Association of Bangladesh (e-CAB)

Research Organizations

Provides policy and research support in making strategic decisions related to trade, employment, and growth.

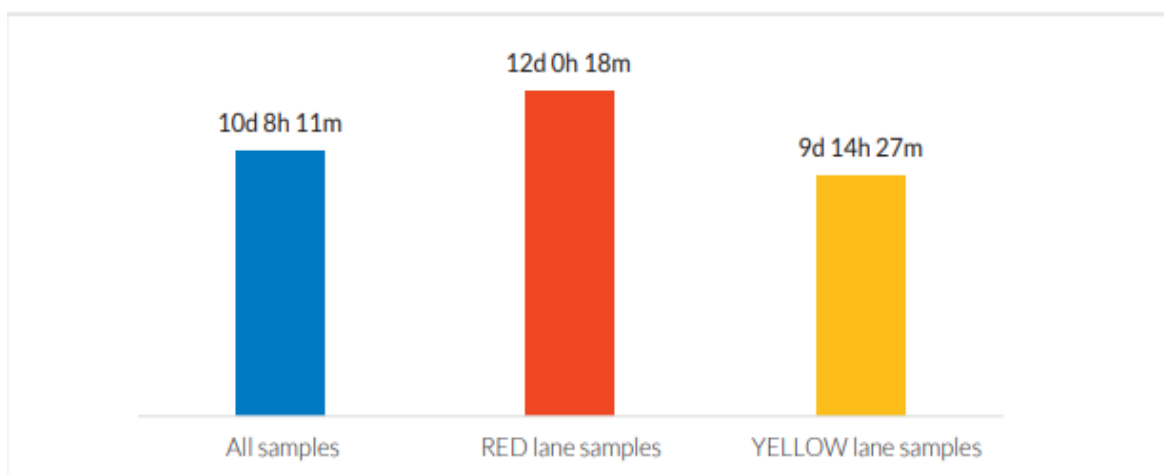
- Bangladesh Institute of Development Studies (BIDS)
- South Asian Network on Economic Modeling (SANEM)
- Policy Research Institute of Bangladesh (PRI)
- Centre for Policy Dialogue (CPD)

Benapole Land Port and findings from Time Release Study (TRS) 2022:

Comprehensive 'Time Release Study-2022' reveals that, Benapole port is the largest land port and Custom House, Benapole (BCH) is the 2nd largest Customs station (in terms of total import volume and revenue collection) in Bangladesh. The port manages 300-350 trucks per day but as per the capacity of Petrapole, the port could process 750 trucks per day provided necessary infrastructure and automation was there. Over the past decade or so, the number of trucks handled by Benapole land port clocked a steep increase – from about 87,000 in fiscal year (FY) 2013 to more than 1,08,000 in FY21. Besides cargo-loaded trucks, the port also manages about 8,000 passengers per day.

For the surveyed samples, the average time required to complete the import clearance process starting from arrival of the truck at the Benapole port to the final release of the goods is 10 days 8 hours 11 minutes (maximum time 35 days 8 hours 26 minutes, minimum time 1 hour 39 minutes). The average release time (ART) for the consignments going through RED and YELLOW lane is 12 days 0 hour 18 minutes and 9 days 14 hours 27 minutes, respectively.

Figure 9: Average Release Time (in days-minutes)-Benapole



Source: TRS 2022 Survey

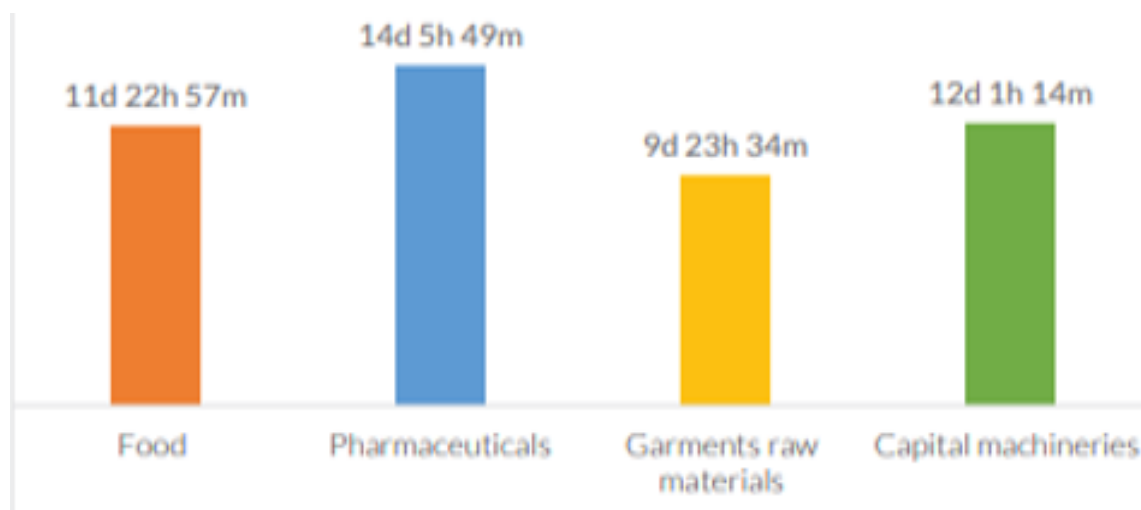
In case of commodity wise average release time in Benapole port, the food consignments are the fastest among all the four types of consignments with an average release time of 5 days 1 hour 33 minutes. In contrast, the corresponding time for capital machineries is 12 days 1 hour 53 minutes, the longest release time among the surveyed commodities. The average release time for pharmaceuticals and garments raw materials are 9 days 16 hours 51 minutes and 10 days 3 hours 34 minutes, respectively.

Chattogram Seaport and findings from Time Release Study (TRS) 2022:

Comprehensive ‘Time Release Study-2022’ reveals that, the Chattogram port is the largest seaport in Bangladesh and processes nearly 90% of total import cargos and 85% of total export cargos of the country. The Chattogram Port Authority (CPA) manages the port. The port is fully automated with the Computerised Container Terminal Management System (CTMS), which has been upgraded to a Terminal Operating System (TOS). During FY13-FY22, the number of containers handled by the Chattogram Seaport more than doubled. In 2021, container handling was 3.25 million TEUs (twenty-foot equivalent units), a growth of 13.19%, and handled general cargo of around 116 million tonnes.

At Chattogram, total 602 bill of entries (B/Es) are taken as samples. For the surveyed samples, the average time required to complete the import clearance process (from the arrival of ship to final release of the goods) is 11 days 6 hours 23 minutes (maximum time 49 days 5 hours 30 minutes, minimum time 1 day 5 hours 46 minutes).

Figure 10: Commodity Wise Average Release Time (in days-hours-minutes) - Chattogram



Source: TRS 2022 Survey

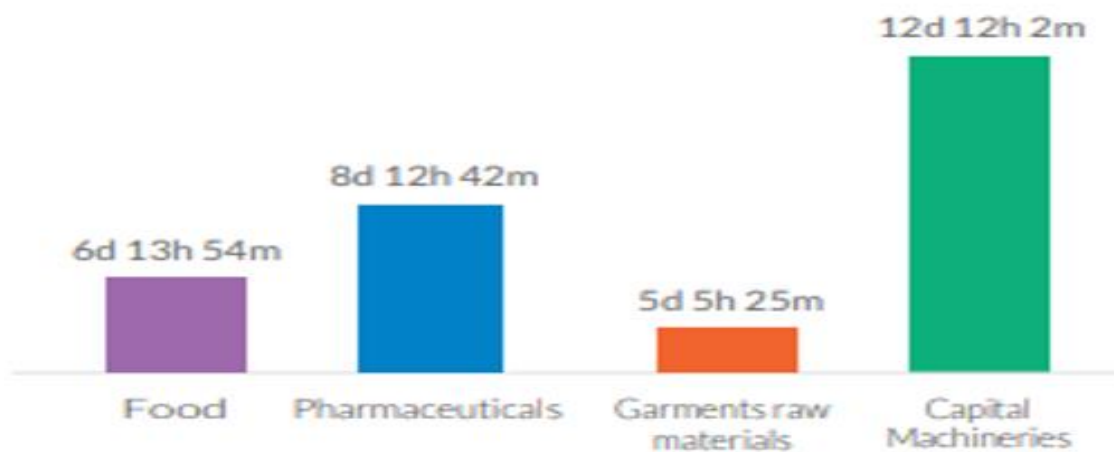
Amongst the surveyed commodities, the average release time is lowest for garments raw materials (9 days 23 hours 34 minutes) and highest for pharmaceuticals (14 days

5 hours 49 minutes). For food and capital machineries, the required time is 11 days 22 hours 57 minutes and 12 days 1 hour 14 minutes, respectively.

Dhaka Airport and findings from Time Release Study (TRS) 2022:

Comprehensive ‘Time Release Study-2022’ reveals that, Dhaka Airport, officially known as Hazrat Shahjalal International Airport (HSIA), is the largest international airport in Bangladesh. The Civil Aviation Authority of Bangladesh (CAAB) operates and maintains the airport. At Dhaka, total 359 B/Es are taken as samples for the study across four types of commodities - food, pharmaceuticals, garments raw materials and capital machineries.

Figure 11: Commodity Wise Average Release Time (in days-hours-minutes) - Dhaka



Source: TRS 2022 Survey

In case of commodity wise average release time, the consignments of garments raw materials consume the least amount of time (5 days 5 hours 25 minutes) across all four types of commodities, whereas the consignments of capital machineries take the longest time (12 days 12 hours 2 minutes) to get released from the airport. On average, food consignments take 6 days 13 hours 54 minutes. RED lane food consignments take the highest release - 18 days 23 hours 13 minutes. It is due to the testing requirement by OGAs. For pharmaceutical consignments, the average release time is 8 days 12 hours 42 minutes though no B/E was subject to RED lane treatment.

5.3 Major Weaknesses of the Institutions

Inadequate manpower, lack of skills or training are the common weaknesses mentioned by the stakeholders about almost all of the institutions, weak governance and lack of transparency are perceived as major threats. However, recent initiatives in developing physical infrastructure, and drive for automation at most of these

organizations are appreciated as major strengths, while development of Standard Operating Procedures (SOPs) are considered as major opportunities.

The opinions, feedback, and experience shared by the stakeholders at various consultation sessions have been captured in the section below for identifying the prevailing institutional weaknesses:

Table 18: Major Weaknesses to Related Institutions

Institutions	Major Weakness
Export Promotion Bureau (EPB)	<ul style="list-style-type: none"> • EPB is following both manual and online delivery as well as payment methods for providing certificates. As per FTA commitments, electronic payment method should be introduced in all forms of payment; • Regional registration and certification facilities by the EPB need to be introduced; • Lack of automation and documentation in number of the export processes; • Fewer initiatives to diversify export destinations (market diversification).
Plant Quarantine Wing	<ul style="list-style-type: none"> • Lack of adequate manpower; • Insufficient lab equipment and a labor scarcity for lab testing procedure in plant Quarantine Station Plant Quarantine Wing does not have adequate control measure system for the introduction of exotic pests, diseases and weeds in terms of laboratory facilities, technical support, and logistic support at the plant quarantine station at the land port. • Quarantine service centers lack efficient and expert personnel. • Inadequate logistic and technical staff support especially in Bhomra, Akhaura and other land port create extra barrier to facilitate export;
BGB	<ul style="list-style-type: none"> • BGB cargo and passenger checking takes long time.
CCI&E	<ul style="list-style-type: none"> • Lack of manpower.
Bank	Lack of coordination between central bank (Bangladesh Bank) and private Bank.
Immigration	<ul style="list-style-type: none"> • Inadequate support service in the immigration; • Insufficient infrastructure facility for the passengers.
Customs brokers (C&F Agents)	<ul style="list-style-type: none"> • Lack of understanding on HS code system for specific products. • Lack awareness of Maximum Residue Levels (MRL) and pests or other quarantine issues.

Institutions	Major Weakness
Civil Aviation Authority of Bangladesh	<ul style="list-style-type: none"> • Inadequate shedding facilities at Hazrat Shahjalal International Airport, Dhaka, • Lack of proper infrastructure development and handling support.
Bangladesh Customs	<ul style="list-style-type: none"> • ASYCUDA world software sometimes does not get connected due to poor internet connection; • Custom House of Chittagong (CHC) lacks enough manpower as per the following 2011's organogram. Since the number of bills of entry is three times more than that of in 2011 now, it's working with one-sixth of the required manpower; • Delays in obtaining decisions from customs and lack of clarity and transparency in customs decisions; • Customs generally collects more documents than they required; • Lack of interlink between port and customs authority software. • Information and letters received from the NBR are often hard to understand by businesses.
Bangladesh Investment Development Authority (BIDA)	<ul style="list-style-type: none"> • Lack of simplification procedure for providing the certificates to Commercial Industry, Local Industry and Foreign Industry by BIDA in different forms.
Bangladesh Standards and Testing Institution (BSTI) and Quarantine Authority	<ul style="list-style-type: none"> • There is a limited number of accredited laboratories approved by the government; • Lack of skilled chemists, facility for food and chemical testing; • BSTI, Animal Quarantine and Plant quarantine lack sufficient manpower in many ports for instance, there is no plant quarantine office in Belonia land port.
Bangladesh Land Port Authority	<ul style="list-style-type: none"> • Lack of adequate port space; • Separate bypasses for Indian and Bangladeshi vehicles are disorganized; • Inadequate port infrastructure for example: lack of port management systems, lack of port buildings, and lack of adequate number of warehouses; • Lack of parking area in the port; • Lack of automation process and sufficient equipment for weighting facilities in the port; • Poor infrastructure condition of the land port roads; • Lack of required scanning facilities in the land port area. • Shedding facilities are insufficient • Lack of sufficient digital scales, multi-modal service

Institutions	Major Weakness
	for coming and going, and 24/7 electricity supply. <ul style="list-style-type: none"> • Lack of automation process and necessary equipment in land ports. • Lack of sophisticated training among the administrative officials

Source: BFTI KII, FGD and PC

5.4 Problem of Coordination among Different Agencies in Implementing TFA

In Bangladesh, delays in international trade processes are often caused and aggravated by a lack of coordination and cooperation among agencies. As explained above, in addition to Customs, a large number of agencies are involved in trade processes. Customs department under the NBR has undergone significant changes since the early 1990s through many donor-funded reform programmes funded by the World Customs Organisation (WCO), the World Bank Group (WBG), the Asian Development Bank (ADB) and the United States Agency for International Development (USAID). As a result, Customs is more advanced in terms of implementation of such reforms. But a large number of other government agencies (OGAs) are also involved in trade processes, which include – the MoC, Office of Chief Controller of Imports and Exports (CCI&E), Ministry of Agriculture, Plant Quarantine Department, Ministry of Shipping, Ministry of Industries, Bangladesh Standards and Testing Institute (BSTI), Bangladesh Land Port Authority, Chittagong and Mongla Port Authorities, Bangladesh Civil Aviation Authority, Border Guard Bangladesh, Bangladesh Atomic Energy Commission (BAEC), Directorate of Drug Administration, and Bangladesh Bank. The OGAs are not as advanced as Customs in terms of modernisation and trade facilitation reforms. KII with representatives from the OGAs revealed that these are ill-equipped in terms of implementation of TFA measures. In some cases, they are not even aware what reform programmes they would have to undertake. Again, unlike the Customs department, the OGAs are neglected in terms of receiving proper attention from development partners. This will be a major challenge in implementing paperless trade.

As explained above, in addition to Customs, a large number of agencies are involved in trade processes. Especially in country cases, these agencies have different mandates with regard to goods and people crossing the borders (Jain, 2012). Such mandates vary from revenue assurance, migration, phytosanitary, radiological, transport, ecological and food safety controls (Polner, 2011). Hence, they tend to work independently, without a clear understanding and knowledge of what other agencies are doing, often leading to multiple inspections of the same goods and considerable harassment for traders. Continuation of such problems will make it difficult for Bangladesh to make

any meaningful progress towards implementation of single window and other paperless trade reforms.

Several stakeholder consultation sessions indicate that a high share in overall release time is due to an overwhelming presence of manual processes. These include, amongst others, collection of required documents from various government and non-government organizations, i.e., Banks, BGMEA, BEPZA, CCI&E etc., hardcopy submission of B/Es, assigning assessment officers manually, absence of automated jetty marking process and assignment of jetty examination officers, manual reporting of examination findings, and manual coordination of OGAs and ports. Stakeholder consultation sessions also reveal that importers cannot track the consignment status due to the absence of a consignment tracking system. This has a significant impact on the processes involved. Reducing such time would be extremely difficult without a major breakthrough in automation across the processes and agencies.

5.5 Procedural hindrances in implementing TFA

Importing and exporting through land ports are bestowed with different procedural hindrances. Some noticeable hindrances in the trade procedure including customs inspection, assessment and other activities are:

- Lack of information availability and lack of information flow among the stakeholders is a crucial challenge for the TFA implementation in Bangladesh. Sometimes, ministries and agencies often cannot provide accurate information timely.
- Supporting infrastructure development is missing for coordination. For instance, in many land ports offices of different agencies are spread around the premise instead of under a single rooftop.
- Despite the general use of transaction value for customs valuation, in the case of some goods, the government often fixes tariff values or minimum values for the purpose of levying customs duties. Also, valuation often differs from customs station to customs station.
- In the assessment process of trade, decisions made by the Assistant Revenue Officer are always forwarded to the Revenue Officer, while judgments made by the Revenue Officer are frequently forwarded to the Assistant Commissioner. Higher echelons of management may also be consulted on decisions made by the assistant commissioner. This reflects a duplication of work in the Customs procedures.
- Since few border agency employees wear uniforms, it becomes difficult to distinguish between border management employees and traders or other members of the general public.

- C&F Agents have direct access to customs officers who are involved in the evaluation, classification, and valuation processes directly.
- The process of unloading an Indian vehicle and then putting the product onto a Bangladeshi truck is time-consuming, labor-intensive, and expensive for the merchant.
- Other governmental organizations carry out their examination whenever it is convenient for both them and the C&F agents. These are not always carried out simultaneously with Customs.
- Both online and manual registers are kept in the customs stations or ports, notwithstanding the introduction of ASYCUDA World at land ports. One of the main issues preventing ASYCUDA World from being effectively operationalized is a lack of consistent internet access.
- The release procedures can occasionally take longer due to a lack of coordination between Customs and other border agencies in concluding inspections of import shipments. For instance, even after inspection, many Importers and C&F agents do not pay their duties timely which increases the overall release time.
- Automation system of different agencies lacks interoperability, automation does not always bring simplified process because multiple documents are still required.
- Ports cannot be kept open 24/7 due to lack of sufficient personnel of different organization including bank.
- Trucks reaching Bangladesh from Nepal and Bhutan are delayed by the Indian side interventions. Also, Bangladeshi trucks cannot reach Nepal or Bhutan directly through India.
- If different trucks of the same invoice shipment reach at different times in the port, the clearance gets delayed as the partial shipment is not provided. However, if the exporter informs the customs commissioner, then these problems are released seamlessly. But this problem exists on the Indian side.
- Bangladeshi buyers can purchase products from foreign e-commerce sites like Alibaba but cannot sell products online to overseas markets through e-commerce sites because of payment problems. LC and payment collection become prime issues in the case of cross-border e-commerce.

From the KII findings, Cross border management in case of trading or export-imports, following procedural hindrances can be noticed:

Table 19: Import-Export Procedural Hindrances

Institutions	Procedural Hindrance
Export Promotion Bureau (EPB)	The central office of EPB controls the first registration, which is a very time-consuming process that takes roughly 10 to 15 days to complete.
Office of the Chief Controller of Imports and Exports (CCI&E)	<ul style="list-style-type: none"> • When IRC or ERC is submitted by the Office of the chief controller of Imports and Exports (CCI&E), they check the membership certificate which creates hindrance in trade. • All the certificates provided by CCI&E online through OLM system which lessens the procedural hindrances.
Plant quarantine Wing under Ministry of Agriculture	<ul style="list-style-type: none"> • Plant quarantine wing takes minimum four days even more to give the import permit, export PC certificate and release order. • The overall competency of the quarantine personnel is not always at their best because of frequent transfers from Plant Quarantine Wing to another wing when the tenure comes. • Insufficient financial and logistics supports create barriers for quarantine stations officer to work efficiently and provide quality services.
BIDA	<ul style="list-style-type: none"> • Most of the processes of service delivery, for example, issuance of certificate for release of capital machinery from customs, and recommendation to CCI&E for issuance of 2nd Ad hoc industrial IRC are manual processes. • Responsible for registering manufacturing sector and all foreign investments. The certificates provided by BIDA for Commercial Industry, Local Industry and Foreign Industry by BIDA in different forms where some procedural simplifications are required.
Customs	<ul style="list-style-type: none"> • According to the NBR, online submission system of major documents is available at all major customs stations, and the clearing and forwarding agents are to blame for not being able to submit the necessary documents on time. • Customs documentation process are delayed due to the interruption of electricity • Sometimes, vehicles are released without receiving proper documents. Later the vehicles are stuck again due to the lack of proper documents. This creates congestions in the ports. • A lot of time is being wasted on this process of rotating files in the table. It becomes difficult for traders to pay the assessed duty of goods in the evening or night since often they receive assessment reports after banking hours.

Institutions	Procedural Hindrance
	<ul style="list-style-type: none"> • Letters/reports from various departments under the Public Administration and NBR are needed to provide any service which is a lengthy process⁶⁹. • Through some land ports, there is significant potential for exporting animals and fish but Customs has restrictions of exporting such items. • Adding new HS codes in opened order or LC is very complex in the existing customs system. • In some ports imported chemicals require long time to be cleared because of slow customs testing services. This increased trade and production costs for the importers. • Lack of regional offices in port for settling any dispute for example: for solving the HS Code related debate, port officers from different regions have to go NBR offices in Dhaka;
Chattogram Port Authority	Cargo tracking system and effective cargo handling system are not apparent in the Chattogram port.
Civil Aviation Authority of Bangladesh (CAAB)	<ul style="list-style-type: none"> • Hazrat Shahjalal International Airport' is handling RMG materials without any shedding facilities, and during the rainy season, the demurrage for the RMG owners gets high; not even insurance claims are settled in this regard.
Bangladesh Standards and Testing Institution (BSTI)	<ul style="list-style-type: none"> • BSTI's equipment and manpower crisis, delay in testing or sampling, etc. are apparent hindrances in its service delivery. • BSTI certification is required for human food. Imports and exports are not possible without this BSTI authorization. But there is a limited number of laboratories approved by the government. In this regard, there is no gazette approved by the government. Lack of skilled chemists, facility for food testing, chemicals for testing, interrupted electricity supply, etc. are hindrances.
Bangladesh Land Port Authority	<ul style="list-style-type: none"> • Lack of institutional competencies & coordination; • Some fees are taken manually which is a time-consuming procedure. • Outdated rules and regulations that can hamper facilitate trade. • Lack of automation system in documentation process. • Lack of One stop or integrated services center in most land ports that hinders timely service. • Operating hours are not matched with counterpart land ports of India

⁶⁹https://nbr.gov.bd/uploads/citizen-charter/IMG_20210323_0001.pdf

Institutions	Procedural Hindrance
	<ul style="list-style-type: none"> • BLPA does not have access to the ASYCUDA world software and data sharing is hindered as BLPA is not interlinked with customs. • Automation is not apparent in other land ports (except Benapole and Burimari), as a part of the automated approach, the implementation of only automated weigh scales is visible in other land ports. Import General Manifest (IGM) entry is still done manually on paper at the entry point in other ports. • Land port operational guideline is only available for Benapole Land port and other ports follow that. A uniform operational guideline for land port management is yet to be developed.

Source: KII findings of BFTI

Besides, additional hindrances in the trade processes are:

- Implementation of infrastructure development initiatives are not sufficient as per requirement of service standard.
- Security system is not robust in ports due to insufficient CCTV cameras.
- Time requirement for detention vehicles to release is high and importers have to pay large amount of demurrage.
- The weigh scales are misplaced and reweighing the same shipment consumes release time.
- Fire stations and accredited labs or testing facilities are far from ports and not up to required standards that hinders port procedures.
- Parking facilities are very limited for inbound or outbound transports so transportation delays trade procedures in the port.
- Ports cannot stay fully operation 24/7 due to manpower shortage.
- There is problem in existing software for recording entry-exit vehicle tracking system. It only records entry time but not departure time that hinders tracking of shipment.
- The Plant quarantine certificate is issued from Dhaka; IP certificates cannot be obtained promptly which increases time delay in trade.
- Lack of token system for the passengers and manual que management at immigration creates congestions in immigration procedure.
- Lack of proper one stop service center and help desks.
- BGB checking is done thrice and the checking time by BGB is much time consuming. These unnecessary checking procedures hinder time efficiency.

- In export, when Bangladeshi drivers reach India, the Indian authority takes much time to check trucks and drivers which delays the land port trade.
- Some consignments are delayed in port release due to the BSTI laboratory testing time requirements.
- After the assessment, for duty, there is now an e-payment system available since 1st January 2022 and it takes a maximum of one and half a minute to pay duty tax. However, after the assessment of duty, duty payers often pay after 2 or more days for various reasons that increase the time of goods release.
- From the bill of entry to the issue of the release order, Customs usually takes a maximum of one day time, but this process gets delayed due to delayed payments by the importers or C&F agents.
- Although Banks have interconnectivity with Customs and ASYCUDA, the ASYCUDA system is not available in all land ports, so online system does not work there and hard copies of documents are still required there.
- Export permission form (EXP form) is digitalized and its hardcopy is not usually required but in the land ports, still, the practice of hardcopy submission is apparent.

Some trade, customs, documentation, immigration and port agency related procedural hindrances are:

- Absence of an elaborate policy, a detailed procedural guideline and a strategic management plan on Risk Management (RM), Customs tends to examine a large number of consignments.
- Due to customs testing, inspection and final clearance report, the time for the release of goods often increases. Customs testing facility is only available in very few ports. Testing process in the customs examination increases release time.
- Needless formality in documentation exists.
- There are numerous document submission requirements without any justification.
- The majority of the time, border agents (BGB, customs, BLPA) reject copies of documents and only accept originals.
- Very few facilities (cold storage, sheds) are available for storing perishable commodities prior to release. There are no legal provisions or processes enabling for speedier release of perishable items.
- Regarding the movement of persons and products across borders, different border authorities have varied responsibilities. These requirements range from controls on revenue assurance, migration, phytosanitary, radiological, transport, and food safety. Due to the fact that these organizations frequently operate independently,

they frequently conduct several inspections of the same products and subject traders to a great deal of harassment.

- Immigration facilities often face congestion due to lack of proper que management systems.
- Travelers coming from India in Benapole ports has to face 3 times BGP checking. Once in zero-point entry, once after the immigration process and once at Amrakhali region while selecting appropriate transport. This multiple checking creates hassles for travelers.

Chapter 6: Implementation of TFA in Regional Countries

6.1 Introduction

The importance of trade facilitation has been widely discussed and recognized concept in the global, regional, and national levels. Trade facilitation in particular has been identified as a tool for increased and smoother trade between countries. Trade facilitation is largely used by institutions that seek to improve the regulatory interface between government bodies and traders at national borders. Trade facilitation has emerged as a key factor for international trade efficiency and the economic development of countries. This is due to its impact on competitiveness and market integration and its increasing importance in attracting foreign direct investments. The primary goal of trade facilitation is to help make trade across borders (imports and exports) faster, cheaper and more predictable, whilst ensuring its safety and security. In terms of focus, it is about simplifying and harmonizing formalities, procedures, and the related exchange of information and documents between the various partners in the supply chain. International trade has increased and manufacturing has become more global, with developing, emerging and transition economies connecting with international supply and value chains in terms of both their exports and imports. Implementation of the TFA is expected to increase trade by reducing costs, rapidly releasing goods, and increasing predictability.

The World Trade Organization (WTO) included the topic of trade facilitation in its negotiating agenda in 2004. After 10 years of negotiations, the Agreement on Trade Facilitation was reached and in November 2014, a protocol of amendment to insert the agreement into annex 1A of the WTO agreement was adopted. In 2013, members of the WTO finalized negotiations of the WTO Trade Facilitation Agreement (TFA), which set multilateral rules that seek to address specific procedural hurdles in order to facilitate trade procedures. The TFA entered into force in 2017, and represents a significant opportunity for countries to reap the economic benefits from improving the speed and efficiency of border procedures. WTO's TFA creates standard rules that customs and other appropriate authorities must follow to be more transparent and streamline import, export, and transit processes for all WTO members. Bangladesh has ratified WTO TFA on 27th September 2016⁷⁰.

⁷⁰ WTO website, retrieved on February 09, 2023, available at https://www.wto.org/english/news_e/news16_e/fac_27sep16_e.htm.

6.2 Present Scenario of TFA

In a globalized world where goods often cross borders many times as both intermediate and final products, trade facilitation helps lower overall trade costs and increase economic welfare, in particular for developing and emerging economies. Trade facilitation can reduce trade costs by up to 24% which can increase the country's competitiveness regardless of DFQF and preferential treatment loss. Bangladesh can even mitigate its trade loss by GSP expiration after LDC graduation by improving trade facilitation activities. Important measures have been taken in Bangladesh to advance trade facilitation. The most important is Bangladesh's ratification of the WTO TFA on 27 September 2016 which aims to expedite the movement, release and clearance of goods, including goods in transit.

The Trade Facilitation Agreement requires Members to provide a number of notifications to the WTO Trade Facilitation Committee. These can be broadly classified into three groups. The groups are as follows:

- 1) Implementation notifications (categories A, B, C)
- 2) Transparency notifications
- 3) Information on technical assistance and capacity building

Developing and LDC Members can request more time and capacity building support to implement the Agreement. To benefit from these flexibilities, member countries must designate all measures into categories A, B and C which have the following implementation timings:

Category A = developing Members will implement the measure by 22/02/2017 and LDCs by 22/02/2018

Category B = Members will need additional time to implement the measure

Category C = Members will need additional time and capacity building support to implement the measure

Table 20: Progress on Implementation Commitments Status of Various Countries⁷¹

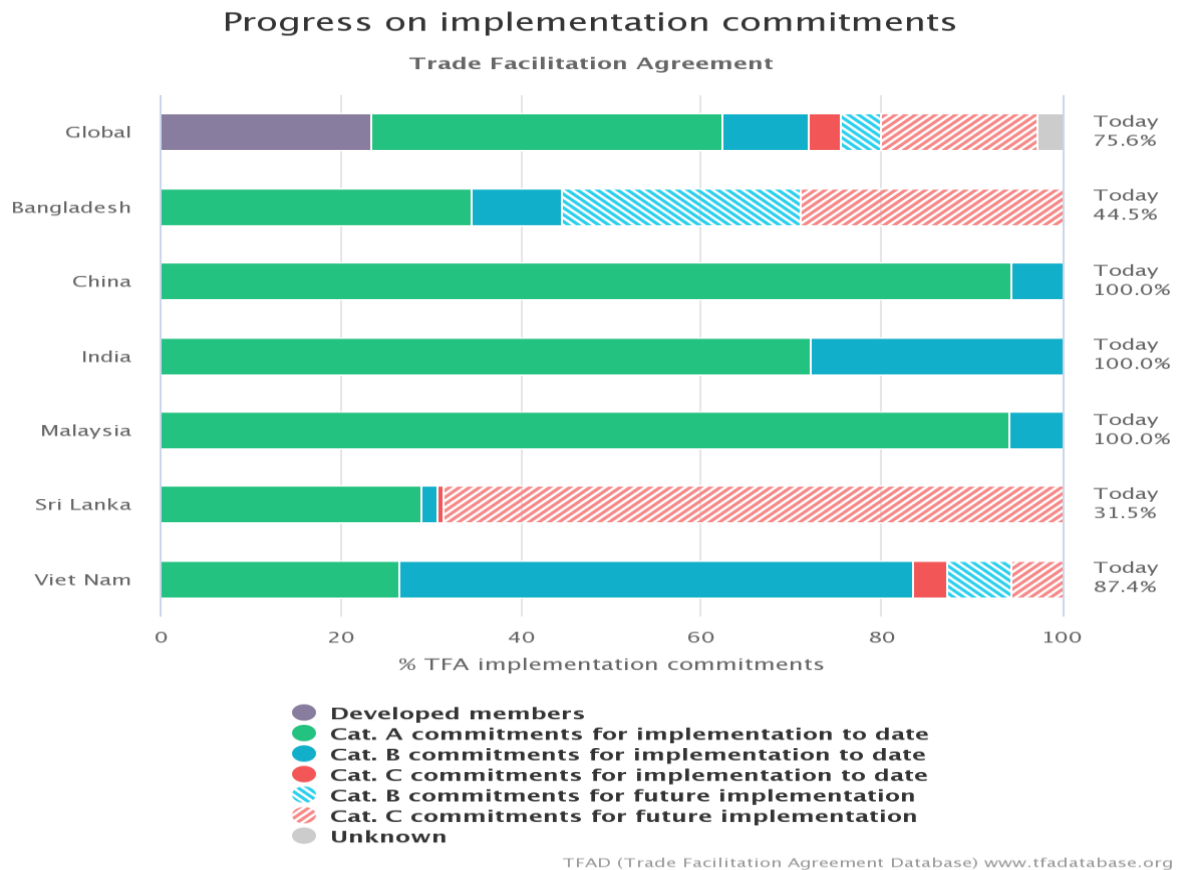
Country Name	Implementation percentage (%)
Bangladesh	44.5
China	100.0
Malaysia	100.0
India	100
Sri Lanka	31.5
Viet Nam	84.9

Among regional countries, Bangladesh's implementation commitments are 44.5% while Sri Lanka's implementation commitments are 31.5%. Whereas China, India and

⁷¹ <https://tfadatabase.org/en/implementation/comparisons?country=13>

Malaysia’s implementation commitments are 100% and Viet Nam’s implementation commitments are 84.9%.

Figure 12: Comparison on Progress on Implementation Commitments Among Global and Regional Countries



Source: <https://tfadatabase.org/en/implementation/comparisons?country=13>

Implementation commitments are compared among the countries named Bangladesh, China, India, Malaysia, Sri Lanka and Viet Nam. China, India and Malaysia’s notifications commitments are fully implemented which is 100%. While Viet Nam, Bangladesh and Sri Lanka ’s implementation commitments are 84.9%, 44.5% and 31.5% respectively.

6.2.1 China’s Implementation of Trade Facilitation Measures

Between 2016 and 2018, China’s score of trade across borders was stagnant at 70.7. In 2021, China was ranked 31 out of 190 countries, with a score is 77.9⁷², entailing a significant improvement. China’s overall LPI (Logistics Performance Index) score in

⁷² <https://archive.doingbusiness.org/en/data/exploreconomies/china>

2023 was 3.7 where customs scored 3.3. The table below shows how China has improved on trade across borders from 2018 to 2020.

Table 21: China’s Improvement from 2018 to 2020 on the Time and Cost of Exporting & Importing Goods

China	2018	2019	2020
Time to export: Border compliance	25.9 hours	25.9 hours	18 hours
Time to export: Documentary compliance	21.2 hours	8.6 hours	8 hours
Time to import: Border compliance	92.3 hours	48 hours	37 hours
Time to import: Documentary compliance	65.7 hours	24 hours	11 hours
Cost to export: Border compliance	484.1 USD	314 USD	249 USD
Cost to export: Documentary compliance	84.6 USD	73.6 USD	70 USD
Cost to import: Border compliance	745 USD	326 USD	230 USD
Cost to import: Documentary compliance	170.9 USD	122.3 USD	75 USD

Source: World Bank, “Doing Business: Measuring Business Regulations”: Historical Data Sets and Trends Data

The above table shows that China’s border compliance export time is 18 hours in 2020 which is comparatively lower than the time 25.9 hours in 2018. China’s documentary compliance export cost is 70 USD which is comparatively lower than the cost 73.6 USD in 2019.

China has recently launched a new initiative to speed up customs clearance and optimize the business environment at ports (Notice on Accelerating the Level of Customs Clearance Facilitation, jointly issued by the General Administration of Customs, the Ministry of Finance, the Ministry of Commerce and other 7 Ministries of China). 10 specific measures have been proposed including simplifying documents, optimizing processes, improving automation, and reducing charges. Some examples are as follows⁷³:

Article 7: Optimizing Processes - a pilot simplified import declaration was launched on 31 Aug 2019. It involved a summarized “two-step declaration” customs clearance mode. Before the end of 2019, the port administration formulated the time limit standards for the operation of port service enterprises. Two “green channels” for the rapid clearance of agricultural products were opened.

Article 10: Simplifying Documents - 86 documents have been reduced to 46 in 2018, and two more food-related documents were withdrawn from port inspection before 30 Sep 2019. Import and export regulatory documents were fully implemented for online declaration and processing by the end of 2019, except in the case of special circumstances such as those involving confidentiality and security considerations.

⁷³ <https://unctad.org/news/chinas-efforts-improve-trade-facilitation>

Article 10.4: Improving Automation - The single window platform enabled information sharing between 25 ministries and running online cooperation projects between 68 departments, covering all ports in the country and meeting the requirements of business for a "one-stop" operation. China is in the process of building of the single window for international trade, reinforcing the cooperation with financial institutions and transportation agencies, and strengthening international information exchange.

Table 22: China's Trade Facilitation Score from 2017 to 2021⁷⁴

Year	Trade Facilitation Score	Particulars
2021	91.4%	<ul style="list-style-type: none"> • Transparency: 100%; • Formalities: 95.83%; • Institutional Arrangement and Cooperation: 88.89%; • Paperless Trade: 96.3%; • Cross-Border Paperless Trade: 72.22%.
2019	82.8%	<ul style="list-style-type: none"> • Transparency: 93.33%; • Formalities: 91.67%; • Institutional Arrangement and Cooperation: 55.56%; • Paperless Trade: 85.19%; • Cross-Border Paperless Trade: 72.22%.
2017	82.8%	<ul style="list-style-type: none"> • Transparency: 93.33%; • Formalities: 91.67%; • Institutional Arrangement and Cooperation: 55.56%; • Paperless Trade: 85.19%; • Cross-Border Paperless Trade: 72.22%.

This table indicates that over the years China's implementation rate of trade facilitation increased gradually. In the year 2017 the country had a trade facilitation score of 82.8% whereas in 2021 it has become 91.4%. The country has achieved 100% transparency and 95.83% formalities in 2021. China has achieved 88.89% institutional arrangement and cooperation and 96.3% paperless trade.

6.2.2 Bhutan's Implementation of Trade Facilitation Measures

A 2017 baseline study carried out by UNESCAP outlined some specific measures to be taken to further enhance trade facilitation⁷⁵. In the short term, the key measures include 1). electronic filing and exchange of documents; 2) harmonization of data and

⁷⁴ UN global survey on digital and sustainable trade facilitation

⁷⁵ <https://www.unescap.org/sites/default/d8files/knowledge-products/03%20Bhutan%20TTFMM%203.pdf>

information and standardization of documents; 3) removal of redundant or repetitive procedures and documents; 4) enhance availability and accuracy of information on rules, regulations and guidelines; 5) continue the efforts towards customs automation; 6) enhance payment remittance and 7) more active role of the private sector. The long-term interventions include 1) further development of transport and logistics infrastructure in Phuentsholing and 2) strengthen transport and transit in India. Transit in India is fundamentally important for enhancing trade and transport efficiency for Bhutan’s imports. The study shows that 67% of the import cost is directly attributed to transport (which does not include maritime transport from other countries to Kolkata) and transit clearance. Efforts from India and coordination at SASEC level are important.

Table 23: Bhutan’s Time and Cost of Exporting & Importing Goods Scenario from 2018 to 2020

Bhutan	2018	2019	2020
Time to export: Border compliance	5 hours	5 hours	5 hours
Time to export: Documentary compliance	9 hours	9 hours	9 hours
Time to import: Border compliance	5 hours	5 hours	5 hours
Time to import: Documentary compliance	8 hours	8 hours	8 hours
Cost to export: Border compliance	59 USD	59 USD	59 USD
Cost to export: Documentary compliance	50 USD	50 USD	50 USD
Cost to import: Border compliance	110 USD	110 USD	110 USD
Cost to import: Documentary compliance	50 USD	50 USD	50 USD

Source: World Bank, “Doing Business: Measuring Business Regulations”: Historical Data Sets and Trends Data

The table indicates that Bhutan’s border compliance export time is 5 hours in 2020 and documentary compliance import time is 8 hours in 2019. Bhutan’s time and cost of exporting & importing goods scenario is static from 2018 to 2020 year.

Table 24: Bhutan’s Trade Facilitation Score from 2017 to 2021⁷⁶

Year	Trade Facilitation Score	Particulars
2021	60.22%	<ul style="list-style-type: none"> • Transparency: 66.67%; • Formalities: 75%; • Institutional Arrangement and Cooperation: 66.67%; • Paperless Trade: 59.26%; • Cross-Border Paperless Trade: 33.33%.

⁷⁶ UN global survey on digital and sustainable trade facilitation

Year	Trade Facilitation Score	Particulars
2019	35.48%	<ul style="list-style-type: none"> • Transparency: 66.67%; • Formalities: 41.67%; • Institutional Arrangement and Cooperation: 44.44%; • Paperless Trade: 18.52%; • Cross-Border Paperless Trade: 22.22%
2017	26.88%	<ul style="list-style-type: none"> • Transparency: 60%; • Formalities: 16.67%; • Institutional Arrangement and Cooperation: 44.44%; • Paperless Trade: 14.81%; • Cross-Border Paperless Trade: 11.11%.

This table indicates that over the years Bhutan's implementation rate of trade facilitation increased gradually. In the year 2017 the country had a trade facilitation score of 26.88% whereas in 2021 it has become 60.22%. Also, the country has achieved 66.67% transparency and 75% formalities in 2021.

6.2.3 Sri Lanka's Implementation of Trade Facilitation Measures

In the Ease of Doing Business 2020 report, Sri Lanka ranked 99th and scored 61.8. Sri Lanka's overall LPI score in 2018 was 2.60 where customs scored 2.58. Sri Lanka's government has taken steps to improve trade facilitation in line with the WTO Trade Facilitation Agreement. A National Trade Facilitation Committee (NTFC) was established in 2016. Sri Lanka launched an online trade information portal in July 2018. All required trade related information is available on the portal as of November 2020⁷⁷. It would mean all those 34 agencies involved in publishing trade-related information would begin to cooperate more effectively. In keeping with the spirit of the country's new Right to Information Act, they would have to build a relationship of transparency and accountability with the trading communities and businesses they interact with. Once there is clarity on regulations and the process itself, the government will have an opportunity to streamline the way it works, undoing unnecessary duplication of work while promoting efficiency and service delivery⁷⁸.

⁷⁷ <https://www.trade.gov/country-commercial-guides/sri-lanka-trade-barriers>

⁷⁸ <https://blogs.worldbank.org/endpovertyinsouthasia/trade-facilitation-reform-sri-lanka-can-drive-change-culture>

Table 25: Sri Lanka’s Static Time and Cost of Exporting & Importing Goods from 2018 to 2020

Sri Lanka	2018	2019	2020
Time to export: Border compliance	43 hours	43 hours	43 hours
Time to export: Documentary compliance	48 hours	48 hours	48 hours
Time to import: Border compliance	72 hours	72 hours	72 hours
Time to import: Documentary compliance	48 hours	48 hours	48 hours
Cost to export: Border compliance	366 USD	366 USD	366 USD
Cost to export: Documentary compliance	58 USD	58 USD	58 USD
Cost to import: Border compliance	300 USD	300 USD	300 USD
Cost to import: Documentary compliance	283 USD	283 USD	283 USD

Source: World Bank, “Doing Business: Measuring Business Regulations”: Historical Data Sets and Trends Data

Sri Lanka’s time and cost of exporting & importing goods scenario is static from 2018 to 2020 year. The table indicates that the border compliance export time is 43 hours from the time 2018 to 2020. Sri Lanka’s documentary compliance export cost is 58 USD from the time 2018 to 2020.

Table 26: Sri Lanka’s Trade Facilitation Score from 2017 to 2021⁷⁹

Year	Trade Facilitation Score	Particulars
2021	60.22%	<ul style="list-style-type: none"> • Transparency: 66.67%; • Formalities: 75%; • Institutional Arrangement and Cooperation: 66.67%; • Paperless Trade: 59.26%; • Cross-Border Paperless Trade: 33.33%.
2019	51.61%	<ul style="list-style-type: none"> • Transparency: 66.67%; • Formalities: 66.67%; • Institutional Arrangement and Cooperation: 55.56%; • Paperless Trade: 48.15%; • Cross-Border Paperless Trade: 22.22%
2017	48.39%	<ul style="list-style-type: none"> • Transparency: 53.33%; • Formalities: 62.5%; • Institutional Arrangement and Cooperation: 55.56%; • Paperless Trade: 48.15%; • Cross-Border Paperless Trade: 22.22%.

⁷⁹UN global survey on digital and sustainable trade facilitation

This table indicates that over the years Sri Lanka's implementation of trade facilitation increased gradually. In the year 2017 the country had a trade facilitation score of 48.39% whereas in 2021 it has become 60.22%. Also, the country has achieved 66.67% transparency and 75% formalities in 2021.

6.2.4 Vietnam's Implementation of Trade Facilitation Measures

In Vietnam, under the context of its active participation in international economic integration, trade has played an increasingly important role in the country's social and economic development. Therefore, Vietnam has made substantial attempts to reduce trade costs and time to facilitate trade activities. Especially within the framework of the ASEAN Economic Community (AEC), Vietnam has facilitated strongly border administration and logistic activities to promote trade (Nguyen et al. 2015). As a result, in 2017, Vietnam made improvement in business environment when being ranked 68th among 190 economies with 67.93/100 points, increasing from the rank of 82rd of 190 economies in the previous year (World Bank 2016, 2017a, 2018). This improvement has created a strong incentive for Vietnam to accelerate trade. In 2017, total trade flows of Vietnam reached a peak of more than USD 490 billion (ITC 2018), equivalent to an increase by 40% compared to 2016's trade level and nearly five times of 2007's level⁸⁰. Border Administration sub-index. In fact, score of this sub-index increased dramatically from 3.6 in 2008 to 4.2 in 2016 because Vietnam has successful at decreasing substantially time and costs for imports and exports, and improving custom services. Moreover, Vietnam's approach to trade-led investment emphasizing trade facilitation has improved the country's overall trade environment.

In 2014, the Vietnam National Assembly passed a revised Customs Law, which came to effect on January 1st 2015. Simplification of procedures has been put a high priority and undertaken through VNACCS/VCIS System (Vietnam Automated Cargo and Port Consolidated System/Vietnam Customs Intelligence Information System), which is an automated customs clearance and risk management system. Application of VNACCS/VCIS officially started from April 2015 and includes software on e-Declaration, e-Manifest, e-Invoice, e-Payment, e-C/O (Certificate of Origin), e-P/L (Packing List), selectivity, and goods clearance. VNACCS/VCIS system also creates a mechanism to facilitate National Single Window (NSW) through connecting and sharing information among Vietnam Customs, ministries and other agencies such as banks, tax organizations, and logistics enterprises (Cao 2013). It has been reported that Vietnam has actively implemented VNACC/VCIS and been assessed to achieve

⁸⁰ https://repository.vnu.edu.vn/bitstream/VNU_123/136802/1/KY_20211109234145.pdf

notable results in reducing clearance time and documents for exports and imports, and establishing National and ASEAN Single Window (ASW) (Nguyen et al. 2015).

Table 27: Viet Nam’s Time and Cost of Exporting & Importing Goods Scenario from 2018 to 2020

Viet Nam	2018	2019	2020
Time to export: Border compliance	55 hours	55 hours	55 hours
Time to export: Documentary compliance	50 hours	50 hours	50 hours
Time to import: Border compliance	56 hours	56 hours	56 hours
Time to import: Documentary compliance	76 hours	76 hours	76 hours
Cost to export: Border compliance	290 USD	290 USD	290 USD
Cost to export: Documentary compliance	139 USD	139 USD	139 USD
Cost to import: Border compliance	373 USD	373 USD	373 USD
Cost to import: Documentary compliance	183 USD	183 USD	183 USD

Source: World Bank, “Doing Business: Measuring Business Regulations”: Historical Data Sets and Trends Data

The above table shows that Viet Nam’s time and cost of exporting & importing goods scenario from 2018 to 2020 are static over time. In 2020, border compliance export time is 55 hours and documentary compliance import time is 76 hours. The table also indicates that border compliance import cost is 373 USD and documentary compliance import cost is 183 USD in 2020.

Table 28: Vietnam’s Trade Facilitation Score from 2015 to 2021⁸¹

Year	Trade Facilitation Score	Particulars
2021	66.67%	<ul style="list-style-type: none"> • Transparency: 86.67%; • Formalities: 75%; • Institutional Arrangement and Cooperation: 66.67%; • Paperless Trade: 59.26%; • Cross-Border Paperless Trade: 50%.
2019	61.29%	<ul style="list-style-type: none"> • Transparency: 86.67%; • Formalities: 75%; • Institutional Arrangement and Cooperation: 44.44%; • Paperless Trade: 48.15%; • Cross-Border Paperless Trade: 50%
2017	51.61%	<ul style="list-style-type: none"> • Transparency: 73.33%; • Formalities: 75%;

⁸¹ UN global survey on digital and sustainable trade facilitation

Year	Trade Facilitation Score	Particulars
		<ul style="list-style-type: none"> • Institutional Arrangement and Cooperation: 44.44%; • Paperless Trade: 33.33%; • Cross-Border Paperless Trade: 33.33%.

This table indicates that over the years Viet Nam's implementation rate of trade facilitation increased gradually. In the year 2017 the country had a trade facilitation score of 51.61% whereas in 2021 it has become 66.67%. Also, the country has achieved 75% formalities and 59.26% paperless trade in 2017.

6.2.5 Malaysia's Implementation of Trade Facilitation Measures

With a trade to gross domestic product (GDP) ratio that has been well above 100% since 1979 (reaching more than 200% during the early 2000s), seamless trade facilitation is a major anchor of Malaysia's drive towards becoming an advanced nation. Enhancing Malaysia's presence in the regional supply chains of major multinational corporations (e.g. Western Digital, Dell, Schlumberger, and Siemens) entails efficient logistics services and trade facilitation.

Based on the UN global survey on digital and sustainable trade facilitation, Malaysia achieved a trade facilitation score of 86.02% in 2021⁸². The following table represents Malaysia's trade facilitation score over previous years:

Table 29: Malaysia's Improvement from 2018 to 2020 on the Time and Cost of Exporting & Importing goods

Malaysia	2018	2019	2020
Time to export: Border compliance	45 hours	28 hours	28 hours
Time to export: Documentary compliance	10 hours	10 hours	10 hours
Time to import: Border compliance	69 hours	36 hours	36 hours
Time to import: Documentary compliance	10 hours	7 hours	7 hours
Cost to export: Border compliance	321 USD	213 USD	213 USD
Cost to export: Documentary compliance	45 USD	35 USD	35 USD
Cost to import: Border compliance	321 USD	213 USD	213 USD
Cost to import: Documentary compliance	60 USD	60 USD	60 USD

Source: World Bank, "Doing Business: Measuring Business Regulations": Historical Data Sets and Trends Data

⁸² <https://www.untfsurvey.org/economy?id=MYS>

The table shows that the border compliance export time is 45 hours in 2018 which is reduced in 2020 by 17 hours. Malaysia’s documentary compliance import cost is 60 USD from the years 2018 to 2020.

Table 30: Malaysia’s Trade Facilitation Score from 2015 to 2021⁸³

Year	Trade Facilitation Score	Particulars
2021	86.02%	<ul style="list-style-type: none"> • Transparency: 100%; • Formalities: 100%; • Institutional Arrangement and Cooperation: 77.78%; • Paperless Trade: 85.19%; • Cross-Border Paperless Trade: 61.11%.
2019	82.8%	<ul style="list-style-type: none"> • Transparency: 100%; • Formalities: 95.83%; • Institutional Arrangement and Cooperation: 77.78%; • Paperless Trade: 81.48%; • Cross-Border Paperless Trade: 55.56%
2017	80.65%	<ul style="list-style-type: none"> • Transparency: 100%; • Formalities: 95.83%; • Institutional Arrangement and Cooperation: 77.78%; • Paperless Trade: 81.48%; • Cross-Border Paperless Trade: 44.44%.

This table indicates that over the years Malaysia’s implementation rate of trade facilitation increased gradually. In the year 2017 the country had a trade facilitation score of 80.65% whereas in 2021 it has become 86.02%. Also, the country has achieved 100% transparency since 2017 and 100% formalities compared to the previous years. Malaysia’s overall LPI score in 2018 was 3.22⁸⁴ where customs scored 2.90, infrastructure 3.15, international shipments 3.35, logistics quality and competence 3.30, tracking and tracing 3.15, and timeliness 3.46⁸⁵. The picture of trade facilitation in the country, from the views and perceptions of logistics professionals (global freight forwarders and express carriers) based in Malaysia, is much more mixed and less downbeat than the results of the international LPI on customs.

Malaysia has seen excellent performance under ‘Communication with and active engagement of the private sector component. It has a well-functioning mechanism for the National Trade Facilitation Committee, as well as structures for stakeholder

⁸³UN global survey on digital and sustainable trade facilitation

⁸⁴ World Bank (2018), International Logistic Performance Index

⁸⁵ World Bank (2018), International Logistic Performance Index

consultations that also cater to micro, small, and medium-sized enterprises. The Trade Facilitation Cluster Working Group (TFCWG) was established to assume the role of the National Trade Facilitation Committee, as required by the World Trade Organization Trade Facilitation Agreement.

Malaysia receives a generally high evaluation on release and clearance formalities, although it varies in terms of the subcomponents. Amongst the highest evaluations, risk management, post-clearance audits (PCAs), electronic payments (e-payments), appeal and review mechanisms, and advanced rulings stood out. The Royal Malaysian Customs Department (RMCD) has also implemented pre-arrival processing (PAP) nationwide for trade facilitation.

Malaysia was an early adopter of the National Single Window (NSW) in ASEAN. The process started with the linking of the home-grown Dagang Net with the RMCD's system 'Sistem Maklumat Kastam' (SMK) - automating customs procedures for shippers, carriers, and third-party logistics companies. The resulting SMK+Dagang Net handled all matters pertaining to export-import declarations and clearances. The nationwide roll-out of the SMK+Dagang Net was completed in 2004. In 2009, all permit-issuing agencies were linked to the SMK+Dagang Net, which became the NSW, with the RMCD (Ministry of Finance) as the NSW lead agency and the MITI as the ASEAN Single Window (ASW) lead agency for Malaysia. The SMK+Dagang Net has delivered well for Malaysia since its inception, indicating the benefits of the automation and integration of system and information flows. Based on a study in 1996, documentation error rates fell from 40% to 5% after the activation of the SMK+Dagang Net, while cargo turnaround times dropped from 4 days to 2 days and by 2004, to only 1 day⁸⁶.

6.3 Discussion on Best Practices

The examples of Singapore, Malaysia, India, Vietnam and Greece are provided below which show that the publication, availability of information through internet, automation, as easing customs procedures and risk management, following the procedures of the WCO are the low-hanging fruits from which Bangladesh can benefit without much delay.

Single Window of Singapore, Malaysia, and India:

Single Window (SW) generally refers to an electronic facility that allows parties involved in international trade and transport to submit all information needed to fulfil trade-related regulatory requirements at once and at a single-entry point. This digital trade facilitation measure aims at reducing the regulatory burden for traders when

⁸⁶ Trade Facilitation in Malaysia and Result of the ASTFI Baseline Study (2021)

completing import, export and transit-related procedures. It has emerged more than a decade ago and has become a core component of trade facilitation reforms. The World Trade Organization Trade Facilitation Agreement, which entered into force in February 2017, has dedicated provisions on SW⁸⁷.

A number of countries in the Asia Pacific region have either already established, or are in the process of establishing national (SW) facilities. A Single Window helps to simplify trade processes and procedures and improve transparency and predictability in international trade transactions. This means fewer complexities, less delays and lower costs of trade that can ultimately lead to improved competitiveness and more trade. Details on implementing Singapore, Malaysia and India's single window initiative are provided in the box below:

Box 1: Singapore Introduced Trade Net for Implementing Single Window

Singapore's TradeNet as a best practice case in implementing a Single Window environment. TradeNet is regarded as a successful case not only in the region but also in the world.

Singapore introduced their TradeNet (<https://www.customs.gov.sg/businesses/national-single-window/tradenet>) in 1989. The first transaction on TradeNet was a shipping application submitted on 1 Jan 1989. Due to overwhelming response, Singapore Trade Development Board (STDB) changed the date for the use of TradeNet for all transactions to be made mandatory from early 1993 to early 1991. By mid-1991, 1,800 subscribers were using TradeNet to process 95% of trade documentation requirements.

One of the main benefits of TradeNet was a reduction in the turnaround time for processing typical trade documents, which was reduced from 2-4 days to as little as 15 minutes. Most transactions were actually completed in less than 10 minutes. This resulted in productivity improvements. Studies suggest that TradeNet reduced trade documentation processing costs by 20% or more. Users of TradeNet found that there were significant savings accruing from filling out single online form versus over 20 paper forms in the past. TradeNet streamlined trade procedures and protocols, which made the entire trading community more competitive internationally¹.

Singapore's Best Practices are as follows

- TradeNet as a best practice case in implementing a Single Window;
- Reducing time for processing typical trade documents and
- Productivity improvements

⁸⁷https://www.unescap.org/sites/default/files/Regional%20Best%20Practices%20of%20Single%20Windows_updated.pdf

Box 2: Malaysia's Trade Facilitation Implementation

With a trade-to-gross domestic product (GDP) ratio that has been well above 100% since 1979 (reaching more than 200% during the early 2000s), seamless trade facilitation is a major anchor of Malaysia's drive towards becoming an advanced nation. Malaysia has increased the efficiency of trade facilitation mechanisms, particularly through improvements in the cargo clearance system, paperless trading, and security of trade documents. For enhancing the capabilities of service providers by strengthening internal capabilities and external readiness to enable them to compete at the global level, Malaysia has adopted various TFA measures that can be counted as best practices. Some of these are:

National Single Window: In Malaysia, the backbone of such electronic-based trade ecosystem is the National Single Window (NSW) for Trade Facilitation which is an one's top Trade Facilitation system linking the trading community with relevant Government agencies and various other trade and logistics parties through one single window, which allows for a seamless and transparent process. The NSW for Trade Facilitation system in Malaysia, an initiative of the Malaysian government spearheaded by the Ministry of Finance, was introduced in 2009 with the goal of streamlining clearance processes, facilitating the electronic exchange of trade-related data, lowering operating costs, and ultimately boosting trade efficiency and national competitiveness. Currently Malaysia's NSW:

- Connects more than 25,000 users
- Processes more than 100 million electronic transactions annually
- Connected with more than 30 Permit Issuing Agencies, 50 authorities, 10 banks, 160 Customs stations
- Comprises 6 core eServices and they are ePCO, ePermit, ePermitSTA, eManifest, eDeclare and ePayment¹.

Authorized economic Operators (AEO): The AEO programme continues to play an important role in securing and facilitating trade, as well as in increasing operational efficiency. Since January 2010, Malaysian customs has operated a fully functional Authorized Economic Operator (AEO) program. The Government announced in the 2021 budget speech that it would simplify the AEO accreditation process and broaden the AEO programme to include logistics services providers and approved warehouse operators. As of 31 August 2022, there were 114 AEOs in Malaysia, up from 94 AEOs in 2021.

¹Kassim, Erne & Bakar, Fazidah. (2015). *Malaysian Government Transformation Towards Effective Supply Chain Management: The Case of IT-Based Trade Facilitation*. Springer International Publishing

Transparency and information on laws, regulations, and procedures: The availability of information from major agencies is made convenient by the RMCD (Royal Malaysian Customs Department) properly. The RCMD has a variety of information channels such as Facebook, Twitter, Instagram, and the RMCD website. The RMCD website has a platform for the public to address complaints and customs call center for general enquires. If information related to transit and trans-shipment is needed, the public can find information/seek advice from/via the RMCD website and customs call center. Malaysia's National Trade Repository also provides comprehensive information, while the ASEAN Trade Repository provides links to relevant pages of Malaysia's National Trade Repository.

Communication with and active engagement of the private sector: Malaysia has a well-functioning mechanism for the National Trade Facilitation Committee, as well as structures for stakeholder consultations that also cater to micro, small, and medium-sized enterprises. The Trade Facilitation Cluster Working Group (TFCWG) was established to assume the role of the National Trade Facilitation Committee, as required by the World Trade Organization Trade Facilitation Agreement.

ASEAN Single Window: At the regional level, Malaysia is pursuing several initiatives to facilitate trade together with other ASEAN members, notably the ASEAN Single Window (ASW), the ASEAN-wide Self-Certification Scheme (AWSC), and the ASEAN Customs Transit System (ACTS). The ASW integrates each member's NSW and allows the electronic exchange of trade documents. By the end of 2019, all 10 ASEAN members were connected through the ASW network².

Customs Appeal Tribunal: Concerning Malaysia's appeals system, under the current provisions in the Customs Act 1967, any person aggrieved by the decision of the Director General of Customs may apply for a review of the decision within 30 days from the date of notification of the decision, provided that the appeal of the same decision has not been made to the Customs Appeal Tribunal (CAT). Upon such application, the Director General of Customs shall carry out the review, where practicable, within 60 days from the date the application is received. The current provisions also allow any person aggrieved by the decision resulting from the review to file an appeal to CAT within 30 days from the date of notification of the said decision in writing.

Switzerland 2015, Supply Chain Design and Management for Emerging Markets 87-116. 10.1007/978-3-319-05765-1_4.

²WTO (2022) *Trade Policy Review- Malaysia*, available at- https://www.wto.org/english/tratop_e/tpr_e/s436_e.pdf

Cross-border coordination: Given that the RMCD is one of the implementing agencies for the 2018 cross-border transport agreement between Malaysia and Thailand, there is institutional coordination amongst border authorities. Operational coordination at border crossings is also in place because to the RMCD's (Royal Malaysian Customs Department) cross-border collaboration with neighbors and synchronization of working hours with their governments. In addition, MAQIS and the MOH carry out considerable operational cross-border coordination (joint controls).

Transit facilitation: A computerised transit system is being pilot tested under the ASEAN Customs Transit System (ACTS). A computerised transit guarantee mechanism is also in place, with cross-border exchange of data. Malaysia provides simplified procedures for authorised transit traders on the Bukit Kayu Hitam border with Thailand and at Johor (Bangunan Sultan Iskandar and Kompleks Sultan Abdul Bakar) with Singapore. The simplified procedures are as determined by the contracting parties (Malaysia and its two neighbours)

E-payment: The RMCD and all other relevant agencies use e-payments. Virtually all agencies accept online payments, except for the import and export authorisation of dangerous drugs and psychotropic substances, which need to be applied for and paid manually. The MITI Ministry of International Trade and Industry) does not appear to charge any fees for its services, so e-payments are not required.

Time Release Study: The RMCD conducts the Time Release Study (TRS) according to the World Customs Organization method regularly (every 2 years) at the main port. The TRS result was published in a journal in 2011, along with two exit conferences where the dwell time result is published. The consultation validation meeting with the RMCD indicated that the dwell time was published at two exit conferences which were held in 2014 and 2015 with the Asian Development Bank and the World Customs Organization's Regional Office for Capacity Building, where the documents (including the publication of dwell time results) were distributed at seminars. The Release Study 2018 of East Malaysia was conducted on sea mode located Sandakan and Tawau, Sabah, whilst road mode located at Sungai Tujoh and Tebedu, Sarawak³. Malaysia is currently carrying out a TRS in 5 five major Customs ports in cooperation with other cross border regulatory agencies and the private sector under the leadership of the Royal Malaysian Customs Department. The result of the TRS will be used by the Economic Research Institute for ASEAN and East Asia to conduct a further study on trade transaction costs in the region⁴.

³Royal Malaysian Customs Department (2018) Summary of the time Release Study 2018, available at-<http://www.customs.gov.my/ms/Documents/SUMMARY%20OF%20TRS%20EAST%20MY%202018.pdf>

⁴WCO, WCO supports Time Release Study (TRS) in Malaysia viewed at-<https://www.wcoomd.org/en/media/newsroom/2020/september/wco-supports-time-release-study-trs-in-malaysia.aspx>

Box 3: India's Trade Facilitation Implementation

India has put a lot of effort into trade policy reform since its economy was opened up in 1991, and as a result, average tariffs have been significantly reduced, the tariff and quota systems have been streamlined, and a number of import restrictions have been lifted. As a member of the UN, WCO and WTO, India has benefited from the tools and best practices developed by these organizations, which have served as the basis for introducing trade facilitation initiatives.

Various trade facilitation measures have been taken by Indian Customs over the times. Some of the major initiatives include:

Development and implementation of National Trade Facilitation Action Plan:

India has developed comprehensive National Trade Facilitation action plan 2020-2023 and implementing it accordingly. This plan envisions to transform the cross-border clearance ecosystem through efficient, transparent, risk based, coordinated, digital, seamless and technology driven procedures which are supported by state-of-the-art seaports, airports, land border crossings, rail, road and other logistics infrastructure¹. This plan is put into motion for achieving specific targets like:

- To bring down the overall cargo release time within 24 hours for Sea Cargo, Inland Container Depots and Land Customs Stations and 12 hours for Air Cargo (both import and export).
- Improve India's ranking on the Trading Across Borders indicator of the World Bank's Doing Business ranking under 50.
- Establish transparent and predictable legal regime and so on.

Introduction of Revised Authorised Economic Programme (AEO): greater facilitation and self-certification The Indian AEO Programme, which started in 2011, has come a long way in the last few years. It was designed to set standards to secure and to facilitate the ever-growing flow of goods in international trade. Today, the programme has a membership of nearly 5,000 AEO entities. That is 5,000 economic entities which have actively collaborated with Indian Customs to ensure safety and security in the Supply Chain. And in return, they are reaping benefits of an ever-widening set of benefits from Indian Customs such as faster processing and clearance of cargo, deferred payment of duty, direct port delivery/entry¹.

Source:

1. National Committee on Trade Facilitation, available at- <https://www.cbic.gov.in/resources//htdocs-cbec/implmntin-trade-facilitation/NTFAP2020-23jk.pdf>

2. Indian Customs, AEO program, available at- <https://aeoindia.gov.in/>

Trade Portal: A trade portal is considered to be crucial for promoting transparency and facilitating trade. Better compliance requires easy access to information, which is a crucial prerequisite. Therefore, it is desirable to establish a single portal where data relating to trade and all agencies involved in trade is compiled and made accessible online for evaluation. To address this demand and help traders identify trade possibilities around the world, the Department of Commerce in India commissioned a trade portal. The Federation of Indian Export Organizations is in charge of maintaining the portal. Businesses can use the trade portal to look for, choose, and contact Indian suppliers (with data on around 80,000 companies from various industry sectors). Indian trade portal also provides information like India's export-related acts and export procedures, item-wise export and import policy conditions in India, Foreign trade policy conditions and so on.

Indian Customs Single Window Project –Online message exchange: Indian Customs has introduced SWIFT (Single Window Interface for Facilitating Trade) on 1 April 2017. for ensuring ease of doing business. Under Indian Customs Single Window Project, the importers electronically lodge their Customs clearance documents at a single point only with the Customs. SWIFT automatically identifies goods that require clearance by participating government agencies and routes them online to the relevant agencies for regulatory clearance. The implementation of SWIFT is being accompanied by the use of risk-based selective examination and testing, significantly reducing the number of consignments that need mandatory testing or certification.

Risk Management System: Another program that makes it easier to conduct business is India's Risk Management System (RMS), which identifies transactions that are riskier and may need closer examination by customs officials. The declarations are analyzed by the RMS and an electronic advice is produced once they are sent electronically to ICES. The decision to act on the declaration or to allow the cargo to be cleared without assistance is made based on this recommendation.

Relaxation in Insurance cover/Bond/BG: Requirement of Insurance cover to be taken by Customs Cargo Service Providers (CCSP) in respect of goods stored in Customs Areas has been brought down from 30 days to 10 days.

Reduction in mandatory documents for imports and export: In order to simplify procedures to facilitate genuine trade, CBEC has reduced the number of mandatory documents and prescribed only three mandatory documents for general import/export. The packing list and commercial invoice have been merged into a single document for Customs purposes.

Adoption of Digital Signature: In order to encourage paperless working and dispense with the requirement of physical submission of documents 'Digital Signature' has been introduced for importers, exporters, airlines, shipping lines etc.

Special Valuation Branches: The procedure for handling related party transactions and those involving special relationships is completely revamped. Extra Duty Deposits waived and the provisions for renewal of SVB orders have also been dispensed.

The facility of deferred payment: Import Duty payment not required at the time of customs clearance.

Easy Renewal: CBIC abolish renewals of License/Registration in Customs Brokers Licensing Regulations, 2021 and Sea Cargo Manifest and Transshipment Regulations, 2018

Online Module to update Bank account details: IEC Holders has become able to update bank account number for Government Incentive disbursement -IGST Refund
Others mentionable TFA measures are:

- Online Filing of BE Amendment
- 24x7 Customs Clearance
- Abolition of Mate Receipt
- With the automation of Customs procedures, manual issuance of mate receipt for containerized cargo has become redundant and therefore dispensed with.
- Single Window Interface for Facilitation of Trade has now been extended to Export.
- No requirement to seek periodic renewal of AEO-T1 certification: circular No. 18/2021-Customs dated July 31st, 2021. There are three tiers of certification namely AEO-T1 for 2 years, AEO-T2 for 3 years and AEO-T3 for 5 years
- The facility for filing the amendment online through ICEGATE has been operationalized.

Automated Customs procedures: Customs procedures have been fully automated since 2007. Import declarations are processed electronically (eDeclare) for the assessment and payment of duties, and customs release. Most import licences are paperless, and they may be attached electronically to the customs declarations.⁴ Customs has no facility to enable electronic submission of other supporting documents (e.g., invoice, bill of lading) with the import/export declaration.

Vietnam's holistic efforts on Trade Facilitation

Vietnam has undertaken a range of initiatives to facilitate trade. The reform process has been driven by the government and not from outside donors. The policy changes have been secured at a strategic level through international commitments. The WTO accession with its obligations has accelerated the reforms, in particular the modifications of laws. Moreover, the reforms have been supported by several donors such as the World Bank and the EU.

Box 4: Measures on Custom Modernization for Trade Facilitation in Vietnam

For simplification goal, in 1998 the government in Vietnam initiated a reform of the customs administration, which was part of the wider master plan for the public administrations reform. In 2001 the first customs law was passed by the National Assembly and the new law paved the way for a modern customs administration with the use of information technology.

For transparency, to facilitate access to information the Vietnam's customs administration has created a website where information about trade and legal documents can be found. According to the customs administration all legal documents are published on the website. Since 2002, drafts of resolutions and decrees must be published in the mass media and on the internet. Legal instruments have to be published at least 15 days before they come into validity. Furthermore, the customs law has been drafted in five different languages to assist foreign traders and to increase transparency. 47 Every customs checkpoint is equipped with a phone line and email address to which traders can send criticism and suggestions about customs procedures and the behavior of customs officers in order to discourage bribery practices.

For harmonization, The Vietnamese government has harmonized the regulations on customs procedures to international practices and standards compatible with the Kyoto Convention on simplification and harmonization of custom procedures. Amendments of the customs law in 2005 were adopted to enable full compliance with that convention. The amendments came into effect in January 2006 and resulted in more transparent and simple custom procedures.

Vietnam also adopted necessary technologies for facilitating trade, during the ongoing World Bank project for customs modernization, the customs procedures were analyzed to be simplified at a later stage. Initiatives were taken to develop electronic declarations to allow for traders to submit customs declarations electronically. In 2006, e-customs procedures were piloted at a few local customs departments around Vietnam. In the same year traders were able to submit the certificate of origin documents electronically.

Vietnam's Best Practices are as follows:

- Reform of the customs administration;
- Creation of a website where information about trade and legal documents are available;
- Harmonization of the regulations on customs procedures to international practices and standards;
- Develop electronic declarations to allow for traders and
- Develop e-customs procedures

Development of national Trade Facilitation Strategy by Greece

Box 5: Measures on Custom Modernization for Trade Facilitation in Greece

The trigger for developing the Greek Trade Facilitation Strategy was the economic adjustment programme the Greek authorities agreed to as a condition for and following the bailout funding received from international lenders since May 2010. Jointly with its international partners, the Government designed and put in place a series of reform initiatives. In 2011, the EU Commission set up the Task Force for Greece (TFGR) to provide technical assistance to the Greek authorities. The simplification of customs and pre-customs procedures was flagged as a priority area of intervention. The country developed a road map for overall trade facilitation keeping specific objectives in mind. The roadmap was a joint document of the Ministry of Finance, Ministry of Foreign Affairs, Ministry of Development, Competitiveness, Infrastructure, Transport and Networks, Ministry of Rural Development and Food, with cooperation from other ministries. Following the roadmap, Greece eventually improved its LPI performance and ease of doing business status.

Greece's Best Practices are as follows:

- Economic adjustment programme;
- Set up the Task Force for Greece (TFGR) to provide technical assistance;
- Simplification of customs and pre-customs procedures and
- Develop a joint road map for overall trade facilitation including all ministries/organizations.

6.4 Centralized Implementation Plan

A centralized framework, often done through a regional body, such as, SAFTA, can set up a data repository, under Article 1 of the WTO TFA, providing information about trade procedures and formalities of member countries. This one-point data repository may help traders to collect information from one place. This regional body can further set up a regional enquiry point, which should be a platform for exporters and importers to gather relevant information regarding rules, fees and charges, regulations and procedures of doing cross border trade.

Similarly, regional body can make laws and regulations as per consensus of member countries for harmonizing working days and hours of border management agencies, align the procedures and formalities across the countries, under Article VII of the WTO TFA. Article 11 of the WTO TFA deals with freedom of transit and holds an

immense importance in a regional context. It states that transit rules should be implemented in a manner that they do not disguise restrictions on traffic in transit. Customs is the key border agency responsible for all international trade transactions and a central government administration responsible for implementing the TFA. With that in mind, in the past the WCO has continuously encouraged its members to take an active approach in the WTO Trade Facilitation negotiations. Article 23.2 of the TFA requires each Member to establish and/or maintain a national committee on trade facilitation or designate an existing mechanism to facilitate both domestic coordination and implementation of TFA provisions. Having in mind the central role of Customs for successful national TFA implementation, it is necessary for Customs administrations to take an active role in this Committee.

Developing a centralized repository and dissemination system of trade regulations can be effective. For TF implementation. As many agencies are involved to varying degrees in issuing trade regulations, a centralized system has to be developed so that the trading community can be informed timely regarding the changes in the regulatory requirements of any relevant agency. The customs authority generally takes the lead in establishing such a system but collaborative arrangements with chambers of commerce and industry can also be established to aid information dissemination and organization of training workshops⁸⁸. By establishing enquiry points for trade regulation information, in addition to publishing regulations through a centralized system, the authorities can move one step forward and provide enquiry points for traders to approach when they seek information and clarification. Centralized legislation database and single government gazette is also required for centralized implementation of trade facilitation measures.

From the draft working paper of 6th minutes of the National Trade Facilitation Committee (NTFC) meeting, the centralized implementation plans for Bangladesh is as follows:

1. National Board of Revenue (NBR), Bangladesh is working on notifying the requirements to the importers immediately after online submission of Bill of Entry or Bill of Export in ASYCUDA World.
2. National Board of Revenue (NBR), Bangladesh is deploying customs convoy or customs escorts based on risk of the consignment.
3. NBR has amended Customs Act, 1969 (Section 83E) to accommodate Authorities Economic Operators (AEO).

6.5 Decentralized Implementation

A number of trade facilitation measures cannot be implemented under a centralized implementation framework due to inadequate economies of scale even if necessary investments for infrastructure development are made. At the same time, substantial

⁸⁸ <https://www.adb.org/sites/default/files/publication/27530/trade-facilitation-reference-book-2013.pdf>

human resources and good domestic infrastructure are required for such reforms. Trade facilitation measures that can be fulfilled through a decentralized plan are as follows:

Establishment of a single window system in a country and its enforcement does not require the consent of others. Some of the BBIN countries have already set up single window system for speedy clearance of cargoes at their ports. Moreover, each country is taking steps to connect with relevant trade bodies in order to develop a single platform for conducting international trade. Keeping this framework in mind, the BBIN countries can also create a similar platform for exchange of automated information without a regional body.

A similar approach can be applied to provisions made under 'Trade Facilitation Measures for Authorized Economic Operators' (AEO). Except provision 7.7.5 of the WTO TFA, where cross-country cooperation requires mutual recognition of Authorized Economic Operators, all other provisions can be implemented exclusively by a member country. The BBIN countries can consider developing guidelines to "ensure common understanding and uniform application of the customs legislation". However, it is an exclusive responsibility of each BBIN country to apply for operating the AEO mechanism.

From the draft working paper of 6th minutes of the National Trade Facilitation Committee (NTFC) meeting, the decentralized implementation plans for Bangladesh is as follows:

1. Border agencies have been providing the Electronic Payment facilities to pay duties, taxes and charges at import & export stage. National Board of Revenue (NBR), Bangladesh has made it mandatory to use e-payment for the payment of duties and charges collected by customs.
2. National Board of Revenue (NBR), Bangladesh is also working on electronic data interchange through NSW (National Single Window) project.
3. Automated risk management software (ARMS) procurement has also been initiated under NSW project.
4. Bangladesh customs has adopted the options of appointing the national transit coordinator. NBR will appoint the transit coordinator soon.
5. Bangladesh Customs is allowing the opportunities of conducting second test based on the request of the importer/exporters. They are working on setting up highly equipped laboratory in their important Customs Stations and Custom Houses. Development partners are including ADB and WB-IFC. They require the continuity of this assistance from their development partners.
6. NBR has amended the relevant sections of the Customs Act, 1969 (Section 43 & 44) and issued a circular to make Pre-arrival Processing (PAP) operational in sea and air routes. But the number of importers availing this opportunity is very low. NBR is working on making it operational in land routes.

6.6 Shared Implementation

Article VIII and its subsections (Border Agency Cooperation) of the WTO TFA states that: “each of its authorities and agencies responsible for border controls and procedures dealing with the importation, exportation, and transit of goods, must cooperate with one another and coordinate their activities in order to facilitate trade”. Articles X and XV of the BBIN MVA emphasize cross-border cooperation and importance of national laws and regulations with regard to export and import of goods. The role of a regional body on border agency cooperation will be critical in this regard.

Provisions 1, 2 and 4 under Article VII of the WTO TFA deal with “Release and Clearance of Goods” and can be implemented jointly by a member country and a regional body, such as SAARC, or BBIN, if consensus is reached among the member states. A technical team under a regional body can develop software for lodging documents and making payments electronically. For the enforcement of these trade facilitation measures, a regional body can provide capacity building training to customs and other border management officials on how to operate software systems, etc. Similarly, for “Risk Management”, the technical team of a regional body can invent a uniform risk management system for all countries. Each member country then adopts this system for customs control. For its proper functioning and enforcement, the technical team can conduct training programmes to capacitate customs officials.

Some of the provisions of the TFA require individual actions by customs and/or other governmental agencies. However, close cooperation, coordination and collaboration with other stakeholders, especially other border agencies are pertinent for successful implementation of many of the provisions of the TFA.

According to Article I on Publication and Availability of Information: It is necessary to have an arrangement in place to identify the agencies responsible for publication of trade information, to define the scope of their responsibilities and the mechanism to coordinate publication activities so that traders and other interested parties can get coherent and contextualized information. Regarding enquiry points, the provisions require governments to designate the authority responsible for setting up and operating enquiry points. Different models are possible: one where each border agency has its own enquiry point and another where there is a centralized platform that handles all enquiries or acts as a “switchboard” to the individual enquiry points. Based on Article 2 on Opportunity to Comment, Information before Entry into Force and Consultations, Article 2.2 envisages a process by which border agencies obtain the views of traders and other stakeholders on matters affecting them. So, border

agencies must hold regular consultations with traders and other stakeholders, as appropriate. Depending on national circumstances and on topics to be discussed, it might be an option to consider joint consultations with traders wherever appropriate. Article 8 on Border Agency Cooperation is one of the most obvious measures requiring collaboration amongst border agencies not only at national, but also at international level. The latter refers mainly to Members sharing common borders and requires coordinating procedures at border crossings, which may include alignment of working days and hours, alignment of procedures and formalities, development and sharing of common facilities, joint controls and establishment of one stop border post controls.

Many of the TF measures under Article 7 would require collaboration amongst relevant border agencies. These include in particular provisions on pre-arrival processing, electronic payment, risk management, establishment and publication of average release times and perishable goods. Also based on Article 11 on Transit, transit requires cooperation amongst Customs, other border agencies, the ministry of transport and other stakeholders. Moreover, for Article 10 on Formalities Connected with Importation, Exportation and Transit, the TF measure that requires the most complex collaborative approach is Single Window (Article 10.4). However, other provisions, such as those that foresee periodical review of formalities and documentation requirements (Article 10.1), acceptance of copies (Article 10.2), use of international standards (Article 10.3) and common border procedures and uniform documentation requirements (Article 10.7) would equally benefit greatly from a collaborative approach⁸⁹. All of these TF approaches are collaborative in nature and requires shared implications by the relevant agencies or stakeholders.

From the draft working paper of 6th minutes of the National Trade Facilitation Committee (NTFC) meeting, the shared implementation plans for Bangladesh is as follows:

1. Trade Related Ministries & Organizations have their own website for easy excess to information involved with trade procedures. Fees & charges are published there on regular basis.
2. Website of trade related ministries & organizations provide information of procedure for appeal or review.
3. Trade related notifications are published on regular basis in the website of relevant ministries & organizations.
4. Bangladesh allows the Temporary Admission of Goods and Inward and Outward Processing.
5. Bangladesh customs has bilateral Customs Manual Administrative Assistance Agreement (CMAA) with Turkey and Saudi Arabia. Internal procedures for

⁸⁹ http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/wto-atf/omd_wto_tfa_web_en.PDF?la=en

CMAA with Mexico have been concluded and it is waiting for signing. Negotiation for CMAA with Sri Lanka, Japan, Russia and Iran is almost at final stage.

6. Ministry of Commerce, Bangladesh established a Bangladesh Trade Portal (BTP) - link: <https://bangladeshtradeportal.gov.bd> or www.bangladeshtradeportal.gov.bd BTP was launched on March 13, 2016 and version-2 has been live from January 31, 2018. The role of BTP is to promote and facilitate trade by improving transference and liaison between local and foreign traders.
7. Bangladesh Customs has already established a National Enquiry Point (NEP) and it was officially inaugurated on 06/09/18 (link: <http://bangladeshcustoms.gov.bd/nep/>). People are taking the benefit of fulfilling their queries through the icon of web-based National Enquiry Point.
8. NBR has developed a transaction based Post-clearance Audit (PCA) Manual with the assistance of USAID and all custom house as well as LCS are expected to follow this manual in near future.

Chapter 7 : Insights Gathering from Survey, KII, FGD and Public Consultation

7.1 Introduction

The study is based on the insights received from the multiple consultation sessions with the stakeholders. This consultation process was held in form of KIIs, FGD, public consultation, and a field survey. The summary of key insights from each of these consultation process has been documented, analyzed, and provided in this chapter in a brief manner.

7.2 Survey Instrument

BFTI conducted the survey to assess issue of the implementation of trade facilitation. purposive sampling techniques were used to select the samples. Samples were selected from the five ports of Bangladesh including Benapole land port, Akhaura land port, Banglabandha land port, Chattogram seaport and Shah Jalal airport. For required data collection, the port officials, exporters, importers and service providers, C&F agents were surveyed. Data were collected through face-to-face interviews using a well-designed semi-structured questionnaire as attached at Appendix 2.

7.2.1 Survey Participants

A total of 202 participants have participated in this study. Detailed list of the participants is attached at Appendix 3. However, 61 participants from C&F agent made up 30% of the total respondents among the 202 participants. In addition to others, there are 31 exporters, 29 importers, 13 port officials, 11 customs officials, 7 freight forwarders, 7 bank officials, and 2 shipping agents among the participants. Following table represents the elaborated responses of survey participants:

Table 31: Sample Distribution

Respondent's Category	Freq.	Percent
Freight Forwarder	7	3%
C&F Agent	61	30%
Transport & Logistics Company Official	7	3%
Driver	5	2%
Exporter	31	15%
Importer	29	14%
Port Official	13	6%
Labor Union Representative	8	4%
Bank official	7	3%
Certification Authority Official	7	3%

Respondent's Category	Freq.	Percent
Customs Official	11	5%
Indenting Agent	8	4%
Shipping Agents	2	1%
Others	6	3%
Total	202	100%

7.2.2 Survey Findings

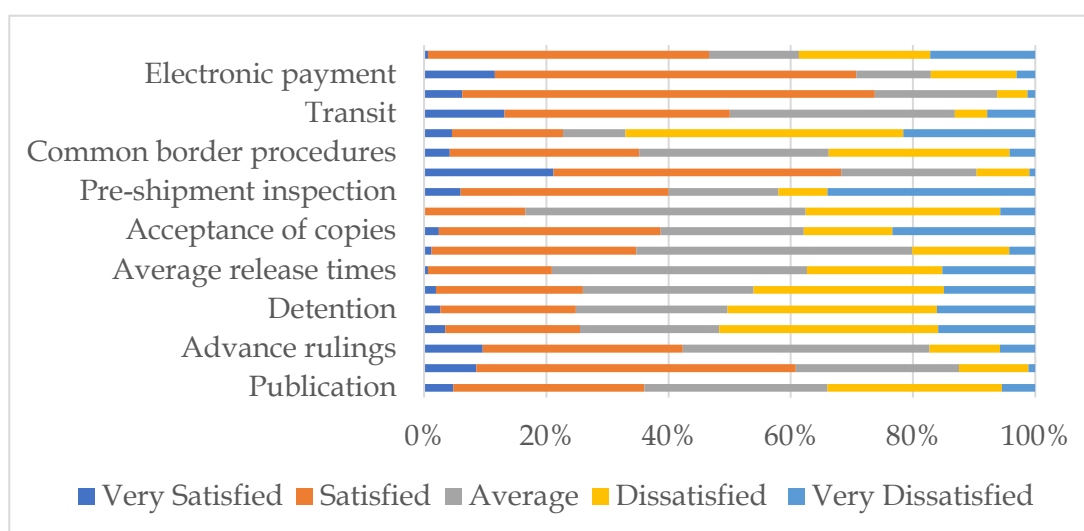
Participants were asked to assess the status of Bangladesh in implementing the Trade Facilitation Agreement (TFA). Their responses were mixed in nature. Many Participants answered the questions from a neutral standpoint. The majority of the respondents expressed their general satisfaction with the quality of services and progress in TFA implementation. 31 % of respondents were satisfied with the indicator 'Publication', 52% of respondents were satisfied with the indicator 'Information available through the internet', 40 % showed average satisfaction with the indicator 'Advance rulings', 36% showed dissatisfaction with the indicator 'Procedures for appeal or review', 46% are shown average satisfaction at the indicator 'Use of international standards', 34% are showed satisfaction at the indicator 'Pre-shipment inspection', 47% are showed satisfaction at 'Use of customs brokers', 31% are showed satisfaction at the indicator 'Common border procedures', 45% are showed dissatisfaction at the indicator 'Rejected goods', 37% are showed satisfaction at the indicator 'Transit'. The majority of respondents (68%) were satisfied with the indicator 'Consultations', 59% were satisfied with the 'Electronic payment' in implementing the TFA indicators and 46% were satisfied with the indicator 'Customs cooperation'. The highest 23% showed dissatisfaction with the TFA indicator Acceptance of copies. Following table and graph represents the elaborated responses of survey participants:

Table 32: Trade Facilitation Agreement (TFA) Indicators Status of Bangladesh in Implementing TFA

Measures	Very Satisfied	Satisfied	Average	Dissatisfied	Very Dissatisfied
Publication	5%	31%	30%	29%	5%
Information available through internet	9%	52%	27%	11%	1%
Advance rulings	10%	33%	40%	12%	6%
Procedures for appeal or review	3%	22%	23%	36%	16%
Detention	3%	22%	25%	34%	16%
Separation of release	2%	24%	28%	31%	15%

Measures	Very Satisfied	Satisfied	Average	Dissatisfied	Very Dissatisfied
Average release times	1%	20%	42%	22%	15%
Movement of goods	1%	34%	45%	16%	4%
Acceptance of copies	2%	36%	23%	15%	23%
Use of international standards	0%	17%	46%	32%	6%
Pre-shipment inspection	6%	34%	18%	8%	34%
Use of customs brokers	21%	47%	22%	9%	1%
Common border procedures	4%	31%	31%	30%	4%
Rejected goods	5%	18%	10%	45%	22%
Transit	13%	37%	37%	5%	8%
Consultations	6%	68%	20%	5%	1%
Electronic payment	12%	59%	12%	14%	3%
Customs cooperation	1%	46%	15%	21%	17%

Figure 13: Status of Bangladesh in Implementing the Trade Facilitation Agreement (TFA)



Participants were asked to indicate which areas they thought should receive more attention in order to facilitate trade for example port efficiency, automation and electronic data interchange, customs modernization and border crossing-environment, streamlining of documentary requirements and information flows, logistics and transport services, transit and multimodal transport, transport security, regulation and competitiveness and others. 167 participants emphasized on 'Infrastructure investment' 157 participants emphasized on 'Port efficiency', 101

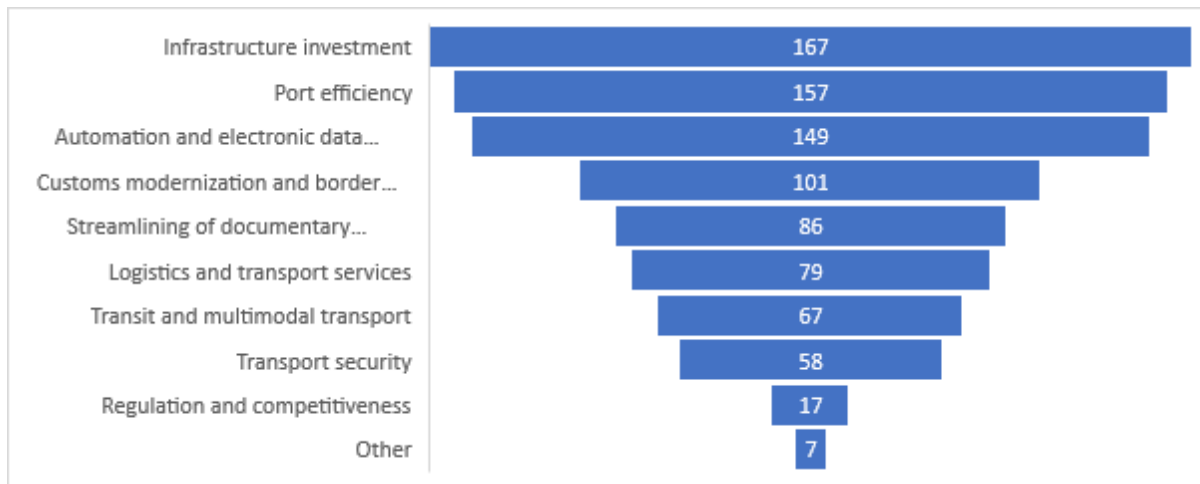
participants emphasized on ‘Customs modernization and border crossing-environment’, 86 participants emphasized on ‘Streamlining of documentary requirements and information flows’ 79 participants emphasized on ‘Logistics and transport services’, 58 participants emphasized on ‘Transport security’ and 17 participants emphasized on ‘Regulation and competitiveness’.

Following table and graph represents the elaborated responses of survey participants:

Table 33: Area to Emphasize More for Trade Facilitation

Area to Emphasize More for Trade Facilitation	Frequency
Infrastructure investment	167
Port efficiency	157
Automation and electronic data interchange	149
Customs modernization and border crossing-environment	101
Streamlining of documentary requirements and information flows	86
Logistics and transport services	79
Transit and multimodal transport	67
Transport security	58
Regulation and competitiveness	17
Other	7

Figure 14: Area to Emphasize More for Trade Facilitation



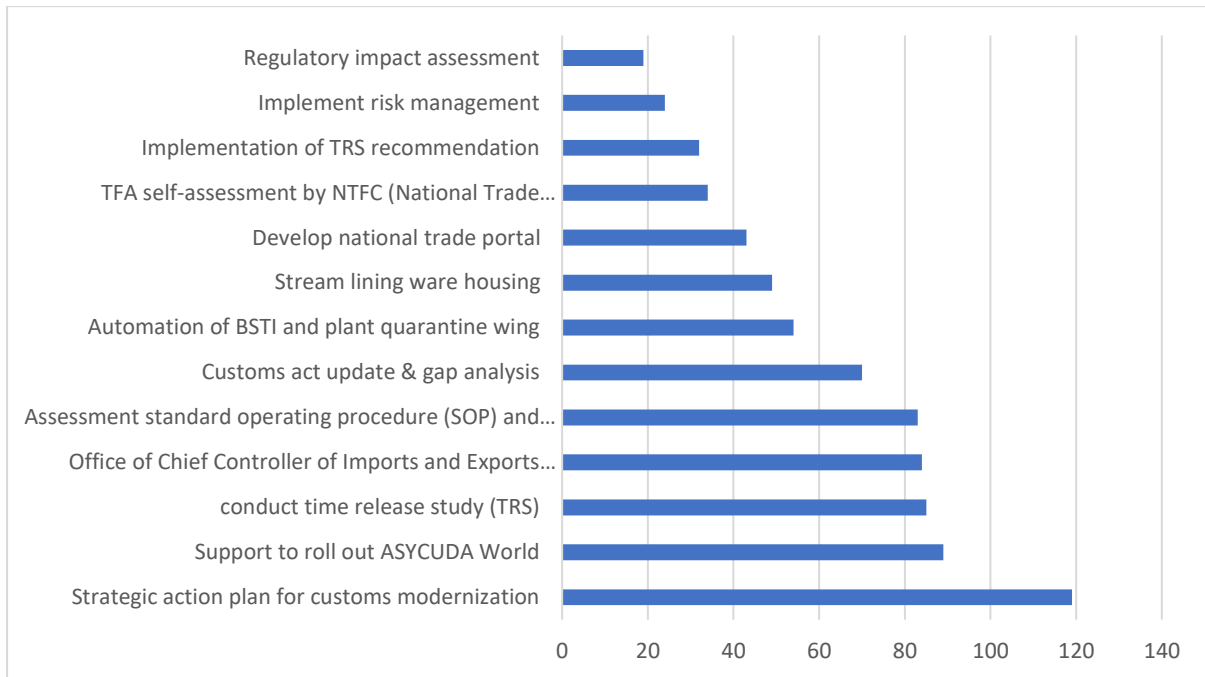
Participants were asked to select five (5) important customs modernization activities. Most of the participants (119) selected the ‘Strategic action plan’ for customs modernization activities. 89 participants selected ‘Support to roll out ASYCUDA World’, 85 participants selected conduct time release study (TRS), 84 participants selected ‘Office of Chief Controller of Imports and Exports (CCI&E) Automation for ERC and IRC’ 83 participants selected ‘Assessment standard operating procedure (SOP)’ 70 participants selected ‘Customs act update & gap analysis’ 54 participants selected ‘Automation of BSTI and plant quarantine wing’ 49 participants selected

'Stream lining warehousing' 43 participants selected 'Develop national trade portal', 34 participants selected 'TFA self-assessment by NTFC (National Trade Facilitation Committee)', 32 participants selected 'Implementation of TRS recommendation', 24 participants selected 'Implement risk management' and 19 participants selected 'Regulatory impact assessment'. Following table and graph represents the elaborated responses of survey participants:

Table 34: More Important Customs Modernization Activities

More Important Customs Modernization Activities	Frequency
Strategic action plan for customs modernization	119
Support to roll out ASYCUDA World	89
conduct time release study (TRS)	85
Office of Chief Controller of Imports and Exports (CCI&E) Automation for ERC and IRC	84
Assessment standard operating procedure (SOP) and valuation	83
Customs act update & gap analysis	70
Automation of BSTI and plant quarantine wing	54
Stream lining ware housing	49
Develop national trade portal	43
TFA self-assessment by NTFC (National Trade Facilitation Committee)	34
Implementation of TRS recommendation	32
Implement risk management	24
Regulatory impact assessment	19

Figure 15: More Important Customs Modernization Activities



Participants were asked whether an authorized Economic Operator (AEO) is necessary or not. In response, 92 participants (46%) responded positively. Among these participants re Freight Forwarders, Exporters, C&F Agents, Quality Control Officers, Customs Officers, Indenting Agents, Importers, Customs Officers. However, 108 participants responded that they don't know whether AEO is necessary or not. On the other hand, a small number of participants found the AEO unreasonable.

Table 35: Authorized Economic Operator (AEO) Necessary

Authorized Economic Operator (AEO)	Freq.	%
Yes	92	46%
No	2	1%
Don't Know	108	53%
Total	202	100%

Reasons for Authorized Economic Operator (AEO):

- AEO may be a technique to reduce the difficulty and cost of overcoming trade barriers.
- AEO making business easier and trade more competitive.
- AEO can facilitate import and export without corruption.

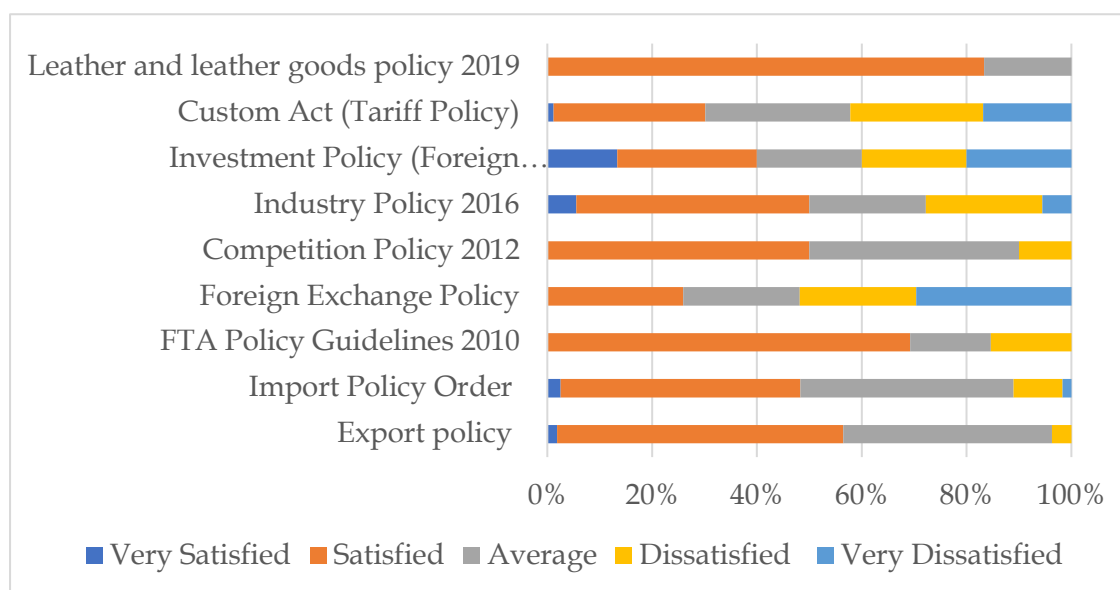
Participants were asked to evaluate the various trade policies adopted by the government beneficial to business facilitation. Most of the participants thought that

Export Policy, Import Policy, and FTA Policy Guideline 2010 need to be changed while a major portion of the respondents expressed their general satisfaction with the efficiency of various trade policies adopted by the government. 55% of respondents were satisfied with 'The Export Policy of Bangladesh', 46% of respondents were satisfied with 'Import Policy Order', a substantial portion of respondents (69%) are satisfied with 'FTA Policy Guidelines 2010', 50% were satisfied with 'Competition Policy 2012', 28% respondents were satisfied with 'Custom Act (Tariff Policy)', 26% were satisfied with 'Foreign Exchange Policy' while 30 % were very dissatisfied with this policy, 44% were satisfied with 'Industry Policy 2016', 27% were satisfied with 'Investment Policy (Foreign Investment and Promotion Act 1980)' and highest portion of respondents (83%) were satisfied with 'Leather and leather goods policy 2019'. Following table and figure represents the elaborated responses of survey participants:

Table 36: Evaluate Various Business Policies Adopted by the Government Beneficial to Business facilitation

Measures	Very Satisfied	Satisfied	Average	Dissatisfied	Very Dissatisfied
Export policy	2%	55%	40%	4%	0%
Import Policy Order	3%	46%	41%	9%	2%
FTA Policy Guidelines 2010	0%	69%	15%	15%	0%
Foreign Exchange Policy	0%	26%	22%	22%	30%
Competition Policy 2012	0%	50%	40%	10%	0%
Industry Policy 2016	6%	44%	22%	22%	6%
Investment Policy (Foreign Investment and Promotion Act 1980)	13%	27%	20%	20%	20%
Custom Act (Tariff Policy)	1%	29%	28%	25%	17%
Leather and leather goods policy 2019	0%	83%	17%	0%	0%

Figure 16: Evaluate Various Business Policies Adopted by the Government Beneficial to Business facilitation



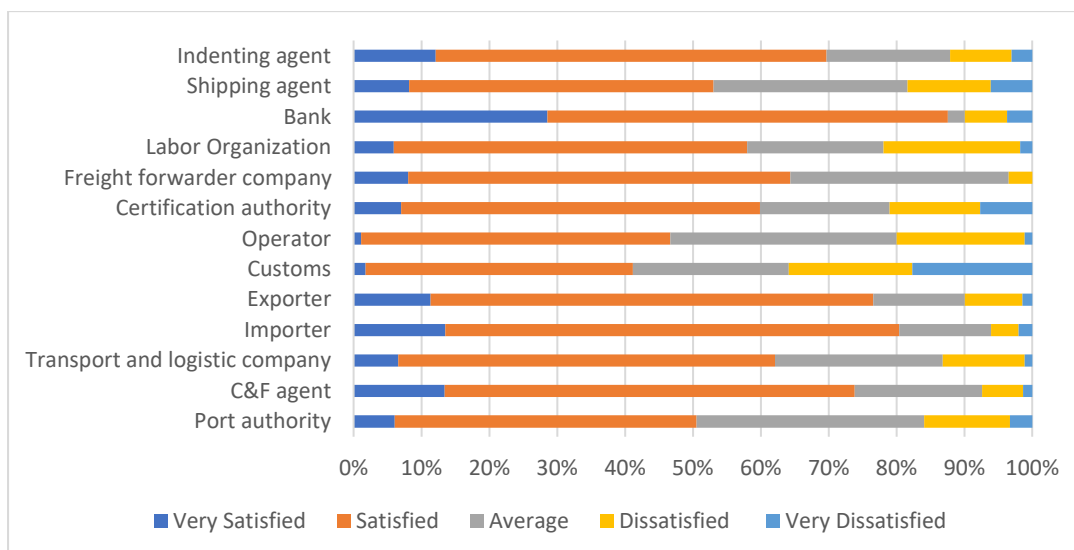
In response to the evaluation of institutional capacity & weakness to trade facilitation, 81 participants were satisfied with the activities of 'Port authority', 90 were satisfied with the activities of 'C&F agent', 101 were satisfied with the activities of 'Transport and logistic company', 99 were satisfied with the activities of 'Importers', 92 were satisfied the activities of 'Exporter', 92 were satisfied with the activities of 'Customs', 41 participants were satisfied with the activities of 'Operators', 83 were satisfied with the activities of 'Certification authority', 49 were satisfied with the activities of 'Freight forwarder company', 88 were satisfied with the activities of the 'Labor Organization', 95 were satisfied with the activities of 'Bank', 22 were satisfied with the activities of the 'Shipping agent', 19 were satisfied with the activities of 'Indenting agent'. Following table and figure represents the elaborated responses of survey participants:

Table 37: Evaluate Institutional Capacity & Weakness to Trade Facilitation

Measures	Very Satisfied	Satisfied	Average	Dissatisfied	Very Dissatisfied	Total
Port authority	11	81	61	23	6	182
C&F agent	20	90	28	9	2	149
Transport and logistic company	12	101	45	22	2	182
Importer	20	99	20	6	3	148
Exporter	16	92	19	12	2	141
Customs	3	67	39	31	30	170
Operator	1	41	30	17	1	90

Measures	Very Satisfied	Satisfied	Average	Dissatisfied	Very Dissatisfied	Total
Certification authority	11	83	30	21	12	157
Freight forwarder company	7	49	28	3		87
Labor Organization	10	88	34	34	3	169
Bank	46	95	4	10	6	161
Shipping agent	4	22	14	6	3	49
Indenting agent	4	19	6	3	1	33

Figure 17: Evaluate Institutional Capacity & Weakness



This survey also revealed the following information:

- Port needs to have uninterrupted electricity supply to continue the automation process.
- Sufficient truck terminals are required in every port for facilitating the trade.
- Joint border coordination is required in every port.
- Ports need skilled manpower and should increase manpower for smooth management in trade system.
- Ports need to adopt modern technology and equipment i.e., automation of the traffic system, e-payment system, automation on documentation, one stop service, efficient Logistic Support, Land port worker monitoring system, Crain and Fork-lift.

- In order to prevent free trade from being hindered, the syndicate's power must be lessened between Bangladesh and India.
- Infrastructural improvements are required for the land port, strong security system including more BSTI stations, hospitals, and warehouses.
- In order to support the importers, Statutory Regulatory Orders (SRO) should be appropriately applied for products. In order to implement TFA, Port must develop a policy of zero tolerance for corruption.

7.3 Insights from Insights from KIIs, FGD and Public Consultation (PC)

KII data were collected through face-to-face interviews using a well-designed semi-structured questionnaire as attached at Appendix 4. A list of participants is attached at Appendix 5 for the KII. At the same fashion, a list of participants for FGD and PC is attached at Appendix 6 and Appendix 7 consecutively.

Summary of their inputs, expressions, and opinions are presented in different thematic areas in the following section:

Objectives	Primary Data Collection Sources	Comment from Stakeholders
Current and future implementation commitments of TFA	KII	<ul style="list-style-type: none"> • For efficient trade facilitation, it is necessary to have facilities such as ASYCUDA world software, paperless trade and automation systems, and alignment to the RKC (Revised Kyoto Convention), coordination between customs and ports, e-payment services, Statutory Regulatory Order (SRO) and Registered Exporters System (REX). • TFA commitments need to be expedited and fulfilled for implementing National Single Window by simplifying the documentation. • Bangladesh Govt. can start a time-sensitive digital customs solution and be strict about implementing it into action.
	FGD	<ul style="list-style-type: none"> • A customized dashboard and tracking system for monitoring the actions can elevate the trading technique to an entirely new level. An efficient transport and shipping infrastructure may facilitate trade-related activities. • Paperless procedure for the Bill of Entry (BOE) needs to be introduced. • When it comes to addressing the issue of implementing the Time Release Study (TRS) recommendation into practice, the majority of the recommendations made are generally not wise since they are made in the framework of a broad

Objectives	Primary Data Collection Sources	Comment from Stakeholders
		<p>category rather than precisely to help with its implementation.</p> <ul style="list-style-type: none"> The same Container Freight Station (CFS) officer demands a second certificate for short shipments, which delays the trade process. This type of certifications needs to be reduced.
	Public Consultation	<ul style="list-style-type: none"> Assessment of Standard Operating Procedure (SOP) for custom clearance needs to be introduced. The syndicate's influence must be curtailed at the border between Bangladesh and India. Automation and overall technological development like port scanner systems should be installed.
Policy gaps between the obligation of the Trade Facilitation Agreement (TFA) and present situation in implementation of the TFA in Bangladesh	KII	<ul style="list-style-type: none"> Imports and exports are not possible without this BSTI authorization. But there is a limited number of laboratories of BSTI approved by the government. In the gazette there should be the inclusion of private & governmental institutions that have the capacity to test the products. It will cost less time and less money to testify the product.
	FGD	<ul style="list-style-type: none"> According to WCO (World Customs Organization) standards, testing procedures must be established, along with a degree of freedom. If any changes to any section of the WTO TFA agreement are necessary, consultation with the government is also necessary.
	Public Consultation	<ul style="list-style-type: none"> C&F and commercial officers have inefficiency and are reluctant to follow rules and regulations, so proper training and knowledge sharing are needed.
The policy/Act/Rules to support simplification of trade procedure, documentation, automation and paperless trade according to the international standards	KII	<ul style="list-style-type: none"> It is necessary to update the FTA Policy Guidelines from 2010, the Foreign Exchange Policy, the Investment Policy, the Custom Act (Tariff Policy), and the Leather and Leather Products Policy 2019. Implementing Bangladesh Competition Commission (Enquiry, Investigation, Review and Appeal) Regulations, 2022 Bangladesh is more vital than changing the legislation. The export and import policies should be integrated, and executive orders should be in accordance with NBR's SROs.
	FGD	<ul style="list-style-type: none"> To implement Bangladesh Bank's shipping line policy, Custom must cooperate with the Bangladesh bank. Policies may be complied with WTO trade facilitation rules.
	Public Consultation	<ul style="list-style-type: none"> A small change in tariff can result in a significant amount of loss when products are diversified.

Objectives	Primary Data Collection Sources	Comment from Stakeholders
		<p>Bangladesh may therefore lessen policy uncertainty and tariff changes each year and evaluate every minute values for enhancing the trade efficiency.</p> <ul style="list-style-type: none"> Processes for providing cash incentives needs to be simplified. Import Permission (IP) is one of the main non-tariff obstacles that should be reduced to facilitate trade because when a Chittagong-based company needs obtain his IP from Dhaka rather than the regional office of Chittagong.
Institutional weakness and procedural hindrance	KII	<ul style="list-style-type: none"> Institutional competencies & coordination, providing training on key documents and laws, transparency and accountability of the organizations are required. Skilled chemists, facilities for food testing, chemicals for testing, interrupted electricity supply, money exchange facilities in Akhaura land port etc. should be available.
	FGD	<ul style="list-style-type: none"> The trade portal must be updated every month to get information available. BOE, E-payment digitalize done, Authorized Economic Operator (AEO), Risk Management (RM), National Single Window (NSW), Advance Ruling (AR), publishing information (Website), National Enquiry Point (NEP), Post Clearance Audit (PCA), release time of goods, PAP, API/PNR, expedited shipment, etc. are need to be updated. A roadmap is required for the implementation of the trade facilitation agreement. It can increase the speed of work in trade management.
	Public Consultation	<ul style="list-style-type: none"> Double certification issue needs to be avoided and complexity of VAT and tax issues needs to be reduced. The main focus of all trade-related seminars should have a comprehensive discussion of all trade-related challenges, including the Customs issues, logistical issues, policy-related uncertainty, port-related issues, etc. Regional registration and certification facilities by the EPB need to be introduced.
Best practice of the regional countries in implementation of TFA	KII	India has more advanced port management systems and well-developed vehicle parking management systems. Bangladesh may be implemented these management systems to facilitate trade.
	FGD	Singapore Customs acts as the gate keeper for the nation in terms of entry and exit of people, goods and

Objectives	Primary Data Collection Sources	Comment from Stakeholders
		services. Its paradigm shift to securing and facilitating global trade at the border and behind the border has brought about ease, fairness and security through enhanced transparency (Publication and Availability of Information), coordination and consultation; and Innovation pillars. Singapore Customs promotes trade facilitation through a risk-based approach ⁹⁰ . It may be followed for implementing TFA.
	Public Consultation	Facilitating paperless trade, the Chinese "two-step declaration" customs clearance mode may be applied for online declaration. In the mode of "two-step declaration", importers don't have to submit all declaration documents one-off and can finish their declaration process in two steps (not twice): first, make a summary declaration and take delivery of goods by only submitting the bill of lading; second, submit all other information documents and make duty payment as required within 14 days after declared entry of transport means. Thus, the two-step mode helps reduce import demurrage and improve clearance efficiency. ⁹¹

7.4 Summary Findings from Field Survey, KII, FGD and Public Consultation:

BFTI conducted the survey to assess the issues of the implementation of trade facilitation. The survey was developed to explore the real concerns of field-level stakeholders, such as traders and border officials, C&F agents, Custom officials, and NBR officials. The survey question mainly disseminated the following issues: satisfaction level on services and TFA implementation, satisfaction level of various policy frameworks, satisfaction level of institutional capacity, priority area identified for TFA implementation, customs modernization, and role of 'Authorized Economic Operators in implementing TFA. The respondents identified automation and infrastructure development as the top priority areas for TFA implementation. Priorities also included boosting productivity and lessening bottlenecks at all ports.

⁹⁰ Trade Policy Dialogue on Trade Facilitation Agreement (TFA) Category B and C Commitments, page 8, retrieved from <https://www.apec.org/docs/default-source/Publications/2019/3/Trade-Policy-Dialogue-on-Trade-Facilitation-Agreement-TFA-Category-B-and-C-Commitments/219CTITrade-Policy-Dialogue-on-Trade-Facilitation-Agreement-TFA-Category-B-and-C-Commitments.pdf>

⁹¹ The General Administration of Customs of the People's Republic of China (GACC) retrieved from <http://english.customs.gov.cn/statics/1e5f4abc-020e-4e04-8656-c6f8e29eee59.html>

The KII sessions highlighted procedural delays and documentation problems at port. In the KII session, it was also made clear that there is still a long way to go until a paperless system is developed and that automation levels are still just partial at the port. Albeit "Tariff modernization" is a process that is still very much in progress, once Bangladesh leaves the LDC category in 2026, the problems with para-tariffs in the form of supplemental and regulatory duties need to be solved. Moreover, poor internet and networking system create digital documentation systems more cumbersome.

The stakeholders in FGD expressed that land ports lack sufficient infrastructure and space, for example, there are not enough warehouse, shed, and weighing scale facilities, trollies, cranes, and forklifts and existing ones do not function well, also lighting, electricity, internet services, and security is not up to the mark in the ports.

FGD also pointed out that, Bill of entry submission takes a lot of time and this issue should be resolved. Concerns were expressed about the withdrawal of international support in implementing TFA once Bangladesh graduates from the LDC status in 2026. It was recommended that technical and financial support from the development partners in these matters.

Public Consultation also reveals that integrated port management is an important issue now. Product release time is longer in ports and as a result, it increases costs, so efforts should be given to reduce this release time. Stakeholders also typified that the government should stop any harassment of the businessmen, contributing to the economy with export as businesses are facing harassment from VAT and Tax issues from NBR officials that can discourage the young generation to become new entrepreneurs. The stakeholders also emphasized the point that, following the WTO Trade facilitation agreement, the Government of Bangladesh has committed to the implementation of a National Single Window (NSW) system and the concurrent reform and modernization of customs and other border control agencies.

Chapter 8 : Recommendations and Conclusion

8.1 Recommendations related to Simplification of Trade Procedures

The recommendations are based on the summary of opinions and views of the stakeholders expressed during FGDs, KIIs, and public consultations. The issue based major recommendations are compiled in the first part, and the second part tallies some detailed recommendations on specific issues:

a) **Gradual Full Automation and Digitalization of Services and Documentation:** Gradual steps should be taken to implement full automation and digitalization of services and documentation. This will require a proper plan after carrying out a needs assessment, adequate investments and infrastructure, and skills training for the operators, officers, service providers, and private sector. Some key areas and issues related to automation systems are:

- Integrated automation is necessary for seamless information sharing among different agencies. Land ports should be equipped with automated services and equipment. Import General Manifest (IGM) entry should be made online instead of manually.
- Automation and modernization should be made mandatory for all ports now to meet the TFA obligations by 2030. As well as full implementation of The Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific is required.

International supports or investment can be sought for automating the land ports of the country.

b) **Expediting the National Single Window:** The process of implementing the National Single Window should be expedited. This will require dedicated manpower at the NBR, and assigned dedicated officials at all the partner organizations, with a starkly spelled out description of their respective roles and responsibilities. NSW and risk management should be notched before 2026.

c) **Implementation of the Recommendations of Time Release Study:** It will be better if the recommendations from the Time Release Study recently carried out for Dhaka Airport, Chattogram sea port, and Benapole Land Port are considered, implemented properly, and reviewed at regular intervals. Such include eliminating manual manifest collection and submission of manual bill of entry (B/E) and establishing a computer-based joint CARPASS system at Benapole land port, etc. The prominent measures can help a country reduce goods release time which are implementing time

release study recommendations, off-peak hours operation and efficient and cost-effective practices. Ministry of Shipping, Ministry of Commerce, port authorities, BCSIR, BSTI, BAEC, NBR, and other relevant stakeholders should proactively work together to establish an integrated testing facility for all certification agencies near the port vicinity. To make this work, it would require, amongst others, allocating land/space, developing infrastructure, and providing necessary logistics support. In addition, the integrated testing facility should be equipped with modern equipment and a skilled workforce to meet the evolving needs of OGAs. Moreover, for proper, digitalization is imperative that ASYCUDA World and NSW introduce an option that can enable document uploading by the concerned stakeholders (banks, importers and OGAs). Such an option will help accelerate the transition to paperless trade by eliminating manual document collection and submission requirements. In addition, NBR and the concerned government organizations should take coordinated policy measure to simplify the relevant policy/regulations to reduce unnecessary document requirements for assessment/examination purposes. This may result in significant decrease of trade time.

d) **Integration:** Integration between the infrastructure and facilities of different agencies, particularly those of Customs and Bangladesh Land Port Authority should be encouraged to enhance functional efficiency and use of resources; Policy level cooperation at the highest level will be required for that. BLPA and other port agencies should enhance interconnection with other agencies like customs, BSTI, Plant quarantine etc.

e) **Capacity Development:** In order to comply with the TFA agreement, the capacity of all relevant Ministries and institutions should be strengthened. Every organization should meet its respective TFA obligation(s) timely. Customs automation and digitalization process should be integrated and interoperated among other border agencies.

f) **Renewal of License Period:** The renewal of license period might be extended for 3 to 5 years and might have provision of autorenewal for different organizations to facilitate trade procedure simplification.

8.2 Recommendations Related to Customs Modernization

The following recommendations are made for customs modernization and should be completed preferably by the end of 2024:

Serial No.	Customs Issues	Recommendation
1	Resolving HS code dispute	There should be a classification committee in every custom house and station and customs officials will examine the H.S dispute and send it to the committee. After examining every document and sample, they will give classification decision and issue classification ruling. If importer does not agree, they can apply to NBR. NBR will have a high expert committee on H.S classification. The classification decision given by the committee will be circulated through classification ruling. So, it can be used in future for resolving disputes on classification issues. Also, The HS code misdeclaration problem can be resolved if the importers try to correct the HS code before the goods arrive in the country. HS code declaration issues should be solved within 2 months of LC opening. Classification dispute settlement issues and processes should be known by the importers-exporters for avoiding customs issues. In case of HS code declaration problems, goods should be allowed to be released by proving an undertaking or promissory note and PCA can address further.
2	Implementation of WTO and WCO Rules for Customs Procedures and Clearance	Bangladesh has already ratified various rules of WTO and WCO regarding customs clearance and procedures, and should expedite implementing them. Some reforms are needed in the existing Customs Law and Procedures for effective implementation of the WTO and WCO Rules; some infrastructure and capacity building will also be required - to follow standard risk management procedures, for example, will need scanners to be in place. For example, Bangladesh is yet to fully implement the standard risk management protocols of customs inspection, which is often due to lack of adequate infrastructure and testing facilities.
3	Automation	ASYCUDA World software should be put in its full use, by making all of its 6 modules fully functional, by employing trained personnel and ensuring secured and uninterrupted internet and power supply.
4	Paperless Trade Documentation	More and more procedural steps, e.g., uploading Bill of Entry, Manifest, Payment, etc. should be brought under automated environment, with digital

Serial No.	Customs Issues	Recommendation
		signature/authorization options, and thus reducing the transaction time in each step.
5	Dissemination of Notifications	Any new rules, changes, etc. are published and uploaded in the customs web site on a regular basis, but some system notifications, should be sent out to the registered users, i.e., C&F agents, etc., so that surprises can be avoided.
6	Interagency Cooperation	The modernization efforts of the customs wing should be aligned with the provisions/procedures of the NBR in general, the Port Authority, and also with those of Bangladesh Bank, and Ministry of Finance; a high-powered coordination committee should be set up to harmonize the changes and reforms.
7	Tariff system	Simplified and reduced duty should be ensured. customs duty (CD) should be rationalized, though customs duty is a significant revenue source for Bangladesh till now. Most of the developed countries increase their revenues from alternative taxation. NBR's policy reform about revenue generation is needed since Bangladesh has to meet the requirements of the FTA regarding duty reduction. The process of tax payment should also be automated.
8.	Customs testing and laboratories	The number of customs testing facilities and laboratories should be increased. Major ports and customs stations should be equipped with proper laboratories and testing facilities. Also, goods are often not detained longer due to customs testing, rather importers can release their goods by issuing a promissory note to the customs. Moreover, A pre-testing facility can be initiated so that customs can pre-test a sample and release the bulk shipment when it arrives. Customs can utilize third-party labs owned by private businesses which are accredited by BAB and ILAC for providing time bound testing services. Establishment of labs on joint venture basis with trading partners may be suggested also.
9.	HS code dispute settlement and classification	HS code dispute settlement results and classification rulings information should be made available public so that any trader can use that information to avoid similar problems or resolve similar issues. This classification ruling information can be made available online on the trade portal or NBRs website.
10.	Policy reform and capacity development of customs	Through some NBR should allow fish and animal export through ports where significant potential for exporting animals and fish exist. NBRs' SRO or policy reform is needed in this regard. Also, Government should focus more on developing the capacity of NBR specially customs wing as it is associated with revenue-

Serial No.	Customs Issues	Recommendation
		earning activities. VAT, TAX should be clarified and charged uniformly. There may be provisions for adding new HS codes in opened order or LC during trade.
11	Appeal system	An appeal system should be there for challenging NBR's rulings or the assessment committee's decisions. Customs valuation and assessment should be simplified.
12	Port charges	Port charge and fees might be uniform fees in every land ports.

8.3 Recommendations related to Enhanced Trade Facilitation

Although the indicative implementation date for commitments in TFA regarding single window, Border Agency Cooperation, Test procedures, Risk management, Perishable goods, and formalities is 30 June 2030 for Bangladesh. Those need to be implemented as soon as possible to facilitate trade. Non-tariff barriers can be reduced by implementing TFA measures like pre-shipment inspection, customs rules for valuation rules, etc. For ensuring trade facilitation through reducing the complexity of regulatory regime, the regulatory authorities need to make customs formalities and procedures simpler, more transparent and more efficient. Similarly, expansion of the opportunities for Authorised Economic Operator (AEO) system and the implementation of National Single Window (NSW) to be available for traders, setting up a Risk Management (RM) Directorate as well as rolling out the Customs Modernization Action Plan 2019-22. Among the TFA components, NSW and Risk management systems should be implemented quickly for trade facilitation. The number of AEOs should be increased for TFA implementation.

It is strongly recommended that more cargo-handling equipment should be put to use at all border crossing points. A needs assessment study can be initiated to correctly estimate the types and number of equipment needed in each port. Moreover, for improving ease of doing business, measures like making administrative procedures speedy, ensuring transparency, and fast file approval through digitalization and automation can be considered. Some specific recommendations gathered from the stakeholders' views are summarized as follows:

(i) Cooperation in Risk Management: Bangladesh has commitment towards efficient risk management under Article 7.4 of the TFA of the WTO. Bangladesh has a Category C commitment with unspecified date requiring technical assistance. The present software systems installed at both sides of the border are sufficiently advanced but lacks proper implementation, due to lack of existing protocol, scanning equipment, and inadequate number of trained personnel. Automated risk management software (ARMS) can be applied for better risk management at the border point. It is strongly

recommended that joint protocols for integrated risk management should be drafted and discussed for agreement between the concerned authorities. Besides select specific products based on Risk Based Management System to develop complete test procedure by 2030 as per requirement of Category C. Integrated risk management system may be developed by NBR and BSTI's policy reform and areas of reform should be explored. Automated risk management software (ARMS) can be applied by customs for better risk management at the border point. BSTI needs to stabilize the risk management system following international best practices and ensure training for the risk management committee members. Other relevant agencies may incorporate risk management policies. Moreover, capacity development of surveillance mechanism, establishment of pest risk analysis (PRA) procedure, technical support on risk assessment and mitigation, preparation of some SOPs and manuals for risk management issues are also needed in this regard.

(ii) Border Agency Cooperation: In addition to the bi-annual meeting between the Joint-Commissioners (customs) and Joint-Secretaries (Ministry of Commerce), Deputy & Assistant Commissioner (Customs) level fortnightly and monthly meetings should be organized at Petrapole-Benapole and Ghojadnaga-Bhomra BCPs to sort out the outstanding issues requiring mutual cooperation and assistance, and refer the unresolved issue for interventions by their respective higher authorities. This is a specific recommendation valid for Bangladesh-India trade only. Agreements with Indian authorities for establishing common gate and port space expansion should be made and relevant activities should start promptly to improve land port trade activities. Non-tariff barriers should be reduced for enhancing regional trade with Nepal and Bhutan. Also, trade issues with Indian side may be presented in the joint group of customs meetings with India for mutual beneficiary resolutions. Proactive role of Joint Working Group (JWG) meeting between Bangladesh and India, activate BBIN and initiate bilateral agreements that may enhance the border agency cooperation. Port restriction issues can be addressed under JWG meeting. Regular joint group of customs (JGC) meetings may be held to reduce Customs related trade barriers and facilitate the exchange of information and relevant Customs documents for selected commodities in all major Customs stations. Initiatives should be taken where all clearing and forwarding agents, transport authorities, service providers, and port authorities of both countries will coordinate to fast-track Customs clearance to ease congestion along the border.

(iii) Inter-Agency Cooperation: Coordination among different port agencies is necessary for meeting TFA obligations. Integration between the infrastructure and facilities of different agencies, particularly those of Customs and Bangladesh Land Port Authority should be encouraged to enhance functional efficiency and use of

resources; Policy level cooperation at the highest level will be required for that. For example, out of all the trade-related documents, only custom gets LC related information from Bangladesh Bank's server. Other documents are collected from other various agencies by the C&F agents and submitted to Customs in an unstructured way, and mostly manually, hence it takes more time for the clearance and approval procedures at all stages and at all office. If all the documents get through online, it will reduce the time & cost of the trading process. Also, BLPA may be granted access to the ASYCUDA world for information sharing, e-port management system with data sharing mechanism introduced in Benapole and Burimari land ports can be replicated to other major land ports. Since institutional weaknesses are interlinked, supporting infrastructure development is necessary for overcoming weaknesses and increasing coordination. For instance, one stop service center in land ports can help facilitate trade.

(iv) Planned Investment: Any future investment decision for port development should take into consideration the ongoing regional connectivity initiatives, such as, Asian Highway Network; Miscellaneous bilateral India-Bangladesh agreements on trade, investment, connectivity, transportation, and so forth; BBIN Motor Vehicle Agreement, BIMSTEC, and a close look at the development initiatives in the North East States of India, and various regional and sub-regional integration initiatives involving BBIN and SASEC countries. FDI should be attracted removing issues like multiple document submissions, and multiple agency services requirements.

(v) Logistics improvement: Port efficiency and an improved logistics ecosystem should be increased for smooth trade facilitation. The multimodal transport system, ICDs, and supporting roadways should be ensured for improving the trade environment. An integrated approach covering different modes of networks, transport logistics, the facilitation of intermodal and multimodal transport, multimodal freight transport and the use of an electronic cargo tracking system are crucial for improving TFA and logistics performance score. Besides customs, other agencies and their cooperation, and coordination for efficient port management is also crucial for meeting TFA obligations. Introducing a system of shipping finished export product using the same trailers used for raw material imports can reduce trade costs. Also, for exporting perishable/vegetable products through public airways may be made less costly. A central warehouse can be developed in the importing countries for handling goods seamlessly. Cold storage and cold chain system can be developed for improving logistics efficiency for perishable products as well as packs houses can be developed in the nearby airport area, specially dedicated warehouses or shed facilities should be developed in the airport and other ports and quarantine officials and checking should be there with the civil aviation scanning system in the airport.

Introducing green channel in existing ASYCUDA system can help in reducing clearance constraints and ensuring faster clearance as well as customs processing that may lead to trade facilitation and ease of doing business. Moreover, a introducing a Digital Transport Corridor (DTC) with neighbouring countries that outlines a set of data-related services across physical cross-country transport corridors for end-to-end information exchange at all stages of transportation – air, road, rail and sea can also be effective for logistics improvement and cross border trade facilitation. Additionally, a logistics policy may be developed under Prime Minister’s Office (PMO) for improving overall logistics services.

8.4 Recommendations from Policies, Acts, and Rules of Bangladesh to Support Simplification of Trade Procedure, Documentation, Automation and Paperless Trade

- The 14th table under section 156 need to be revised so that due to misdeclaration of HS code, such person shall be liable to a penalty at least twice the amount of the tax evaded in respect of which such offence is committed and such goods shall be liable to confiscation.
- Unless it is determined impracticable, unnecessary, or contrary to public interest, the board shall publish rules in draft form to allow stakeholders the opportunity to provide input under Custom Act 1969 (section 14) to create a formal mechanism for stakeholders to provide input on proposed rules & implementing the Customs Act.
- Remove the sections 25a-25c Customs Act 1969 for eliminating the condition of pre-shipment inspection so that the domestic rules become complied with WTO Trade Facilitation Agreement.
- If any person commits an offence under section 32 of Customs Act 1969: untrue statement, error, etc., such person shall be liable to a penalty at least twice but not exceeding four times; Resolving HS code disputes through facilitating advance ruling and reduce penalties from 200% to 400% due to HS code misdeclaration.
- Under section 79a, 79(d), 79(e) of Custom act, Board could define - designate documents or payments that may be submitted or effected electronically and prescribe technical and procedural requirements for electronic communication that will ease the trade procedure.
- Ease the condition of Authorized Economic Operator (AEO) so that honest businessmen can easily take the license and make it easier for small businesses and homogenous industries.
- Ease monthly Online Return of VAT System and the automatic upload of invoice and Bill of lading should be an in-built feature of the online VAT return

system. And for the import of samples there should not be a requirement of L/C and import of samples.

- The Import Policy Order (IPO) could refer to the HS Code administered by World Customs Organization (WCO) which is updated every five years to serve as the foundation for the import and export classification systems used by many trading partner countries for uniformity rather than the HS Code declared by NBR in Bangladesh.
- Strengthen the connectivity, interlink between port and custom authority software and internet connection in port and outside the docks, so that ASYCUDA world could be implemented properly.
- De Minimis limit could be increased from BDT 2000 to BDT 5000 in the country, giving some relief to the non-RMG and non-traditional new exporters, and should be expressed in terms of equivalent dollars.
- Automation should be ensured at all places to stop irregularities and tax collection system for ensuring systemic transparency and expanding competitive capacity. Once the automation program is fully completed, it will be easy to eliminate the majority of institutional flaws, and the problems will be fixed in a matter of time. Following the example of Bhomra Land Port, which has received a Taka 10 crore assistance from Swisscontact for automation, other ports and agencies can seek similar support from international development partners.
- Customs policy should be revised and prepared regarding the trade facilitation agreement and here, Bangladesh Trade and Tariff Commission needs to be empowered. Along with this in Custom ACT 2018, there need some modification for easing the business process for trade facilitation.
- To facilitate better coordination at the policy level, a National Committee may be constituted involving concerned ministries/divisions, trade organizations, think-tank organizations, intelligentsia, etc.
- Arrange stakeholder consultations before any acts/rules/policies related to trade facilitation placed to the parliament;
- The Bangladesh Land Port Authority Act 2001 may define the exact role of the BLPA by incorporating its specific functions in the country's overall trade promotion and management process.
- Proper alignment and harmonization with all relevant stakeholders' applicable rules, regulations, acts, SRO, import-export policies, etc. to harmonize & develop less paper requirements for traders.
- Land port operational guideline or SOP should be reformed and corrected for developing a uniform land port operational guideline that can be applied to all land ports.
- Capacity should be increased in policy reform implementation and enforcement. Private sectors comprising traders, exporters importers, etc.

should be included in the policy reform dialogue and implementation so that reforms are in line with the private sector's expectations.

- Policy support is needed for cross-border e-commerce facilitation. Cross-border eCommerce policy development initiatives has been taken and drafted for facilitating cross-border e-commerce.

8.5 Recommendations related to Institutional Capacity Building

Assessment of institutional capacity building for each major institution directly involved in managing, regulating, and administering trade procedures is a complex, and challenging task, and would require separate engagement. In this section, the views and opinions expressed by the stakeholders are summarized in general format at first, and then some specific recommendations are listed:

8.5.1 General Recommendations for Institutional Capacity Building

The stakeholders expressed the following general recommendations for major organizations directly related to management, administration, and governance of trade procedure and implementation of the same, e.g., Customs, Port Authorities and CCI&E:

- Physical and soft infrastructure development on the basis of priority needs.
- Develop time-bound training plan for all relevant staff and officers, and offer training at regular intervals.
- Recruit personnel at vacant positions.
- Implement full automation at all possible fields and areas of service.
- Publish a charter of fees for all services, and time of delivery.
- Improve knowledge of WTO rules, laws, and regulations for ensuring better compliance with them.

8.5.2 Specific Recommendations for Institutional Capacity Building

- Administrative buildings should be built in different land ports for implementing one-stop services by converging different offices of different agencies within one building.
- The issues related to cross border coordination and trade may be resolve in India-Bangladesh Joint Working Group (JWG) on Trade Meeting.
- 8 working groups for NTFC, women's trade/economic empowerment, agro trade, NSW, land port, Standard, IPRs and connectivity are at work under NTFC which should be accelerated by timely implementing the agenda. The capacity of the NTFC working group should be enhanced.

- As it becomes difficult for traders to pay the assessed duty of goods in the evening or night since often, they receive assessment reports after banking hours. Formulating Standard Operating Procedures (SOP) and Memorandum of Understanding (MoU) among agencies may address the issue.
- Set up necessary chemical testing laboratory of the customs as the customs does not have adequate number of trained manpower, and does not have the facility for testing major chemicals imported, particularly for textile dyeing industry.
- Certifications should be provided online so that document submission in the trade process can be reduced.
- BSTI should establish enough testing facilities in all its 6 divisional branches.
- Require adequate laboratory facilities and manpower for the quarantine stations located at ports;
- Develop multi-modal transit/transshipment and linkage with land port, road, rail, sea and air connectivity are crucial for trade facilitation;
- Need sufficient shedding facilities for goods at Hazrat Shahjalal International Airport, Dhaka;
- For, CCIE, all services related to IRC-ERC, should be provided locally, at least from the divisional offices.
- Custom house of Chittagong lacks enough manpower as per the following 2011's organogram. Since the number of bill of entry is three times more than that of in 2011 now, it's working with one-sixth of the required manpower. The type of people or manpower required in Chattogram port and other agencies as well as the transition of officials for digitalization should be addressed.
- Introduce keyword search within documents in Bangladesh Trade Portal (BTP), and as updates and notifications are difficult to comprehend; Presently supported by the project (BRCP-1) but should have permanent establishment/under ministry. BTP should be compatible for providing real-time data of all agencies.
- Effective dissemination of notifications: The Bangladesh Trade Portal (BTP), and the site of customs wing regularly updates the notifications and changes; but they are not often decipherable by the stakeholders (traders and freight agencies).
- Land port operational guideline is only available for Benapole Land port and other ports follow that. This guideline is now being reformed and corrected for developing a uniform land port operational guideline that can be applied to all land ports.
- Future traffic and trade volumes should be assessed for all ports, and the provisions for adequate infrastructure, manpower, and automations should be planned in advance; for example, at Bhomra land port, traffic is expected to increase due to the impact of the Padma bridge.

- Recruit sufficient manpower with technical knowledge & skill by giving practical training from countries practicing fastest trade through risk-based management system.
- May introduce mandatory one stop service center with required test facilities complying relevant regulatory authority in all entry points by National Single Window (NSW).
- Establish required logistic supports to implement all functions in online (through e-application, payment gateway, D-nothi) & integrate all stakeholders with ASYCUDA & Single Window.
- Manpower shortage and requirements may be determined by analyzing past, present manpower in proportion to past and present trade volume.
- Proper utilization of diplomatic relations to improve international trade with different countries through signed Mutual Recognition Arrangement (MRA).
- Ensure international acceptance of accreditation given by Bangladesh Accreditation Board (BAB).
- Activate regional standards body like SARS to ensure global acceptance of their formulated standards.
- Trade bodies should work collaboratively with NBR for increasing the number of AEOs.
- An information hub can be developed in each customs station for meeting public queries.
- Dissemination of the report to the proper stakeholders to implement suggestions.
- The Accelerating Transport and Trade Connectivity in Eastern South Asia (ACCESS) project needs to be implemented considering and including all the relevant stakeholders.
- If different trucks of the same invoice shipment reach at different times in the port, the clearance gets delayed as the partial shipment is not provided that can be discussed in JWG.
- Information and letters issued by the NBR should be made easy to understand by businesses, like making SROs easy to understand by traders.
- As traders lack awareness of Maximum Residue Levels (MRL) and pests or other quarantine issues, training, knowledge development of SPS TBS issues, WTO e-ping etc. need to be enhanced.
- Administrative officials should be provided with more sophisticated training without giving them additional discretionary powers so that they can apply alternative methods depending on the scenario.

8.6 Roadmap Toward Trade Facilitation with Article of Customs Procedure

Trade facilitation will reduce the cost of trade by 14.6%, as per multiple studies, whereas average tariff after graduation will increase about 9%. Bangladesh should prepare a customs-related TFA roadmap for implementing TFA timely and earlier. In the section below, these issues along with respective implementation progress, associated challenges, and recommendations have been provided in a tabular format.

Table 38: Implementation Progress, Associated Challenges, and Recommendations

TFA Issue	Implementation Progress	Associated Challenges	Recommendations	Timeline
1. Customs Modernization	1.1 Amendment of the Customs Act in progress	1.1.1 Harmonization of HS codes at the national level not done regularly or in a transparent manner	1.1.1.2 Advance Ruling options should be expedited and exercised	Short-Term
	1.2 Bangladesh is a signatory of the WCO	1.2.1 Only partial implementation reflected in practice and domestic regulations	1.2.1.1 Support from development partners should be sought for rapid implementation	Short-Term
	1.3 Provision for AEOs introduced	1.3.1 Only a limited number of AEOs issued license, and many are waiting for licenses	1.3.1.1 Transparency is required for issuing licenses to the AEOs	Short-Term
	1.4 A training academy for the customs officials is in progress	1.4.1 Delay encountered	1.3.1.1 Freight forwarding and clearing agents, and commercial officers should be able to participate in relevant courses	Short- and Mid-Term
	1.5 The National Trade Portal is functional	1.5.1 No option of key word search in the portal, and hence updates and notifications are difficult to comprehend	1.5.1.2 Adequate manpower and other resources need to be allocated; if needed some parts of the services could be outsourced	Mid-Term
2. Simplifying Documentation	2.1 National Single Window initiated by 38 MoUs with OGAs and 19 services	2.1.1 TFA commitments need to be expedited and fulfilled	2.1.1.1 Systems for electronic payment and submission of documents need to be in place, for registered/authenticated users	Short- and Mid-Term

TFA Issue	Implementation Progress	Associated Challenges	Recommendations	Timeline
	2.2 NBR has signed an MOU with 38 ministries and government agencies	2.2.1 Legislation will be required for ensuring inter-agency cooperation	2.2.1.1 Empowerment to the identified authority	Short
	2.3 Paperless trade framework for the Asia Pacific Region has been signed by Bangladesh	2.3.1 No substantial progress has been made	2.3.1.2 Paperless trade can be implemented partially; key functions need to be identified; and duplication of documentation needs need to be reviewed	Mid-Term
3. Automation	3.1 ASYCUDA world in place in large ports	3.1.1 Not linked with traffic and container management software managed by port authority and container handling entities	3.1.1.1 Software need to be updated and integrated with other compatible software and databases	Short-and Mid-Term
		3.1.2 Irregularities of power and network often keeps ASYCUDA world unusable	3.1.2.1 Adequate budget for power, backup power, and internet connectivity need to be allocated for each customs station	Short-and Mid-Term
		3.1.3 Lack of adequate number of training operators at the ports	3.1.3.1 Periodic and regular training need to be provided for all relevant officials	Short-and Mid-Term
	3.2 E-Payment, and Document Upload	3.2.1 E-payment systems are partial, and not available at all customs stations and ports	3.2.1.1 E-payment systems should be updated in line with the Bangladesh Bank's payment system, submission of Bill of Lading, and Manifest should be entirely paperless	Short-and Mid-Term
4. Risk Management	4.1 WCO regulation signed by Bangladesh Government	4.1 Tendency to maintain status quo among the customs officials	4.1.1 Expedite full implementation of WCOs risk management procedure	Mid-and long-Term
	4.2 SOPs are being framed	4.2.1 Inadequate Knowledge	4.2.1.1 Receive expert support from the development partners to prepare SOPs for all risk management procedures	Short-and Mid-Term

TFA Issue	Implementation Progress	Associated Challenges	Recommendations	Timeline
5. Efficiency of Port Operations	4.3 Limited number of Scanners and Spectrometers are installed	4.3.1 Inadequate trained manpower	4.3.1.1 Efficient use of scanners need to be ensured at places where they are available, and train people	Short- and Mid-Term
	5.1 TRS done from time to time	5.1.1 Lack of initiative to implement findings of the TRS, and improve the performance	5.1.1.1 A high powered national committee to be formed to monitor implementation progress	Mid- and long-Term
	5.2 Infrastructure development in progress at many ports	5.2. Investments are not often prioritized	5.2.1.1 Software, weighing scales, parking shades are to be given top priority	Mid- and long-Term

Note: Short-Term = 1 to 2 years, Mid- Term = 3 to 5 years, Long-term = More than 5 years

8.7 Lessons from Implementation of TFA in Regional Countries

Examining some of the best practices of TFA measures and their implementation on centralized, decentralized, and shared perspectives, the following recommendations:

1. For improving LPI score, TFA implementation is required.
2. Following the “two-step declaration” customs clearance mode of China, Bangladesh can develop similar classified channels for the rapid clearance of products. Import and export regulatory documents can be fully implemented for online declarations to facilitate paperless trade.
3. An automated and integrated single window can be developed including all relevant stakeholders and agencies reinforcing the cooperation with financial institutions, transportation and other trade support agencies.
4. Customs automation, harmonization of data and information and standardization of documents, removal of redundant or repetitive procedures and documents, enhancement of availability and accuracy of the information on rules, regulations and guidelines, and further development of transport and logistics infrastructure should be sustained to ensure seamless trade environment.
5. Customs administration can be reformed with modern customs practices with the use of information technology. For transparency, information can be made easily available and accessible online. For harmonization, the regulations on customs procedures should be matched with international practices and

standards compatible with the Kyoto Convention on Simplification and Harmonization of Customs Procedures.

6. A holistic national trade facilitation strategy can be formed considering all the key stakeholders and their linkage. A Road map for overall trade facilitation should be developed for the strategical removal of present bottlenecks in trade aspects.
7. As many agencies are involved to varying degrees in issuing trade regulations, a centralized system has to be developed so that the trading community can be informed timely regarding the changes in the regulatory requirements of any relevant agency. Customs can play a major role in this regard.
8. Border Agency Cooperation should be ensured by considering integrating the services of all relevant stakeholders and service users. Measures requiring collaboration amongst border agencies should not only be at the national level but also at the international level.
9. Bangladesh may consider the examples of China, Malaysia, Vietnam and Singapore to form a high-powered central committee by the relevant ministries and organizations including the private sector representatives, to formulate and implement customs reforms and trade facilitation plans, which should be aligned with those of the major trading partners - examples of ASEAN can be considered for developing such aligned plans for SAFTA, and BBIN.
10. Vietnam's approach to trade-led investment emphasizing trade facilitation has improved the country's overall trade environment. Vietnam's TFA approaches can be followed by Bangladesh.
11. The categorization of Indian AEOs based on experience, capacity, logistics support etc. namely AEO-T1 for 2 years, AEO-T2 for 3 years and AEO-T3 for 5 years. In this case, the system of India applied for the AEO may be followed in Bangladesh.

8.8 Conclusion

It has been pointed out by the stakeholders, respondents to the survey, and observed during the field visits, that most institutions, including ports and customs stations are plagued by inadequate infrastructure, manpower, knowledge, and other resources. The respondents at the receiving end frequently mentioned the problems with administrative delay, quality of services, and lack of transparency. Many of these challenges can be resolved by framing Standard Operating Procedures (SOP), publishing a charter of services including delivery time, complaint mechanism, and introduction of full automation, and prioritizing investments.

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Appendix 1: Terms of Reference (ToR) of the Study

Terms of Reference (revised)

Consultancy/Research firm for conducting 04 studies suggested by Project Steering Committee (PSC) in FY 2021-22.

Background

The Government of the People's Republic of Bangladesh has received an SDR 150 million Credit from the International Development Association (IDA) - a member of the World Bank Group - for financing the cost of the Bangladesh Regional Connectivity Project 1(BRCP-1), being jointly implemented by the Bangladesh Land Port Authority (BLPA), National Board of Revenue (NBR) and Ministry of Commerce. The second component of this umbrella project is being implemented by the Ministry of Commerce as a separate technical assistance project. The overall objective of this technical assistance project is to strengthen trade related institutional capacity in order to ensure active and sustainable cooperation between multiple trade-related stakeholders and economic empowerment of women traders.

This technical assistance project consists of following three (3) components:

- **Component A: Develop (pilot) programs to support female traders and entrepreneurs.** This component will pilot activities to help address barriers to women becoming more integrated into regional and global supply chains and trading opportunities.
- **Component B: Capacity Development Support for the National Trade and Transport Facilitation Committee.** The inter-ministerial National Trade and Transport Facilitation Committee (NTTFC) has been set up to coordinate all trade and transport-related policies and activities in Bangladesh, and will also serve as the Advisory Committee for the Project.
- **Component C: Improvements to Bangladesh Trade Portal and to set up a National Enquiry Point for Trade.** The Bangladesh Trade Portal (BTP) was launched in March 2016. This component will support further up gradation of the BTP to expand its functionality to include information of relevance to potential Bangladesh exporters and to ensure that content is kept up to date. This component will also set up the National Enquiry Point for Trade, which will help Bangladesh to meet a key requirement of WTO Trade Facilitation Agreement.

The Ministry of Commerce intends to apply part of the IDA Credit for procuring consultancy services from qualified research/consultancy firms or institutions/individuals to conduct three studies selected from the list of studies identified under NTTFC activities of the project (Component B). These studies aim to develop in-depth understanding about three relevant areas of trade facilitation and are directly linked with the activities of three implementing agencies of the BRCP-1 umbrella project.

2. Scope of Consultancy Services:

The project will conduct the following four studies in 2020-21/2021-22 fiscal year that are critical for export promotion and trade facilitation:

- Study 1:; WTO Special and Differential Treatment (S & DT) and Graduation Challenges
- Study 2: A compiled policy and regulatory guidelines/standard operating procedures (SOP) for Cross Border Land Port Management with respect to international trade and transport formalities, procedures, documentation and related matters;
- Study 3: Simplification of Trade Procedures, Custom Modernization ease of doing business for export promotion of Bangladesh to ensure policy coherence between national development priorities and international obligations on Trade facilitation Agreements
- Study 4: Sanitary and Phyto-sanitary (SPS) and Technical Barrier on Trade (TBT) co-ordination and notification, certification process and infrastructure for promoting trade;

The detail scope of the proposed studies is given below:

Study 3 : Simplification of Trade Procedures, Custom modernization, ease of doing business for export promotion of Bangladesh to ensure policy coherence between national development priorities and international obligations on trade facilitation agreements

Trade facilitation covers all steps that can be taken in view of smoothing the flow of trade. The term is widely used to cover all sorts of non-tariff barriers. In WTO concept, trade facilitation is limited to “the simplification and harmonization of international trade procedures, covering the activities, practices and formalities involved in collecting, presenting, communicating and processing data required for the movement of goods in international trade”. Trade facilitation aims at developing a consistent, transparent, coherent, non-discriminatory and predictable environment for international trade transactions based on internationally accepted norms and practices resulting from simplification of formalities and procedures, standardization and improvement of physical infrastructure and facilities, harmonization of applicable laws and regulations. The main goal of trade facilitation is to reduce the transaction costs and complexity of international trade for businesses and improve the trading environment in a country, while maintaining efficient and effective levels of government control.

As a signatory of WTO’s *Trade Facilitation Agreement (TFA)* the Ministry of Commerce has played a key role in mobilizing various government agencies to determine the path forward for the implementation of Bangladesh’s TFA commitments. To coordinate all trade-and transport-related policies and activities in Bangladesh, and to manage all activities and initiatives related to the TFA, *the National Trade and Transport Facilitation Committee (NTTFC)* has been established.

It may be emphasized in the findings and recommendations that proper implementation of the TFA will promote the simplification, modernization and harmonization of trade processes to reduce cost and time, boost trade flows and increase the world GDP growth. For effective implementation of the TFA and for better cooperation, coordination and management among the relevant public and private sector agencies, the whole activities of the land ports is needed to bring under a single authority, particularly under the Bangladesh *land Port Authority (BLPA)*. Building of modern warehouses equipped with all modern loading and unloading facilities containers and other goods, providing sufficient testing facilities,

constructing spacious connected roads and introducing of automated system would contribute facilitating and augmenting the capacity of the land ports thereby enhancing the cross-border trade between Bangladesh and India and other regional countries. Efficiency of the performance of the ports would also elevate with the engagement of adequate trained manpower on port operation and management in the land ports (LPs), land Customs Stations (LCS) particularly at the sanitary and phyto-sanitary and, immigration offices etc. Simplification and integration of various documents related to import and exports and making these compatible for electronic transaction is essential to save time, cost and burden of the traders as well as the officials of all concerned . In this regard the objectives and scope of the study is to identify the following :

1. Current status of Bangladesh in Implementation of simplified trade procedures, custom modernization for ease of doing business for export promotion;
2. The policy Gaps between the obligation of the Trade facilitation agreement and present situation in implementation of the TFA in Bangladesh;
3. Identify the Policy/ Act/ Rules to support simplification of Trade Procedure , documentation , automation and Paperless Trade according to the international standards
4. Institutional weakness and procedural hindrance;
5. Best practice of the regional countries in implementation of TFA ;

Appendix 2 : Survey questionnaire

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
ডব্লিউটিও সেল, বাণিজ্য মন্ত্রণালয়
বাংলাদেশ রিজিওনাল কানেক্টিভিটি প্রজেক্ট-১
জরিপ প্রশ্নাবলী - তৃতীয় স্টাড়ির জন্য
(৪টি স্টাড়ি, পিএসসি কর্তৃক নির্ধারিত)

৩ নং স্টাড়ি: জাতীয় উন্নয়ন অগ্রাধিকার এবং বাণিজ্য সহজীকরণ চুক্তির (টিএফএ) আন্তর্জাতিক বাধ্যবাধকতার মধ্যে নীতিগত সমন্বয় নিশ্চিত করার জন্য বাণিজ্য ব্যবস্থা সহজীকরণ, শুল্ক ব্যবস্থা আধুনিকীকরণ ও বাংলাদেশের রপ্তানি বৃদ্ধিতে ব্যবসা সহজীকরণ।

(Study-৩: Simplification of Trade Procedures, Customs modernization and ease of doing business for export promotion of Bangladesh to ensure policy coherence between national development priorities and international obligation on trade facilitation agreement.)

১.০	প্রথম অংশ: উত্তরদাতার শ্রেণী						
	<input type="checkbox"/> ফ্রেইট ফরওয়ার্ডার <input type="checkbox"/> সিয়ান্ডএফ এজেন্ট <input type="checkbox"/> ট্রান্সপোর্ট ও লজিস্টিক কোম্পানির কর্মকর্তা <input type="checkbox"/> ড্রাইভার <input type="checkbox"/> রপ্তানিকারক <input type="checkbox"/> আমদানিকারক <input type="checkbox"/> বন্দরের কর্মকর্তা	<input type="checkbox"/> শ্রমিক সংগঠন এর প্রতিনিধি <input type="checkbox"/> ব্যাংক কর্মকর্তা <input type="checkbox"/> মাননিয়ন্ত্রণকারী কর্মকর্তা <input type="checkbox"/> কাস্টমস কর্মকর্তা <input type="checkbox"/> ইন্ডেন্ট এজেন্ট <input type="checkbox"/> শিপিং এজেন্ট <input type="checkbox"/> অন্যান্য (নির্দিষ্ট করুন):					
২.০	দ্বিতীয় অংশ: উত্তরদাতার পরিচিতিমূলক তথ্য						
২.১	উত্তরদাতার নাম:						
২.২	পদবী:						
২.৩	প্রতিষ্ঠানের নাম:						
২.৪	প্রতিষ্ঠানের ঠিকানা:						
২.৫	মোবাইল নম্বর :						
২.৬	ইমেইল ঠিকানা:						
২.৭	মন্ত্রণালয়/ বিভাগ (প্রযোজ্য ক্ষেত্রে):						
৩.০	তৃতীয় অংশ: বাণিজ্য সহজীকরণ (Trade Facilitation) - রপ্তানি ও আমদানি প্রক্রিয়ার সরলীকরণ, আধুনিকীকরণ এবং সমন্বয় সংক্রান্ত।						
৩.১	বাণিজ্য সহজীকরণ চুক্তি (টিএফএ) বাস্তবায়নে বাংলাদেশের গৃহীত পদক্ষেপের বর্তমান অবস্থা মূল্যায়ন করুন। (প্রাসঙ্গিক উত্তরদাতা)						
	ক্রমং	ব্যবস্থার নাম					
		১ থেকে ৫ এর মধ্যে নির্দিষ্ট করুন এবং উপযুক্ত ঘরে টিকচিহ্ন দিন (১= খুবই সন্তোষজনক, ২= সন্তোষজনক, ৩=গড়পড়তা, ৪= অসন্তোষজনক, ৫= খুবই অসন্তোষজনক)					
	১	বাণিজ্য তথ্য বিষয়ক প্রকাশনা (publication: applied rate of taxes, fees & charges, laws, regulations etc.)	১	২	৩	৪	৫
	২	ইন্টারনেটের মাধ্যমে তথ্য পাওয়া (information available through internet: steps needed for exportation and importation etc. such as national trade portal)	১	২	৩	৪	৫
	৩	অগ্রিম মূল্যায়ন বা অ্যাডভান্স রুলিংস (advance rulings)	১	২	৩	৪	৫
	৪	আপিল বা পর্যালোচনার ব্যবস্থা (Procedures for appeal or review)	১	২	৩	৪	৫
	৫	আটক (detention: promptly inform the carrier or importer in case of detention of goods declared for importation, for inspection by customs or any other competent authority)	১	২	৩	৪	৫
	৬	অবমুক্তি পৃথকীকরণ (separation of release from the final determination of customs duties, taxes, fees and charges, if such a determination is not done prior	১	২	৩	৪	৫

	to, or upon arrival, or as rapidly as possible after arrival and provided that all other regulatory requirements have been met.)	
৭	পণ্য অবমুক্তির গড় সময় (average release times: publish average release time of goods periodically and in a consistent manner, using tools such as, inter alia, the time-release study (TRS) of the World Customs Organization)	১ ২ ৩ ৪ ৫
৮	পণ্য চলাচল (movement of goods intended for import under customs control)	১ ২ ৩ ৪ ৫
৯	অনুলিপির স্বীকৃতি (acceptance of copies: accept paper or electronic copies of supporting documents required for import, export)	১ ২ ৩ ৪ ৫
১০	আন্তর্জাতিক মানের ব্যবহার (use of international standards: use relevant international standards or parts thereof as a basis for their import, export, or transit formalities and procedures)	১ ২ ৩ ৪ ৫
১১	প্রাক-জাহাজিকরণ পরিদর্শন (pre-shipment inspection: not require the use of pre-shipment inspections in relation to tariff classification and customs valuation)	১ ২ ৩ ৪ ৫
১২	শুল্ক ব্রোকারদের ব্যবহার (use of customs brokers: not introduce the mandatory use of customs brokers)	১ ২ ৩ ৪ ৫
১৩	যৌথ সীমান্ত পদ্ধতি (common border procedures: common border procedures and uniform documentation requirements)	১ ২ ৩ ৪ ৫
১৪	প্রত্যাখ্যাত পণ্য (rejected goods: allow the importer to re-consign or to return the rejected goods to the exporter or another person designated by the exporter.)	১ ২ ৩ ৪ ৫
১৫	ট্রানজিট (transit: freedom of transit)	১ ২ ৩ ৪ ৫
১৬	পরামর্শ (consultations: regular consultations between its border agencies and traders or other stakeholders located within its territory)	১ ২ ৩ ৪ ৫
১৭	ইলেকট্রনিক পেমেন্ট (Electronic payment)	১ ২ ৩ ৪ ৫
১৮	কাস্টমস সহযোগিতা (customs cooperation)	১ ২ ৩ ৪ ৫
১৯	অন্যান্য (Enquiry points, Test procedure, Pre-arrival processing, Risk management, Post-clearance audit, Authorized operators, Expedited shipments, Perishable goods, Border Agency Cooperation, Formalities, Single window)	১ ২ ৩ ৪ ৫
৩.২	বাণিজ্য সহজীকরণের জন্য কোন কোন ক্ষেত্রে আরও গুরুত্বারোপ করতে হবে তা চিহ্নিত করুন।	
	ক্র.নং	বাণিজ্য সহজীকরণের ক্ষেত্রসমূহ
		৫ টি চিহ্নিত করুন (✓)
	০১.	অবকাঠামোতে বিনিয়োগ (infrastructure investment)
	০২.	শুল্ক আধুনিকায়ন এবং সীমান্ত পারাপার পরিবেশ (customs modernization and border crossing-environment)
	০৩.	দালিলিক প্রমাণ ও তথ্য প্রবাহ সূগম করা (streamlining of documentary requirements and information flows)
	০৪.	অটোমেশন এবং ইলেকট্রনিক ডেটা ইন্টারচেঞ্জ (automation and electronic data interchange)

	০৫.	পোর্টের দক্ষতা (ports efficiency)																																															
	০৬.	লজিস্টিক এবং পরিবহন পরিষেবা (logistics and transport services)																																															
	০৭.	নিয়ম এবং প্রতিযোগিতা (regulation and competitiveness)																																															
	০৮.	ট্রানজিট এবং মাল্টিমোডাল পরিবহন (transit and multimodal transport)																																															
	০৯.	পরিবহন নিরাপত্তা (transport security)																																															
	১০.	অন্যান্য (নির্দিষ্ট করুন):																																															
৩.৩	<p>রপ্তানি/আমদানিকৃত পণ্যের জন্য আপনাকে কী কী বাণিজ্য পদ্ধতি অনুসরণ করতে হয়? (বিশেষত আমদানি/রপ্তানিকারকগণবিভিন্ন পণ্যের আমদানি বা রপ্তানিতে কোন দেশের জন্য, কত সময় লাগে, আনুমানিক কেমন খরচ হয় ইত্যাদি উল্লেখ করুন।)</p> <table border="1"> <tr> <td colspan="3">বাংলাদেশ বন্দর ব্যবস্থাপনার বর্তমান চিত্র</td> </tr> <tr> <td>আমদানি/রপ্তানি প্রক্রিয়া সম্পন্ন করতে ডকুমেন্টারি কাজের জন্য কত ঘণ্টা সময় লাগে? (কাস্টমস, বন্দর ও অন্যান্য)</td> <td></td> <td></td> </tr> <tr> <td>আমদানি/রপ্তানি প্রক্রিয়া সম্পন্ন করতে ডকুমেন্টারি কাজের জন্য কত টাকা খরচ/ব্যয় হয়? (কাস্টমস, বন্দর ও অন্যান্য)</td> <td></td> <td></td> </tr> <tr> <td>স্থলবন্দরের/বিমানবন্দর/সমুদ্রবন্দর মাধ্যমে আমদানি/ রপ্তানি সম্পন্ন করতে কত ঘণ্টা সময়ের প্রয়োজন হয়?</td> <td></td> <td></td> </tr> <tr> <td>স্থলবন্দরের/বিমানবন্দর/সমুদ্রবন্দর মাধ্যমে আমদানি/রপ্তানি সম্পন্ন করতে প্রতি ইউনিটে কত টাকা ব্যয় হয়?</td> <td>পণ্য</td> <td>ইউনিট</td> <td>ব্যয়</td> </tr> </table>				বাংলাদেশ বন্দর ব্যবস্থাপনার বর্তমান চিত্র			আমদানি/রপ্তানি প্রক্রিয়া সম্পন্ন করতে ডকুমেন্টারি কাজের জন্য কত ঘণ্টা সময় লাগে? (কাস্টমস, বন্দর ও অন্যান্য)			আমদানি/রপ্তানি প্রক্রিয়া সম্পন্ন করতে ডকুমেন্টারি কাজের জন্য কত টাকা খরচ/ব্যয় হয়? (কাস্টমস, বন্দর ও অন্যান্য)			স্থলবন্দরের/বিমানবন্দর/সমুদ্রবন্দর মাধ্যমে আমদানি/ রপ্তানি সম্পন্ন করতে কত ঘণ্টা সময়ের প্রয়োজন হয়?			স্থলবন্দরের/বিমানবন্দর/সমুদ্রবন্দর মাধ্যমে আমদানি/রপ্তানি সম্পন্ন করতে প্রতি ইউনিটে কত টাকা ব্যয় হয়?	পণ্য	ইউনিট	ব্যয়																													
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তথ্য সংগ্রহকারীর নাম:

তারিখ:

স্বাক্ষর:

Appendix 3: List of Participants of Field Survey

(Not in order of seniority)

Sl. No.	Name	Designation	Organization
1.	A. As. M Shadul islam mamun	owner	Marsh fright Bangladesh ltd
2.	Aalhaj Nur Islam	Malik	Nisha Trade International
3.	Abdul Hamid		M/S Mitali Agency-2
4.	Abu Bakkar Siddique	Malik	Delwar Traders
5.	Abul Bashar Chowdhury	Chairman	BSM Group
6.	Ainun Nahar	General Manager	Meghna Group of Industries
7.	Al Haj Solaiman Badsha	Director	M/S Tayabia Traders
8.	Alamgir		Akhi & Brothers
9.	Alamgir Pervej	Former Director	M/S RM Enterprise
10.	Amir Hamza	Malik	Amir Hamza Traders
11.	Ashok Sen		Alam & Sons
12.	Asif Ayub	Joint Secretary General	MCCI
13.	Asif Iftekhar Hossain	Director	Everett Bangladesh (PVT) Ltd
14.	Bikash Chandra Debnath	Proprietor	Amas International
15.	Bokul Bissas (Indian)	Driver	
16.	Debasish Chowdhury	Assistant Secretary	Ctg Custom Clearing & Forwarding Agent Association
17.	Din Mohammad	Manager	Coma Creation
18.	Dr. Mohammad Omar Faruqe	Upazila livestock Officer	Ministry of Fisheries and livestock, Bangladesh
19.	Dr. Salah Uddin	Manager	Premier Cement
20.	Dr. Shalah Uddin	Manager (Sales & Distribution)	Premier Cement
21.	Eakramul Zaman	Maneger	A.K AHS kitting & dying
22.	Enamul Haque		Bismillah,s pulses mills
23.	Gazi Shamim Uddin	Proprietor	Gazi Exim
24.	Golam Azam Chowdhury	Commercial General Manager	Cotco Int ,ltd
25.	Hazi Babul	Senior Vice President	Brahmanbaria Chamber of Commerce and Industries
26.	Hazi Mohammad Alamgir	Secretary	Chittagong Port User Labour Association League
27.	Idon Mia	Proprietor	Lucky Enterprise
28.	Idris Miah	Proprietor	Ajmeer Trading Corporation
29.	Jahangir Hossain	C&F Secretary	Alliance Logistics Ltd.

Sl. No.	Name	Designation	Organization
30.	Jakir Hossen	Traffic Inspector	Akhaura Land Port
31.	Kafil Uddin		Al Rashed Trading
32.	Kamal Mostafa Chowdhury	Director	M/S Raja Corporation
33.	Kamrul Hasan	Manager	Adnan Trade International
34.	KBD Md Habibullah	Deputy Director	Plant Quarantine Station
35.	KH Safiqur Rahman	CEO	Crosslink Logistic Ltd
36.	Khandaker Helal uddin	Proprietor	Vpn Top Fabrics and Tailors,C/ A, Dhaka -1000
37.	Kishlu Alom	Manager	Rahat Trade Ltd.
38.	Lucky Begum	Assistant Director (Traffic)	Benapole Landport Authority
39.	M A Sattar	Proprietor	M/S Simky Trade International
40.	M. Abdur Rahman	Deputy Cheif	MCCI
41.	Mahbubur Rahman	Manager	Janata Bank
42.	Majharul Islam Hasan	Secretary	Chattogram Jilla Truck & Coveredvan Labor union
43.	Masud Rana	Warehouse supervisor	Benapole Land Port Authority
44.	Md Babu Shardar	Excutive Member	925 Labor Union
45.	Md Bajlur Rahman Rana	Joint Secretary (C&F welfare Trust)	Morning Star International
46.	Md Belal Hossen		
47.	Md Mizanur Rahman	Director	Civil Aviation Authority Bangladesh
48.	MD Mobarak Hossain Bhuiya	President	Customs C & F Agent Assocation, Akhaura
49.	Md Mujibur Rahman		M/S Amin Trade International
50.	Md Mustafiqur Rohman Milton	Assistant Director	Akhaura Land Port Authority
51.	Md Noab Pramanik	Examiner of Accounts	RJSC, Dhaka Office (Head Office)
52.	Md Nur Nabi		Bengal Clothing Corporation
53.	Md Rafiq		Ahmed Brothers
54.	Md, Iqbal Hossain Sumon	Proprietor	M/S Tahera & Sons
55.	Md. Abdul Ali	Assistant Revenue Officer	Bangladesh Customs
56.	Md. Abdur Roshid Mollik	Vice Chairman	925 No. Labour Union
57.	Md. Abu Daud	Traffic Inspector	Benapole Land port Authority
58.	Md. Abu Taher	Proprietor	M/S A. F. R. Trade International
59.	Md. Abul khasem	Customs (ARO)	Custom House Benapole.

Sl. No.	Name	Designation	Organization
60.	Md. Akhtar Faruque	Maneger	Sonali Bank Limite.
61.	Md. ALi (Bangladeshi)	Driver	Noeshad Er Gari
62.	Md. Ali Ahad khan	Maneger	M/S Bishal Trading.
63.	Md. Ali Monsur	Proprietor	ALi Transport Agency
64.	Md. Aminur Rahman	Maneger	National Bank Limited
65.	Md. Anisur Rahman	Manager	M/S Zaman Traders
66.	Md. Anisur Rahman	Director	AK Cargo Service
67.	Md. Arman Hossen		Freight Masters Private Limited
68.	Md. Asadul Haque Firoz	Assistant Revenue Officer	Banglabandha Land Customs Station
69.	Md. Ash wahidul Alom	Inspector	Fish Inspection & Quality control
70.	Md. aslam Kader	Accountant	Benapole land port authority
71.	Md. Babul Akter	President	Bangladesh Non Packer Frozen Foods Exporters Association
72.	Md. Golam Rosul	Managing Director	M/S. G.K Enterprise (Proprietor)
73.	Md. Hamid Rahman	Proprietor	Masudur Rahman Traders
74.	Md. Hassan tarik	Managing Director	Bangladesh Foundry and Engineering works ltd.
75.	md. Iqbal Hossain	Managing Director	Texaco ltd
76.	md. ismail emon	proprietor	m/s labiba enterprise
77.	Md. Jahangir	Proprietor	Culture Clothing Inc.
78.	md. Jashim Uddin	Executive Member	Dhaka Customs Agents Association
79.	Md. Joynal Abedin	Director	Ever Green Cargo Line
80.	Md. Kamal Hossen	Proprietor	Bimilla Sheping Laince
81.	Md. Kawsar Rahman	Labour	925 No. Labour union
82.	Md. Mahabur Rahman	Quarantine Officers	Fisheries Quarantine
83.	Md. Mahmudul Hassan Rana	Inspection Officers	BSTI
84.	Md. Maksudur Rahman		Rina C & F Centre
85.	md. mamunor rosid	malik	m/s, mamun enterprise
86.	Md. Maruf Sarker	maneger	M/S Forhad Traders
87.	Md. Mehedi Hasan	Proprietor	Save & Safety International
88.	Md. Mintu	Manager	Rupali Enterprise
89.	Md. Mir Nowshad	President	Workers & Employees League In Ctg Port (CBA)
90.	Md. Mohinuddin		Shohid Enterprise
91.	Md. Moniruzzaman(Milon)	Assistant Revenue Officer	Dhaka Customs House
92.	Md. Moshiur Rahman	Proprietor	Kapotakhy Agency

Sl. No.	Name	Designation	Organization
93.	Md. Mujibul Haque	Assistant Revenue Officer	Bangladesh Custom
94.	Md. Murad Hossen	Manager	Kazi Cargo Enterprise Ltd.
95.	Md. Ohiduzzaman	Secretary	925 Labor Union
96.	Md. Rashedul islam	Ceo	M/S Omar & Brothers
97.	md. Rezaul Karim Shaheen	Manager	M/s Hasan & Brothers
98.	Md. Rofiqul Islam Royel	Proprietor	M/S Royel Enterprise
99.	Md. Saddam Hossen	Proprietor	M/S Abu Taleb & Sons
100.	Md. Sakender ALi	Proprietor	Twenty Corporation
101.	Md. Salim Khan	Organizing secretary	Dhaka Customs agents association
102.	Md. Samaul Islam Shammu	W H Superintend	Akhaura Land Port
103.	Md. Sanowarul kabir	Deputy Commissioner	customs house dhaka.
104.	Md. sanwarul karim	Deputy Commissioner custom	Custom house ,Dhaka
105.	Md. Sayful Islam (Sagir)	Traffic Inspector	Benapole Landport Authority
106.	Md. Shabuddin Alam		M.S.A C&F Ltd
107.	Md. Shafiqul Islam	Labor	
108.	Md. Shahriar Raj	Manager	M/S YRC
109.	Md. Shariful Islam	Proprietor	J.B.C. Traders
110.	Md. Shawpan Miah	Proprietor	Shuchok Shipping International
111.	Md. Sheikh Nasir Uddin	Proprietor	M/S Samad & Sons
112.	Md. Tofayel Ahmed	Joint Commisioner	Custom House, Ctg
113.	Md. Tofazzal Hossain	Member(C&F association)	Multi Tech Trade Int.
114.	Md. Wasim Ahmed	Proprietor	Liton Enterprise
115.	Md. Yeanur Rahman	Manager	M/S Benapole International
116.	Md. Zamil	Proprietor	Public Transport
117.	md.hasmat ali	Additional Commissioner-1	Dhaka custom House
118.	Md.kamrul jamaan	Assistant Director	CAAB
119.	Md.Mehedi Hasan	Maneger	National Bank Limited
120.	Md.Oheedul Haque	owner	international techno trade ltd
121.	Md.Rafiqul Islam	Sub assistant Quarantine officer	Department of agriculture extension , ministry of agriculture
122.	Md.ziyaaur Rahman	Labour	925 No. Labour Union

Sl. No.	Name	Designation	Organization
123.	Mehedi Hossain	Traffic Inspector (1no shed)	Benapole Land Port Authority
124.	Mir Faisal Hossain	Deputy Director (Export)	Bangladesh Agricultural Development Corporation
125.	Mohammad Ziaur Rahman	malik	zia International
126.	Mohammad Azizul Moula		Chittagong Port Authority
127.	Mohammad Idris Ali	President	M/S Farman Enterprise
128.	Mohammad Nur Islam		S.k implex
129.	Mohammed Nur Alam	custom sarkar	Dhaka logistic network
130.	Monir Hossain Babul	Propreitor	M/S Pritom Enterprise
131.	Mosharraf Hossain	Proprietor	Mosharraf Brothers
132.	Mostak Ahmed	Proprietor	M/S Kohinur Transport Agency
133.	Mr. Ahsan		Ahsan Composit Ltd
134.	Mr. Ajay	Proprietor	Paragon Exports
135.	Mr. Alamgir Kabir	Director	Rina Center Ltd.
136.	Mr. Anjan Shekhar Das	Director, CCCI	M/S R.S.B Industrial Ltd
137.	Mr. Azmal Hossain	Managing Director	BRENNTAG BANGJADESH SERVICES LTD
138.	Mr. Biplob Barua	Managing Director	ASL Shipping Lines Ltd
139.	Mr. Hasan	Manager	Import Export Bd.Net
140.	Mr. Hasanul Islam	Chairman	SIFIN TEX LIMITED
141.	Mr. Kamrul Hasan Pollash	Traffic Inspector	Benapole Landport Authority
142.	Mr. Kamrul Hasan Rizvi	Proprietor	Dhaka Import Export
143.	Mr. Kh Munsurul huq	General Manager	ERBA LIMITED
144.	Mr. KrishnoKumar	Assistant Revenue Officer	Benapole Customs House.
145.	MR. MD. ESHRAK-E-ALAH	Managing partnar	Vertex international
146.	Mr. Rahaman	Proprietor	A Rahaman Traders
147.	Mr. Rahatuzzaman		Overseas Company
148.	Mr. Uzzol		Naz Enterprise
149.	Mr.M.S. Siddiquil	Owner	Bangla Chemical
150.	Mr.Reza H.A Choudhury	Managing Partner	Challenge chemical & technology
151.	N. M. Mohiuddin	Member(C&F association)	S. I. Ahmed & Sons
152.	Nasir Uddin Hazari	C & F Agent	Hazari Enterprise
153.	Nazim Uddin	Manager	Afzal Parcel And Curier

Sl. No.	Name	Designation	Organization
154.	Nazimuddin	Manager	Rampura Syndicate
155.	Nazrul Islam		Akanda Brothers
156.	noor hossain	owner	uniane fright ltd
157.	Nur Alam		Rafi C & F Ltd
158.	Nurul Alam	Chairman	ATR Food, Agro Ltd0
159.	Pradip Karan	General Manager (Operation)	City Group
160.	Rafiqul Islam	Proprietor	Sheikh Brothers
161.	Rafiqul Islam Bhuiyan	Proprietor	Progressive Trading Corporation
162.	Rajib Chowdhury	Assistant Terminal Manager	Chittagong port Authority
163.	Rajib Uddin	Proprietor	M/S Shoyeb Trade International
164.	Refazul Islam Shumon	Cashier	M/S Asif Traders
165.	Riajul kabir	Director	M/S RF Trading
166.	Rubel Barua	Junior Officer	One Bank Ltd
167.	S.M.A KHAIR	Vice president	Dhaka custom agent association
168.	Salh Ahmed chowdhury	Director	Matash international ltd
169.	Shafiqul Hasan Samuel	Proprietor	M. Biologix
170.	Shafiqul Islam	General Secretary	Importers-Exporters Association
171.	Shafiqur Rahman	President	Chattogram Truck Labour Union
172.	Shafiul Alam		AB Global Traders
173.	Shamsuddin	owner	Appololise shipping
174.	Shariful Islam Shaon	Director	Rapid trans freight ltd
175.	Shonjit Kumar Dash		Ogrodut Traders
176.	Shumon Hossen (Bangladeshi)	Driver	Gazi Transport Agency
177.	SM Nurul Alam	Proprietor	Texbd Fashion
178.	SM. Toriqul Islam	Proprietor	M/S Shaikh & Sons
179.	Subrata Chandra Sarkar	Revenue Officer	Bangladesh Customs Internal Resources Department
180.	Subrata Das	Assistant General Manager	Janata Bank Ltd
181.	Swapon Kumar Biswas		Hamim Group
182.	Syed Mahmudur Rashid	Proprietor	Bogra Trade Center
183.	Tariq Ahmed	Senior Director	TK Group of Industries
184.	Titu	Director	APL Bangladesh Ltd
185.	torikul islam sheshir	owner	step one group
186.	Unknown Person		

Sl. No.	Name	Designation	Organization
187.	Uttom Kumar Sarker (Indian)	Driver	
188.	Zr Khan	Managing Director	Agro House
189.	Md. Alamgir Hossain	Customs	
190.	Md. Alauddin Babu		Nayan International
191.	Md. Zahirul Islam		Bridge International
192.	Md. Jahangir Alam	General Secretary	Messrs. Prahor International
193.	Md. Nazrul Islam		Messrs. Habib International
194.	Md. Monirul Islam	Customs	Mahananda Valley
195.	Md. Roni Hasan	Customs	Nayan International
196.	Md. Rezaul Karim	President	Mercus Rezaul Enterprise
197.	Md. Saidur Rahman	Managing director	Shah International
198.	Mohammad Nur Alam	Customs	AK Traders
199.	Md. Saidur Rahman		Alal Poutry and Fish Feed
200.	Rizwan Rahman	President	Dhaka Chamber of Commerce & Industry
201.	Md. Enamul Hafiz Latife	Joint Secretary (Research Fellow)	BASIS
202.	Md. Jalal Uddin	Assistant General Manager	Leathergoods And Footwear Manufacturers & Exporters Association of Bangladesh (LFMEAB)

Appendix 4: Questionnaire for Key Informant Interviews

মূল তথ্যদাতা সাক্ষাৎকার-কেআইআই (KII) প্রশ্নাবলী- তৃতীয় স্টাডির জন্য

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
ডব্লিউটিও সেল, বাণিজ্য মন্ত্রণালয়
বাংলাদেশ রিজিওনাল কানেক্টিভিটি প্রজেক্ট-১
৪টি স্টাডি, পিএসসি কর্তৃক নির্ধারিত

৩ নং স্টাডি: বাণিজ্য পদ্ধতির সরলীকরণ, শুল্ক ব্যবস্থা আধুনিকীকরণ, বাংলাদেশের রপ্তানি বৃদ্ধিতে ব্যবসা সহজকরণ যা জাতীয় উন্নয়ন অগ্রাধিকার এবং বাণিজ্য সহজীকরণ চুক্তিতে (টিএফএ) আন্তর্জাতিক বাধ্যবাধকতার মধ্যে নীতিগত সমন্বয় নিশ্চিত হয়। (Study 3: Simplification of Trade Procedures, Customs modernization, ease of doing business for export promotion of Bangladesh to ensure policy coherence between national development priorities and international obligation on trade facilitation agreements)

উত্তরদাতার নাম (Name):
পদবী (Designation):
প্রতিষ্ঠানের নাম (Organization):
প্রতিষ্ঠানের ঠিকানা (Address):
মোবাইল নাম্বার (cell no.):
ইমেইল আইডি (email):
১। বাংলাদেশে বাণিজ্য পদ্ধতির কিছু জটিলতা কী কী? (What are some complexities in trade procedures excising in Bangladesh?)
২। বাংলাদেশে শুল্ক আধুনিকীকরণ বা কাগজবিহীন বাণিজ্য পদ্ধতিতে কী কী কাজ করতে হবে? (What are the things that need to do in customs modernization or paperless trade procedure in Bangladesh?)
৩। (২নং প্রশ্নের উত্তর দিলে) তা কি বাণিজ্যের আন্তর্জাতিক সেরা অনুশীলনের সাথে সামঞ্জস্যপূর্ণ? কিভাবে আমরা একটি ব্যবসা সক্ষম পরিবেশ তৈরি করতে পারি? (Do they commensurate with international best practices of trade? How can we create a business enabling environment?)
৪। বাংলাদেশে টিএফএ বাস্তবায়নে নীতিগত ব্যত্যয় কি? (What are the policy gaps in implementing TFA in Bangladesh?)
৫। বাণিজ্য পদ্ধতির সরলীকরণের জন্য কোন নীতি/অ্যাক্ট/নিয়মগুলিকে সমাধান করতে হবে? (What are the policy/act/rules that need to address for simplification of trade procedures?)

৬। অটোমেশন এবং কাগজবিহীন বাণিজ্যের মাধ্যমে বাণিজ্য সহজতর করার মূল সংস্থা কারা? (Who are the key agencies to facilitate trade by automation and paperless trade?)
৭। প্রাতিষ্ঠানিক সক্ষমতা বাড়াতে আপনার পরামর্শ কী? (What are your suggestions to enhance institutional capacity?)
৮। সেই সংস্থার দুর্বলতার সাথে সম্পর্কিত পদ্ধতিগত বাধাগুলি কী কী? (What are the procedural obstacles related to the weakness of that organization?)
৯। আপনি কি অনুগ্রহ করে টিএফএ-এর অন-ফিল্ড বাস্তবায়নের বিষয়ে আপনার অভিজ্ঞতা শেয়ার করতে পারেন। (Could you kindly share your experiences regarding the on-field implementation of TFA)
১০। বাংলাদেশে বাণিজ্য সুবিধা এবং ক্রস বর্ডার ম্যানেজমেন্টের জন্য নীতি/আইন/বিধির প্রধান আইনি ও নীতিগত সীমাবদ্ধতা এবং চ্যালেঞ্জগুলি কী কী? (What are the major legal and policy limitations and challenges of policies/acts/rules for trade facilitation and cross border management in Bangladesh?)
১১। অনুগ্রহ করে টিএফএ-তে বাস্তবায়নের ব্যত্যয় এবং পদ্ধতিগত বাধা চিহ্নিত করুন। (Please identify the implementation gaps and procedural hindrances in the TFA)
১২। আপনার রপ্তানি/আমদানি পণ্যের জন্য কি কি বাণিজ্য পদ্ধতি অনুসরণ করতে হয়? (ইজিআইআই আমদানি/রপ্তানিকারক, পণ্যের নাম, কোন দেশের জন্য, কত সময় লাগে, আনুমানিক কেমন খরচ হয় ইত্যাদি উল্লেখ করবেন) (Existing trade procedures for major products (e.g knitwear, woven wear, cotton, yarn, fabrics, jute):

<p>১৩। বাণিজ্য রসদ (trade logistics) উন্নত করার জন্য বাণিজ্য অংশীদার দেশগুলির সাথে সহযোগিতা কিভাবে সহজতর করা যায়? (How to facilitate cooperation with trade partner countries to improve trade logistics?)</p>
<p>১৪। আন্তর্জাতিক মান অনুযায়ী বাণিজ্য পদ্ধতির কিভাবে সরলীকরণ করা যায়? (Simplification of trade procedures according to the international standards)</p>
<p>১৫। আঞ্চলিক দেশগুলির মধ্যে (যেমন China, Myanmar, Bhutan, Sri Lanka, Vietnam) কোন দেশের কি বাণিজ্য সহজীকরণ পদ্ধতি অনুসরণ করা যেতে পারে? (Explore the best practices of TFA of regional countries):</p>
<p>১৬। প্রাতিষ্ঠানিক দুর্বলতা এবং পদ্ধতিগত বাধা নিরসনের জন্য আপনার সুপারিশ কি? (Recommendation for resolving institutional weakness and procedural obstacles):</p>
<p>১৭। আপনি কি COVID-19 পরিস্থিতির প্রভাবগুলি মোকাবেলায় নীতি/আইন/নিয়মের কোনও পরিবর্তনের প্রয়োজনীয়তা খুঁজে পান? Do you find the necessity of any changes in policies/acts/ rules to address the impacts of the COVID-19 situation?:</p>
<p>১৮। বিষয়ের সাথে সম্পর্কিত অন্য কোন মতামত (যদি থাকে) (any other opinion related to the subject matter):</p>

তথ্য সংগ্রহকারীর নাম:

তারিখ:

স্বাক্ষর:

Appendix 5: List of Participants of Key Informant Interviews for the Study

(Not in order of seniority)

Serial No.	Name	Designation	Organization
1	Md. Mahmudul Hassan	Assistant Director	Bhomra Landport Authority
2	Md. Amir Mamun	Assistant Commissioner	Custom House
3	Md Mostafizur Rahman	Deputy Commissioner	Custom House
4	Md. Azizur Rahman	Commissioner	Custom House
5	Mizanur Rahman Chowdhury		Customs
6	Abdul Rasid Mia	Deputy Commissioner	Custom House
7	Md Moniruzzaman	Director (Traffic)	Landport Authority
8	Md Tofayel Ahmed	Joint Commissioner	Custom House
9	Abul Bashar Chowdhury	Chairman	BSM Group
10	Kazi Mahmud Imam Bilu	General Secretary	Chittagong Customs Clearing and Forwarding Agents Association
11	Hazi Babul Mia	Senior Vice President	Brahmanbaria Chamber of Commerce & Industries
12	Shahidul Islam	Revenue Officer	Banglabandha Custom Station
13	Rizwan Rahman	President	Dhaka Chamber of Commerce & Industry
14	Abdul Jolill	Deputy Director	Land port Authority
15	Md mofizur Rahman Shojon	President	Clearing & Forwarding Agent Association
16	Titumir Rahman	Senior Principal Officer	Pubali Bank
17	Mr. Mahbubul Alam	President	Chittagong Chamber of Commerce & Industry
18	Md Jahangir Alam	Immigration (O/C)	Immigration Checkpost, Bhomra
19	M. Abdur Rahman	Deputy Cheif	MCCI
20	Asif Ayub	Joint Secretary General	MCCI
21	Md. Jalal Uddin	Assistant General Manager	Leather goods And Footwear Manufacturers & Exporters Association of Bangladesh (LFMEAB)

Appendix 6: Participants of FGD are as Follows

(Not in order of seniority)

Sl.	Name	Designation	Organization
01	Mr. Md. Munir Chowdhury	National trade Expert	BRCP-1
02	Mr. Shaqib Quoreshi	Consultant	International Trade Expert, 04 Studies, BRCP-1
03	Mr. Manzur Ahmed	Advisor	FBCCI
04.	Mr. Md. Mamun-Ur-Rashid Askari	Joint Chief	BTTC
05.	Mr. Motaleb Hossen Sarder	Deputy Director	Civil Aviation Authority Bangladesh (CAAB)
06	Mr. Md Abul Kalam Azad	Deputy Secretary	MoC
07	Mr. Abdur Rahman	Deputy Chief	MCCI
08	Mr. Md. Mehedunnabi	Research Officer	EPB
09	Mr. Argha Pratim Kundu	Joint Director	Bangladesh Bank
10.	Mr. Md. Nooruzzaman	Research Associate	BUILD
11.	Mr. Md. Nazmus Sakib Khan	AD	Bangladesh Bank
12.	Ms. Tashfim Ashraf	AEs	DCCI
13.	Mr. Md. Anisur Rahman	Asst. Director	BLPA
14.	Mr. Mohiuddin Ahmed	Deputy Secretary	BTMA

Appendix 7: Participants of Public Consultation are as Follows

(Not in order of seniority)

Sl.	Name	Designation	Organization
01	Mr. Anjan Shekhar Das	Director	Chittagong Chamber of Commerce and Industry (CCCI)
02	Mr. K. Belayet Hossian	Ex. Director	Asian Group
03	Mr. Z. R Khan	Chief Executive Officer	E-corporation
04	Mr. Iftekhar Hossain	Assistant General Manager	Youngone (CEPZ) Ltd
05	Mr. Shaikh Shahinur Rahman	Managing Director	Youngone (CEPZ) Ltd
06	Mr. Abul Bashar Chowdhury	Chairman	B.S.M. Group
07	Mr. Ashraful Haque Khan Swapan,	Customs Affairs Secretary	Chittagong Customs Agent Association
08	Eng. G. Sarwar, Prantik Marine Services Ltd	Managing Director	Prantik Marine Services Ltd
09	Mr. A.N.M Shahidul Islam Chowdhur	Director	SICHO International (S.I Chowdhury & Co. limited)
10	Mr. Shahedul Azam,	Examiner of Accounts	RJSC Chittagong
11	Mr. Md. Alamin Miah	Executive Officer	Office of the Controller of Imports and Exports, Chittagong
12	Mr. Md. Tofayel Ahmed	Joint Commissioner	Custom House, Chittagong
13	Mr. Md. Habibur Rassel	Instructor (OP)	Chittagong port authority
14	Capt. Abdul Karim	General Manager	City Group
15	Mr. Md. Nurul Anwar	Officer	Chittagong Chamber of Commerce and Industry (CCCI)
16	Mr. Murshidul Haque	Assistant Director	Export Promotion Bureau (EPB)
17	Mr. K.M Mohiuddin,	Secretary	Chattogram Jilla Truck & Coveredvan Labor union
18	Mr. Asif Iftekhar Hossain	Director	Everett Bangladesh (PVT) Ltd
19	Mr. Masud Sadeque	Manager	APL Bangladesh Ltd
20	Ms. Hossain Ara Eva	Assistant Professor	BWA Girls College
21	Mr. Md. Abdul Baten	Deputy Commissioner	Customs, Excise & VAT Commissionerate, Chattogram
22	Mr. Uttam K. Das	Assistant Secretary	Chittagong Chamber of Commerce and Industry (CCCI)
23	Mr. Md. Saidul Islam	Assistant Manager	Meghna Group of Industries (MGI)

Sl.	Name	Designation	Organization
24	Mr. Touseef Emraj	Deputy Manager	Meghna Group of Industries (MGI)
25	Mr. Shumul Chakraborty	Manager	M. A. AHAD & CO. LTD
26	Mr. Md. Saifur Rahman	Operator	Chittagong Chamber of Commerce and Industry (CCCI)
27	Mr. Md. Kamal Mostafa	Manager	Raja Group
28	Mr. Swapan Kumar	Officer	Chittagong Rice Mills.
29	Mr. Biplob Barua	Managing Director	ASL Shipping Line ltd.
30	Mr. Md. Faizul Kabir	Manager	ASL Shipping Line ltd.
31	Mr. Md. Ali Asgar	Deputy Secretary	Chittagong Chamber of Commerce and Industry (CCCI)
32	Mr. Engr. Md. Faruque	Secretary Incharge	Chittagong Chamber of Commerce and Industry (CCCI)
33	Mr. Md. Mokammed Hoque Khan	Officer	Chittagong Chamber of Commerce and Industry (CCCI)

Appendix 8: Validation Workshop Proceeding

Government of the People's Republic of Bangladesh
Bangladesh Regional Connectivity Project-1
Ministry of Commerce
Level-12 (west side) Prabasi Kalyan Bhaban
71-72, Eskaton Garden, Dhaka-1000

Proceeding of Validation Workshop on

- I. **WTO Special and Differential Treatment (S & DT) and Graduation Challenges of Bangladesh; and**
- II. **Simplification of Trade Procedures, Custom Modernization, Ease of Doing Business for Export Promotion of Bangladesh to Ensure Policy Coherence between National Development Priorities and International Obligations on Trade Facilitation Agreement.**

Jointly Organized by: Bangladesh Foreign Trade Institute (BFTI) and Bangladesh Regional Connectivity Project (BRCP)-1, WTO Wing, Ministry of Commerce

Date : March 22, 2023

Venue : Bangladesh Foreign Trade Institute (BFTI) Conference Room and Class Room 2.

Introduction

Bangladesh Foreign Trade Institute (BFTI) organized a Validation Workshop on Study-1 and Study-3 of 04 studies under Bangladesh Regional Connectivity Project-1 of WTO Wing, Ministry of Commerce on March 22, 2023, at 09:30 AM in Bangladesh Foreign Trade Institute (BFTI) Conference Room and Class Room 2, BFTI, Dhaka.

Mr. Tapan Kanti Ghosh, Senior Secretary, Ministry of Commerce graced the validation workshop as the Chief Guest. Mr. Md. Obaidul Azam, Director, BFTI delivered the welcome remarks. Mr. Md. Mijanur Rahman, Project Director (Joint Secretary), Bangladesh Regional Connectivity Project (BRCP)-1 and Ms. Nusrat Jabeen Banu NDC, Additional Secretary (Director General) WTO Wing, Ministry of Commerce were present as special guests.

Dr. Md. Jafar Uddin, Chief Executive Officer (CEO), Bangladesh Foreign Trade Institute (BFTI) presided over the Validation Workshop as the chairperson.

Summary of the Opening Session

Mr. Md. Obaidul Azam, Director, BFTI welcomed the guest and shared the background of the studies, including the process on how data was collected and draft reports were prepared in consultation with relevant stakeholders. He informed that post LDC graduation challenges and potentials were taken into consideration while preparing policy recommendations of the two studies. He also mentioned that a series of review meeting has been carried out between consultants of BRCP1 and Team leader along with his co-worker of 04 Studies before finalize the draft reports.

Mr. Md. Mijanur Rahman, Project Director (Joint Secretary), Bangladesh Regional Connectivity Project (BRCP)-1 remarked that both studies are very important for overcoming the LDC graduation challenges and improving the competitiveness of the country. He encouraged the stakeholders from public and private sectors to provide specific insights about

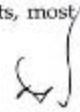
the two studies and requested to point out underlying gaps in Bangladesh's approach to LDC graduation and trade simplification. He remarked that, for the LDC-graduated countries like Samoa, Cabo Verde, etc., FDI increased after graduation but GDP declined. This phenomenon should be analyzed critically for realizing the post-graduation scenario.

Ms. Nusrat Jabeen Banu NDC Additional Secretary, WTO Wing, Ministry of Commerce stressed the importance of these two studies in the current preparatory phase of the LDC graduation context of Bangladesh. She expressed that the opinions and comments of the participants of this validation workshop would enrich the reports of the respective studies. She informed that, both of the reports will be very important for the government to formulate strategies for LDC graduation and Trade Facilitation.

Dr. Md. Jafar Uddin, Chief Executive Officer (CEO), BFTI Chairperson of the Validation workshop thanked BRCP-1 and WTO wing, as they had trusted BFTI to conduct these studies. He also expressed his heartfelt gratitude to the participants of this validation workshop for attending this workshop. He informed that Ministry of Commerce is relentlessly working for ensuring a smooth graduation of the country. He pointed out that Ministry of commerce is carrying out numerous crucial research activities in order to overcome the challenges and embrace the prospects of LDC graduation in 2026. He remarked that private sector, think tank and other public agencies like NBR, BSTI, plant quarantine dept. etc. should work in synergy with the ministry of commerce to overcome graduation related challenges effectively.

Mr. Tapan Kanti Ghosh, Senior Secretary, Ministry of Commerce remarked that the reports of these two studies incorporated all the necessary things meticulously. However, since the LDC graduation of Bangladesh is confirmed, more focus should be given to the future prospect and challenges of the graduation instead of the background and history of the graduation. Regarding 'preference scheme available after post-graduation', he said that after LDC graduation, the MFN tariff would not be applied to Bangladesh by China but Bangladesh would continue to receive APTA benefits from China. Similarly, some benefits will still prevail for Bangladesh in Australia and other markets after 2026 which should be reviewed. He informed that Bangladesh is the only country that has utilized the S&DT benefits and ISMs provided for the LDCs most efficiently compared to other LDCs like Cambodia. He expressed optimism that even though the country's 71% of trade is conducted under S&DT measures, LDC graduation will not be challenging for Bangladesh if the country can prepare well. For instance, in the USA market, Bangladesh does not have any preferential benefits and still the country's export to the USA in the last FY was worth USD 10 billion. He also added that from observing the recent trend of other countries' exports to the USA like China, Vietnam, India, Indonesia, etc., it becomes apparent that the growth of Bangladesh is outstanding. In the EU market, several years ago, the gap between the knitwear export volume of China and Bangladesh was significant, but now the gap is shrinking over time.

However, gaps still exist in woven wear since the demand for woven wear is less in the EU market. Bangladesh has also become the largest Denim exporter in the EU market. He addressed that in last year, the country's total export was USD 52 billion, of which 42 billion was contributed by the RMG sector. Because of this export dependency on a single product, two risks may arise. One is the export margin, which may decline after 2026 and another is the less diversified export basket which may reduce competitiveness. He further informed that, although Bangladesh has a diversified economy with different products, most of the products lack competitiveness for export.



Apart from the above, he added that Bangladesh has to increase the competitiveness of the potential sectors by utilizing preferential market access which may also prevail for the UK, EU, Australia, etc. after 2026. He also remarked that, for those markets where the country could lose preferential market access, FTA negotiations are ongoing for securing seamless market access. He expressed that the major problem is not about market access, rather the hindrance to improving the competitiveness of the export. Hence, Bangladesh should address the issues like lack of FDI, skills gap, lack of service process simplification of NBR, BSTI, DAE and other relevant agencies. He also added that at present utility cost and labor cost are lower in Bangladesh compared to other competing countries but after graduation labor wage may increase. He further informed that National Export Committee has been formed under the leadership of Honorable Prime Minister for increasing the export competitiveness of the different industries. He added that there are some policy compulsions exist, for instance, import duty on raw materials for RMG is eased, as RMG is 100% export-oriented industry whereas other export-oriented industries do not get the same treatment.

Moreover, he suggested that to overcome this, all industries might be transferred to special economic zones or provided special bonded warehouse facilities and bank guarantee could be provided for zero tariff raw material import for those industries. However, 0% or 1% tariff for different industries also rises the risk of revenue loss, so such tariff benefits for raw materials should be introduced only for top export potential industries. He suggested that human resources should be developed by continuous training programs and FDI is needed in this regard, as it would enhance knowledge of market intelligence. He recommended that Bangladesh should follow the international structure of trade by the WTO and ensure dignified outcomes for Bangladesh by assessing how much value addition is generated by the country's supply chain and whether the interest of the country is being exploited by exporter countries or not. He suggested that domination issues in the supply chain system should be addressed in RMG sector and fair price and human rights should be ensured for the Bangladeshi workers for export-oriented industries. He informed that, even in the sustainability compact meeting with international buyers, human rights, fair price, etc. issues were overlooked.

Finally, he recommended that achieving compliance is most crucial for Bangladesh to ensure competitiveness in the global market. He informed that Good Agriculture Practice (GAP) policy has been formulated which is yet to be implemented, though the policy should be implemented extensively to diversify our export basket. About trade facilitation, he remarked that documents submission in different business processes should be simplified. He added that the country's automation system lacks interoperability, so integrated automation is necessary for seamless information sharing, however, automation cannot always bring simplified process if multiple documents are still required. He further informed that, for facilitating trade procedure simplification, the yearly license renewal period has been extended to 3 to 5 years for different organizations. Pointing out the importance of FTA negotiations, he further suggested that customs duty should be rationalized, though customs duty is a significant revenue source for Bangladesh till now. However, most of the developed countries increase their revenues from direct taxation. He further recommended that NBR's policy reform about revenue generation is needed since Bangladesh has to meet the requirements of the FTA regarding duty reduction. Given the concern, he requested NBR to review the revenue sources that could be the best alternative to customs duty.



Technical Session-2:

Study: Simplification of Trade Procedures, Custom Modernization, Ease of Doing Business for Export Promotion of Bangladesh to Ensure Policy Coherence between National Development Priorities and International Obligations on Trade Facilitation Agreement.

Moderator: Md. Obaidul Azam, Director, BFTI.

Panel Discussant, Mr. Md. Tofayel Ahmed, First Secretary, Customs Audit and Intelligence, NBR

- ASYCUDA World is used by the customs not ASYCUDA or ASYCUDA++ and the study should update this information.
- Regarding Risk-based clearance at all CHs and LC stations, Bangladesh customs does not have any green channel in its ASYCUDA. Only the Red and Yellow channel is available. The green channel is only available for airport passengers. this information should be updated.
- Regarding Major Initiatives Undertaken for TFA, the study reflected the initiatives accurately.
- How the NTFC will work for TFA and the challenges or bottlenecks faced by this committee should be explored.
- Lack of information availability and lack of information flow among the stakeholders is a crucial challenge for the TFA implementation in Bangladesh. Sometimes ministries and agencies often cannot provide accurate information timely.
- Institutional weaknesses are interlinked. Supporting Infrastructure development is necessary for overcoming weaknesses and increasing coordination. For instance, the third terminal of Dhaka airport was built without any consultation of customs, not considering the area requirement of customs.
- Institutional weaknesses should be more specific and more smartly represented.
- Customs is the most crucial agency in Trade facilitation since they deal with the movement of goods and people directly.
- The study can mention the capability of NBR and how NBR is working over its capacities in the current situation.
- Government should focus more on developing the NBR specially customs wing as it is associated with revenue-earning activities.
- If one vehicle broke down in a convoy of 35 vehicles under one bill of entry, customs have the policy to release the rest 34 vehicles. If a car broke down, and if the exporter informs the customs commissioner, then these problems are released seamlessly. However, this problem exists on the Indian side and it may be presented in the joint group of customs meeting with India.
- For finished export products to be shipped using the same imported raw materials trailers, organizations may apply to the customs board for approval.
- Goods are not detained longer due to customs testing, rather importers can release their goods by issuing a promissory note to the customs.
- Gender and Environmental issues in the case of the implementation of TFA should be reflected in the report.



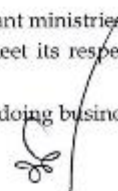
- The HS code declaration problem can be resolved if the importers try to correct the HS code before the goods arrive in the country. HS code declaration issues should be solved within 2 months of LC opening, customs bond commission oversees the HS code correction-related issues.
- Customs does not deal with non-professional people usually. Expert, C&F agents should be used for avoiding any HS code misdeclaration issues.
- Adding new HS codes in opened order or LC is very complex in the existing customs system.
- HS code and valuation simplification issues should be addressed in the report. Valuation differs from customs station to customs station.
- Classification dispute settlement issues and processes should be known by the importers-exporters for avoiding customs issues.

Panel Discussant, Dr. M. Masrur Reaz, Chairman & CEO, Policy Exchange of Bangladesh

- In the 80s, tariff policy reform and tariff rationalization was the main instrument for enhancing trade competitiveness. However, now, trade facilitation is the most crucial issue for trade competitiveness.
- Port efficiency and an improved logistics ecosystem should be increased for smooth trade facilitation. The multimodal transport system, ICDs, and supporting roadways should be ensured for improving the trade environment. NBR is not the only responsible party in trade facilitation rather other agencies and their cooperation, and coordination is also crucial.
- Trade facilitation can reduce trade costs by up to 24% which will increase our competitiveness regardless of DFQF and preferential treatment loss.
- We can mitigate our trade loss by GSP expiration after LDC graduation by improving our trade facilitation activities.
- Vietnam's approach to trade-led investment emphasizing trade facilitation has improved the country's overall trade environment. Vietnam's TFA approaches can be followed by our country.
- Our trade facilitation compliance score is good but before graduation, we have to increase this score as much as possible to make the country's trade environment competitive.
- We have to analyze our TFA score and realize why it is not higher now.
- Private sectors comprising traders, exporters importers, etc. should be included in the policy reform dialogue and implementation so that reforms are in line with the private sector's expectations.
- Our capacity should be increased in policy reform implementation and enforcement.
- Our knowledge of WTO rules, laws, and regulations should be increased for ensuring better compliance with them.

Mr. Mohammad Jahangeer Kobir, Joint Secretary, Member (Traffic), Bangladesh Land Port Authority (BLPA)

- In order to comply with the TFA agreement, the capacity of all relevant ministries and institutions should be strengthened. Every organization should meet its respective TFA obligation(s) timely.
- BLPA's goal is to meet the trade facilitation agenda through ease of doing business in the land ports.



- However, due to customs testing, inspection and final clearance report, the time for the release of goods often increases. Customs testing facility is only available in Benapole land port. Testing process in the customs examination increases release time.
- BLPA does not have access to the ASYCUDA world software and data sharing is hindered as BLPA is not interlinked with customs. However, as a part of the e-port management system data sharing mechanism has been introduced in only Benapole and Burimari land ports.
- Automation is not apparent in other land ports (except Benapole and Burimari), as a part of the automated approach, the implementation of only automated weigh scales is visible in other land ports. Import General Manifest entry is still done manually on paper at the entry point in other ports.
- New administrative buildings are now being built in different land ports for implementing one-stop services by converging different offices of different agencies within one building.
- It becomes difficult for traders to pay the assessed duty of goods in the evening or night since often they receive assessment reports after banking hours.
- Ports cannot be kept open 24/7 due to lack of sufficient personnel of different organization including bank.
- Agreements with Indian authorities for establishing common gate and port space expansion initiatives are taken by BLPA to facilitate trade via land ports.
- Trucks reaching Bangladesh from Nepal and Bhutan are delayed by the Indian side interventions. Also, Bangladeshi trucks cannot reach Nepal or Bhutan directly through India. These non-tariff barriers should be reduced for enhancing regional trade.
- BSTI, Animal Quarantine and Plant quarantine lack sufficient manpower in many ports since there is no plant quarantine office in Belonia land port.
- Through some land ports, there is significant potential for exporting animals and fish. NBR should allow fish and animal export through these land ports.
- Automation and modernization are mandatory for all ports now to meet the TFA obligations by 2030.
- In Bhomra land port, traffic will increase due to the impact of the Padma bridge. Swisscontact has provided 10 crores BDT for the automation of Bhomra land port.
- Land port operational guideline is only available for Benapole Land port and other ports follow that. This guideline is now being reformed and corrected for developing a uniform land port operational guideline that can be applied to all land ports.
- Masterplan has been made by BLPA along with the BRCP-1 project for converging computers, logistics and servers at every land port for implementing automated services.
- BLPA is now increasing interconnection with other agencies like customs, BSTI, Plant quarantine etc.
- A joint security checking system by BGB and BSF is not possible due to international policies.
- Bangladesh is not attracting substantial FDI because of multiple document submissions, and multiple agency services requirements.

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Mr. Md. Mijanur Rahman, Project Director (Joint Secretary), BRCP-1

- Coordination among different port agencies is necessary for meeting TFA obligations.
- The study reviewed import-export and other policies. However, for effective TFA implementation, which specific parts of the policy need to be reformed should be identified.
- Regarding the Risk management system, NBR and BSTI's policy reform may be required and areas of reform should be explored. Other relevant agencies may incorporate risk management policies.
- Manpower shortage issues in different agencies and organizations should be critically analyzed in light of automation initiatives.
- Analyzing the ease of doing business reports of Bangladesh, specific areas of improvement should be suggested. For instance, the recent IRS study outlined various gaps and the study can incorporate suggestions for addressing gaps and reducing trade time.

Mr. Abdur Rouf, Senior Deputy Executive Director, Walton Group

- The study covered all of the problems the traders face in the country vividly.
- If different trucks of the same invoice shipment reach at different times in the port, the clearance gets delayed as the partial shipment is not provided.
- Imported raw materials from India through trailers are returned and emptied. However, if finished export products can be shipped using the same trailers, the cost of trade would reduce.
- In Benapole port, imported chemicals require 8 days to be cleared because of slow customs testing services. This increased trade and production costs for the importers. A pre-testing facility can be initiated so that customs can pre-test a sample and release the bulk shipment when it arrives.
- Third-party labs owned by Walton, Pran-RFL, and other businesses and accredited by BAB and ILAC can be used by the government for testing.

Mr. Md. Atiqur Rahman Khan, Team Leader, 04 Studies

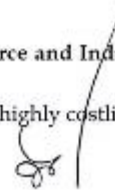
- HS code dispute settlement results and classification rulings information should be made available public so that any trader can use that information to avoid similar problems or resolve similar issues. This classification ruling information can be made available online on the trade portal or NBR's website.
- An appeal system should be there for challenging NBR's rulings or the assessment committee's decisions.

Mr. Abdullah Al Mahmud, AD Policy, Civil Aviation Authority of Bangladesh, HQ

- A 3rd terminal is being built at the Dhaka airport. Also, 2 additional terminals for import and export are being developed for facilitating airway trading. Additionally, 3 warehouses with space of 1 lakh sq feet are being developed for handling air cargo.
- Civil aviation only handles the scanning part of the export cargo. The scanning facility is sufficient and working properly.

Ms. Lily Akter Banu, Member, Bangladesh Women Chamber of Commerce and Industry (BWCCI)

- Exporting perishable/vegetable products through public airways is highly costlier.



Mr. Abdur Rahman, Deputy Chief, Investment, MCCI

- Among the TFA components, NSW and Risk management systems should be implemented quickly for trade facilitation.
- The number of AEOs should be increased for TFA implementation.
- Customs e-payment system is easing payment processes for traders.

Mr. Md. Kawser Ali, Deputy Secretary, BGMEA

- Information and letters received from the NBR are often hard to understand by businesses.
- In case of HS code declaration problems, goods should be allowed to be released by proving an undertaking or promissory note.
- A central warehouse can be developed in the importing countries for handling our goods seamlessly.
- VAT, TAX should be clarified and charged uniformly.

Mr. Mohammad Nazmul Ahsan, Co-Chairman, Government Affairs Standing Committee, Future Sky Limited (On Behalf of e-CAB)

- We can purchase products from foreign e-commerce sites like Alibaba but we cannot sell products online to overseas markets through e-commerce sites because of payment problems. LC and payment collection become prime issues in the case of cross-border e-commerce. However, policy development initiatives for facilitating cross-border e-commerce are ongoing with the collaboration of the WTO wing, Ministry of commerce.
- Policy support is needed for cross-border e-commerce facilitation.
- Policy support is needed for cross-border e-commerce facilitation.

Mr. Md. Humayun Kabir, Senior Quality Control Officer, Bangladesh Frozen Foods Exporters Association (BFFEA)

- Certifications should be provided online so that document submission in the trade process can be reduced.

Mr. Md. Hafizur Rahman, Adviser (Accounts), Bangladesh Fruits, Vegetables & Allied Products Exporter's Association (BFVAPEA)

- Traders lack awareness of Maximum Residue Levels (MRL) and pests or other quarantine issues.
- Quarantine service centers lack efficient and expert personnel.
- Lacks pack houses for packaging in our country, packs houses can be developed in the nearby airport area.
- For perishable goods, special dedicated warehouses or shed facilities should be developed in the airport and other ports.
- Quarantine officials and checking should be there with the civil aviation scanning system in the airport.

Mr. Md. Sajib Hossain, Sr. Assistant Secretary (R&D), Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA)

- Dispute settlement mechanisms and many NBR issues have been well discussed in the validation workshop.
- The number of Authorized Economic Operators (AEOs) should be increased since approved 46 AEOs are yet to be given permission.



Mr. Anup Kanti Saha, Junior Trade Specialist (Local Consultant), BRCP-1

- Regarding traditional customs and modern customs practices, the status of Bangladesh should be addressed for understanding the current situation of Bangladesh customs. Show the Bangladesh Status through another Columns in the 'Matrix of Concept of Customs modernization'
- To make a Matrix of Problems mentioned in the report and Way-out to solve the problems
- HS Code Problem facing by Importer-Exporter from Customs point of Bangladesh: Way-out;
- Problems of FDA (Foreign Direct Investment) facing by Foreign Investor and Way-out;
- Specific suggestion for Export Promotion;
- Dissemination of Report to the Proper Stakeholders to Implement suggestions.

Mr. Feroj Al Mamoon, Deputy Secretary, Ministry of Commerce

- Recommendations of this study can be represented in a matrix format with action plans.
- Along with "Digital Bangladesh" concept for customs modernization, and Smart Bangladesh concept should be added to the study.
- "Area to Emphasize More for Trade Facilitation" should be explained and simplified for the understanding of the stakeholders.
- De Minimis limit amount should be fixed on the USD rate instead of BDT and suggest a range for that.

Ms. Nusrat Irin, Deputy Secretary (IIT-2), IIT Wing, Ministry of Commerce

- The survey sampling method can be explained whether it was probability sampling on non-probability sampling.

Mr. Md. Obaidul Azam, Senior Trade Expert, 04 Studies and Director, BFTI and Moderator of the validation workshop

- Trade facilitation will reduce the cost of trade by 14.6% whereas average tariff after graduation will increase about 9%.
- If we see the paperless trade measures along with A and B category TFA measures, we can see the score of Bangladesh is 64.30 which indicates a positive picture of Bangladesh, however, the comparison with neighboring countries reveals that the score has more room for improvement.
- Category C items of TFA should be implemented before 2030 and their implementation should be sped up.
- A new target and plan for National Single Window (NSW) implementation time (project time) should be addressed in the study.
- Recommendations can be made on the specific timeline of NSW and risk management implementation.
- Manpower shortage and requirements can be determined by analyzing past, present manpower in proportion to past and present trade volume.
- The type of people or manpower required in CTG port and other agencies as well as the transition of officials for digitalization can be mentioned.
- Trade bodies can work collaboratively with NBR for increasing the number of AEOs.
- Customs should hold a mandatory training program for the C&F agents yearly.
- An information hub can be developed in each customs station for meeting public queries.



Appendix 9: Validation Workshop Participant List

Validation Workshop

Date: March 22, 2023

Venue: Bangladesh Foreign Trade Institute (BFTI) Conference Room and Class
Room 2, Time: 09:30 AM

Sl.	Name & Designation	Organizations
01	Mr. Atiqur Rahman Khan, Team Leader, 04 Studies suggested by PSC	BFTI
02	Mr. Md. Obaidul Azam, Senior Trade Expert, 04 Studies and Director	BFTI
03	Mr. Md. Tofayel Ahmed, First Secretary, Customs Audit and Intelligence	NBR
04	Mr. Mohammad Jahangeer Kobir, Joint Secretary, Member (Traffic)	Bangladesh Land Port Authority (BLPA)
05	Dr. M. Masrur Reaz, Chairman & CEO	Policy Exchange of Bangladesh
06	Mr. Md. Mijanur Rahman, Project Director (Joint Secretary)	BRCP-1
07	Mr. Rashedul Kabir, Research Manager (AC)	BFTI
08	Mr. Md. Hafizur Rahman, Adviser (Accounts)	Bangladesh Fruits, Vegetables & Allied Products Exporter's Association (BFVAPEA)
09	Mr. Abdur Rouf, Senior Deputy Executive Director	Walton Group
10	Mr. Mohammad Nazmul Ahsan, Co-Chairman, Government Affairs Standing Committee	Future Sky Limited (On Behalf of e-CAB)
11	Mr. Abdur Rahman, Deputy Chief, Investment	MCCI
12	Ms. Lily Akter Banu, Member	Bangladesh Women Chamber of Commerce and Industry (BWCCI)
13	Mr. Md. Sajib Hossain, Sr. Assistant Secretary (R&D)	Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA)
14	Mr. Md. Humayun Kabir, Senior Quality Control Officer	Bangladesh Frozen Foods Exporters Association (BFMEA)
15	Mr. Feroj Al Mamoon, Deputy Secretary, Planning-1	Ministry of Commerce (MoC)
16	Mr. Md. Kawser Ali, Deputy Secretary	BGMEA
17	Mr. Md. Zahurul Islam, Assistant Programmer	BGMEA

Sl.	Name & Designation	Organizations
18	Ms. Nusrat Irin, Deputy Secretary (IIT-2), IIT Wing	Ministry of Commerce
19	Mr. Ali Muhammad Irfan Bhuiyan, Snr. AD	Walton Group
20	Mr. Anup Kumar Saha	BRCP-1
21	Mr. Abu Azam, Squadron Leader (DD Avsec), Avsec Division	Civil Aviation Authority of Bangladesh, HQ
22	Mr. Abdullah Al Mahmud, AD Policy	Civil Aviation Authority of Bangladesh
23	Ms. Afsana Hossain, Field Officer (CM)	Bangladesh Standards and Testing Institution (BSTI)
24	Mr. Sayed Arafat, Research Office	BFTI



Government of the People's Republic of Bangladesh
Bangladesh Regional Connectivity Project-1
Ministry of Commerce

**Study: Sanitary and Phyto-sanitary (SPS) and Technical
Barrier to Trade (TBT), Coordination and Notification,
Certification Process and Infrastructure for Promoting Trade**



Bangladesh Foreign Trade Institute (BFTI)

March 2023

**Government of the People's Republic of Bangladesh
Bangladesh Regional Connectivity Project-1
Ministry of Commerce**

Level 12 (Westside), Prabashi Kallyan Bhaban, 71-72 Eskaton Garden Road,
Dhaka-1000, Bangladesh.

**Sanitary and Phyto-sanitary (SPS) and Technical Barrier to Trade (TBT),
Coordination and Notification, Certification Process and Infrastructure for
Promoting Trade**

SUBMITTED TO:

The Project Director

Bangladesh Regional Connectivity Project (BRCP)-1

Ministry of Commerce

Bangladesh Regional Connectivity Project-1

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March 2023

Preface

SPS and TBT measures are considered as Legal and Technical Measures, meant for the government's legitimate objectives to protect human, animal, plant health and environment to ensure standard product and consumer safety. Hence, these measures imposed by the government have implications for trade. The study intends to focus on the trade implications of these SPS and TBT measures from the export and import point of view of Bangladesh and attempts to find capacity-building measures for better compliance and less distortion for trade flows, as per the standard methodology.

The main objective of this study is to conduct a National Diagnostic Study (NDS) for a better understanding of the SPS and TBT situation in Bangladesh and its trade implications to address the required capacity-building activities both locally and regionally. Over recent past years, Sanitary and Phytosanitary (SPS) and Technical Barriers to Trade issues have assumed an increasing significance in the context of international trade.

The outcomes of this study will be useful to the government and relevant authorities to revise and update policy and legislative regimes of SPS and TBT and develop SPS and TBT-related infrastructure, lab and technical professionals for facilitating trade. Moreover, the study also aims to review and identify gaps in the existing policy, infrastructure, testing lab, logistic support at quarantine stations and legal and regulatory regime at national and international levels.

I would like to convey my sincere thanks to BFTI team and all other relevant stakeholders directly and indirectly contributing with their valuable opinions and efforts for the preparation of this report.

Mr. Md. Mijanur Rahman

Project Director (Joint Secretary)

Bangladesh Regional Connectivity Project (BRCP)-1

WTO Cell, Ministry of Commerce

Acknowledgment

Bangladesh, upon substantial socio-economic progress throughout the last decade, has been recommended for graduation from LDC status which will also pose certain challenges related to international trade for the country. The study-4 sheds light on the growing awareness and comprehension regarding the conformity to Sanitary and Phyto-sanitary (SPS) and Technical Barriers to Trade (TBT) measures in trade due to the persistent increasing concern for safe and sanitary food, animal or plants health measures and technical regulations of foods and for all products, industrials and agricultural particularly in developed countries. While these countries have responded to such preferences by implementing increasingly stringent SPS regulations and TBT standards. These prerequisites have frequently acted as considerable hindrances to the entrance of exports from developing countries. The study 4 titled 'Sanitary and Phyto-sanitary (SPS) and Technical Barriers to Trade (TBT), Coordination and Notification, Certification Process and Infrastructure for Promoting Trade' has been conducted by the Bangladesh Foreign Trade Institute as a part of "Conducting 04 studies suggested by Project Steering Committee (PSC) in FY 2021-22" under the Bangladesh Regional Connectivity Project-1. I would like to thank BRCP-1 for entrusting BFTI with the responsibility.

The major objectives of the study are to review the current scenario of SPS & TBT measures in Bangladesh and its institutional framework, infrastructure facilities, and legal structure and identify the coordination at national, regional, and international levels for ensuring SPS and TBT notification compliances as well as building a robust understanding of the specific needs of the country through National Diagnostic Studies (NDS).

I express my gratitude to the Additional Secretary, WTO Wing, Ministry of Commerce, Ms. Nusrat Jabeen Banu NDC, Md. Hafizur Rahman former Director General, WTO Wing, Ministry of Commerce, Team Leader of this project, Md. Atiqur Rahman Khan and National Trade Expert as well as the Director, BFTI, Mr. Md. Obaidul Azam, and other researchers, statisticians, data analysts, and field surveyors of the study team from BFTI who worked diligently on the report.

I also would like to thank Mr. Md. Mijanur Rahman, Project Director, Mr. Md. Munir Chowdhury, National Trade Expert, Bangladesh Regional Connectivity Project-1 as well as high officials from Ministry of Commerce, NBR, EPB, DAE, DLS, Plant Quarantine Wing, Chambers and Associations who provided their extended supports and gave us an opportunity to complete the study. Most importantly, I would like to convey my deepest respect to the Secretary, Ministry of Agriculture, Ms. Wahida Akter, for her kind presence and comments in the validation workshop. I am also thankful to all the participants of Key Informant Interview (KII), FGD and Public Consultations for their valuable cooperation and suggestions.

Dr. Md. Jafar Uddin

Chief Executive Officer (CEO)

Bangladesh Foreign Trade Institute (BFTI)

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List of Abbreviations and Acronyms

ACFS	Agricultural Commodity and Food Standards
ADB	Asian Development Bank
APAC	The Asia Pacific Accreditation Cooperation
BAB	Bangladesh Accreditation Board
BARC	Bangladesh Agricultural Research Council
BAEC	Bangladesh Atomic Energy Commission
BB	Bangladesh Bank
BBIN	Bangladesh-Bhutan-India-Nepal
BCCI	Bhutan Chamber of Commerce and Industry
BCSIR	Bangladesh Council of Scientific and Industrial Research
BIS	Bureau of Indian Standards
BIDA	Bangladesh Investment Development Authority
BGMEA	Bangladesh Garment Manufacturers and Exporters Association
BKMEA	Bangladesh Knitwear Manufacturers and Exporters Association
BNTP	Bangladesh National Trade Portal
BSTI	Bangladesh Standards and Testing Institute
BTTC	Bangladesh Trade and Tariff Commission
CAC	Corporate Affairs Commission
CCC	Ceylon Chamber of Commerce
CGE	Computable General Equilibrium
CM	Certification Marks
COMTRADE	Commodity Trade Statistics
DAE	Department of Agriculture Extension
DCCI	Dhaka Chamber of Commerce & Industry
DGF	Directorate General of Food
DoF	Department of Fisheries
EIF	Enhanced Integrated Framework
EPB	Export Promotion Bureau
EU	European Union
FAO	Food and Agriculture Organization
FBCCI	Federation of Bangladesh Chambers of Commerce and Industry
FCCISL	Federation of Chambers of Commerce and Industry of Sri Lanka
FICCI	Federation of Indian Chambers of Commerce and Industry
FDA	Food and Drug Administration
FGD	Focus Group Discussion
FIQC	Fish Inspection and Quality Control Wing
FNCCI	Federation of Nepalese Chambers of Commerce and Industry
FOB	Free on Board

FSSAI	Food Safety and Standards Authority of India
GATT	General Agreement on Tariffs and Trade
GAP	Good Agriculture Practice
GMO	Genetically Modified Organism
GTAP	Global Trade Analysis Project
HACCP	Hazard Analysis Critical Control Point
HS	Harmonized System
ICD	Inland Container Depot
ICP	Integrated Check Post
IEC	International Electrotechnical Commission's
IFST	Institute of Food Science and Technology
ILAC	International Laboratory Accreditation Cooperation
IP	Import Permit
IPO	Initial public offering
IPPC	International Plant Protection Convention
IRC	International Rescue Committee
ISO	International Organization for Standardization
ITC	International Trade Centre
KII	Key Informant Interview
LCS	Land Customs Station
LDC	Least Developed Country
LMO	Living Modified Organism
MC	Ministerial Conference
MCCI	Metropolitan Chamber of Commerce and Industry, Dhaka
MFN	Most Favored Nation
MNCCI	Maldives National Chamber of Commerce and Industry
MoC	Ministry of Commerce
MoI	Ministry of Industries
MRL	Maximum Residue Levels
MRA	Mutual Recognition Agreements
MVA	Motor Vehicle Agreement
NBR	National Board of Revenue
NDS	National Directorate of Security
NES	Not Elsewhere Specified
NID	National Identity Card
NRCP	National Residue Control Plan
NTB	Non Tariff Barrier
NTM	Non Tariff Measure
PC	Phytosanitary Certificate
PQW	Plant Quarantine Wing

PTB	Para Tariff Barrier
RDS	Rural Development Sangstha
RJSC	Registrar of Joint Stock Companies and Firms
RTA	Roads and Transport Authority
RTF	Regional Trade Facilitation
SAARC	South Asian Association for Regional Cooperation
SASEC	South Asia Subregional Economic Cooperation
SANEM	South Asian Network on Economic Modeling
SAFTA	South Asian Free Trade Area
SAPTA	SAARC Preferential Trade Agreement
SCCI	SAARC Chamber of Commerce and Industry
S&DT	Special and Differential Treatment
SME	Small and Medium Enterprise
SGS	Standard Global Services
SOP	Standard Operating System
SPS	Sanitary and Phyto Sanitary
TBT	Technical Barrier to Trade
TIN	Taxpayer Identification Number
TSE	Transmissible Spongiform Encephalopathy
UN	United Nation
UNCTAD	United Nations Conference on Trade and Development
UNIDO	United Nations Industrial Development Organization
USDA	United States Department of Agriculture
USA	United States of America
VAT	Value-Added Tax
WITS	World Integrated Trade Solutions
WTO	World Trade Organization
4IR	Fourth Industrial Revolution

Executive Summary

Sanitary and Phyto-sanitary (SPS) and Technical Barriers to Trade (TBT) have become burning issues in the context of international trade over the past years. Since the 1990s, several factors such as incremental demand for fresh, semi-processed and ready-to-eat food in the developed countries have led to the increase in trade of such products resulting in the emergence of the SPS and TBT issues. Besides, enhanced scientific understanding, coupled with growing public awareness and concern about food safety and health have resulted in an ever-increasing preference for safe and hygienic food, particularly in developed countries. While these countries have responded to such preferences by imposing stringent SPS regulations and TBT standards, these requirements have often acted as significant market access barriers to export from developing countries. Maintaining compliance with SPS and TBT would extend the opportunities for export and potential market access for Least Developing Countries (LDCs). International Trade Center (ITC) Survey results show that exporters in Bangladesh are affected by burdensome SPS & TBT and other obstacles to trade and in general, exporters were more affected (91%) than importers (53%). According to eping.wto.org, about 47.8% of SPS notifications are issued due to food safety reasons, which implies SPS complaints can increase the potentiality of trade. Similarly, 16.1% of notification are issued due to animal health, 16% of notification arises due to plant protection, 14.1% of notifications are issued due to protection of humans from animal/plant pest or disease and 6.1% of notifications are issued for protecting the territory from other damage from pests. So following SPS compliance in trade will increase the potentiality of export.

This study has given an explanatory overview of SPS and TBT measures in Bangladesh, exploring the issues of national preparation for meeting the condition of SPS and TBT within the legislation and infrastructural area. The study conducts a National Diagnostic Analysis of the institution related to SPS and TBT and identifies major challenges with policy recommendations.

Chapter 1 explores the objectives, scopes, methodology and data analysis process of the study. The objectives of the study are to identify potential products in SASEC countries that are subjected to SPS/TBT measures, to carry out a national diagnostic study of Bangladesh on SPS and TBT issues and finally to examine current national legislation, local practices, and international best practice along with recommendations. After contextualizing the background of the study, this chapter depicts the Key Provisions of SPS and TBT agreements and the basic idea of SPS and TBT, ranging from Equivalency, Mutual Recognition Agreements, Transparency and Notification Provisions, and Technical Regulations to Standards. The SPS agreement focuses on establishing

standards and ensuring safe food supply in accordance with criteria that each nation deems suitable, provided that such standards are based on scientific evidence for food safety and animal and plant health. The TBT Agreement aims to ensure the technical requirements and not to create an unnecessary hurdle to global trade. SPS and TBT issues can be considered both in case of export and import. Moreover, for exploring the importance of SPS and TBT in trade, the benchmark list of SPS and TBT provisions in RTA & FTAs are also discussed. Furthermore, the WTO Ministerial Conference (MC) declarations regarding SPS and TBT issues, especially the declaration of MC-12 have also been explored in this chapter.

Chapter 2 reviews the current scenario of SPS & TBT measures in Bangladesh and its legal structure. It has further explored Special and Differential Treatments (S&DTs) for Developing Countries and LDCs under the SPS and TBT Agreements and the relevant implications of these agreements for LDCs and Bangladesh. This chapter further explores difficulties faced by Developing Countries and LDCs in getting the S&DT benefits in the areas of maintaining standards, transparency, notification requirements and special needs of developing countries for technical assistance. SPS and TBT measures, in many instances, have acted as market access barriers to exports from developing countries. In addition, owing to lack of adequate resources, Developing Countries and LDCs face difficulties to ensure compliance with many of the SPS and TBT provisions. As a result, their export potential has continued to remain unrealized. The chapter shows a synopsis of the major laws that regulate SPS and TBT issues in Bangladesh in order to identify the current situation of food safety, livestock, fisheries and plant management system of Bangladesh. The chapter also mentions that Bangladesh's key acts, rules and policies governing the SPS and TBT environment are in need of modification. Finally, this chapter explores the TBT and SPS linkage with Trade Facilitation Agreement (TFA) and depict that easier procedure of certification process may pare the cost of doing business and facilitate trade. Moreover, Conformity Assessment relation with TFA is also explored with example. Furthermore, SPS facilities in Plant Quarantine station at different port are also discussed in this chapter.

In chapter 3, the study reviews the current status of SPS and TBT measures, institutional framework and infrastructure facilities through National Diagnostic Analysis. This chapter discusses the certification process of SPS and TBT, institutional capacity assessment for SPS-TBT measures, and responsible agencies for executing the measures. The chapter evaluates existing facilities regarding SPS and TBT compliance in Bangladesh, certification procedure and organizations involved to implement SPS and TBT regulation. It is found that the Plant Quarantine Wing of Bangladesh has been providing Import Permit, Phytosanitary Certificate and Release Order through online and the time and cost for getting certificates have been reduced, but the logistic facilities and technical support at Plant Quarantine Stations of land ports need to be expanded.

On the other hand, BSTI has increased its Bangladesh Standards following international standard authority guidelines but the institution needs to expand its more accredited products and testing parameters. Similarly, existing infrastructure and testing facilities along with standard certifications procedures of the Department of Fisheries, Fish Inspection and Quality Control Wing (FIQCW), Department of Livestock, Bangladesh Council of Scientific and Industrial Research (BCSIR) and Bangladesh Food Safety Authority (BFSA) are also discussed. This chapter further emphasizes the development of the capacity of the relevant agencies and the private sector to ensure compliance with SPS and TBT-related standards for the well-being of people and businesses. In Bangladesh, testing laboratories and inspection facilities infrastructure have been improved considerably in recent years due to (i) an increase in the number of laboratories under various public agencies, and (ii) engagement of private sector investment and ownership in this area. Bangladeshi products now have the option of being tested by accredited laboratories in Bangladesh but Bangladesh needs to establish more accredited labs. In this chapter, constraints of different regulatory organizations and their activities along with required intervention against challenges are explored.

Chapter 4 is about coordination at the national, regional and international levels for SPS & TBT notification compliances. It explores how the domestic market in Bangladesh is regulated in maintaining product quality, safety, cleanliness, and quality standards. Here, SPS and TBT compliances from production to exports along with regulatory body are discussed. It reviews the activities and responsibilities of the specific SPS and TBT related organizations like the Ministry of Agriculture, Ministry of Food, Ministry of Health, Department of Fisheries and Livestock, Department of Agriculture Extensions, Department of Plant Quarantine Wing, and Bangladesh Food Safety Authority as well as coordination among related organizations and departments. The chapter shows the present status of the SPS and TBT issues regarding foods, agricultural products, livestock and fisheries in order to identify the structure of the coordination and challenges retrieved from the implementation of the law. The chapter emphasized strengthening the coordination among the national level organization to ensure the implementation of rules and regulations. This chapter further reviews the implementing agencies' activities that are responsible for administering SPS and TBT measures in Bangladesh and explores the necessity for employing more skilled human resources and developing technical expertise. Moreover, SPS and TBT notifications by Bangladesh and Major SASEC Countries along with SPS and TBT notification procedures are also discussed in this chapter.

Chapter five reveals a significant number of potential export products that face a very high number of SPS-TBT measures, administered by multiple authorities in some of the importing SASEC countries. Findings show that India and Sri Lanka impose a substantial number of SPS-TBT measures on imports, while Nepal has a moderate

number of measures, and Bhutan and Maldives impose minimal SPS-TBT measures. For example, the study found 71 Bangladeshi products in the United Nations Harmonized Commodity Description and Coding System (HS code) 6-digit level that have potential for exports to Bhutan. Out of these 71 potential products, 61 of them face either SPS or TBT measures in Bhutan. Similarly, it was found that 127 Bangladeshi products in HS 6-digit level have the potential for export to India, but in reality, exporters are exporting in limited volume due to different SPS and TBT measures. All of these 127 potential products face multiple measures of either SPS or TBT in India. The major export items from Bangladesh to India i.e., items of jute and jute goods, textile and clothing, and frozen fish – are subject to extensive SPS and TBT measures in India. Likewise, 139 potential products were identified for exporting into Sri Lanka, out of which 54 products face SPS and TBT measures in Sri Lanka. Moreover, SPS and TBT Compliance for exporting into international countries including SPS and TBT Compliance in USA, United Kingdom (UK), EU, Japan and other Export Destinations are also discussed.

In chapter six, general insights, policy and regulatory insights based on the findings of the KII, FGD as well as public consultation are pictured. The exporters have informed that SPS affects most of the items of exportable products while TBT has an impact on fewer exportable goods. This chapter further elaborated that national and international level have different SPS rules and regulations. To promote export, Bangladesh needs to develop SPS and TBT-compliant export-oriented industry, keeping geographic concerns, public health concerns, and environmental protection measures in mind. And, here enhancing coordination between national and international levels about SPS and TBT-related issues need to be ensured.

An extensive evaluation is provided in **chapter seven** on the current environment of SPS and TBT-related infrastructure, human resources, testing facilities, policy and regulatory regimes in Bangladesh, and the state of the various agencies involved in administering the SPS and TBT policies. This chapter explores that the reluctance of exporters to comply with the import requirement and the delay in implementation of the Good Agriculture Practice (GAP) Policy 2020 has made stringent export market. The chapter further reviews the institutional capacity of BSTI, Department of Lives Stock and Fisheries, Plant Quarantine Wing, Fisheries inspection, Bangladesh Food Safety Authority and Quality Control Wing as well as conducts a gap analysis to find out specific challenges for the implementation of SPS and TBT regulations in the institutions. It is noted that many of the major laws in Bangladesh regulating the SPS and TBT environment are in need of reform, while most of the institutions related to SPS and TBT have shortage of technical workforce. The study also highlights the existing gap in policy implementation, testing facilities, monitoring systems as well as quality standards, safety and hygienic food issues. Although some progress like online service and certification processes have been made, the level of enforcement of law and monitoring

are needed to be improved. Moreover, the best practices of Malaysia, Thailand, India and USA regarding SPS and TBT issues are explored. USA has notification processes on SPS and TBT to address foreign government measures that hinder US exports and these are discussed in bilateral negotiation with potential trade partner. The US-FDA oversees the safety of most human and animal foods and drugs, while meat and poultry products are regulated by the FSIS under separate acts. In case of India, the country has strict rules and regulation for SPS measures and the SPS measures overseas by Food Safety and Standard Authority of India and Bureau of Indian Standards (BIS). So far BIS has set more than 17,000 standards in compliance with IPCC, Codex Alimentarius and World Organization for Animal Health (WOAH).

Evaluating the existing infrastructure in maintaining compliance with SPS and TBT, **chapter eight** of the study emphasizes establishing a network of properly equipped with food testing facilities run by qualified and experienced personnel to ensure consumers' access to safe food. Food safety needs to be tested and verified by an efficient network of accredited laboratories at every stage of production, including harvesting and processing to which regulatory bodies should pay special attention. Such a network will help safeguard local crops against pests and diseases notification issues from abroad while keeping food and water supplies away from contaminants and residues from microbiological and chemical sources and reduce the negative impacts of pesticides. In addition, to promote the agribusiness industry and encourage the export of goods with agricultural and animal origins, comprehensive management of the relevant sectors is needed, especially in maintaining product quality, traceability and Good Agriculture Practices. At the same time, maintaining adherence to the internationally accepted SPS and TBT standards will promote international trade in Bangladesh. The study has suggested to increase the number of accredited labs at strategic locations close to industry clusters, ports and main trading hubs. It is further suggested in the validation workshop that the Ministry of Commerce may formulate a national single coordination body regarding SPS and TBT issues which should include representatives from respective ministries, SPS and TBT-related government agencies, private sectors, and business associations. Moreover, stakeholder has requested to organize a minimum of two coordination meetings in quarterly basis on SPS and TBT issues under the Ministry of Commerce for addressing the challenges of SPS & TBT issues in trade.

Chapter 1: Introduction

Transition to a developing country will create several challenges besides building a positive image of Bangladesh in the world and creating new opportunities for investment and trade. One of the challenges is the loss or limitation of duty-free quota-free market privileges in international markets under the World Trade Organization (WTO). In order to meet this challenge, production of high quality of export goods and services at competitive prices and market diversification are essential. It is necessary to conclude trade agreements with potential countries in order to regain market access. The current government has adopted several schemes to develop Bangladesh into a developed, prosperous and high-income country. Creation of Digital Bangladesh, Perspective Plan-2021- 2041 are placed in the plan Vision 2021 to upgrade Bangladesh from a lower middle-income country to an upper middle-income country by 2031 and a high-income country in 2041. The 8th Five Year Plan has served as a roadmap for the implementation of Vision 2021, Perspective Plan -2021-2041 and implementation of SDG-2030. The 8th Five Year Plan will act as a catalyst in the implementation of Export Policy 2021-2024.

An export-led growth strategy is currently Bangladesh's top priority in order to maintain the pace of ongoing economic development. In order to achieve this goal, the ministry of commerce recently formulated a new export policy for the fiscal years 2021–2024 that emphasizes Bangladesh's transformation into the club of developing nations, the challenges posed by the Fourth Industrial Revolution (4IR), and mitigating the potential economic effects of the pandemic. The goal of the strategy, which was enacted with the intention of fostering trade dynamism, is to strengthen the nation's position in the fiercely competitive global market, attract foreign direct investment (FDI), and promote the export of high-value goods.¹

The National Economic Council (NEC) approved the eighth five-year plan (July 2020–June 2025) on December 29, 2020², emphasizing export led growth and development of the sector. The policy will facilitate in pursuing out the political, social, and economic agenda of the current administration, which is led by the honorable Prime Minister Sheikh Hasina. The plan has placed an emphasis on proper institutions and policies and developed development methods for fostering inclusion, promoting prosperity, and reducing inequality and poverty. The Eighth Five Year Plan was created after careful

¹ Bangladesh Export Policy 2021-24 Retrieved from https://mincom.gov.bd/sites/default/files/files/mincom.portal.gov.bd/policies/1f0330db_c208_4a44_bd9f_4d58cfa8c336/export%20policy%2021-24%20pdf.pdf

² 8th Five-year plan,

http://plancomm.gov.bd/sites/default/files/files/plancomm.portal.gov.bd/files/68e32f08_13b8_4192_ab9b_abd5a0a62a33/2021-02-03-17-04-ec95e78e452a813808a483b3b22e14a1.pdf

consideration of the lessons learned during the implementation of the Sixth and Seventh Five Year Plans as tools for implementing the First Perspective Plan 2021, including the adjustment to the Covid-19 fall out.

1.1 Background of the Study

In terms of contribution to GDP, creation of jobs, and encouragement of investment, trade in goods and services has significantly increased its importance to the nation's economy over the past ten years. Foreign trade plays a vital role in achieving rapid economic development of Bangladesh and trade contributes major share of GDP in most of the countries. Bangladesh's foreign trade has started to return to a positive trend after confronting the adverse effect of the COVID-19 pandemic. Export earnings stood at US\$4,100 million during July-June of FY 2020-21, which is 22 percent higher than the export earnings of the corresponding period of FY2019-20³. Following an export boom over the past decade, Bangladesh's total export in goods and services increased from US\$ 29,963.66 million in 2012-13 to US\$ 60,971.26 million in 2021-22.

Over the recent past years, Sanitary and Phytosanitary (SPS) and Technical Barriers to Trade issues have assumed an increasing significance in the context of international trade. This may be attributable to several factors. On the one hand, there has been a significant increase in trade in fresh, semi-processed and ready-to-eat food since the 1990s, led by the demand in developed countries⁴. On the other, enhanced scientific understanding, coupled with growing public awareness and concern about food safety and health has resulted in an ever-increasing preference for safe and hygienic food, particularly in the developed countries. While these countries have responded to such preferences by putting in place ever stricter SPS regulations and TBT standards, these requirements have often acted as significant market access barriers for exports from developing countries. In fact, SPS and TBT requirements are widely considered by developing countries as one of the greatest impediments confronting their exports of manufacturing, agricultural and food products, particularly to the developed countries.

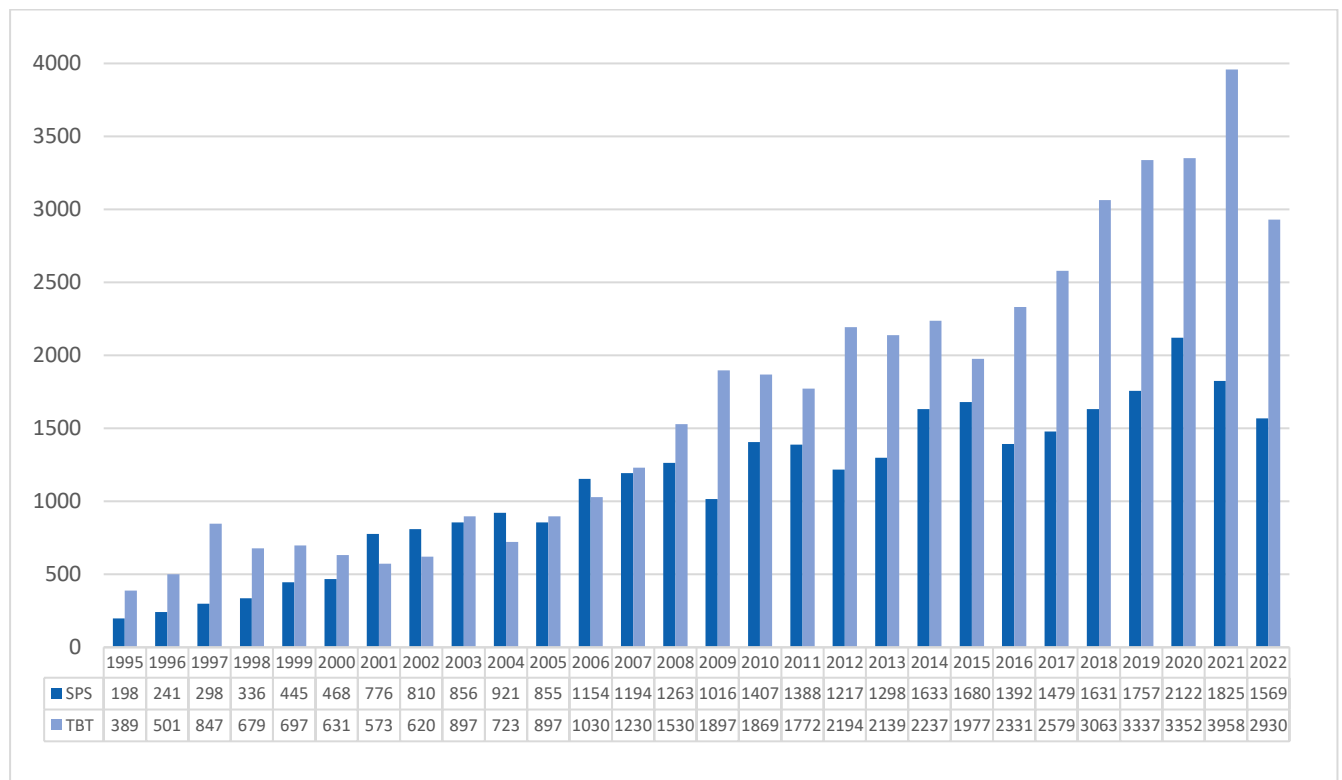
Recently, policymakers and researchers have quite interest in the topic of trade facilitation, as trade has become the key engine of growth. In broader definition, comprehensive approach for trade facilitation includes transparency, notification process, and the certification process of SPS and TBT measurements. Freedom to trade, and the benefits that result, must be balanced against the need to protect people, animals and plants from unacceptable risks to health and safety. WTO member countries negotiated the SPS Agreement to help achieve this balance. It establishes principles that

³ Bangladesh Economic Review FY2020-21, Finance Division, Ministry of Finance, Government of the People's Republic of Bangladesh.

⁴ Sawhney, A. (2005), 'Quality measures in Food trade: the Indian experience', *The World Economy*, 28 (3), 329-348

countries are committed to uphold when trading in animals, plants and their products. The SPS Agreement support countries from protecting health and safety as well as it allows them to determine their own level of protection but requires that any restrictions on trade needed to achieve that protection be non-discriminatory, transparent and scientifically justified. Bangladesh, as a member of the WTO, has the sovereign right to decide its own level of health protection. Bangladesh also expect our exports to be allowed to compete fairly in foreign markets, while meeting the level of protection required by the importing country.

Figure 1 Number of Notification on SPS and TBT



The above graph showed that in 2021, WTO will receive the highest level of notifications in SPS and TBT, which was 5474. In recent year 2022, WTO data explores that 4499 notices have been received. As per WTO data, in 2021, 3,958 TBT related notifications were received and 1,825 numbers of notifications related to SPS are received. In 2022 the number of SPS and TBT notifications is received by WTO was 2930 and 1569 respectively. The illustrative figure explored that number of TBT related notification is on the rise compared to SPS notifications⁵.

Sanitary and Phytosanitary (SPS) measures are typically applied to both domestically produced and imported goods to protect human or animal life or health from food-borne risks; humans from animal and plant-carried diseases; plants and animals from pests or

⁵ WTO SPS and TBT data source e-ping accessed on 26 October, <https://epingalert.org/en/FactsAndFigures/Notifications2022>

diseases; and, the territory of a country from the spread of a pest or disease. To reach these goals, SPS measures may address the characteristics of final products, as well as how goods are produced, processed, stored and transported. They may take the form of conformity assessment certificates, inspections, quarantine requirements, import bans, and others. While some of these SPS measures may result in trade restrictions, governments generally recognize that some restrictions are necessary and appropriate to protect human, animal and plant life and health.

The current scenario of SPS and TBT in Bangladesh is a mixed one, with progress made in implementing the agreements but also several challenges that need to be addressed. These challenges include the need for better coordination between government agencies responsible for SPS and TBT matters, the need for more training for SPS and TBT officials, and the need for more resources to be allocated for SPS and TBT compliance. Bangladesh has taken measures to address these challenges, such as the establishment of a National Enquiry Point and the implementation of good agricultural practices and quality standards for shrimp production. However, more support and cooperation from the international community are needed to address the remaining challenges and promote sustainable trade.

1.2 Sanitary and Phyto-sanitary (SPS) and Technical Barriers to Trade (TBT) issues in World Trade

There is a growing interest from developed countries in strengthening national food control systems, reformulating national food regulations to align them with international standards, and establishing import/export food inspection and certification programmes to ensure compliance with SPS and TBT requirements. Although a number of developing countries have excellent food safety and veterinary and plant health services, others do not. For these, the requirements of the SPS Agreement present a challenge to improve the health situation of their people, livestock and crops which may be difficult for some to meet. Because of this difficulty, the SPS Agreement delayed all requirements, other than those dealing with transparency (notification and the establishment of Enquiry Points), until 1997 for developing countries, and until 2000 for the least developed countries. Later it was extended till 2026, which means that these countries are not required to provide a scientific justification for their sanitary or phytosanitary requirements before graduation. Countries which need longer time periods, for example for the improvement of their veterinary services or for the implementation of specific obligations of the agreement, can request the SPS Committee to grant them further delays⁶.

⁶ Understanding the WTO Agreement on Sanitary and Phytosanitary Measures, https://www.wto.org/english/tratop_e/sps_e/spsund_e.htm

1.3 Objectives of the study

SPS/TBT Diagnostics Study comprises two broad phases: Building a robust understanding of the specific needs of individual South Asia Subregional Economic Cooperation (SASEC) countries through national diagnostic studies (NDS); and based on the national diagnostic studies, identifying common issues and challenges faced by the countries in a regional diagnostic study (RDS) to facilitate development of coordinated regional responses and required capacity building actions. The diagnostic also focused on the following issues:

- a. To identify the specific items which have the potential for exports from the SASEC country and subject to SPS/TBT measures of the importing countries;
- b. To carry out a national diagnostic study of Bangladesh on SPS and TBT issues
- c. To carry out practical field studies in identification of standards or regulations in the SASEC and Major countries that are impeding trade on the above identified items.
- d. To conduct a gap analysis that examines and compares current national legislation, infrastructure, local practices, and international best practice; and recommendations for the further initiatives.

1.4 Scope of the Study

Bangladesh has been adopting an export-led agro-processing sector as a part of diversifying of our product basket. Agricultural products' exports have witnessed phenomenal growth over the past 12 years – fetching the country \$1,028 million in financial year 2020-21. In terms of the expansion of the agricultural and other related sectors of Bangladesh, Sanitary and Phyto-sanitary (SPS) and Technical Barriers to Trade becomes the major concern. Since the traders of Bangladesh have lack of knowledge on SPS and TBT measures implied in different countries and the relevant agencies have lack of capacities, it often creates an additional cost burden for them while trading.

This study aims to identify the existing gap concerning the SPS and TBT measures in Bangladesh and will also suggest strong recommendations to improve the SPS and TBT compliance capacity of Bangladesh and overall trade facilitation process. Moreover, this study will compare the current national SPS and TBT legislation and local practice against the best international practices. Another important aim of this study is to analyze the market potentials of Bangladesh in SASEC (Bangladesh, Bhutan, India, Maldives, Myanmar, Nepal, and Sri Lanka) countries and suggest a list of potential products. Hence special importance will be given on;

- Review the current scenario of SPS/TBT measures in Bangladesh and its institutional framework, infrastructure facilities and legal structure;
- Identify the coordination at National, Regional and international level to ensure SPS/TBT notification compliances;
- Identify gaps comparing current national SPS legislation, local practices, and

international best practices;

- Build a robust understanding of the specific needs of the country through national diagnostic studies (NDS)
- To identify common issues and challenges faced by the countries in a regional diagnostic study (RDS) to facilitate development of coordinated regional responses and required capacity building actions;
- Identify the specific items which have the potential for exports from the country and subject to SPS/TBT measures of the importing countries;
- Carry out practical field studies in identification of standards or regulations in the SASEC countries that are impeding trade on the above identified items;
- Identify the reforms in Institutional, infrastructure, legal capacity, and presenting prioritized recommendations for necessary future investments; and
- To strengthen the notification procedures of the SPS/TBT measures to WTO.

1.5 Methodology of the Study

In order to capture the different aspects of governance and varying perspectives of the trade sector in Bangladesh, the methodology adopted for the study included a cohesive multi-stage approach and was based mainly on literature review and in-depth interviews, and consultation with the stakeholders. Thus the methodology of the study involved the following:

1. A desk review of all existing literature like relevant rules/regulations/policies and journal articles, etc.;
2. Key Informant Interviews (KII), Focus Group Discussions (FGD) and Public Consultations with policy level officials, think tanks, academia and other trade related agencies as decided by the client;
3. Data Analysis, using available data from acceptable national (Export Promotion Bureau, Bangladesh Bank, National Board of Revenue, etc.) and international (UN Comtrade, UNCTAD, World Bank, etc.) sources, for a reasonable time frame of the most recent 5 years in the least;
4. Public Consultations, Focus Group Discussions (FGD) and Key Informant Interviews (KII) with the policy level officials, think tanks, academia and other trade-related agencies as decided by the client using structured questionnaires;

1.5.1 Method

The sequential steps followed are mentioned below:

(a) **Review of existing literature:** Available literature including relevant rules/regulations/policies, research/study reports, newspaper reports, official reports, published papers and policy documents of the GoB, think-tank organizations and other international bodies, etc. relating to the study were reviewed.

(b) **Gathering of data:** While the primary data collection process included the literature

review and review of official reports and documents, complementary qualitative data collection activities were done through key informant interviews, focus group discussions, etc. Representatives from stakeholder institutions were selected for in-depth structured interviews or FGDs. Due to the diversity of the problems of the study and the high numbers of stakeholders in the field, the main stakeholder groups in the country for the study were targeted. Nevertheless, every effort was made to include all important actors in the interviews and the FGDs. Efforts were also made to gather complete data so as to ensure analytic usefulness.

(c) **Questionnaire:** The structured Data collection questionnaires were developed and finalized in consultation with the client. All interview questionnaires were evaluated by the relevant experts. A mixed-method evaluation strategy combining qualitative and quantitative methods was adopted for the evaluation of the questions for the KIIs to produce a satisfactory analysis.

(d) **Sampling:** The sampling unit was decided according to the scope of the study in consultation with the client. Sample size with the specific method was determined for each different data collection method (KII, FGD & PC), etc.

(e) **Enumerators' engagement and training:** Required numbers of enumerators were engaged for conducting the KII and other primary data collection with structured questionnaires as per the scope of services for the study. A training workshop was organized to train the enumerators to ensure quality data collection.

(f) **Key Informants Interviews (KII):** A particular focus of the study was to address the goals and concerns of the client and stakeholders' groups. For that purpose, a total of Twenty (20) KIIs were conducted for the study involving the representatives of relevant stakeholders that included the government organizations, business associations, chambers, think-tank organizations, etc. Semi structured interview technique was used via purposeful rather than random sampling method. Appropriate measures were taken to avoid any risks of bias through sampling, response and the behavior of the interviewer. Three common techniques were used to conduct the KIIs: telephone interviews, email interviews and face-to-face Interviews. The KIIs were conducted both in Dhaka and outside Dhaka.

(g) **Focus group discussions (FGD):** Two FGDs relevant to the study was organized targeting mainly the people concerned with the subject matter of the study. The participants in the two FGDs were 20 in number. During discussions, participants were also facilitated to discuss different aspects of the subject amongst themselves. Documentation of discussions was done through video recording, audio tapes, and written notes.

(h) **Public consultation (PC):** One public consultation with the relevant stakeholders via a digital platform was conducted for the study to acquire relevant data.

(i) **Analysis of information and data:** All the information and data collected from various sources and through in-depth interviews, focused group discussions, public consultations, etc. with relevant stakeholders were analyzed separately for the study. Multiple methods of data gathering and analysis, covering both quantitative and qualitative data, including interviews, content analysis, and statistical analysis of secondary data were done. Qualitative techniques were also used to collect in-depth/perceptual information on selected indicators related to the study. Analysis of stakeholders' perceptions was done from the FGD, KIIs, and PC.

(j) Potential Product Identifications Methodology and Data Gathering

The study uses trade data from UN Comtrade database for Bangladesh with 5 other SASEC member countries for 5 years was considered. The period considered has been from 2011 to 2015, except for Bhutan. For Bhutan Bangladesh bilateral trade, data was available only for 2 years, for 2011 and 2012 at the time of this study. For Myanmar there was no export data available from 2011 to 2015⁷. For this specific purpose of identifying products with substantial export potential, only the UN Comtrade database was used for the sake of uniformity among all the SASEC member countries. Besides, UN Comtrade database provides information on unit prices, which has been considered an important factor for assessing export potential. All the products were considered at the 6-digit HS Code level. To identifying the potential products a 6-stage filtering process was developed to single out the products with the most reasonable potential for exports. The first filter was related to export frequency during the 5-year period, from 2011 - 2015. If Bangladesh had exported a certain product to another SASEC country only in one year out of these 4 years, then that particular product was not considered. In other words, only those products were considered which were exported at least in two years during 2011-2015 period.

The second filter was related to price. After applying the second filter we considered only those export products from Bangladesh which had a lower average export price per unit than the average import price per unit for the same product from the rest of the world in another importing country in SASEC. The third filter was related to market share of Bangladeshi exports. If the product from Bangladesh already had a market share of at least 20% or more in the importing SASEC country, then the product was not

⁷ ITC, Trade Map, Trade Statistics for international business development, https://www.trademap.org/Bilateral_TS.aspx?nvpm=1%7c050%7c%7c104%7c%7cTOTAL%7c%7c%7c2%7c1%7c1%7c1%7c2%7c1%7c1%7c1%7c1%7c1

considered, since it already enjoyed a fair portion of market share.

The fourth filter was related to supply side capacity of Bangladesh – if the product constituted at least 20% or more of Bangladesh’s export of that product to a partner country in SASEC importing that product, then the product was not considered a potential item, since it already enjoyed a fair share of export capacity. The last two filters were related to market size of the products.

The fifth filter was related to average export value of Bangladesh for that product in the importing country. For Indian market Bangladesh considered the highest average value of US\$ 1,000,000 as the average value filters for export and import, and for Bhutan, considering the small size of its economy, an average value of US\$ 100,000 was considered. For other SASEC countries, this value was US\$ 500,000. For example, if the annual average export value of a Bangladeshi product was less than US\$ 500,000 in Sri Lanka, then the product was not considered, and likewise, if the average annual import value of a product was less than US\$ 500,000 in Sri Lanka, then the product was not considered in the list of potential products. It should be noted here, that the filters were applied one after another. A detailed description of product identification methodology and the filters applied in each country is provided in the Annex 4.

For data uniformity, UN Comtrade Database is used whenever permitted by data availability. Where there is unavailability of data from the UN Comtrade, other widely used databases, such as, World Integrated Trade Solution (WITS), and Trade Map of International Trade Center (ITC), and national data are used in addition to the official data from Export Promotion Bureau (EPB) of Bangladesh and Bangladesh Bank have been used, with mention of the source, or the URL. The NTM database from ITC was particularly useful in developing the tables in Annex 3 for SPS and TBT related specific measures for the country wise potential export products identified.

(k) Reporting

Following are the reports that have been and will be submitted to the client in course of implementation of the impact evaluation:

- I. **Inception Report:** Containing detailed description of proposed methodology and work plan as well as initial findings from initial research and analysis, an Inception Report for the study was submitted within 02 weeks from the date of commencement of the services. This report included the detailed elaboration of questions, centering the objective of the study the details plan for qualitative or quantitative data analysis was defined based on the requirements. The methodology with justification specified the particular method of data collection, sampling design, indicators, data sources and data collection method. It also

defined the responsibilities of the key experts while ensuring the monitoring and evaluation with technical person.

- II. **Draft Reports:** Separate the study containing the discussions, qualitative or quantitative analysis (where necessary), findings, recommendations, etc. and all background and supporting documentation including any interview notes, questionnaires, etc. will be submitted.

1.6 Background of the WTO Sanitary and Phyto-sanitary (SPS) agreement

Sanitary and phytosanitary (SPS) measures are not new issues in global trade. Because of the concern that SPS measures might be used for protectionist purposes, a specific Agreement on the Application of Sanitary and Phytosanitary Measures was negotiated during the Uruguay Round on 20 September 1986 and formally concluded at Marrakesh, Morocco, on 15 April 1994. The Agreement recognizes that countries have the right to maintain SPS measures for the protection of the population and the agricultural sector. However, it requires them to base their SPS measures on scientific principles and not to use them as disguised restrictions to trade. Despite growing concern that certain sanitary and phytosanitary measures may be inconsistent with the SPS Agreement and unfairly impede the flow of agricultural trade, developing countries are not well positioned to address this issue. They lack complete information on a number of measures that affect their exports and whether these measures are consistent or inconsistent with the SPS Agreement. They do not have reliable estimates on the impact such measures have on their exports or causing serious problems on scientific research, testing, conformity assessment and equivalency.

Developing countries are unable to effectively participate in the international standard-setting process and, therefore, face difficulties when requested to meet SPS measures in foreign markets based on international standards. Transparency-related requirements represent a burden for developing countries. The provision of adaptation to regional conditions, which would be great benefit to developing countries, has been little used because lack of capacities of developing countries. The provisions relating to special and differential treatment for developing countries remain rather theoretical and apparently have not materialized in any concrete step in their favour.

1.6.1 Key Provisions for WTO Sanitary and Phyto-sanitary (SPS) Agreement

WTO member countries are encouraged to use the standards developed by the relevant international bodies whenever they exist. However, members may use measures which result in higher levels of health protection, so long as their measures are based on an appropriate assessment of risks and the approach is consistent, not arbitrary. The agreement sets out a framework for what countries can do, but is not prescriptive in how

countries use health standards and methods of inspecting products. The key provisions of SPS agreement as follows;

Table 1 Key Provisions on WTO Sanitary and Phytosanitary Agreement

SL.	Key Provisions	Definitions
1.	Sanitary or Phytosanitary measure - Any measure applied	<p>(a) to protect animal or plant life or health within the territory of the Member from risks arising from the entry, establishment or spread of pests, diseases, disease-carrying organisms or disease-causing organisms;</p> <p>(b) to protect human or animal life or health within the territory of the Member from risks arising from additives, contaminants, toxins or disease-causing organisms in foods, beverages or feed stuffs; to protect human life or health within the territory of the Member from risks arising from diseases carried by animals, plants or products thereof, or from the entry, establishment or spread of pests; or</p> <p>(c) to prevent or limit other damage within the territory of the Member from the entry, establishment or spread of pests.</p>
2.	Harmonization	The establishment, recognition and application of common sanitary and Phytosanitary measures by different Members.
3.	International standards, guidelines and recommendations	<p>a) for food safety, the standards, guidelines and recommendations established by the Codex Alimentarius Commission relating to food additives, veterinary drug and pesticide residues, contaminants, methods of analysis and sampling, and codes and guidelines of hygienic practice;</p> <p>b) for animal health and zoonoses, the standards, guidelines and recommendations developed under the auspices of the International Office of Epizootics;</p> <p>c) for plant health, the international standards, guidelines and recommendations developed under the auspices of the Secretariat of the International Plant Protection Convention in cooperation with regional organizations operating within the framework of the International Plant Protection Convention;</p> <p>d) for matters not covered by the above organizations, appropriate standards, guidelines and recommendations promulgated by other relevant international organizations open</p> <p>e) for membership to all Members, as identified by the Committee.</p>

SL.	Key Provisions	Definitions
4.	Risk assessment	a) The evaluation of the likelihood of entry, establishment or spread of a pest or disease within the territory of an importing Member according to the sanitary or Phytosanitary measures which might be applied, and of the associated potential biological and economic consequences; or the evaluation of the potential for adverse effects on human or animal health arising from the presence of additives, contaminants, toxins or disease-causing organisms in food, beverages or feedstuffs.
5.	Appropriate level of sanitary or Phytosanitary protection	The level of protection deemed appropriate by the Member establishing a sanitary or Phytosanitary measure to protect human, animal or plant life or health within its territory.
6.	Pest- or disease-free area	a) An area, whether all of a country, part of a country, or all or parts of several countries, as identified by the competent authorities, in which a specific pest or disease does not occur. b) A pest- or disease-free area may surround, be surrounded by, or be adjacent to an area - whether within part of a country or in a geographic region which includes parts of or all of several countries - in which a specific pest or disease is known to occur but is subject to regional control measures such as the establishment of protection, surveillance and buffer zones which will confine or eradicate the pest or disease in question.
7.	Area of low pest or disease prevalence	a) An area, whether all of a country, part of a country, or all or parts of several countries, as identified by the competent authorities, in which a specific pest or disease occurs at low levels and which is subject to effective surveillance, control or eradication measures.

1.7 Equivalency in Sanitary and Phyto-sanitary (SPS) agreement

The SPS Agreement encourages countries to give positive consideration to accepting as equivalent the SPS measures of other members, even if these measures differ from their own or from those used by other countries, if the exporting country demonstrates that its measures achieve the importing member's appropriate level of sanitary and phytosanitary protection (Article 4.1). However, the implementation of this principle so far has been limited. Developing countries have reported that in several instances importing countries are looking for "sameness", instead of equivalency, of measures. The interpretation of equivalency as sameness is depriving Article 4.1 of its function, which is to recognize that different measures can achieve the same level of sanitary and

phytosanitary protection and therefore countries can enjoy flexibility about the kind of measures to adopt to ensure adequate SPS protection.

Equivalency is the best option when harmonization of standards is not desirable or when international standards are lacking or are inappropriate. For developing countries, which face climatic, developmental, and technological conditions rather different from those prevailing in developed countries, the recognition of the equivalency of their SPS measures to those applied by the importing countries would represent a key instrument to enhance market access for their products.

Equivalency at regional level, in the framework of regional or sub-regional agreements, is easier to achieve. Developing countries may therefore have an interest in analyzing the possibility of including reference to equivalency of SPS measures in the framework of regional and sub-regional groupings. The recognition of the equivalence is not easy to achieve and usually implies the fulfilment of several requirements. However, for developing countries, this option is worth pursuing since it would greatly facilitate market access for their products.

1.8 Mutual Recognition Agreements in Sanitary and Phyto-sanitary (SPS) agreement

Mutual Recognition Agreements (MRAs) can take several forms. They can cover testing methods, conformity assessment certificates, or they can be full-fledged and include the standards. MRAs of the first type entail only limited savings in international trade, but play an important role in building up confidence between laboratories in different countries and usually represent a necessary step towards the conclusion of broader MRAs. MRAs on conformity assessment improve market access by avoiding duplicative testing and the related costs, by reducing possible discrimination against foreign products and by eliminating delays. Moreover, they may represent crucial learning experiences, since they imply an intensive exchange of information and close contacts between relevant authorities. MRAs of the third type require that parties consider their domestic requirements as equivalent, with the consequence that a good which can be legally sold in one country may be legally sold in the other(s). Article 4.2 of the SPS Agreement makes reference to this last type of MRA.

1.9 Transparency and notification provisions in Sanitary and Phyto-sanitary (SPS) agreement

Transparency is vital to make sure that SPS measures are scientifically sound and do not have an unnecessary detrimental impact on international trade. However, variations in the quality and content of the information provided by countries in their notifications, short comment periods, delays in responding to requests for documentation, absence, at times, of due consideration for the comments provided by other Members are recurrent problems limiting the effective implementation of the transparency provisions. In order

to improve transparency, some measures were agreed during the triennial review of the SPS Agreement. According to the Agreement, Members shall allow a reasonable interval between the publication of a SPS measure and its entry into force. This time frame is crucial for producers to adapt their products to the new requirements. As a means to improve the efficiency and the speed of the notification procedures, some countries, both developed and developing, have proposed the use of electronic transmission. While electronic means may in fact improve the system, it should be kept in mind that several developing countries still have limited access to INTERNET and that many enquiry points in developing countries do not have well-functioning e-mail systems. Therefore, not all countries would benefit from a switch from hard copy notification to electronic notification⁸.

1.10. The Sanitary and Phyto-sanitary (SPS) Scenario in Bangladesh

As a signatory of the WTO's Agreement on Sanitary and Phyto Sanitary (SPS) measures, Bangladesh aims to administer SPS measures with the objective of protecting life and health of human, animals, and plants. Preliminary review of secondary sources suggests, Bangladesh imposes SPS measures to over 300 product categories⁹. These products are subject to quarantine, certification, and inspection requirements related to SPS measures. As a signatory of the WTO's Agreement on Sanitary and Phyto Sanitary (SPS) measures, Bangladesh has SPS regime and institutional mechanism in place to administer SPS measures with the objective of protecting life and health of human, animals, and plants.

1.10.1 Sanitary and Phyto-sanitary (SPS) from Export and Import points of view in Bangladesh

Import point of view: Bangladesh maintains few SPS measures on imported products.

- a. In case of imports of food items certificate, declaring the safety of food for human consumption, is required and radiation test before shipment is required.
- b. In case of imports of plants, plant products and animals, quarantine procedures need to be followed.

Export point of view:

- a. Bangladesh exports frozen foods and agro-products to that are subject to SPS measures.
- b. The Fish Inspection and Quality Control Wing of Department of Fisheries - introduced HACCP in fish processing industries and Carries out regular

⁸ Jhanvi Trivedi, Yann Duval, Danijel Bajt, Jeong Ho Yoo ESCAP Working paper on 'Non-Tariff Measures in Regional Trade Agreements in Asia and the Pacific: SPS, TBT and Government Procurement', 2019.

⁹ Dr. Selim Raihan, D. M. (2014). NTMS in South Asia: Assessment and Analysis. Kathmandu, Nepal: SAARC TPN; p-38, 2014.

inspection of hygiene and sanitation of processing plant premises to verify HACCAP related records.

- c. Certify the export consignments Exports of plant and plant products are also certified by the Quarantine Wing and Department of Agriculture Extension (DAE).
- d. Frozen fish sector is trying to maintain all the requirements of export markets, like EU and USA Importers want our fish/shrimp to be safe for consumption free from Pathogenic bacteria and Prohibited antibiotics (nitro furans & chloramphenicol).
- e. Other hazardous chemicals (like Pesticides, Hormones) It is a great challenge to maintain the hygiene and sanitary requirements at all level, from the growers to exporters.

These views are administered on the basis of number of laws and related act, rules and regulations.

1.11 Benchmark list of SPS provisions in RTA & FTAs

The following provisions or features used to benchmark the RTAs on their SPS content are as follows¹⁰:

Table 2 Benchmark list of SPS provisions in RTA & FTAs

SL No	Issue	Description
1.	Reference to WTO SPS Agreement	The RTA specifically refers to and stresses compliance with the WTO Sanitary and Phytosanitary (SPS) Agreement.
2.	Provision on Information Exchange and Cooperation	The RTA includes a provision on exchange of information and cooperation on SPS measures.
3.	Assigning Competent Authorities and Contact Points	The RTA specifies that all the countries should have SPS Contact/Enquiry points with whom the other countries can instantly connect in case of an enquiry.
4.	Reference to use of International Standards	The RTA encourages the use of international standards for SPS measures - to conform to the relevant guidance of international standards.
5.	Establishment of an SPS Committee	The RTA partners form an SPS committee to fulfil the objectives of the SPS chapter.
6.	Provision on Risk Analysis	The RTA provides guidance on risk analysis for conformity to standards and norms and how they should be implemented/accepted.
7.	Provision on Equivalence	The RTA promotes mutual recognition and acceptance of SPS certificates issued by RTA partners, in order to prevent goods being tested in both the exporting and importing country.

¹⁰Jhanvi Trivedi, Yann Duval, Danijel Bajt, Jeong Ho Yoo ESCAP Working paper on 'Non-Tariff Measures in Regional Trade Agreements in Asia and the Pacific: SPS, TBT and Government Procurement', Page Number 8, 2019

SL No	Issue	Description
8.	Mutual Recognition of standards	The RTA encourages mutual understanding of SPS measures taken by the RTA partners – to foster mutual confidence and demonstrate the efficiency of the programmes.
9.	Import Check	The RTA specifies that SPS inspections should be conducted without undue delay at the border.
10.	Provision on taking Emergency Measures:	The RTA encourages RTA members taking emergency SPS measures to notify them to other members so they can be taken into consideration.
11.	Certification of Products	The RTA specifies the certification is only requested to the extent necessary to protect human, animal or plant life or health.
12.	Provision on Audits	The RTA includes a provision on audit specifying that the audit shall be system-based and follow the guidance of the WTO SPS Committee.
13.	Harmonization with International Standards	The RTA promotes harmonization between national and international standards, and between the parties' standards.
14.	Provision on Import Requirement	The RTA enables acquiring relevant information about imported commodities without undue delay to ensure the efficient management of available resources.
15.	Regionalization and Compartmentalization:	The RTA promotes importation based on region or compartment to facilitate mutual trade.

1.12 Agreement on Technical Barriers to Trade

Although the TBT Agreement has three separate fields of application (technical regulations, standards, and conformity assessment procedures), there are common principles and rules that are generally applicable throughout. This section concerns these common principles and rules. Within the WTO framework, the TBT Agreement is intended to ensure that technical regulations, standards and conformity assessment procedures do not constitute unnecessary barriers to international trade while recognizing the right of Members to take regulatory measures to achieve their legitimate objectives:

Table 3 Key Provisions of WTO on TBT Agreement

SL	TBT Key Points	Descriptions
1	Marking, Packaging & Labeling	The technical regulation may include or deal exclusively with marking or labeling requirements, and agree that where their technical regulations contain mandatory marking or labeling.
2	Conformity Assessment Procedures	Conformity assessment procedures are used, directly or indirectly, to determine the fulfilment of relevant requirements contained in technical regulations or standards. They include procedures for sampling, testing and inspection; evaluation, verification and assurance of conformity; and registration, accreditation and approval.

SL	TBT Key Points	Descriptions
3	International Standards	As a basis for its technical regulations and conformity assessment procedures, each Party shall use relevant international standards, guides, and recommendations.
4	Technical Regulations	The Parties agree to make the best use of good regulatory practices, as indicated in the TBT Agreement on use relevant international standards as a basis for technical regulations including conformity assessment procedures.
5	Transparency	Each Party shall allow a period of at least 60 days following the notification of its proposed technical regulations and conformity assessment procedures to WTO.
6	Cooperation	Reasonable interval shall be understood to normally mean a period of not less than six months, except when this would be ineffective in fulfilling the legitimate objectives pursued.
7.	Border Control and Market Surveillance	Where a Party detains, at a port of entry, goods including testing samples for conformity assessment exported from the other Party due to a perceived failure to comply with a technical regulation or conformity assessment procedures, the reasons for the detention shall be promptly notified.
8.	Information Exchange	Any information that a Party provides upon request of the other Party shall be communicated in printed or electronic form or any other means acceptable to the Parties within a period of 60 days after the receipt of notification.
9.	Committee on TBT	The Parties hereby establish a Committee on Technical Barriers to Trade (hereinafter referred to as the "Committee"), comprising representatives of each Party.

So, the ultimate goals of the TBT agreement were the development of international standards, the Rights of Members to adopt technical measures, and no unnecessary obstacles to international trade.

Products: TBT agreement are applied in both agricultural and industrial products.
Measures Covered: The TBT Agreement applies to:

- a. **Technical Regulations:** Technical Regulations lay down product characteristics or their related processes and production methods, including the applicable administrative provisions, with which compliance is mandatory. It may also include or deal exclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a product, process or production and test method.
- b. **Standards:** Standards are approved by a Recognized Body, that provides, for common and repeated use, rules, guidelines or characteristics for products or related processes and production methods, with which compliance is not

mandatory. They may also deal with terminology, symbols, packaging and labelling requirements¹¹.

- c. **Conformity assessment procedures:** Conformity assessment procedures are used, directly or indirectly, to determine the fulfilment of relevant requirements contained in technical regulations or standards. They include procedures for sampling, testing and inspection; evaluation, verification and assurance of conformity; and certifications/registration, accreditation and approval.

1.13 TBT Scenario in Export and Import of Bangladesh

Import point of view: Bangladesh maintains few TBT measures on imported products.

- a) In case of imports of a product, Bangladeshi importers have to take compulsory certificate for 79 products from BSTI ordained by import policy order given mandatory product such as milk powders and creams, follow up formula, milk powders and cream powders, fruits and vegetable juices, carbonated beverage, edible oil, ceramic products, cosmetic products, electronics products and etc.
- b) Currently, 229 products are under the Compulsory Certification Marks (CM) of BSTI.
- c) Marketing of any of these items needs conformity certificate of BSTI. These include Food and Agriculture, Chemical, Jute and Textile, Electrical and Electronics and Engineering products.

Export point of view: Product regulations, registration requirements, language requirements, national packaging requirements, marking, labeling and packaging requirements varies from country to country

1.14 Benchmark list of TBT Provisions in RTAs

The following provisions or features used to benchmark the RTAs on their TBT content are as follows:¹²

Table 4 Benchmark list of TBT Provisions in RTAs

SL No	Issue	Description
1.	In reference to WTO TBT Agreement	The RTA specifically refers to and stresses compliance with the WTO Technical Barriers to Trade (TBT) Agreement, which aims to ensure that technical regulations, standards, and conformity assessment procedures are non-discriminatory and do not create

¹¹ The WTO Agreements Series, Technical Barriers to Trade, Third Edition, TBT Agreement – Annex 1 (Jurisprudence)

¹²Jhanvi Trivedi, Yann Duval, Danijel Bajt, Jeong Ho Yoo ESCAP Working paper on ‘Non-Tariff Measures in Regional Trade Agreements in Asia and the Pacific: SPS, TBT and Government Procurement’, 2019.

SL No	Issue	Description
		unnecessary obstacles to trade.
2.	Provision on Dispute Settlement	The scope of the dispute settlement committee under the RTA extends to TBT related matters.
3.	Provision on Information Exchange and Cooperation:	The RTA includes a provision on exchange of information and cooperation for better implementation of the provisions.
4.	Reference to use of International Standards	The RTA encourages the use of international standards to curb the cost of compliance with country-specific technical standards and norms.
5.	Harmonization with International Standards:	The RTA promotes harmonization of member's practices with international standards.
6.	Provision on Conformity Assessment Procedures	The RTA provides guidance on assessment procedures for conformity to technical standards and norms and how they should be implemented/accepted.
7.	Mutual Recognition of Conformity Assessment Procedures	The RTA promotes mutual recognition, i.e., acceptance and recognition of the Conformity Assessment Procedures used by the RTA partners, in order to prevent goods being tested in both the exporting and importing country - and to save time and cost.
8.	Establishment of a TBT Committee	RTA partners form a TBT committee to fulfil the objectives of the TBT chapter.
9.	Assigning Contact Points	The RTA specifies that all the countries should have TBT Contact/Enquiry points with whom the other countries can instantly connect in case of an enquiry.

Given the above key feature of TBT in trade agreement, it is urged that Bangladesh need to take pragmatic steps for complying with these. Especially, for dispute settlement, use of International Standards, harmonization with International Standards, conformity assessment and mutual recognition are the burning issue, coming first before the signing of a bilateral trade agreements.

1.15 Ministerial Conference (MC) and SPS- TBT Issue related Declaration

Numerous MCs have proclaimed SPS-TBT-related outcomes are summarized as per Ministerial Conference (MC):

MC-1 Declaration: As part of the WTO Agreements and decisions the conference agreed to several provisions calling for future negotiations on Agriculture, Sanitary and Phytosanitary Measures, Safeguards, Subsidies and Countervailing Measures, Technical Barriers to Trade, Textiles and Clothing, Trade Policy Review Mechanism, Trade-Related Aspects of Intellectual Property Rights and Trade-Related Investment Measures.

MC-4 Declaration: The conference instructs the Committee on Trade and Environment, in pursuing work on all items on its agenda within its current terms of reference, to give particular attention to:

- the effect of environmental measures on market access, especially in relation to developing countries, in particular the least-developed among them, and those situations in which the elimination or reduction of trade restrictions and distortions would benefit trade, the environment and development;
- the relevant provisions of the Agreement on Trade-Related Aspects of Intellectual Property Rights; and
- labelling requirements for environmental purposes.

Work on these issues should include the identification of any need to clarify relevant WTO rules. The Committee shall report to the Fifth Session of the Ministerial Conference, and make recommendations, where appropriate, with respect to future action, including the desirability of negotiations. The outcome of this work as well as the negotiations carried out under paragraph 31(i) and (ii) shall be compatible with the open and non-discriminatory nature of the multilateral trading system, shall not add to or diminish the rights and obligations of members under existing WTO agreements, in particular the Agreement on the Application of Sanitary and Phytosanitary Measures, nor alter the balance of these rights and obligations, and will take into account the needs of developing and least-developed countries.

MC-12 Declaration: The conference reaffirms the rights and obligations of Members established by the SPS Agreement and call for Members' strengthened adherence to the SPS Agreement to support international trade while ensuring the protection of human, animal and plant life or health. The Ministerial Conference instructs the SPS Committee to further enhance the implementation of the SPS Agreement in an effort to better manage issues related to international trade in food, animals and plants by undertaking a work programme, open to all Members and Observers, consisting of new efforts to identify: (1) challenges in the implementation of the SPS Agreement and the mechanisms available to address them; and (2) the impacts of emerging challenges on the application of the SPS Agreement.

Through the work programme, the Ministerial Conference envisions that the SPS Committee should explore how the implementation and application of the SPS

Agreement can support the following themes, including but not limited to:

- How to facilitate global food security and more sustainable food systems, including through sustainable growth and innovation in agricultural production and international trade, and through the use of international standards, guidelines, and recommendations developed by the Codex Alimentarius Commission, the World Organization for Animal Health and the International Plant Protection Convention as the basis of harmonized SPS measures to protect human, animal or plant life or health.
- How to support basing SPS measures on scientific evidence and principles, including where international standards, guidelines, or recommendations do not exist or are not appropriate; and how to promote the use by Members of principles employed by the international standard setting bodies for considering scientific uncertainty in risk analysis.
- How to enhance the safe international trade in food, animals and plants and products thereof through the adaptation of SPS measures to regional conditions, including pest- or disease-free areas and areas of low pest or disease prevalence which can strengthen Members' ability to protect plant and animal life or health through efforts to limit the spread of pests such as the Mediterranean fruit fly, diseases such as African swine fever, disease-carrying organisms, or disease-causing organisms.
- How to encourage cooperation with observer organizations that support the work of the SPS Committee and the international standard setting bodies through technical exchanges and assistance in the context of this work programme.
- How to increase participation of and support for the special needs of developing and least developed country Members in the development and application of SPS measures; and in particular, to increase awareness of and sensitivity to the impacts of SPS.

Chapter 2: Review the Current Scenario of SPS & TBT Measures in Bangladesh and Its Legal Structure

The Agreement on the Application of Sanitary and Phytosanitary Measures (the "SPS Agreement") entered into force with the establishment of the World Trade Organization on 1 January 1995. It concerns the application of food safety and animal and plant health regulations. In essence, SPS focuses on establishing standards and ensuring that the food supply is "safe" in accordance with criteria that each nation deems suitable, provided that such standards are founded on scientific evidence. SPS laws also provide that international standards, guidelines, and recommendations shall serve as the foundation for SPS measures if and when they exist. However, the agreement acknowledges the potential for variety in standard settings. As a result, members are expected to apply their measures based on globally defined and approved standards, as well as to take action toward standard harmonization. Even though countries are allowed under the Agreement on SPS to set the level of standard that they consider appropriate, the Agreement specifically requires concerned countries to avoid levels of protection that may consequently result in unnecessary obstacles to trade or in the arbitrary and unjustifiable discrimination between members where identical or similar conditions prevail.

To lend transparency to the process, WTO members are required to publish their respective SPS regulations. They also must identify a national notification authority. Each member is required to inform others about an enquiry point in the country that will be a focal point for the purpose of SPS and be responsible for submitting notifications and full texts of SPS regulations to interested parties. Information about revisions to existing laws and revised provisions are required to be notified to the WTO at the draft stage so as to enable other countries to react to the envisaged revisions.

The Agreement on Technical Barriers to Trade relate to international rules that are applicable to product standards in trade in goods. The TBT concerns procedures for conformity assessment with respect to those standards. The TBT allows countries to adopt conformity assessment procedures that do not essentially draw on internationally accepted guidelines. Conformity assessment procedures include such activities as registration, inspection, laboratory accreditation, independent audit and quality registration schemes. The Agreement on TBT is also geared to ensure conformity with technical requirements in packaging, marketing and labelling.

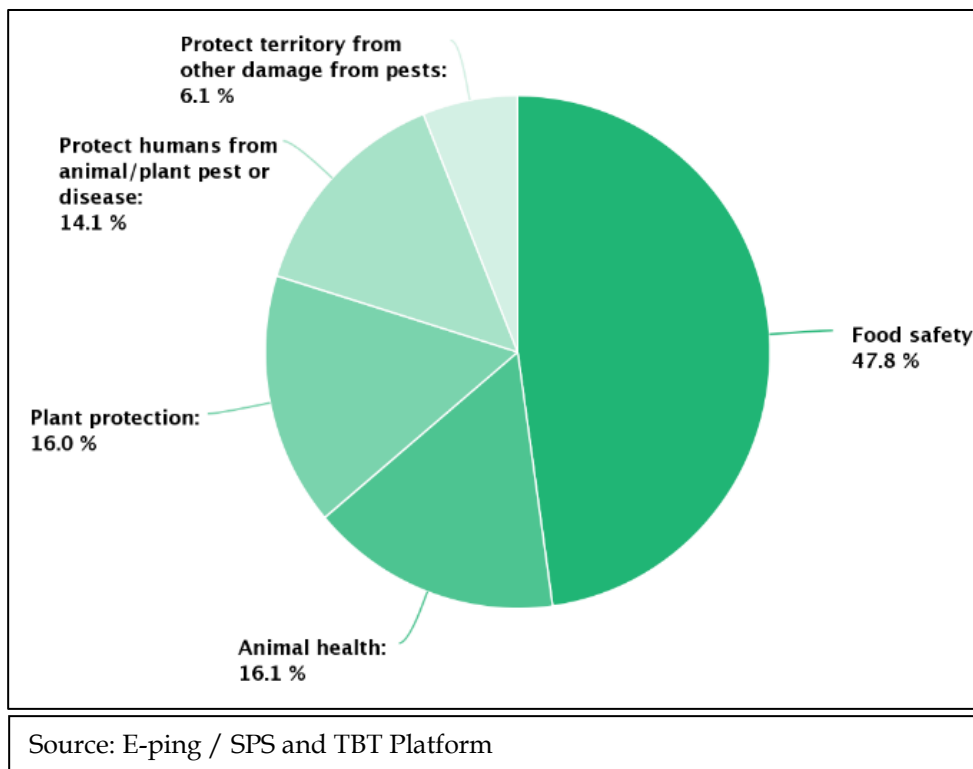
2.1 SPS and TBT Measure in Practice

There are both points of convergence and departure as far as the provisions of SPS and TBT are concerned. Both agreements are based on two policy considerations –

- a) every country's inherent right to take measures to protect its human, animal or plant life and health; its national security; to ensure the quality of its exports; or to prevent deceptive trade practices; and
- b) such measures should not create unnecessary obstacles to international trade or be used as protectionist measures.

Both agreements require that the preparation, adoption and implementation of measures/regulations are done in a transparent manner, inter alia, by inserting advance notification requirements and calling for the creation of enquiry points. However, these two Agreements also differ on some points: whilst under the SPS Agreement the only exception that can be made for not using a relevant international standard if there is a scientific justification for this while under the TBT Agreement, governments are not bound to use international standards; if these are deemed to be inappropriate owing to, for instance, technological or geographical reasons.

Figure 2 Objectives of SPS Notifications



As per WTO analysis it was found that centering five objectives, most of the countries impose SPS notification and these objectives are i) Food Safety; ii) Animal Health; iii) Plant Protection; iv) Protect humans from animal/plant pest or disease

and v) Protect territory from other damage form pests. The graph explored that about 47.8% of SPS notifications are issued due to food safety reason while 16.1% of notification are issued due to animal health and 16% of notification arises due to plant protection. On the other hand, 14.1% of notifications are issued due to protection of humans from

animal/plant pest or disease while 6.1% notifications are issued for protecting territory from other damage form pests¹³.

The aim of the TBT Agreement is to assure that the above technical requirements do not create an unnecessary hurdle to global trade. The Agreement tries to maintain a balance between allowing seamless international trade by regulating such technical non-tariff barriers and allowing countries to enact product regulations in the interests of health, environment, consumers, etc. The TBT Agreement tries to maintain a balance between the prevention of protectionism and the right of members to enact product regulations for legitimate public policy purposes.

2.2 Special and Differential(S&D) treatment for Developing and LDCs Countries under the SPS and TBT Agreements

The extent to which developing country rights and obligations should differ from developed country rights and obligations due to their lower levels of development is one of the key concerns in multilateral trade discussions and the application of multilateral trade rules. It has long been a difficult issue how countries at different levels of development are treated in international trade. For developing nations, special and differentiated treatment (S&D), which satisfies the demands and unique needs of weaker member states, is essential. S&D therapy is also used to make up for perceived shortcomings in other trade negotiations agreement for developing countries¹⁴. The issue of S&D treatment has grown in importance over the years, first in the framework of the General Agreement on Tariffs and Trade (GATT) and now in the World Trade Organization (WTO), as developing countries' liberalization commitments have dependent on S&D treatment. And the developed countries are committed to provide support for trade in services, intellectual property rights protection, and agricultural trade, as a result of which developing countries have assumed significant new commitments in s technical trade barriers, and sanitary and phytosanitary measures for market access.

For developing countries, S&D treatment is now regarded as essential if they are to participate in and accept the additional obligations resulting from multilateral trade negotiations. In the absence of S&D treatment, many developing countries would find it extremely difficult to accept strict disciplines and higher liberalization commitments or be willing to join new negotiations. S&D treatment should give them more flexibility and discretion in the use of public policies to enhance their prospects for industrialization, diversification of production and exports, export promotion and

¹³ WTO SPS and TBT data source e-ping accessed ,<https://epingalert.org/en/Facts And Figures/Notifications>

¹⁴ Special and Differential Treatment for Developing Countries in the WTO, Hesham Youssef, pecial and Differential Treatment for Developing Countries in the Multilateral Trading System, WT/GC/W/109, WT/COMTD/49, 5 November 1998).

overall growth and development. Crucially, S&D treatment also provides a means through which developed countries could offer enhanced trading opportunities to developing countries. Thus, for developing countries, S&D treatment constitutes an integral part of the balance of rights and obligations of the Uruguay Round Agreements as a whole. They accepted the obligations in the expectation that some of their concerns would be addressed and dealt with through S&D provisions.¹⁵

Table 5 S&D Treatment for Developing Countries in SPS

SL No.	Area of S&D Treatment in SPS	Specific Articles	Implications
1.	Longer time-frame for implementation	<ul style="list-style-type: none"> <li data-bbox="533 674 975 1137">• Article 10 (2) SPS- Where the appropriate level of sanitary or phytosanitary protection allows scope for the phased introduction of new sanitary or phytosanitary measures, longer time-frames for compliance should be accorded on products of interest to developing country Members so as to maintain opportunities for their exports. <li data-bbox="533 1189 975 1883">• Article 14 SPS- The least-developed country Members may delay application of the provisions of this Agreement for a period of five years following the date of entry into force of the WTO Agreement with respect to their sanitary or phytosanitary measures affecting importation or imported products. Other developing country Members may delay application of the provisions of this Agreement, other than paragraph 8 of Article 5 and Article 7, for two 	Granting longer time-frames for compliance on products of interest to developing countries. Developing countries (other than LDCs) may delay for 2 years and the least-developed country Members may delay application of the provisions of this Agreement for a period of five years.

¹⁵ Special and Differential Treatment for Developing Countries in the WTO, Hesham Youssef, Special and Differential Treatment for Developing Countries in the Multilateral Trading System, WT/GC/W/109, WT/COMTD/49, 5 November 1998).

SL No.	Area of S&D Treatment in SPS	Specific Articles	Implications
		<p>years following the date of entry into force of the WTO Agreement with respect to their existing sanitary or phytosanitary measures affecting importation or imported products, where such application is prevented by a lack of technical expertise, technical infrastructure or resources.</p>	
2.	Flexibility	<ul style="list-style-type: none"> • Article 10 (3) SPS- With a view to ensuring that developing country Members are able to comply with the Provisions of this Agreement, the Committee is enabled to grant to such countries, upon request, specified, time-limited exceptions in whole or in part from obligations under this Agreement, taking into account their technical, trade and development needs. • Article 10 (4) SPS- Members should encourage and facilitate the active participation of developing country Members in the relevant international organizations. 	The notification procedures for proposed SPS measures should provide developing countries with the possibility of identifying where they may have potential problems meeting new requirements affecting their exports, and the opportunity to request a phased introduction of the proposed measures where this is possible.
3.	Technical assistance	<ul style="list-style-type: none"> • Article 9 (1) SPS- Members agree to facilitate the provision of technical assistance to other Members, especially developing country Members, either bilaterally or through the appropriate international organizations. Such assistance may be, inter alia, in the areas of processing technologies, research and 	Providing technical assistance to developing country members [Where substantial investments are required for an exporting developing country to fulfil the SPS requirements of an importing country, the latter shall consider providing such technical assistance as will permit the developing country

SL No.	Area of S&D Treatment in SPS	Specific Articles	Implications
		<p>infrastructure, including in the establishment of national regulatory bodies, and may take the form of advice, credits, donations and grants, including for the purpose of seeking technical expertise, training and equipment to allow such countries to adjust to, and comply with, sanitary or phytosanitary measures necessary to achieve the appropriate level of sanitary or phytosanitary protection in their export markets.</p> <ul style="list-style-type: none"> • Article 9 (2) SPS- Where substantial investments are required in order for an exporting developing country Member to fulfil the sanitary or phytosanitary requirements of an importing Member, the latter (Developed Country) shall consider providing such technical assistance as will permit the developing country Member to maintain and expand its market access opportunities for the product involved. 	to maintain and expand its market access opportunities
4.	Notifications	<p>Annex B: Paragraph 9: The Secretariat shall promptly circulate copies of the notification to all Members and interested international organizations and draw the attention of developing country Members to any notifications relating to products of particular interest to them.</p>	The WTO Secretariat should draw the attention of developing countries to any notifications relating to products of particular interest to them. However, in view of the fact that this provision has not been implemented in an effective or systematic manner, a more effective mechanism should be devised to ensure the

SL No.	Area of S&D Treatment in SPS	Specific Articles	Implications
			full implementation of this provision.

2.3 S&D Provision for Developing and LDCs Countries under TBT Agreement

Standards are increasingly being used as a cover for clandestine protectionism. National, regional, and global levels are developing environmental, health, and safety standards. Developing nations are not forced to adhere to international norms that conflict with their goals for development or that could jeopardize the survival of local technologies. However, despite the impact and actual need for these higher levels of standards from the perspective of developing countries, there are numerous activities, particularly among developed countries, in relation to standard setting and mutual recognition of standards that may inadvertently impose a requirement on developing countries to modify their standards in order to conform to those of developed countries. The most important provisions are as follows¹⁶-

Table 6 S&D Treatment for Developing and LDCs Countries in TBT

SL No.	Area of S&D Treatment in TBT	Specific Articles	Implications
1.	Flexibility	<ul style="list-style-type: none"> TBT Articles 12 (4)- Members recognize that, although international standards, guides or recommendations may exist, in their particular technological and socio-economic conditions, developing country Members adopt certain technical regulations, standards or conformity assessment procedures aimed at preserving indigenous technology and production methods and processes compatible with their development needs. Members therefore recognize that developing country Members should not be expected to use international standards as a basis for their technical regulations or standards, including test methods, which are not 	Developing countries should not be expected to use international standards as a basis for their technical regulations or standards, including test methods, which are not appropriate to their development, financial and trade needs. The Committee on TBT may grant, upon request, specified, time-limited exceptions in whole or in part from obligations under this Agreement.

¹⁶Special and Differential Treatment for Developing Countries in the WTO, Hesham Youssef, Special and Differential Treatment for Developing Countries in the Multilateral Trading System, WT/GC/W/109, WT/COMTD/49, 5 November 1998).

SL No.	Area of S&D Treatment in TBT	Specific Articles	Implications
		<p>appropriate to their development, technical and trade needs.</p> <p>TBT Articles 12 (8)- It is recognized that developing country Members may face special problems, including institutional and infrastructural problems, in the end of preparation and application of technical regulations, standards and conformity assessment procedures. It is further recognized that the special development and trade needs of developing country Members, as well as their stage of technological development, may hinder their ability to discharge fully their obligations under this Agreement. Members, therefore, shall take this fact fully into account. Accordingly, with a view to ensuring that developing country Members are able to comply with this Agreement, the Committee on Technical Barriers to Trade provided for in Article 13 (referred to in this Agreement as the "Committee") is enabled to grant, upon request, specified, time-limited exceptions in whole or in part from obligations under this Agreement. When considering such requests, the Committee shall take into account the special problems, in the end of preparation and application of technical regulations, standards and conformity assessment procedures, and the special development and trade needs of the developing country Member, as well as its stage of technological development, which may hinder its ability to discharge fully its obligations under this Agreement. The Committee shall, in particular, take into account the special problems of the least-developed country Members.</p>	<p>Taking account of the special problems of LDCs in the preparation and application of technical regulations, standards and conformity assessment procedures</p>

SL No.	Area of S&D Treatment in TBT	Specific Articles	Implications
2.	Technical assistance	<p>Article 12 (7)-TBT: Members shall give particular attention to the provisions of this Agreement concerning developing country Members' rights and obligations and shall take into account the special development, technical and trade needs of developing country Members in the implementation of this Agreement, both nationally and in the operation of this Agreement's institutional arrangements.</p> <p>Article 11 TBT- TBT Agreement stipulates that technical assistance should be provided to developing countries in the preparation of technical regulations, the establishment of national standards bodies, regulatory or conformity assessment bodies, and for participation in international standards setting bodies. Developed countries should also provide technical assistance to developing countries on ways in which the technical regulations of the developed countries can best be fulfilled.</p>	<p>Members to advise other Members, especially developing countries, on request, on the preparation of technical regulations</p> <p>Members to provide technical assistance to developing countries to ensure that the preparation and application of technical regulations, standards and conformity assessment procedures do not create unnecessary obstacles to the expansion and diversification of exports from developing countries</p> <p>The terms and conditions of the technical assistance will be determined in light of the stage of development of the requesting Members, particularly in the case of LDCs</p>
3.	Financial and trade needs development	<p>Article 12 (2) TBT- Members shall give particular attention to the provisions of this Agreement concerning developing country Members rights and obligations and shall take into account the special development, financial and trade needs of developing country Members in the implementation of this Agreement, both nationally and in the operation of this Agreements institutional arrangements.</p>	<p>Develop Country should help developing countries to develop financial and trade needs development at national and international levels</p>

SL No.	Area of S&D Treatment in TBT	Specific Articles	Implications
4.	Reasonable measures to ensure international standard and monitoring	<p>Article 12 (3) TBT- Members shall, in the preparation and application of technical regulations, standards and conformity assessment procedures, take account of the special development, financial and trade needs of developing country Members, with a view to ensuring that such technical regulations, standards and conformity assessment procedures do not create unnecessary obstacles to exports from developing country Members.</p> <p>Article 12 (5) TBT- Members shall take such reasonable measures as may be available to them to ensure that international standardizing bodies and international systems for conformity assessment are organized and operated in a way which facilitates active and representative participation of relevant bodies in all Members, considering the special problems of developing country Members.</p> <p>Article 12 (6) TBT- Members shall take such reasonable measures as may be available to them to ensure that international standardizing bodies, upon request of developing country Members, examine the possibility of, and, if practicable, prepare international standards concerning products of special interest to developing country Members.</p> <p>Article 12 (9) TBT- During consultations, developed country Members shall bear in mind the special difficulties experienced by developing country Members in formulating and implementing standards and technical regulations and conformity assessment procedures, and in their desire to assist developing</p>	Developing country's difficulties experienced faced to formulating and implementing standards and technical regulations and conformity assessment procedures. Developed countries should help to develop standards and technical regulations and conformity assessment procedures regarding the financial and trade needs of developing country Members to implement both national and international levels to ensure that such technical regulations, standards, and conformity assessment procedures would not create unnecessary obstacles to exports from developing country Members.

SL No.	Area of S&D Treatment in TBT	Specific Articles	Implications
		<p>country Members with their efforts in this direction, developed country Members shall take account of the special needs of the former in regard to financing, trade and development.</p> <p>Article 12 (10) TBT- The Committee shall examine periodically the special and differential treatment, as laid down in this Agreement, granted to developing country Members on national and international levels.</p>	

2.4 LDC Specific Issues and Related Concern for Bangladesh in SPS

SPS and TBT measures, in many instances, have acted as market access barriers to exports from these countries. In addition, owing to lack of adequate resources, developing countries and LDCs were not being able to ensure compliance with many of the SPS and TBT provisions. As a result, their export potentials have continued to remain unrealized¹⁷. The experience of Bangladesh for example **Ban on Imports of Bangladesh Shrimp** by the EU may serve as an example of how LDCs may end up in a situation where the opportunities and risks stemming from globalization could be unevenly distributed as a result of differential capacities to

- (a) ensure compliance and
- (b) review and revise the relevant regulations by taking into cognizance the emerging difficulties.

2.5 Difficulties Facing Developing Countries in Getting the S&DT benefit

International trade theory is used to support the pursuit of the liberalization of international trade, on the grounds that it will promote allocative efficiency by exploiting comparative advantage. It is therefore expected to lead to higher levels of production and growth both nationally and internationally. All trading partners are said to benefit, though the theory does not suggest that all will benefit to the same extent. In the real world, market failure, imperfect competition, underdeveloped infrastructure and different levels of human and technological resources challenge the assumptions of the simple theoretical model and its predictions. Nonetheless, there are numerous benefits to be gained by engaging in international trade. The essential point, however, is that

¹⁷ Market Access Implications of SPS and TBT: Bangladesh Perspective, Prof. Mustafizur Rahman, 81-87222-69-7 CULT, 2002

trade is there to serve development and should be liberalized to the extent that it serves development objectives.

Thus, developing countries, although always eager to engage in greater international trade and in multilateral trade negotiations, have been aware that there may well be limits to what they could gain from such negotiations. These concerns have become more acute as a kind of "multilateral trading system" has evolved which, in view of the continuing relative weakness of developing countries due both to their relative underdevelopment and to their fragmented participation, has developed on lines that often operate to their disadvantage¹⁸.

2.5.1 Difficulties in the area of standards

Developing countries are facing a number of difficulties in the area of standards, including in¹⁹:

- the preparation of technical regulations;
- ensuring the effective functioning of national standardizing bodies and bodies responsible for conformity assessment;
- evaluating how technical regulations of other members could best be met;
- participating in international standard setting bodies;
- the inadequacy of infrastructure especially with regard to SPS services.

A number of ideas were proposed in relation to the implementation of S&D provisions in the course of the review of the SPS Agreement, several of which may also be relevant to the TBT Agreement. These should be addressed in a practical and pragmatic manner, with a view to reaching concrete recommendations to operationalize these proposals in a manner that would address the difficulties facing developing countries in this area. Some suggestions in this regard include:

2.5.2 Difficulties in the area of transparency and notification requirements

- to allow longer time periods to developing countries to comment on notifications and to allow reasonable time between the notification and the date of entry into force of the measure;
- to provide a more accurate description of notified measures and improving the description of deviations from international standards whenever this is possible; and
- to establish a data base that incorporates members' SPS rules and regulations, standards and comments on notifications, and make it accessible on the Internet.

¹⁸ Special and Differential Treatment for Developing Countries in the WTO, Hesham Youssef, Special and Differential Treatment for Developing Countries in the Multilateral Trading System, WT/GC/W/109, WT/COMTD/49, 5 November 1998).

¹⁹ Special and Differential Treatment for Developing Countries in the WTO, Hesham Youssef, Special and Differential Treatment for Developing Countries in the Multilateral Trading System, WT/GC/W/109, WT/COMTD/49, 5 November 1998).

2.5.3 Difficulties in the area of the special needs of developing countries, including technical assistance²⁰:

- to adequately implement provisions related to the situation in which substantial investments are required to fulfil SPS requirements of an importing country;
- to assist in strengthening human resource development, national capacity building, transfer of technology and developing a more effective exchange of information through the provision of technical assistance;
- to strengthen the participation of developing countries in standard setting bodies and to monitor developments in standards of interest to them, since even when standards are developed multilaterally, in most cases, the participation of developing countries is nominal;
- to examine ways to encourage and facilitate mutual recognition arrangements.

According to Article 14 of the SPS Agreement, LDC members are allowed to delay application of the provisions of the SPS agreement for a period of five years following the date of entry into force of the WTO Agreement with respect to their sanitary and Phytosanitary measures. The two Agreements also contain provisions which call on the WTO Secretariat and member countries to provide technical assistance to developing and least developed countries and to assist them in putting in place the required legal and institutional frameworks for design and implementation of technical regulations and SPS measures.²¹

2.6 The Legal Structure and Law of SPS & TBT Measure

The major laws that regulate SPS and TBT issues in Bangladesh are briefly summarized in the following section³:

2.6.1 The Conservation and Protection of Fish Act, 1950

The Conservation and Protection of Fish Act, 1950 is the East Bengal Act No. XVIII of the Year 1950, made effective through Gazette notification, has 10 Sections. This Act contains regulatory provisions to provide for the protection and conservation of fishes in Bangladesh. It outlines the procedures and requirements of the power to make rules, power to prohibit sale of fish, prohibition about current Jal, penalties, power to confiscate, arrest without warrant for offence under the Act and so forth. This Act also determines the scope of the implementation authority under the Ministry of Livestock and Fisheries.

²⁰ Special and Differential Treatment for Developing Countries in the WTO, Hesham Youssef, Special and Differential Treatment for Developing Countries in the Multilateral Trading System, WT/GC/W/109, WT/COMTD/49, 5 November 1998).

²¹ The WTO Agreements Series, Technical Barriers to Trade, Third Edition, TBT Agreement https://www.iatp.org/sites/default/files/Special_and_Differential_Treatment_for_Deve_2.htm

2.6.2 The Animal Slaughter and Meat Control Act, 1957

The Animal Slaughter and Meat Standard (Control) Act, 1957 was first promulgated as the 8th law enacted in Year 1957, having 13 Sections, and has been last amended in 1983. This law defines the regulatory provisions outlining the provisions which kind of animals can be slaughtered for commercial production and sale of meat and storage of meat and food preparation thereof for human consumption, the hygiene and safe handling of meat, inspection procedures, and penal measures for violations, and related rights and obligations of the producers and processors, retailers and government office bearers vested with the responsibilities outlines in the Act.

2.6.3 The Agricultural Pests Ordinance, 1962 is the East Pakistan Ordinance No. VI of the Year 1962

The Agricultural Pests Ordinance, 1962 is the East Pakistan Ordinance No. VI of the Year 1962, effective immediately, has 16 sections. This Ordinance contains regulatory provisions to provide for the prevention of the spread of agricultural pests in Bangladesh and so forth. Key functions of this Ordinance include appointment and powers of inspectors, powers to prohibit, spread of agricultural pests, etc., notice to occupier to carry out preventive measures, powers to declare affected area and to recover costs, penalty, appeal, power to **make rules and so on**. This Ordinance also determines the scope of the implementation authority under the Ministry of Agriculture.

2.6.4 The Agriculture Produce Market Regulation Act,1964

The Agriculture Product Market Regulation Act, 1964 is the East Pakistan Act No. IX of the year 1964, has 19 sections. This Act contains regulatory provisions to provide for the regulation of the purchase and sale of agricultural produce and of markets in which such produce is purchased and sold in Bangladesh and so forth. Key entities of this Act include declaration of notified market and licensing of market functionaries, licenses, market charges, penalty, trade allowance, settlements of disputes, power to make rules, power to amend the schedule and so on. This Act also focuses on the constitution of market advisory committee, term of the committee, procedure, etc., for meetings to be prescribed by rules, functions of the committee, etc. This Act also determines the scope of the implementation authority under the Ministry of Agriculture.

2.6.5 The Destructive Insects and Pests Rules (Plant Quarantine), 1966 (Amended in 1989)

The Destructive Insects and Pests Rules (Plant Quarantine), 1966 enacted in the Year 1966, last amended in 1989, have 8 Sections. This set of Rules contains regulatory provisions to regulate the import, application for permit to plant or plant products, notice of arrival by the importer, import restrictions or prohibitions and so forth. Key entities of these rules include import of plant and plant products, inspection and certificate of plants and plant products for export, payment of fees and plant quarantine

charges, import restrictions and prohibitions, penalties, etc. These rules also determine the scope of the implementation authority under the Ministry of Agriculture.

2.6.6 The Customs Act, 1969

The Customs Act, 1969 is the 4th law enacted in year 1969, effective immediately, has 20 chapters, 223 sections and 4 schedules. This Act contains regulatory provisions outlining the collection of customs related rights and obligations of custom payers and government office bearers. It outlines the procedures and requirements of declaration of ports, airports, land customs stations, prohibition and restriction of importation and exportation, levy of, exemption from and repayment of, customs-duties, drawback, arrival and departure of conveyance, general provisions affecting conveyances at customs-stations, discharge of cargo and entry inwards of goods, clearance of goods for home- consumption, warehousing, transshipment, transit trade, exportation or shipment and re-landing, special provisions regarding baggage and goods imported or exported by post, provisions relating to coastal goods and vessels, prevention of smuggling - powers of search, seizure and arrest- adjudication of offences, alternative dispute resolution, appeals and revision, offences and penalties. Key function is to assess the goods for customs fixation. This law also determines the scope of the implementation authority, Chief Commissioner of Customs under the National Board of Revenue under Ministry of Finance. This Act was amended several times.²²

2.6.7 The Pesticide Ordinance, 1971 (and Rules, amended in 2010)

The Pesticides Ordinance, 1971 is the Ordinance No. II of the Year 1971, last amended in 2010, has 4 Chapters and 30 Sections. This Ordinance contains regulatory provisions to regulate the import, manufacture, formulation, sale, distribution and use of pesticides, and related issues. Key functions of this Ordinance include constitution of the Pesticide Technical Advisory Committee including a Chairman, Vice-Chairmen and other members, registration of the entities involved in import, manufacture, sell, hold for stock, etc., of the pesticides, the period for which the registration shall be effective, power to fix the maximum price for pesticides, cancellation and renewal of registration, requirement of license, powers of inspectors, offences and penalties, etc. This Ordinance also determines the scope of the implementation authority, Pesticide Technical Advisory Committee, under the Ministry of Agriculture.

2.6.8 The Fish and Fish Product (Inspection and Quality Control) Ordinance, 1983

The Fish and Fish Products (Inspection and quality Control) Ordinance, 1983 is the 20th law enacted in Year 1983, effective immediately, has 15 Sections. This Ordinance contains regulatory provisions outlining the inspection and quality control of fish and fish products related rights and obligations of the owner of the fish products producers

²² Laws of Bangladesh, Legislative and Parliamentary Affairs Division, Ministry of Law, Justice and Parliamentary Affairs, <http://bdlaws.minlaw.gov.bd>

and processors, and government office bearers vested with the responsibilities outlines in the Ordinance. It outlines the procedures for inspection to ensure compliance with the provisions of the Ordinance, handling, storage, etc. of fish and fish products, operations of fish processing and fish packing plant and establishment, and various penal measures for failure to comply, and for consecutive offences. The key functions outlined in the Ordinance are related inspection and quality control of fish and fish products.

2.6.9 The Animal and Animal Products Quarantine Act, 2005

The Bangladesh Animal and Products Quarantine Act, 2005 is the 6th law enacted in Year 2006, effective immediately, has 26 Sections. This Act contains regulatory provisions outlining the steps needed to control of outbreak and spread of animal diseases, related rights and obligations of private sector, importers, exporters, and government office bearers. It outlines the procedures of controlling animal and animal products for quarantine, duties and functions of quarantine officers, import notice by the importer, provision for export of animal and animal products, licensing for Importers and exporters. The key purpose of the Act is to control the outbreak and spread of animal diseases. This law also determines the scope of work of the implementation authority, Department of Livestock Services under the Ministry of Fisheries and Livestock.

2.6.10 Bangladesh Accreditation Board Act, 2006

The Bangladesh Accreditation Board Act, 2006 is the 29th law enacted in Year 2006, effective immediately, has 7 Chapters and 49 Sections. This Act contains regulatory provisions outlining scope and procedures for the accreditation certificate for various testing laboratories, related rights and obligations of various testing and inspection organizations, related training institutions and government office bearers. It defines the accreditation board, accreditation certificate, appointment of officers and assessor, fund and annual budget, offence and punishment. Key function of this Act is to regulate the functions and quality of the laboratories and training institutions. This law also determines the scope of responsibilities and obligations of the implementation authority, the Ministry of Industries.

2.6.11 The Animal Disease Act, 2005 (and Rules, 2008)

The Animal Disease Act, 2005 is the 5th law enacted in Year 2005, effective immediately, has 33 Sections and 1 Schedule. This Act contains regulatory provisions outlining the control of animal disease related rights and obligations of private sector enterprises and government office bearers. It requires the declaration of affected area, vaccination in affected area, separation of affected animals, prohibition of sale of animals reared in the affected area, registration of animal farms and cancelation of registration. The key purpose of the Act is to protect healthy animals from the diseased animals. This law also determines the scope of work of the implementation authority, Department of Livestock Services under the Ministry of Fisheries and Livestock.

2.6.12 The Bangladesh Standards and Testing Institution (Amendment) Act, 2018

The basis of this Act is the Bangladesh Standards and Testing Institution Ordinance, 1985, is the Ordinance Number XXXVII of the Year 1985²³. BSTI Act, 2018 has made into a full-fledged law after last amendments made in 2003. It has 52 Sections. This law contains regulatory provisions to provide for the establishment of an Institution for standardization, testing, metrology service, quality control-operating certification scheme of products, process and systems in Bangladesh. Key functions of the Ordinance include establishment and incorporation of the institution, general directions of affairs and the functions of the institution, composition of the council responsible for deciding on and supervising and guiding the activities of the institution, meetings of the council, appointment of the committee, appointment of officers, funds, budget, accounts, appeals, penalties and so on. This law also determines the scope of the implementation authority, Bangladesh Standards and Testing Institution (BSTI), under the Ministry of Industries. The National TBT Enquiry Point is Bangladesh Standards and Testing Institution (BSTI), governed under its own law, The Bangladesh Standards and Testing Institution (Amendment) Act, 2003. Bangladesh law recognizes BSTI as the sole authority for product certification, and if enforced, such regulation may restrict the scope for other public and private agencies to test and certify products.

2.6.13 Plant Quarantine Act, 2011 and Plant Quarantine Rules 2016

The Plant Quarantine Act, 2011 Act No. V of the Year 2011, effective immediately, has 6 Chapters and 41 Sections. This Act contains regulatory provisions to make provisions, in the context of international traffic in plants and plant products, for preventing the introduction of insects or pests into, and spread thereof within Bangladesh and for the matters relating to phyto-sanitary and other measures incidental and so forth. Key functions of this Act include establishing National Plant Quarantine Authority and outlining its powers and functions, delegation of powers by the authority, prohibition or restriction on import and export of plants or plant products, etc., regulations of plants or plant products for quarantine, import and export, containment and eradication of pests, offences and punishments and so on.

2.6.14 The Food Safety Act, 2013

The Safe Food Act, 2013 is the 43rd law enacted in Year 2013, effective immediately, has 13 Chapters, 90 Sections and 1 Schedule. This Act contains regulatory provisions outlining the related rights and obligations of businessman related to food processing and government office bearers, to prevent adulteration and to ensure food safety. An Act to make provisions for the establishment of an efficient and effective authority and for regulating, through coordination, the activities relating to food production, import, processing, stock, supply, marketing and sales, so as to ensure the rights toward access

²³ Laws of Bangladesh, Legislative and Parliamentary Affairs Division, Ministry of Law, Justice and Parliamentary Affairs, <http://bdlaws.minlaw.gov.bd>

to safe food through appropriate application of scientific process, upon repealing and reenacting the existing laws connected thereto. Whereas it is necessary to ensure the rights toward access to safe food for the protection of human health and life; and Whereas it is necessary to make provisions for the establishment of an efficient and effective authority and for regulating, through coordination, the activities relating to food production, import, processing, stock, supply, marketing and sales, so as to ensure the rights toward access to safe food through appropriate application of scientific process, upon repealing and reenacting the existing law connected.

2.6.15 Imports and Exports Control Act, 1950

This Act was promulgated in 1950 to prohibit, restrict or otherwise control imports into and exports from Bangladesh. Under the provisions of the Act, the Government is empowered to regulate all practices and procedures connected with the import or export of goods, and may also provide for applications for licenses under the act including the charging of fees, etc.

2.6.16 Packaged Food Labelling Act, 2017

The Packaged Food Labelling Act, 2017 is the powers conferred by section 87 of the Food Safety Act, 2013 (Regulation no. 43 of 2013), the Food Safety Authority. The Food Labelling Act, 2017 has five chapters and 19 sections. The act states the General conditions of packaged food labeling and information that should be mentioned in the label, such as – Name and address of the manufacturer, packager, supplier or marketer; Food ingredients or material's type and name (Natural and artificial); Batch, code or lot number; Net weight or volume or number and total weight; Date of Manufacture; Date of Packaging; Expiry date or last date of use; Best before date; Information about nutritional value; Food additives; and If it is not possible to use food or food products properly without instructions, its use instructions. All provisions of Pure Food Rules, 1967 relating to the provisions of this Regulation shall come into force as soon as these Regulations come into force.

2.6.17 Fish Feed and Animal Feed Act, 2010

This Law, consisting of 24 sections, establishes that the Director General of Fisheries and the Director General of the Directorate of Livestock Services in this regard shall act as the fish and animal feed Licensing Authority. For the production of fish or animal feed, processing, import, export, marketing, sale, distribution and ancillary activities should apply to the Licensing Authority- under clause 5 in the prescribed form to obtain such license. The tenure of the license will be one year from the date of issuance and the renewal shall be filed to the Licensing Authority at least 30 days before the expiry date with the amount of a fixed renewal fee.

2.6.18 The Import Policy Order, 2021-2024

The present policy seems to be more business-friendly, synchronization of clauses with the introduction of some new directives which are indispensable at this stage of the changed global system. The IPO addresses the current and emerging issues, such as, post-LDC graduation, COVID-19 recovery, the 8th five-year plan, the perspective plan 2021-2041 and the fourth industrial revolution. The new policy clearly mentions that the HS code will mean the first schedule of the Customs Act and the number would be eight or more digits. In chapter three, required fees have been converted into USD and the allowed amount has been changed. Import of raw materials and packaging products have been simplified, as like BGMEA, BKMEA will be allowed to issue Utilization Declaration (UD) as per entitlement, even products of controlled items can be imported if required for export. It will help increase RMG and Knit garments export. A good number of goods have been included in the prohibited list, which was in the controlled list earlier, some of these products are: shrimps(of specific HS Code), Poppy Seeds(of specific HS Code), grass, bhang, opium, wine lees and agro, liquefied propane and butanes(which is part of LPG), petroleum gas and other gaseous hydrocarbons, petroleum coke, sodium cyclamate, artificial mustard oil, polypropylene bag, and polyethylene bag, three-wheeler, three-wheeler with two-stroke engine, gas syringe, old motorcycle. It seems that government is sincere in protecting the environment and addressing the climate change issues. There are some supportive directives in the policy. Under Section 7 a rule is to mark the 2% of the packing with name, address and TIN number of the importer is included. On the other hand, section 46 of IPO on import of American cotton reminded unchanged and asked for quarantine certificate from Quarantine Department before release of USA origin cotton²⁴.

2.6.19 The Export Policy, 2021-2024

The export policy is issued by the Government under the provisions of Section 3(1) of the 'Imports and Exports (control) Act 1950'. It has been prepared keeping in view the contemporary developments in the global and regional trade regimes that include, among others, the world trade scenario, depression in the developed countries, probable sub-regional connectivity (Bangladesh-India-Nepal-Bhutan), One-Belt-One-Road initiative of China, BREXIT, etc. It also emphasizes on Bangladesh's transformation to developing nations club, effectively addressing the challenges of the Fourth Industrial Revolution (4IR), and offsetting the potential impacts on the economy posed by the pandemic²⁵. In addition, it prioritizes capacity building efforts in view of Bangladesh's emergence as a developing country as well as visualizing the Middle-Income Country

²⁴ Laws of Bangladesh, Legislative and Parliamentary Affairs Division, Ministry of Law, Justice and Parliamentary Affairs, <http://bdlaws.minlaw.gov.bd>

²⁵ Chowdhury, N.H., The New Export Policy 2021-2024: How it would Boost up the Export Target of Bangladesh, published by the Korea Institute for International Economic Policy, 2022

(MIC) status. In addition, the policy includes a special development sector comprising of products having export potential, but the basis of their production, quality, supply and export is not well-organized. Such products are: electrical, electronics, and ceramic products; value-added frozen fishes; printing and packaging; cutting and polished diamond and jewelry; paper and paper products; rubber and rubber products; silk materials; handloom and handicraft products; photovoltaic modules; crabs; cashew nuts; toys; halal fashion; halal meat and meat products; auger; etc.²⁶.

2.6.20 Bangladesh Good Agricultural Practices Policy 2020

Ministry of agriculture prepared Good Agricultural Practices Policy (GAP) 2020, as safe food is becoming increasingly important in terms of human health and economic aspects. Safe food production is urgent because of the competition in the global export market, as well protecting people from food bound illness. Indiscriminate use of pesticides and chemicals, presence of heavy metals. Infection of microorganisms etc. from the early stages of production to the various stages of cool chain made food unsafe. For this reason, considering the availability of safe food, it is very important to follow Good Agricultural Practices (GAP) from the beginning of production, harvest and post-harvest processing, such as collection from field, packaging, transportation etc. to ensure safe food. Good Agricultural Practices (GAP) ensure producing safe and quality food as well as to play role to the environmental and social development.

2.6.21 Bangladesh Consumer Rights Protection Act 2009

The Bangladesh Consumer Rights Protection Law 2009 aims to protect consumer rights, prevent anti-consumer rights and other related matters, and state activities that are against consumer rights, providing for the establishment of the Consumer Right Protection Council. Any product contains or is found to be particularly injurious to human health, the Government, on the advice of the Director General, may, by notification in the Official Gazette, prohibit the manufacture, import, marketing, sale, display for sale, distribution, transportation for commercial purposes or use for commercial purposes of such product throughout the country or in any specified area. may issue directions regarding the closure or management of all those activities subject to the conditions laid down in the notification.

2.7 TBT and SPS linkage with Trade Facilitation Agreement (TFA)

The Trade Facilitation Agreement (TFA), adopted by WTO Members in 2014, seeks to expedite the movement, release and clearance of goods across borders and reduce these trade transaction costs - by an average of 14.3²⁷ per cent as estimated by the 2015 World Trade Report. The TFA and TBT Agreements are in fact complementary, with the TFA

26 Laws of Bangladesh, Legislative and Parliamentary Affairs Division, Ministry of Law, Justice and Parliamentary Affairs, <http://bdlaws.minlaw.gov.bd>

27 TBT AND TRADE FACILITATION AGREEMENTS: LEVERAGING LINKAGES TO REDUCE TRADE COSTS, Serra Ayrál, page-6, https://www.wto.org/english/res_e/reser_e/ersd201602_e.pdf

introducing some new requirements/recommendations, which are likely to apply to certain TBT measures. The Trade Facilitation Agreement focuses on expediting the movement, release and clearance of goods, including goods in transit and on reducing trade-related transaction costs. Given the context, the TBT Agreement strongly encourages Members to base their measures on international standards as a means to facilitate trade. The WTO Secretariat's SPS unit has already prepared an informal background note on the linkages between the TFA and the SPS Agreement and highlighted some SPS-plus elements (WTO 2014b).²⁸

- a) **Publication and availability of information about SPS and TBT:** The list of TFA Article on Publication and Availability of information includes inter alia procedures for importation, exportation, transit, required forms and documents; fees and charges. Some of which will be linked to technical regulations and/or conformity assessment procedures. The TBT Agreement also requires that technical regulations and conformity assessment procedures, which have been adopted, are published promptly (Articles 2.11 and 5.8) and there is likely to be some reinforcing overlap in terms of the coverage between the publication requirements of the two Agreements. However, as the TBT Agreement does not specifically require the publication of forms and documents or fees and charges; the corresponding obligations in the TFA could therefore be considered TBT-plus provisions.
- b) **Opportunity to comment and regular consultations:** According to TFA Article, traders and other interested parties must be given an opportunity and reasonable time to comment on proposals for new or amended laws and regulations related to the movement, release and clearance of goods, which should be made publicly available as early as possible before their entry into force. Presumably, some of these new or amended measures could relate to TBT and SPS measures. For example inspection and sampling of goods at the border to check conformity with TBT requirements before clearance. The TBT Agreement obliges Members to establish TBT notification authorities, notify other Members at an early stage about proposed TBT measures and allow a reasonable time for comments (Articles 2.9 and 5.6). As per the recommendations of the TBT Committee, such reasonable period of time should normally be at least 60 calendar days.²⁹
- c) **Procedures for appeal and review:** TFA Article 4 requires Members to provide traders with the right to appeal decisions by customs in an administrative and/or

²⁸ World Trade Organization (WTO) (2014b), Informal Background Note on the Relationship between the Trade Facilitation Agreement and the Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement) http://www.wto.org/english/tratop_e/sps_e/tf_sps_e.pdf

²⁹ WTO document G/TBT/1/Rev.12, para. 4.3.1.5.

judicial proceeding³⁰. TFA Article 4 requires Members to provide traders with the right to appeal decisions by customs in an administrative and/or judicial proceeding. Members are also encouraged to make provisions of the Article applicable to appeals or reviews for administrative decisions issued by "relevant border agencies other than customs", which could include agencies in charge of TBT related controls.

- d) **Detention /opportunity for a second test:** TFA Article 5 focuses on measures to enhance impartiality, non-discrimination and transparency. With respect to conformity assessment procedures, including testing, it is worth noting that the TBT Agreement does encourage Members to accept results of conformity assessment procedures conducted in other Members, provided that certain conditions are met, which would reduce the need for testing by the importing Member in the first place. The TBT Committee has adopted an indicative list of Approaches to Facilitate Acceptance of the Results of Conformity Assessment and discussions on conformity assessment procedures continue in the Committee, including through thematic sessions held back-to-back with TBT Committee meetings.³¹
- e) **Facilitating release and clearance of goods:** TFA Article 7 on Release and Clearance of Goods includes detailed provisions on nine issues, including pre-arrival processing; electronic payments; risk-based controls; post-clearance audit; average release times; authorized operators; and perishable goods. TFA Article 7.3.6 recognizes this right by stating, "nothing in these provisions shall affect the right of a Member to examine, detain, seize or confiscate or deal with the goods in any manner not otherwise inconsistent with Member's WTO rights and obligations" (see also Article 7.8.3). In addition, TFA Article 24.6 also stipulates that the TFA does not diminish Members' rights under the SPS and TBT Agreements.
- f) **Freedom of transit:** Article 11.8 states that "Members shall not apply technical regulations and conformity assessment procedures within the meaning of the TBT Agreement to goods in transit". The provision is not softened by best endeavor language; rather it is a straightforward obligation. The text of the TBT Agreement does not contain specific provisions on transit, nor does it indicate whether goods in transit are included or excluded from its coverage. It is notable that Article 11.8 does not make reference to the SPS Agreement, presumably recognizing that goods

³⁰ TBT AND TRADE FACILITATION AGREEMENTS: LEVERAGING LINKAGES TO REDUCE TRADE COSTS, Serra Ayrál, page-9, https://www.wto.org/english/res_e/reser_e/ersd201602_e.pdf

³¹WTO document G/TBT/1/Rev.12: Decisions and Recommendations Adopted by the WTO Committee on Technical Barriers to Trade since 1 January 1995, Annex 1 to Part I.

in transit might pose sanitary or phytosanitary risks – for example, live animals being transported could spread diseases or plants in transit could spread pests.

2.7.1 Conformity Assessment and TFA

Conformity assessment procedures Article 5 of the TBT Agreement on "conformity assessment procedures" (including inter alia procedures for sampling, testing and inspection; evaluation, verification and assurance of conformity; and registration, accreditation and approval) is of particular relevance when considering possible linkages between the TFA and the TBT Agreement. It obliges Members to ensure that such procedures are not applied "more strictly than necessary" and requires that³²:

- conformity assessment procedures are completed as expeditiously as possible;
- standard processing periods are published;
- information requirements are limited to what is necessary;
- confidentiality of information is respected;
- fees are equitable in relation to those charged on domestic or foreign like products;
- siting of facilities and selection of samples do not cause unnecessary inconvenience;
- a procedure exists to review complaints.

2.8 SPS and TBT issues at the port

Annually on an average 130 lakhs tons of plants and plant products are imported for which Plant Quarantine Inspection are needed. Some times to ensure Phytosanitary measures Plant Quarantine treatment are adopted. Similarly, different commodities of plant and plant products are also exported to other countries of the world. Annually, on an average 10 lakh tons of Agricultural commodities, mainly Raw Jute and jute products, handicrafts, vegetable, fruits are inspected for the purpose of export for which Phytosanitary certificates are issued.³³ However, there were other issues at the port that Plant Quarantine Wing had to deal with. These issues experienced by the Plant Quarantine Wing at the port are covered in Section 7.3.3 of this report.

Quality standards are set and monitored by the Bangladesh Standards and Testing Institution (BSTI) following international standards, such as those established by the International Standards Organization. Bangladesh also recognizes and accepts goods bearing certifications from standards institutions of other countries. The issues experienced by the Bangladesh Standards and Testing Institution (BSTI) at the port are covered in Section 7.3.2 of this report.

³² TBT AND TRADE FACILITATION AGREEMENTS: LEVERAGING LINKAGES TO REDUCE TRADE COSTS, Serra Ayril, page-7, https://www.wto.org/english/res_e/reser_e/ersd201602_e.pdf

³³ PLANT QUARANTINE, PEST RISK ANALYSIS AND PHYTOSANITARY SERVICES FOR ENVIRONMENTAL FOOD SAFETY & SECURITY IN BANGLADESH, Ahsan Ullah, page-1, 2018 IJCRT | Volume 6, Issue 2 April 2018 | ISSN: 2320-2882

Chapter 3: Review the Current Status of SPS and TBT Measures, Institutional Framework and Infrastructure Facilities through National Diagnostic Study

In this chapter the institutional Structure of SPS and TBT will be discussed regarding the local law and context to explore the legislative procedure and feature of existing law available in Bangladesh. The National Notification Authority for SPS related problems is the WTO Cell at the Ministry of Commerce in Bangladesh. However, a number of additional governmental organizations are involved in the implementation of SPS-related rules. Trade organizations from the private sector are also included in the consultation process before any notifications relating to SPS are made, as well as for implementation procedures. For instance, 30 processed food items must first undergo obligatory testing and certification by the BSTI in order to clear customs. The Department of Customs usually oversees the enforcement of the regulations under the prevailing Import Policy Order before a clearance is done. Products that need the approval from Bangladesh Standards and Testing Institution (BSTI) related to performance measures, labeling requirements, content requirements, or any other TBT issues, will require appropriate testing, inspections, and certification from BSTI before being marketed in Bangladesh or being exported from Bangladesh.

3.1 Existing Facilities regarding SPS and TBT Compliance in Bangladesh

The WTO Cell at the Ministry of Commerce, Bangladesh is the National Notification Authority for SPS issues. However, as mentioned in the earlier paragraph, there are various other government agencies involved in the implementation of SPS related regulations. Private sector and trade bodies are also involved in the consultation process before any SPS related notifications are issued for implementation procedures. For example, 18 items falling under processed food categories require mandatory testing and certification by the BSTI before customs clearance. The major institutions directly and indirectly (private sector trade bodies) involved in SPS administrations are previously discussed.

3.1.1 Organizations involved to implement Sanitary and Phyto-sanitary (SPS) regulations

Public Sector Organizations

- Ministry of Health and Family welfare and attached Departments
- Ministry of Agriculture and attached Departments
- Ministry of Fisheries and Livestock and attached Departments
- Ministry of Environment and Forest Ministry of Commerce and attached Departments
- BSTI (Bangladesh Standards and Testing Institution) under the Ministry of Industries
- Different testing laboratories under different Ministries

3.2 Institutional Framework and Infrastructure Facilities of SPS and TBT

The major organization responsible for administering phytosanitary related measures is the Plant Quarantine Wing of Department of Agriculture Extension (DAE), under the Ministry of Agriculture. They have the testing laboratories and inspection facilities. The Plant Quarantine Wing under the DAE operates plant quarantine stations as well in different port of Bangladesh.

3.2.1 The Plant Quarantine Wing

The plant quarantine wing has been made the Competent authority for the export and import of plants and plant products. The Wing under the Department of Agricultural Extension (DAE) has 30 plant quarantine stations all over the country, listed in Table 3.1 below. Out of these 30 stations, 23 are at various Land Customs Stations (LCS), 3 at international airports, 2 are at sea ports, and 1 at the inland container depot of railway. Additionally, the headquarters in Dhaka has a fully operations plant quarantine station. Plant Quarantine Wing of DAE currently has 16 laboratories and one more laboratory was established by 2018 in the Central Packing House. Currently they suffer from shortage in equipment and more importantly from lack of skilled personnel to run the laboratory properly. Moreover, there are financial constraints. The Plant Quarantine Wing of DAE under the Ministry of Agriculture is responsible for enforcing quarantine measures, testing, inspection, and certification on SPS and TBT related issues concerning plants, fresh fruits, vegetables, tubers, grains, flowers, foliage, spices, legumes, and other plant based unprocessed products, where applicable by its Plant Quarantine Wing and other departments. From the Plant-Quarantine-Wing (PQW)/ Department of Agricultural Extension (DAE), it is found that there are 16 laboratories under PQW, out of which 02 will be strengthened from the BTF project. Currently, the "Project for Conversion of Plant Protection Laboratory in Central Packing House into an International Standard Laboratory" is underway, and work is ongoing to set up an international standard laboratory in Purbachal.

From the desk review and KII, it is evident that the director of the Plant Quarantine Wing (PQW) should have separate authority and administrative power so that they can employ their technical officer in the plant quarantine section. And it is further proposed that the officials are not be transferred to any other post of the Department of Agriculture Extension as it creates barriers for developing the technically sound and skill professional in plant quarantine wing.

It is necessary to enable a network of well-equipped food testing laboratories run by a trained and skilled staff in a transparent manner to ensure consumer's access to safe and suitable food. An effective laboratory network tests and validates the safety of food from production through harvest and processing. Such a network protects domestic crops from foreign pest and disease, helps monitor for and keep microbiological and chemical

contaminates and residues out of food and water supplies, and contributes to assessments of environmental impacts of, for example, pesticides. Additionally, the laboratory network certifies exported food meets international standards.

Table 7 Plant Quarantine Stations at field level

Sl.No.	Category 'A' (12 no.)	Category 'B' (8 no.)	Category 'C' (10 no.)
1.	Seaport, Chittagong	Landport, Darsana, Chuadanga	Landport, Kamalpur, Bokshigonj, Jamalpur
2.	Landport, Teknaf, Cox's Bazer	Landport, Tamabil, Sylhet	Landport, Belonia, Feni
3.	Hajrat Shahjalal International Airport, Dhaka	Landport, Jokigonj, Sylhet	Landport, Birol, Dinajpur
4.	Seaport, Mongla, Bagerhat	Landport, Banglabandha, Panchagar	Landport, betuli(Phultola), Moulavibazar
5.	Landport, Bhomra, Satkhira	Landport, Rohanpur, Chapainababgonj	Landport, Chatalpur, Moulavibazar
6.	Landport, Benapol, Jessore	Landport, Bibir Bazar, Comilla	Landport, Haluaghat, Mymansingh
7.	Landport, Akhaura, Brahmanbaria	Riverport, Narayangonj	Landport, Daulatgonj, Jibannagar, Chuadanga
8.	Landport, Sonamosjid, Chapainababgonj	ICD, Kamalapur, Dhaka	Landport, Sheola, Bianibazar, Sylhet
9.	Landport, Hili, Hakimpur, Dinajpur		Landport, Bhurungamari, Kurigram
10.	Landport, Burimari, Patgram, Lalmonirhat		Landport, Nakugao, Nalitabari, Sherpur
11.	Shah Amanat International Airport, Chittagong		
12.	Osmani International Airport, Sylha		

3.2.2 Certification provided by Plant quarantine wing

The Plant quarantine wing provide a number of certificates related to SPS but for trade, the plant Import Permit (IP) for Plants and Plant Products, the Health Certificates for Plants and Plant Products (PC), Clearance of plants and plant products and Permitting anchoring of plants and plant products are citable certificate;

Table 8 Certification provided by Plant quarantine wing

Name of the services	Method of providing services	Required Papers and Location	Service charges and payment methods	Timeframe for delivering services
Import Permit (IP) for Plants	Receipt of application in prescribed form # Evaluation	a. Application in prescribed form b. Trade license	10 tk for 1st ton and 1tk per ton thereafter through challan	7 working days

Name of the services	Method of providing services	Required Papers and Location	Service charges and payment methods	Timeframe for delivering services
and Plant Products	# Issuance of permission	c. Import registration certificate. d. VAT certificate e. TIN number f. Registration certificate of Ministry of Agriculture in case of seeds g. Copy of deposit of treasury challan fee.		
Health Certificates for Plants and Plant Products (PC)	<ul style="list-style-type: none"> • Receipt of application in prescribed form • Assess Health Competence (PC) 	a. Application in prescribed form b. Trade license c. export registration certificate. d. VAT certificate e. TIN number f. Registration certificate of Ministry of Agriculture in case of seeds g. Copy of deposit of treasury challan fee.	50/ ton and fumigation cost.	3 Working days
Clearance of plants and plant products	<ul style="list-style-type: none"> • Receipt of application in prescribed form • Assessment clearance 	a. Application in the prescribed form b. Import Permit c. Health certificate of plants and plant products of exporting country, d. In-Voyage, e. Packing List f. Bill of Lading etc.	As per the type of product prescribed by Govt. Price by invoice	3 Working days
Permitting anchoring of plants and plant products	<ul style="list-style-type: none"> • Receipt of application in prescribed form • Anchor permission 	a. In the prescribed form of application b. Name of the ship, c. Details of letter, d. Import permit, e. Bill of Lading etc.	Free	3 Working days

3.2.3 Government constructed a well-equipped central packing house

Government has recently constructed a well-equipped central packing house at Shayampur, Dhaka to ensure harmonization of product quality and to comply with the requirements of importing country for export of fresh fruits and vegetables. Operations including sorting, grading, packing, inspections, sampling, testing & certification has already been started in Central Packing House.

Though the overall situation has improved gradually over the past years, especially after establishment of an accredited metrology laboratory at BSTI, and the plant quarantine stations at the ports, and other accredited laboratories in the country, there are many challenges.

3.3 Bangladesh Standards and Testing Institute (BSTI)

The Bangladesh Standards and Testing Institution (BSTI) was established by the Government through an Ordinance passed in July 1985. BSTI is headed by a Director General (Additional Secretary to the Government). The primary activities of the Bangladesh Standards and Testing Institution (BSTI) are: standardization of services and products (S); introduction of the international unit system of weights and measures and promotion of metrology services (M); promotion of quality assurance activities; rendering testing facilities for services and products; preparation, promotion and adoption of national standards. The Institution is also empowered with some regulatory measures in these fields. The Institutional budget is fully supported by its own income, i.e. It is functioning as a self-financing organization. Around 1,000 experts from government, academic, research, consumer, NGO and standards application bodies bring their expertise to the standardization process. Typically, Bangladesh Standards (BDS) are developed in the committee environment and engage relevant stakeholders from various public and private sector³⁴.

The Institution has also taken steps to create awareness among different bodies and entrepreneurs for adoption of all key ISO standards (ISO 9000, 14000, etc.), CAC, IEC. The Bangladesh Standards and Testing Institution (BSTI) signed the International Electrotechnical Commission's (IEC) affiliate country programme pledge in 2001. The importance of BSTI is being increasingly felt due to the government's cardinal policy to make industries export oriented and to supply the consumers at home and abroad with quality products. The Institution is emerging as a forceful exponent in the overall development of the country. Apart from development of national standards, emphasis is laid also on periodic review of standards to keep them at par with updated technological developments; some standards are also to harmonize with international and regional standards.

- Agriculture and Food

³⁴ BSTI, Bangladesh Membership: Member body, <https://www.iso.org/member/1537.html>

- Chemical
- Electrical and Electronic
- Jute and Textile
- Engineering.

3.3.1 Certification provided by BSTI

BSTI provided a number of certificate related to export and import especially Issuance of clearance of imported goods, Clearance of imported weights/weighing instruments, measuring instruments and related parts and Issuance/renewal of Halal certificate related SPS and TBT issues. The process of certification has given below;

Table 9 Bangladesh Standards and Testing Institution Provided certificate

List of services	Method of providing services	Required Papers and Location	Service charges and payment methods	Timeframe for delivering services
1. Issuance of clearance of imported goods	<p>a. It is required to inspect the port's warehouse once it has received the application form.</p> <p>b. Issuance of specimen sealing and specimen submission forms under joint signature;</p> <p>c. Laboratory sample testing and reporting;</p> <p>d. Report overall assessment and final approval;</p> <p>e. Issuance of bills;</p> <p>f. Issuance of permit.</p> <p>Note: The period of inspection may vary if the number of applications for the same product increases during a particular period of the financial year.</p>	<p>a) up-to-date trade license;</p> <p>b) LC;</p> <p>c) Bill of Lading (BL);</p> <p>d) IRC;</p> <p>e) Radioactivity test certificate (in case of powdered milk products);</p> <p>f) Photocopy of TIN certificate.</p> <p>g) Physical examination report by customs authorities.</p>	<p>Fees as per Table-1 are applicable on import value of goods.</p> <p>Mode of Payment: Payable by DD or Pay-Order or Cash at BSTI One Stop Service Centre.</p>	<p>A total of 5 (five) working days, excluding inspection time, are required for the inspection process after receipt of the application form, other approvals following receipt of the inspection report, payment of the bill, and issue of the clearance.</p>
Clearance of imported weights/weighing instruments, measuring	<p>a. Scrutiny and acceptance of applications;</p> <p>b. Issuance of bills and receipt of fees;</p>	<p>a. VAT/TIN/ Photocopy of submission proof of</p>	<p>Applicable Fees to be paid as per rules (Table-4)</p>	<p>7 working Days</p>

List of services	Method of providing services	Required Papers and Location	Service charges and payment methods	Timeframe for delivering services
instruments and related parts	<ul style="list-style-type: none"> c. Clearance issuance and concerned office of BSTI d. Providing on the Website; e. Verification and stamping subject to exemption 	<ul style="list-style-type: none"> updated income tax b. Photocopy of NID of the applicant; c. Other documents (if applicable) 	Mode of Payment: Payable by DD or Pay-Order or Cash at BSTI One Stop Service Centre.	
Issuance/renewal of Halal certificate	<ul style="list-style-type: none"> a. Examination of the application form; b. a two-stage audit; c. Submission of the audit report to the Halal Certification Committee; d. Receipt of the necessary fee and issuance/renewal of the certificate in accordance with the committee's decision. 	Updated Trade License, Premises License (for food) Certificate of Environment Department (if applicable), VAT, TIN Return Filing Certificate, Trade Mark Registration, BISIC Registration (if applicable), Third Party Calibration Certificate, Factory Layout Product, Production Process/Flow Other documents including charts (e.g.: HACCP, HCP), machinery list laboratory equipment and inspection facility details, Halal quality manual control plan, product specifications, source of product materials and other documents related to application		

3.3.2 Infrastructure of BSTI

Before a clearance is completed, the Department of Customs typically supervises the enforcement of the rules outlined in the current Import Policy Order. Before being marketed in Bangladesh or exported from Bangladesh, products that require the approval of Bangladesh Standards and Testing Institution (BSTI) due to performance measures, labeling requirements, content requirements, or any other TBT issues must pass the necessary testing, inspections, and certification from BSTI. According to BSTI, a concept note has already been submitted to the Department of Economic Relations and Ministry of Commerce regarding equipment, calibration, new lab, training, and capacity building for BSTI laboratories with the aim of obtaining the cooperation of development partners.

BSTI has a total of 18 laboratories, at its head office in Dhaka and 5 regional offices to perform various testing, conformity assessment, and certification. The head office and each of the 5 regional offices has 1 laboratory chemical testing, 1 laboratory for physical testing, and 1 laboratory for physical metrological testing. So, 3 laboratories in each of the 6 offices make the total of 18 laboratories of BSTI. There are 5 new laboratories are in progress, and expected to become functional with another year or so. So far, the BSTI laboratories have been set up in district towns, for ease of administration. BSTI should consider proximity to production clusters, such as, export processing zones, or other industrial zones for future establishment of laboratories for the convenience of product testing. The **Box 1** shows the geographical locations of the existing BSTI laboratories and the upcoming ones.

Box 1 Location of Existing and Upcoming Laboratories of BSTI



3.3.3 Initiative to Issue certificate from Government Security Printing Press

Plant Quarantine Wing is being developing Automation system for online service to the stockholders for issuing Phytosanitary Certificate (PC), Import Permit (IP), Release Order (RO) and Anchorage Permit etc. Because of fraudulent activities by some exporters for exporting plants and plant products the govt. has implemented issuing Phytosanitary Certificates printed from the Government Security Printing Press. So, it was almost impossible to make fake PC for exporting plants and plant products.

3.3.4 BSTI Developed National Standards

BSTI develops the national standards through 2 (two) National Committees, 6 (six) Divisional Committees and 76 (seventy-six) Sectional (Technical) Committees have developed 4008³⁵ national standards of Bangladesh. These committees consist of persons drawn from professionals, scientists and technical experts of high standing. BSTI provides the secretarial services. In fact, national standards development, amendment, revision and withdrawn is a continuous process which is done by the aforesaid Committees of BSTI. Product and service standards are now required to be set not only for its own domestic market but the eyes are also kept open to accommodate the fast changing and often fastidious consumer preference, market dynamics and exigencies prevailing in the global market. Failure to respond to these paradigms would not only push the product out of market but will also jeopardize the credibility and good will of the product's country of origin.

Currently, 229 products³⁶ are under the compulsory Certification Marks (CM) of BSTI which in other words means that marketing of any of these items needs conformity certificate of Bangladesh Standard from the BSTI. These include Food and Agriculture, Chemical, Jute and Textile, Electrical and Electronics and Engineering products. With the launching of BSTI website, the institution is now contemplating to insert as much information related to standards as possible in its website for the clientele at home and abroad.

3.3.5 BSTI Laboratory Accreditation

BSTI develops the standards in conformity with ISO, Codex Alimentariaux, and other internationally accepted norms. It was revealed by the BSTI personnel that BSTI have already developed over 2,500 standards, all in harmony with international norms. However, they cannot yet enforce the standards due to lack of adequate facilities for conformity assessment, both in terms of equipment, laboratories, and personnel, and also in some cases, due to absence of Standard Operating Procedures (SOPs) for conformity assessment. The system of globalization has brought a revolutionary change

³⁵ BSTI Standards catalogue 2021(Till August 2021), BSTI, 2021, Retrieved from https://bsti.portal.gov.bd/sites/default/files/files/bsti.portal.gov.bd/page/c82bd863_c051_46ce_af11_eb5bec479d5b/2021-08-31-11-36-54b7b1099157fbe275580fb4511a00bf.pdf

³⁶ Bangladesh Standards and Testing Institution (BSTI) Annual Report 2020-2021, BSTI.

in every sphere of human life and society and is making the world move fast towards the development of trade, commerce, industry and the quality of industrial products. Exporters need certificates from internationally recognized institutions that their products conform to the requirements for quality, safety, health and environmental impact. The Accreditation of BSTI Laboratories have been granted in accordance with ISO/IEC 17025:2005 in the field of Chemical, Mechanical & Biological Testing by NABL India, on March 18, 2011 and valid date 14th June, 2017. With the approval of authority BSTI applied to the Bangladesh Accreditation Board (BAB) for getting the accreditation. Assessors of BAB assessed the laboratories of BSTI in the field of Chemical, Mechanical & Biological Testing and based on the satisfactory performance of the laboratories BAB awarded accreditation in accordance with ISO/IEC 17025:2017 to BSTI for 283 parameters of 35 products³⁷. The validity of Accreditation Certification is up to 30 December 2023.

- a) **Accredited products of Chemical Testing Laboratories are:** Biscuits, Chanachur, Noodles, Instant Noodles, Fruit Juice, Fruit Drinks, Jam, Jelly, Marmalade, Pickle, Sauce, Tomato ketchup. Chutney, Fruit squash, Fruit syrup. Fruit Cordial, Tomato paste, Edible jell. Water, Cement, M.S. Rod and Soap, Carbonated Beverages, Soft drink Powder, Soybean oil, Palm oil, Palm Olein, Rice Bran oil, Sunflower oil and Black Tea.
- b) **Accredited products of Physical Testing Laboratories are:** Cement, Building Materials (MS-Rod, GI Pipe, MS Angle & MS Plate), Textile & Garments.

3.3.6 Other Accredited Laboratories

- a) Other public and private sector laboratories accredited by Bangladesh Accreditation Board (BAB) and accepted by the BSTI perform various product and performance related tests and conformity assessment. For example, the food laboratory at Bangladesh Council of Scientific and Industrial Research (BCSIR) performs tests on many food items.
- b) Additionally, international companies such as, Bureau Veritas, and SGS has laboratory testing facilities frequently used by manufacturers of textile and apparel goods for testing in Bangladesh. There are also a number of smaller private sector laboratories are operating for specific product-based testing services in the country. For example, azo dye testing is a requirement for many buyers of the textile and garments products, and a number of private laboratories have been set up for this purpose. In short, strong market compulsion has created opportunities for investment in this sector. In earlier years, exporters needed to go to laboratories situated in India or Singapore to do Azo-dye testing.

³⁷ Bangladesh Standards and Testing Institution (BSTI) Annual Report 2020-2021, BSTI, 2021

- c) After the establishment of Bangladesh Accreditation Board (BAB) in 2006 as an autonomous organization responsible for upgrading the quality assurance infrastructure and conformity assessment procedures in Bangladesh and enhancing the recognition and acceptance of products and services in international, regional and domestic markets, the progress in areas of accreditation in Bangladesh has been rapid. Since 2015 BAB is a full member and MRA signatory to the Asia Pacific Laboratory Accreditation Cooperation (APLAC) for testing & calibration laboratories. Also since 2015 BAB is a full Member and MRA signatory to the International Laboratory Accreditation Cooperation (ILAC) for testing & calibration laboratories. The ILAC Arrangement supports international trade by promoting international confidence and acceptance of accredited laboratory data. The accreditation is renewed once in every 4 years after a due process on inspection and verification. Similarly, the institutions accredited by BAB are also subject to a 4-year period of renewal of accreditation. A complete list of all 52 laboratories accredited by Bangladesh Accreditation Board (BAB) is provided in Annex 2.

There has been advocacy on part of the private sector to urge upon the government to introduce incentives in form of tax breaks and lost cost financing for setting up testing laboratories. But strong regulatory mechanism is needed to be in place to ensure quality and performance of such private sector laboratories. Some of the gaps in SPS related legislation, local practices, and international best practices are briefly described below.

3.4 Department of Fisheries, Fish Inspection and Quality Control Wing (FIQCW)

Department of Fisheries, Fish Inspection and Quality Control Wing (FIQC) is committed to good professional practices and to the quality of its performance according to provisions provided by the “Fish & Fish Product (Inspection & Quality Control) Rules, 1997” Amended 2008, 2014 & 2017. Regional Competent Authorities (RCA's) updates its resource's & skill by proper training as per needs and committed to continually improve the effectiveness of the management system.

3.4.1 Certification and Services provided by Fish Inspection and Quality Control Wing

FIQC Dhaka is the official control authority for ensuring safe and quality fish & fish products to the consumers. This official control is based on the acts, rules, guidelines & official control protocol. The major functions are:

- Licensing of the fishery establishments
- Monitor the compliance of fishery establishments
- Monitor supply of safe and quality products to the consumers
- Certify fish and fishery products for export
- Conducting awareness and training programs for ensuring Food Safety and Quality Issues at stakeholders in the value chain

- Evaluation of establishments
- Implementation of HACCP based Processing and Traceability
- Implementation of social compliances
- Plan and implement of risk based NRCP & FRCP

3.4.2 Conformity with Standards

The regulations, policies and guidelines of Bangladesh governing safety & quality control measures of fish and fishery products are in-line with EU regulations/directives and WTO SPS Agreement. The service and procedure of RCA's official controls in respect to the certification, approval, licensing, inspection, audit and monitoring to the production of fish and fishery products in the industry related stakeholders in the value chain are transparent and transmitting a perception of the integrity and effectiveness of control operations for safety and quality. All methods and procedures and regulatory instruments used for conformity assessment, verification and official guarantees in terms of compliance are in line with EU, US-FDA and other developed country control systems. Residue Monitoring Program assess compliance with the tolerance limits for contaminants and MRLs for permitted substances as well as to determine the origin of residue contamination of farm products. It is also an internationally validated program in place.

Export Certification

1. The government and its agent (DoF Quality Control Wing) will remain responsible for the issuance of health certificates declaring the fish or fish products fit for consumption and the local and international market.
2. Audit the effectiveness of the QC Wing through an assessment by a supervisory audit team comprising local and international experts.
3. Establish the creditability of export certification by minimizing the percentages of rejected consignments,
4. As the government is the competent authority recognized by EU, no need to have a third-party certification.
5. The issuance of certificates would be supported by documentation detailing the production process from hatchery to processor and details of input supplies from accredited sources,
6. All hatcheries, ice plants, depots and feed plants should be licensed,
7. Increase the understanding and ownership of the certification process so that there is a mutual understanding of the needs for compliance.
8. Establish quality criteria needed for different markets.

Traceability

1. The recent demands by both the US FDA and the EU for all fish and fish products to be traced back to source of origin have placed an increased burden on the certification process.

2. The traceability of processed goods must be ensured through clear documentation of the source of the product from hatchery level to processor
3. Traceability for producers should be supported through zonation and be extended up to Union level and can include farmer groups.
4. A suitable system to monitor compliance with traceability should be developed. This could be supported by authorized third party organizations.

To find out of the products trace and assurance of the products quality seal of quality control in the Department of Fisheries to be introduced. to perform this job some institution could be involved subject to the approval of MoFL.

3.4.3 Certification Given by Department of Fisheries, Fish Inspection and Quality Control Wing (FIQCW)

Department of Fisheries, Fish Inspection and Quality Control Wing (FIQCW) SPS related certificate such as Issuance of no-objection letter of import of Juvenile fish/PL/Fish, Issuance of No Objection Certificate for Import of Fish Feed/Fish Feed Materials/Fisheries/Fish Hatchery Materials and Issuance of no-objection letter for import of fishing nets. The process certification and time required for the service are described in the table below;

Table 10 Certification Given by Department of FIQCW

SL. No	Name of the Service	Maximum service delivery time	Necessary Documents	Obtain required documents / application forms	Service price and method of payment (if any)
1.	Issuance of no-objection letter of import of Juvenile fish/PL/Fish	30 working days	Exporting country's forma invoice with application form, Purpose of Import, Description of the Species, Qualitative descriptions of the species, Health Certificate, Fish hatchery Registrations Certificate (If Applicable) and etc.	Extension Branch	Free of Cost
2.	Issuance of No Objection Certificate for Import of Fish Feed/Fish Feed Materials/Fisheries/Fish Hatchery Materials	10 working days	Updated license of Fisheries Department along with application form, exporting country's forma invoice with application form, Test Report, product Descriptions, Health Certificate, Radiation Certificate and etc.	Extension Branch	Free of Cost

SL. No	Name of the Service	Maximum service delivery time	Necessary Documents	Obtain required documents / application forms	Service price and method of payment (if any)
3.	Issuance of no-objection letter for import of fishing nets	10 working days	Exporting country's form invoice with application form,	Marine Branch	Free of Cost

3.5 Department of Livestock

The Livestock department under the Ministry of Fisheries and Livestock is one of the service providers and regulatory agencies of the livestock sector in Bangladesh. The services of the Department of Livestock extend to the farmyard to ensure the safe supply of animal protein. The Department of Livestock has dedicated itself to improving livestock production, entrepreneurship and skill development, aquaculture development, value chain management, and market management of aquaculture products ever since it was established. Additionally, import and export certificates are issued by the livestock department. Department of Livestock Services has offices in every Upazila in Bangladesh. From where citizens get livestock services and veterinary services.

3.5.1 Certification Given by Livestock Department

Department of Livestock provided a number of certificate related SPS and TBT issues such as Issuance of license for import, storage and marketing of fodder Issuance of No Objection Certificate of Import/Export of Animal feed materials, vaccines; Issuance of No Objection Certificate for Import of Cow, Buffalo, Goat, Sheep, Camel, Dumba, Rabbit, Embryo, Frozen Semen; Issuance of No Objection Certificate for export of Cow, Buffalo, Goat, Sheep, Camel, Dumba, Rabbit, Embryo, Frozen Semen; Issuance of no-objection certificate for import of chicks (including turkeys); Issuance of veterinary health certificate sanitary certificate in case of import and export of animals and animal products and Issuance of no-objection certificate for import and export of domestic animals Chemical Analysis of Animal Feeds. The process certification and time required for the service are described in the table below;

Table 11 Certification Given by Livestock Department

Name of the services	Method of providing services	Required Papers and Location	Service charges and payment methods	Timeframe for delivering services
1. Issuance of license for import,	The applicant shall apply in the prescribed form to the Director General.	a) Application in prescribed form (Source: Animal Feed Rules, Schedule-11, Form-	List of application fee, license fee, renewal fee and appeal fee for	48 working Days

Name of the services	Method of providing services	Required Papers and Location	Service charges and payment methods	Timeframe for delivering services
storage and marketing of fodder (Category-II).	Grant of license subject to payment of prescribed fee if approved by the 15-member committee meeting after verification by the head of the concerned department and after receiving the inspection report from the departmental director.	2 of 2013 and www.dls.gov.bd) (b) Picture c) Photocopy of National Identity Card (NID) d) Details of standard storage and storage capacity (Damage, hygrometer, fire extinguisher, room thermometer, and AC if applicable) e) Updated trade license and income tax certificate f) Imported product name and product brochure. g) Treasury bills verified In case of online application url: rlms.dls.gov.bd	different categories as per government rules: Category-2 Application Fee Rs.1000/ License Fee Rs.10000/ Renewal Fee Rs.5000/ Appeal Fee Rs.5000/ Duration: one year from the date of issue of license *N.B. All fees are subject to 15% VAT. Invoice Code-(License Fee) 1-4441-0000-2681 Invoice Code-(VAT) 1-1133-0040-0311	
2. Issuance of No Objection Certificate of Import/Export of Animal feed materials, vaccines	The applicant shall apply to the Director General. No Objection Certificate is issued after verification by concerned Branch Head.	a. application form b. Photocopy of National Identity Card (NID). c. Proforma Invoice (PI) d. Contract paper e. Product literature f. Veterinary Health Certificate/ Sanitary Certificate (Attn: Directorate of Livestock) g. Lab report h. Up-to-date trade license, tax certificate, VAT and BIN registration i. Export Permit (Address: Export Development Bureau) j. Import permit k. Information on fodder warehousing and storage capacity l. Information on packing and labelling	Free	16 working Days
3. Issuance of No Objection	The applicant shall apply to the Director General. No	a. Application to Director General b. Farm Registration Form	free	60 working days

Name of the services	Method of providing services	Required Papers and Location	Service charges and payment methods	Timeframe for delivering services
Certificate for Import of Cow, Buffalo, Goat, Sheep, Camel, Dumba, Rabbit, Embryo, Frozen Semen	Objection Certificate is issued after verification by concerned Branch Head.	<ul style="list-style-type: none"> c. Proforma Invoice (PI) d. Contract Paper e. Veterinary Health Certificate (Received at: Directorate of Livestock) f. Pedigree Information g. Photocopy of National Identity Card (NID) h. Import Permit i. Issued by OIE Up-to-date infection information j. Other conditions (if any) 		
4. Issuance of No Objection Certificate for export of Cow, Buffalo, Goat, Sheep, Camel, Dumba, Rabbit, Embryo, Frozen Semen	The applicant shall apply to the Director General. No Objection Certificate is issued after verification by concerned Branch Head.	<ul style="list-style-type: none"> a. Application to Director General b. Farm Registration Form (if applicable) (Received at: Directorate of Livestock) c. Proforma Invoice (PI) d. contract paper e. Veterinary Health Certificate/ Sanitary Certificate from: Department of Animal Husbandry) f. Lab Report g. Pedigree Information (if applicable) h. Photocopy of National Identity Card (NID) i. Updated Trade License, Tax Certificate, VAT & Bin registration) j. Export Permit (Attn: Export Development Bureau) k. Import Permit l. Other conditions (if any) In case of online application 	free	60 working days
5. Issuance of no-objection certificate for import of chicks (including turkeys).	The applicant shall apply to the Director General. No Objection Certificate is issued after verification by concerned Branch Head.	<ul style="list-style-type: none"> a. Application to Director General b. Farm Registration Renewal Letter c. Proforma Invoice (PI) d. Product Information e. Contract Paper f. Veterinary Health Certificate (Location: Directorate of Livestock) g. Pedigree Information h. Certificate of Non Importation (if applicable) 	Free	60 working days

Name of the services	Method of providing services	Required Papers and Location	Service charges and payment methods	Timeframe for delivering services
		<ul style="list-style-type: none"> i. Farm inspection report undertaking by the importing organization j. Photocopy of National Identity Card (NID) k. Import permit l. Updated disease transmission (HPAI and LPAI) issued by OIE OST m. Farm capacity and current stock information) n. Quarantine certificate of previously imported chicks (if applicable) o. Quarantine monitoring report of previously imported chicks (if applicable) 		
6. Issuance of veterinary health certificate sanitary certificate in case of import and export of animals and animal products	The applicant shall apply to the Director General. No Objection Certificate is issued after verification by concerned Branch Head.	<ul style="list-style-type: none"> a. Application to Director General) b. Lab Report, Updated Trade License, Tax Certificate, VAT c. Proforma Invoice (PI) d. Export Permit e. Place of receipt: Export Development Bureau). Import Permit) f. Other conditions (if any) 	Free	3 working Days
7. Issuance of no-objection certificate for import and export of domestic animals		<ul style="list-style-type: none"> a. Application to Director General b. Vaccination Certificate c. Veterinary Health Certificate (Attack: Directorate of Livestock) d. Deworming Certificate e. Copy of Passport and Visa f. Color photograph of pet g. Photocopy of National Identity Card (NID) h. Microchips number i. Other conditions (if any) In case of online application url: dls.ussbd.net 	Free	3 working Days
8. Chemical Analysis of Animal Feeds	Chemical analysis is done and report is provided subject to payment of	<ul style="list-style-type: none"> a. Application form b. Samples of animal feeds 	At government fixed rates: Test Name	7 Working days.

Name of the services	Method of providing services	Required Papers and Location	Service charges and payment methods	Timeframe for delivering services
	prescribed fee after application with samples of animal feed and different types of feed materials.		Moisture, 70 taka/ Dry Matter (DM), 70/ Crude Protein (CP) 200/ Ether Extract (EE) 150/ Crude Fiber (CF) 300/ Ash (Ash) 70/ Acid Insoluble Ash (AIA) 80/ Total cost of Proximate (including AIA) diagnosis is 700/ Calcium (titration method) 200/ Phosphorus (titration method) 200/ Calcium and Phosphorus (Titration Method) 350/	

3.6 Bangladesh Atomic Energy Commission (BAEC)

Bangladesh Atomic Energy Commission (BAEC) was established in 1973 as a multidisciplinary R&D organization with the view of promoting peaceful uses of nuclear energy in Bangladesh. From the very beginning of its formation, BAEC started R&D works in areas covering physical science, bioscience, engineering and nuclear medicine for human welfare and economic uplift of the country.

3.6.1 Certificate provided by Bangladesh Atomic Energy Commission (BAEC)

Bangladesh Atomic Energy Commission (BAEC) provide Radiation Certificate for permitting import of radio-active material and Nuclear Reactors & its parts. The process of certification given below:

Table 12 Certificate provided by Bangladesh Atomic Energy Commission (BAEC)

Name of the service	Certificate	Organization	Procedure of Testing
Permit required for radio-active material	Radiation Certificate Requirement	Bangladesh Atomic Energy Commission (BAEC)	Thorium nitrate classifiable under H.S. Heading No. 28.34, all items including radio-active chemical/element & isotopes classifiable under H.S. Heading No. 28.44 to

Name of the service	Certificate	Organization	Procedure of Testing
			28.46, X-ray including radiography or radiotherapy apparatus classifiable under H.S. Heading No.90.22 & H.S. Code No. 9022.19.00, 9022.21.00,9022.29.00 is importable only with prior permission from the Bangladesh Atomic Energy Commission
Permit required for Nuclear Reactors & its parts	Radiation Certificate Requirement	Bangladesh Atomic Energy Commission (BAEC)	Nuclear Reactors & its parts (H.S. Heading No. 84.01 & all H.S. Code No. classifiable under it) are importable by Bangladesh Atomic Energy Commission only with the clearance of sponsoring Ministry.

3.7 Bangladesh Council of Scientific and Industrial Research (BCSIR)

BCSIR is the most ancient research organization of Bangladesh, having 13 research institutes, 378 active scientists supported by about 677 technical and official personnel. From the very beginning, it has been playing an important role in R&D activities covering approximately 60 major branches of basic and applied sciences such as synthetic chemistry, pulp, and paper, fiber and polymer, tissue culture, genomics, medicine, herbal products, biomedical engineering, toxicology, food supplements, industrial physics, physical instrumentation, light engineering, mine and minerals, glass and ceramics, thin-film, magnetic materials, leather products, renewable energy, etc.

BCSIR is providing the following important services to the nation:

- Provide technical and analytical supports to the industries, government and non-government organizations, Small and Medium Enterprises (SMEs),
- Provide testing services to entrepreneurs for examining the quality of locally produced and imported products with international level testing facilities,
- Perform analytical test for the presence of tetracycline and nitro furan metabolites in the exported shrimp as per the requirement of the European Union,
-

3.7.1 Certification Provided by BCSIR

Sl. No	Name of the Service	Maximum service delivery time	Necessary Documents	Obtain required documents/ application forms	Service price and method of payment (if any)
1.	Product quality analysis services	Maximum 7 working days. However, based on the sample's nature, it may take more than 7 working	a. Submit the application in the required form with sample	Analytical Service Cell, BCSIR, Dhaka. Phone: 02-96711108	BCSIR's Fixed Product quality analysis services fee, Pay Oder/Check/

Sl. No	Name of the Service	Maximum service delivery time	Necessary Documents	Obtain required documents/ application forms	Service price and method of payment (if any)
		days in some circumstances.	b. Product quality analysis fee deposit receipt c. Provide Invoice d. Product quality analysis Report		Deposit cash in bank
2.	Product quality analysis services	Seven working days after getting letter	a. Submit the application in the required form with sample b. Product quality analysis fee deposit receipt	Leather Research Institute	Council's Fixed Product quality analysis services fee (With VAT), Check/ Deposit cash in bank

3.8 Bangladesh Food Safety Authority

The main duties and functions of the Bangladesh Food Safety Authority (BFSA) are "to regulate and monitor the activities related to manufacturing, importing, processing, storage, distribution, and sale of food so as to ensure access of safe food through exercise of appropriate scientific methods, and to coordinate the activities of all organizations concerned with food safety management"³⁸. The BFSA is the main governing body for ensuring food safety and for establishing rules and regulations. This includes setting permissible limits of chemical contaminants, microbial contaminants, heavy metals, processing aids and food additives, mycotoxins, and MRLs of pesticides, veterinary and fishery drugs, antibiotics, etc. Also included in BFSA's role is providing concerned authorities or organizations with necessary support in updating or upgrading permissible limits/MRLs at the highest safety levels for contaminants in food products as determined by any other organization under the existing laws, as well as monitoring the implementation. Albeit, MRL is not mandatory for all importer countries. maximum residue level (MRL) test is defined by the Plant Quarantine Wing if the products are needed the MRL test, as per the requirement of importer countries.

BFSA regulates imported food products as per its regulations (i.e., food labeling regulations, additives and contaminants regulations). During the import of food products, the Bangladesh Standards and Testing Institution (BSTI) checks for label

³⁸ Bangladesh Food Safety Authority. (2019). Harmonization of Bangladesh's food safety standards with Codex Standards and other international best practices. https://bfsa.portal.gov.bd/sites/default/files/files/bfsa.portal.gov.bd/notices/a84613c2_1de6_475f_97c9_784374431701/BFSA-Strategy-for-Harmonization-of-Standards-draft-V-1.pdf

compliance and its standard marks on the food product. During enforcement, both BFSA and BSTI are responsible for testing food samples from the domestic market. However, due to a lack of sufficient testing resources under BFSA, it is difficult for BFSA to execute this task. In addition, because BFSA is a young organization, it lacks workforce and technical capability. BFSA has designated 10 food testing labs under various departments and public institutions, and a few of them have accreditations for various testing parameters. Several food testing labs within the public organizations do not have a mandate for regulatory testing and therefore do not pursue accreditation. To enhance capacity, BFSA and the Food and Agriculture Organization of the United Nations (FAO) established a National Food Safety Laboratory in 2012 at the Institute of Public Health in Dhaka, which is accredited with the International Organization for Standardization (ISO) 170259.

Table 13: Certification Provided by Bangladesh Food Safety Authority (BFSA)

SL. No	Name of Service	Service Delivery Method	Required Papers and Place of receipt	Service charges and payment methods	Timeframe for delivering services
1.	Food sampling, testing and interpretation of regulations	<ol style="list-style-type: none"> 1. Through direct communication at the office 2. By sending letters by e-mail/telephone/postal 3. Through the official website 	White Paper Application/Direct/E-Mail/Telephone Contact www.bfsa.gov.bd 03 (three) working days	free	03 (three) working days
2.	Interpretation of the results of samples tested by the service recipient	<ol style="list-style-type: none"> 1. Through direct communication 2. By e-mail/telephone/post By sending letter	Report of results of tested food samples	free	07 (seven) working days
3.	Providing training to food related business man	By providing in-person or online training	Application form in white paper by direct/telephone contact or e-mail or post from the service aspirants	free	15 (fifteen) working days
4.	Dissemination of food safety risks	<ol style="list-style-type: none"> 1. By direct contact 2. By sending letters by e-mail/telephone/post 3. Through the official website 	White Paper/Direct Application	Free	07 (seven) working days

SL. No	Name of Service	Service Delivery Method	Required Papers and Place of receipt	Service charges and payment methods	Timeframe for delivering services
5.	Issuance of health certificate for export food products	Through issue of certificate with approval of proper authority	<ol style="list-style-type: none"> 1. Filled application form saved on website (www.bfsa.gov.bd). 2. Receipt for payment of processing fee for issuing the health certificate in favor of Bangladesh Safe Food Authority leading bank account number-0200014000411 3. Sample of exported food products 	<ol style="list-style-type: none"> 1. FOB below Tk 10 lakh processing fee: Tk 2000/-, Tk 10 lakh to Tk 50 lakh processing fee: Tk 3000/-; Processing fee above Rs.50 lakh: Rs.5000/- 2. Processing fee for Re-issue / Duplicate issue of health certificate 	15 (fifteen) working days
6.	Sample testing and report delivery in mobile lab	Sending report by post/e-mail	Collection of refilled food samples	free	03 (three) working days

3.9 Bangladesh Accreditation Board

Bangladesh Accreditation Board (BAB) was established as per the Bangladesh Accreditation Act, 2006 mandated for providing accreditation to laboratories, certification bodies, inspection bodies, training institutions and persons in the country. BAB, the apex body of the national quality infrastructure, is playing a leading role for the development of an internationally recognized accreditation system in the country.

BAB has signed Mutual Recognition Arrangement (MRA) with Asia Pacific Accreditation Cooperation (APAC) and International Laboratory Accreditation Cooperation (ILAC). Certificates or test reports of products and services from BAB accredited organizations have gained worldwide acceptance and local products and services are being consolidated in the international market. The main objectives of BAB are that to establish a national accreditation system harmonized to international best practice by adopting relevant international standards and following procedures recommended by ILAC, APLAC, PAC, and IAF.

Bangladesh Accreditation Board (BAB) has many functions including Testing & Calibration and Medical Laboratories to ISO/IEC 17025 and ISO 15189 that involves assessing and recognizing the competence of laboratories in performing tests, calibrations, and medical laboratory activities. The accreditation process involves evaluating personnel qualifications and competence, equipment, reagents and supplies, quality assurance, and analytical, pre-analytical, and post-analytical factors.

Bangladesh Accreditation Board (BAB) can also be accredited to ISO/IEC 17021, ISO/IEC 17024, and ISO/IEC 17065. Bangladesh Accreditation Board (BAB) can also be accredited to ISO/IEC 17020 which involves assessing and recognizing their technical competence in conducting inspections within the scope of the standard. In addition to accreditation, establishing MRA Multilateral Agreements (MLA) with regional and international forums is important for harmonization of standards and requirements and BAB is currently working in that.

3.10 Constraints and required interventions in SPS and TBR Measure

BSTI, DAE, Department of Fisheries, and others SPS and TBT related institutions have limited infrastructure, laboratories, accredited testing lab, accommodation facility for employees. BSTI, DAE, Department of Fisheries, and others SPS and TBT related institutions do not use the existed capacity, albeit if they have such plans to design, develop and implement the institutions do not use the optimal resources they have.

A needs assessment study for priority infrastructure including major laboratories under BSTI, DAE, Department of Fisheries, and others should be initiated. An infrastructure needs assessment should be conducted to increase accredited lab test, examine and propose strategic locations for new laboratories and similar infrastructure close to industry clusters, and main trading hubs, rather than at district headquarters, to better serve industry and business at a practical level. Regional dimensions of SPS-TBT related infrastructure should be considered as opportunities to coordinate and collaborate through regional platforms (SASEC, SAARC, SARSO) and optimize existing capacity. Specially, a study should be taken whether Bangladesh can explore regional dimension to expedite the cooperation among the SAARC countries. Optimal use of automated

systems should be considered, to speed the integration of SPS and TBT related government agencies into national plans to design, develop and implement a national single window system for international trade.

3.10.1 Constraints in Legislative structure

Many of the major laws governing the SPS and TBT regimes in Bangladesh are outdated, with some dating to the 1960s. Such laws should be updated and brought in line with national and international trade regimes, standards, and obligations that protect human, animal, and plant health, and to maintain the quality and safety standards of public consumption. For example, the Agriculture Produce Marketing Act 1964 currently does not adequately cover the issues of maximum residue level (MRL) of various pesticides in agricultural produce. Bangladeshi SPS-related rules and regulations are balanced with international standards in the case of import of agricultural goods but not balanced in the case of export. Consultative bodies comprising of public and private sector representatives, and relevant experts and officials should be formed to initiate the review process of SPS and TBT related existing laws that require such update and reform. International norms and standards, such as those stipulated in ISO or Codex Alimentarius, should be a consistent reference and baseline while reforming the existing laws in Bangladesh is underway.

3.10.2 Lack of Quality Standard in International and Domestic Products

Currently, quality standards for all types of products are often unregulated in Bangladesh, with different treatment. Quality standards sometimes being applied for products bound for the domestic markets and those bound for international trade is different. Quality parameters are generally followed for export-oriented products as per the requirements of the importing country but for domestic production often such standards are not being followed. Quality standards should be consistently applied to and enforced for all products, whether traded domestically or internationally. Here, Bangladesh Food Safety Authority can take pragmatic steps along with the coordination of different regulatory bodies like BSTI, DLS, Plant Quarantine wing, etc. If domestic regulations are enforced in a strong manner, then overall quality standards will be enhanced in the manufacturing process automatically.

3.10.3 Limited Number of Products Requiring Mandatory Certification by BSTI

BSTI have limited number of products requiring mandatory certifications, the new products list for Certification Marks (CM) are yet to be developed for local and international products. New products need to be included in the Certification Marks (CM) list can be identified according to their importance for both domestic and export markets. BSTI has developed 619 List of Bangladesh Standards (BDS) on Agricultural

and Food Products till January 2022. The study has noted that although BSTI has already developed and adopted contains 4095³⁹ national standards of Bangladesh that are now in vogue for various products, these products have not yet been brought under the mandatory CM scheme – this should be considered as a priority action. Moreover, BAB awarded accreditation in accordance with ISO/IEC 17025:2017 to BSTI for 283 parameters of 35 products, which in number is not citable. The current list of 229 products requiring the mandatory CM of Bangladesh Standards and Testing Institution (BSTI) should be expanded. The number of accreditation parameters of products need to be increased by expanding the technical and lab capacities of BSTI. Chemical residue testing, heavy metal testing, antibiotic and hormone testing, pesticide testing, virus, bacterium, fungus, mycotoxin testing, eyes testing, illnesses diagnostic lab and reference lab should be introduced.

Harmonization of the BDS with the international requirement and the Role of SARSO: Since there is no universal standard, the problems of NTBs may continue to exist without a mutually agreeable standard. Thus, BSTI is required to work with regional organization actively for developing international standard and need more active engagement in this organization. SARSO was formed to operate this kind of activity specially to harmonize standards in South Asian countries and to facilitate intra-regional trade. Since SARSO works to eliminate technical barriers to trade among member countries by conformity assessment. Multilateral Arrangement on Recognition of Conformity Assessment (MARCA) in 2017 is progress in that direction. However, the political will to run this regional arrangement effectively is weak. Nevertheless, it is advised in stakeholder consultation to maintain the harmonized standard first before continuing the negotiations with other nations to lower the technical trade barriers.

3.10.4 Lack of Inter-Agency and Public-Private Coordination

The study found that there is a lack of inter-agency coordination between public and private business body. The study also found that private business associations have reluctance to know about SPS and TBT measures. Regular interactions between customs officials, port officials, and BSTI officials should be scheduled at the ground level as well as at headquarters and district office levels to identify short-comings and/or divergence between the agency- specific rules, regulations, and practices, and ensure future consistency of approach in application of SPs and TBT related legislation and regulations. Effective and regular coordination between private sector business and traders on one hand, and government officials and agencies on the other also remains a challenge. From the KII and Public, Consultation, it implies that most of the agricultural

³⁹ BSTI Standards Catalogue 2021(Till August 2021), BSTI, 2021 Retrieved From https://bsti.portal.gov.bd/sites/default/files/files/bsti.portal.gov.bd/page/c82bd863_c051_46ce_af11_eb5bec479d5b/2021-08-31-11-36-54b7b1099157fbc275580fb4511a00bf.pdf

products are exported by air, mainly from Hazrat Shahjalal International Airport in Dhaka but the central packing house of the product is in the capital's Shyampur area. Bringing the perishable plants and products to Shyampur for packing and then transporting them to the airport, takes hours due to the situation of traffic in the city. This, too, causes a problem for exporters and a depletion of product standards. In KII and stakeholder consultation, it was found that the lack of coordination between different agencies responsible for SPS and TBT in Bangladesh is causing inefficiencies, inconsistencies, and barriers to trade, making it difficult for businesses to comply with regulations and export their products. Addressing the situation, the government may establish a coordinating body and create a public-private forum to facilitate collaboration and develop solutions regarding SPS and TBT related barrier in trade that in turn benefit both businesses and government officials.

According to desk review, KII and Public Consultation, the number of MOUs or MRAs with an importing countries and organizations like India, China, and the European Union, is very low or in the initial process. Bangladesh cannot extend MRA with potential trading partners as few products testing procedure and certificate are internationally accredited. As a result, following international standard both for domestic product and exportable products are not maintained with due diligence. Therefore, it is crucial for Bangladesh to prioritize effective coordination between regulatory bodies, increasing accredited testing procedure of product and accredited labs to facilitate signing MOUs and MRAs for expanding international trade.

3.10.5 Departmental oversight framework

The strong departmental chain is critical to ensure hazardous risks are detected before they enter the food supply. Therefore, as a priority, the regulatory authorities must reinforce and build-up the entire risk chain from risk identification in the field to risk characterization and evaluation in labs to risk management decision making with high-level officials. To support and enable improved departmental oversight framework, SPS policies and regulations need to be thoroughly reviewed and updated. This will provide a solid management base for decision makers and provide strong enforcement mechanisms to back the policies.

3.10.6 Bangladesh Food Safety Authority (BFSA)

The study found that the National Food Safety Authority have limited financial and human resources. BFSA and BSTI are responsible for testing food samples from the domestic market. However, due to a lack of sufficient testing resources under BFSA, it is difficult for BFSA to execute this task. In addition, as BFSA is a young organization, it lacks workforce and technical capability. Adequate financial and human resources should be allocated to effectively empower and enforce this law to gradually improve safety, hygiene, and sanitary issues in food production, processing, retailing, and trading of

fresh and processed food items. The example of India's Food Safety and Standards Authority of India (FSSAI) as the national apex authority for setting safety and standards parameters and enforcing the same is one that Bangladesh may consider following for further development of the National Food Safety Authority.

3.10.7 Information Gap among Private Sector Business and Traders

Between govt. and business associations representative from FBCCI, DCCI, MCCI, BCI and relevant association have information gap regarding SPS and TBT measures. For immediate intervention, the Bangladesh National Trade Portal managed by the WTO Cell of the Ministry of Commerce should be regularly updated to serve as a one-stop-shop where traders can get updated data and notifications on SPS and TBT related information for their respective products.

3.10.8 Limited Laboratory Facilities

In the proximity of the product category, manufacturing region, and trade-related office/organization/port, an accredited laboratory according to international standards (ISO/IEC 17025) are not adequate in numbers. Laboratory accreditation under BAB is necessary, as is continuing scope improvement. The scope of testing can be expanded by registering or recognizing modern laboratories of various private, international, or educational establishments by BSTI or government standards.

3.10.9 Lack of formal Procedure to Resolve SPS & TBT related Problems

A formal procedure to resolve SPS & TBT related Problems are yet to be formed by govt. and private stakeholder. Thai exporters have closer co-operation between private producers and government regulators to promote consistent compliance with GLOBALGAP standards in Thailand, for which Bangladesh should need to take pragmatic steps.⁴⁰ Similarly, the national level committee or coordination authority is required to be formed to address the concern and dispute related to SPS and TBT issue in international trade. Most of the time, the Thai commercial consular in the importing countries will first collect the information and facts and at the same time ask the Thai exporters to examine their own products. Depending on the responses from trading partners, Thailand usually starts with bilateral negotiations and asks the importing country to send their experts to investigate the production site in Thailand. Like Thailand, Bangladeshi commercial councilor can perform the same responsibility for expanding the export, though Bangladesh some time invite importing countries' experts to investigate the production site.

⁴⁰ A Scheme and Training Manual on Good Agricultural Practices (GAP) fruits and vegetables, Food and Agriculture Organization of the United Nations, 2016

3.10.10 Lack of Awareness among the Stakeholders

Lack of awareness among stakeholders about, i) Rules & regulations of modern production system; ii) Bad impacts of insecticides and pesticides and iii) SPS requirements of the importing countries. Thailand has increased awareness of the importance of Codex and disseminated information on the results of meetings, and of progress in the preparation of Codex standards among all relevant stakeholders. Thus, regulatory authorities need to pragmatic steps to raise awareness at national where public and private precipitation can expand the new avenue of opportunities.

3.10.11 Lack of Incentive Schemes for Testing Laboratories

Incentive Schemes for Testing Laboratories are yet to introduced by the govt. However, in this case, adequate regulatory frameworks should be in place to ensure the quality and performance of these laboratories. Incentive schemes may be introduced not only for new laboratories, but for existing ones also, if they invest in new machinery, trained personnel, as well as for obtaining accreditation. If sufficiently incentivized through meaningful and sustainable schemes, the number of accredited laboratories in private sector may be expected to increase within a short time.

3.10.12 Lack of Standard Operating Procedure (SOP) for All the Testing and Certificate Agencies

SOP for all the testing and certificate agencies are yet to be developed and introduced to public. The Plant Quarantine Wing and Department of Livestock as a certification authority, follow SOP to provide PC certificate and therefore, the time, cost and hassles related to PC certificate has been reduced. At present, there is no crowd in the Plant Quarantine office of Dhaka or Plant Quarantine Station at different port.

3.10.13 Lack of Mutual Recognition Agreement

Without adequately equipped and operational accredited laboratory facilities, it will be exceptionally challenging to secure accreditation, to develop Mutual Recognition Agreements with neighboring SASEC countries, and Conformity Assessment Procedure as per International Norms. There is substantial need to upgrade laboratory equipment, apparatus, and trained personnel and increase the number of accredited testing procedure of product as per the international standard so that EU, India and other bilateral trade partner become interested to sign Mutual Recognition Agreement with Bangladesh.

3.10.14 Negotiation with India and other countries regarding MRA

For reducing the non-tariff barriers in Bangladeshi export to India, the proper implementation of mutual recognition between the BSTI and Bureau of Indian Standard (BIS) is needed. BSTI and BIS have already signed a mutual agreement for recognizing

the standard in 2015. However, in many cases, India raised question about the BSTI standard and the certificate as sometimes BSTI certificates are not compliant or harmonized with the Indian standard in many products. For mitigating this, if any Indian trade barriers go against the international trade rules the effective discussion and negotiation between Bangladesh and India on the removal of the non-tariff barriers have to be continued. The government of Bangladesh and BSTI has to go to a mutual agreement with the BIS and Food Safety and Standards Authority of India (FSSAI) about developing the harmonized standard and accepting each other's test certificate. Apart from the negotiation with India, Non-tariff barriers imposed by the other countries should also be addressed. In this case, the BSTI needs to sign more bilateral cooperation agreements for export facilitation. The bilateral 'agreement must be in the improvement of the standardization, certification, calibration, testing, technical information, dispute settlement and training. From KII and Public Consultation, it was found that lack of MoU, MRA, bilateral agreements, multilateral agreements with India and Nepal create technical and regulatory barriers. Hence the stakeholder had suggested to negotiation on MRAs (mutual recognition agreements) may be started in this situation especially with India.

3.10.15 Regular updating of the standard

The current practice of physically examining all 79 BSTI mandatory products in the custom may be replaced with a strategic risk management system that targets high-risk shipments and would not unnecessarily delay the release of low-risk shipments, as urged in KII. Identifying the low or high-risk shipment of the BSTI mandatory imported product is the prime issue of applying the risk management provision. For this, the introduction of the trusted trader and Authorized Economic Operator (AEO) programs, with the coordination of the BSTI and custom house, can help implement the green and yellow channel-based clearance process through the ASYCUDA world server and thus reduce clearance times drastically. Thus, risk management provisions are considered to be added in the IPO for the BSTI mandatory products.

3.10.16 Constraint regarding Bangladesh Accreditation Board (BAB)

The exporters of Bangladesh face non-tariff barriers due to not maintaining compatibility with the standard of the overseas market that equipping the labs with proper technical tests, and required testing facilities is not enough to assure the exporters about the entry of their products into target markets. Therefore, the exporters' long-awaited demand is for BSTI institutional capacity and testing quality needs to be improved. Thus, compatibility can be ensured through the accrediting agency, authorized to conduct tests as per strictly followed and monitored guidelines. Bangladesh accreditation board (BAB) is responsible for providing accreditations to Bangladeshi laboratories, testing centres, and certification bodies. However, BAB has yet to be accredited by many international

agencies and international accreditation bodies. As a result, exporters sometimes go to India for having accreditation for some products. Measures to make our accreditation board recognized should be our priority. For this, well-equipped modern technology and internationally accredited and reliable national accreditation infrastructure are needed. In addition, to ensure country-specific compliance and conformity with the importing countries' standards, BSTI needs to establish the quality labs and set up the quality and dimensions of BDS and prepare and promote standards on a national and international basis.

3.10.17 Risk Management regrading SPS and TBT

Risk Management (RM) in SPS and TBT refers to the process of identifying, assessing, and controlling risks to human, animal, or plant life or health, as well as risks to the environment, posed by goods traded internationally and also coordinated activities to direct and control an organization with regard to risk. Coordinated activities by administrations include direct and control risk and practice for identifying potential risks in advance, analyzing them, and taking precautionary steps to reduce/curb the risk. On the other hand, the TBT Agreement does not specifically require countries to conduct a risk assessment, but it does require countries to ensure that their TBT measures are not more trade-restrictive than necessary to achieve their legitimate.

According to Article 5 of the WTO Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement), it is required that member countries ensure their sanitary or phytosanitary measures are established through an evaluation, considering the specific circumstances, of the risks posed to human, animal, or plant life and health. This evaluation should take into consideration the risk assessment techniques developed by relevant international organizations. Under this agreement the effective implementation of SPS measures demands a competent authority. In other words, there should be one competent authority with overall responsibility for each sector (food safety, animal health, and plant health), even if some of its functions are delegated to other implementing bodies or contracted out to such bodies. Though Bangladesh is taking pragmatic measures to establish such competent authority in (food safety, animal health, and plant health), but there is long way to go ahead.

This lack of a required competent authority in SPS border inspection is cause for serious concern for several reasons. First, SPS “policy” appears to have been interpreted simply as a responsibility for internal agriculture or food safety, thus creating difficulties in its implementation in the form of border measures. Moreover, plant quarantine station at border point has lack of logistic and technical official to handle these issues efficiently. Second, even if the border inspection agency were part of the ministry mandated with overall responsibility for SPS (as in the United Kingdom, for example), there should still be legal separation between “policy” and inspection operations. Otherwise, inspection

services could not be adequately supervised. Indeed, a distinction should be made between the “regulator” as competent authority and the “inspectorate” under the administrative supervision of the former in Bangladesh. And third, the issue referred to above is compounded by the complex issue of SPS standards versus technical regulations. Since technical regulations constitute a regulatory package, they are not simply a set of standards meant only to consist of physical parameters. Instead, they should be the basis for the standards imposed by the competent authority under its own regulations, such as import requirements. In international trade, Bangladesh does not ensure compliance international standard and technical regulation while exporting to neighboring countries like India and there is no citable mutual recognition of agreement (MRA), as a result exporter face more SPS and TBT issue regarding trade with Indian businessmen.

In response to modernization and trade facilitation, countries around the world have incorporated risk management into their customs codes as part of reforms aligned with international practices. However, the customs codes of Bangladesh mention of risk, risk assessment, or risk management regarding SPS and TBT issues, but its implementation is not much as expected level. The reality in border control operations in Bangladesh is that inspection and testing procedures relating to perishable agricultural commodities cause significant delays. These delays occur even if border controls for food of plant and animal origin do not generally follow risk-based SPS measures. In contrast, the international (Codex) food standards provide the appropriate basis for food import requirements, codex standards being physical standards that are devoid of the quality specifications and regulatory content in trade. The degree to which they actually contribute to the delays and unauthorized payments cannot be accurately assessed, because, in many cases, these border control procedures physically take place at inland locations rather than at the border itself. As every border point or land port, there is not BSTI testing laboratory or office of Bangladesh Food Safety authority to make sure the safe food import and export.

According to Article 2 of the WTO Agreement on Technical Barriers to Trade, member countries are obligated to ensure that technical regulations are not formulated, adopted, or implemented with the intention or effect of creating unnecessary barriers to international trade. In order to fulfill this requirement, technical regulations should not impose restrictions on trade that exceed what is necessary to achieve a legitimate objective, while considering the potential risks associated with non-compliance. Legitimate objectives may include national security requirements, prevention of deceptive practices, and the protection of human health or safety, animal or plant life or health, and the environment. When assessing such risks, relevant factors to consider include available scientific and technical information, relevant processing technology, and the intended end-uses of products.

To improve integrated border management and reduce delays, the various interpretations of risk assessment and risk management under the SPS Agreement and in customs laws should be standardized. The key to standardization is to harmonize the provisions in the customs regulations for “prohibited,” “restricted,” and “free to enter” goods with the risk-based classifications of goods made by the SPS competent authorities. However, Bangladesh Customs took some measures such as applying RM via ASYCUDA selectivity module, All Custom Houses and large LC stations have a separate LRMU and in the meantime inserted the RM provision in the Customs Act, 1969 in 2019 in Sec. 197A and Customs Risk Management Commissionerate (CRMC) has started functioning.

3.10.18 Good Agricultural Practices GAP in Bangladesh

Good agricultural practices (GAP) were first introduced in 1997 as the European GAP by the super shops and major suppliers in Europe, which was later renamed as Global GAP in 2007. At the regional level, the ASEAN GAP was introduced in 2006 by the ASEAN Secretariat to the member countries. The GAP scheme was launched in 2013-14 by the Food and Agriculture Organisation of the United Nations (FAO) in four SAARC countries- Bangladesh, Bhutan, Maldives and Nepal to produce horticulture vegetables and fruits. As a result, national GAP standards, scheme owner organisations and certification systems were initially formulated in these countries. GAP is an international food safety certification program that helps farmers, growers, and suppliers meet the highest standards of food safety and quality. The program is recognized by retailers and foodservice companies around the world, and it can help businesses gain access to new markets and improve their bottom line.

Following good agricultural practices or GAP is essential for safe crop production and access to the export markets to survive in global competition. As a result of the implementation of the GAP in Bangladesh, the agricultural products produced in the country will be safe. It will also ensure the quality of the products and food and nutrition security. Further, it would speed up economic growth by maintaining a sustainable environment. Bangladesh prepared the Bangladesh Good Agricultural Practices Policy 2020 which has been effective since 2020.

Agriculture in Bangladesh is gradually changing from subsistence agriculture to commercial agriculture. As a result, products such as dragon fruit, tangerine, orange, strawberry, coffee, cashew nut, melon etc are being cultivated in this country. Although we are in a very good position in agricultural production, we are still lagging behind in the export market. Hence, in Bangladesh, Global GAP is becoming increasingly important as the country's agricultural sector grows. The country is a major producer of fruits, vegetables, and other agricultural products, and it is well-positioned to benefit from the growing demand for safe and high-quality food. Global GAP certification

covers various aspects of agricultural production, including crop cultivation, livestock rearing, and aquaculture. It provides guidelines for proper land and water management, responsible use of inputs such as fertilizers and pesticides, animal welfare practices, and worker health and safety. By adhering to these standards, farmers in Bangladesh can demonstrate their commitment to sustainable and responsible farming practices.

Bangladesh needs to focus on two things - implementing good agricultural practices (GAP) and ensuring the testing of products in the International Organisation for Standardisation (ISO) accredited laboratories before export to have a good position in the export market. If these two practices can be adopted successfully, it would be possible to increase the export of agricultural products several times. Obtaining Global GAP certification can open doors to international markets for Bangladeshi agricultural products. It gives assurance to buyers and consumers that the products have been produced following stringent standards and meet the requirements for safety, quality, and sustainability. This certification can lead to increased market access, higher prices for agricultural products, and improved competitiveness for farmers and producers in Bangladesh.

Chapter 4: Identify Coordination at the National, Regional and International Levels for SPS & TBT Notification Compliances

Bangladesh has various rules, regulations, and policies related to SPS and TBT issues. Different ministries, bodies, and organizations are responsible for implementing or enforcing these rules and policies. The WTO cell in the Ministry of Commerce is currently the national notification authority of SPS measures and Bangladesh Standards and Testing Institutions (BSTI) is the focal point for TBT. Ministries of agriculture, health, fisheries, and environment and their respective departments or divisions are also involved in SPS-related matters. Local businesses are not fully aware of the related government bodies about different SPS measures and functions. Moreover, it is difficult to get comprehensive information on SPS and TBT in Bangladesh through a single window. Bangladesh Trade Portal provides two separate links of the SPS and TBT inquiry points where one can send a request to the points seeking information on any SPS or TBT measure.

The Fifth Review Report of the Operation and Implementation of the SPS Agreement⁴¹, adopted on 31 July 2020³, includes several recommendations on various topics, including national SPS coordination mechanisms. From the experiences of members with national SPS coordination mechanisms and experiences of regional organizations in facilitating and strengthening national SPS coordination mechanisms; best practices shared by Members proposed the following way or mechanism for Coordination of SPS and TBT issues at regional & national Level.

4.1 SPS and TBT Coordination mechanism

The SPS coordination at national level follows several steps among them Single agency responsible for covering both SPS and TBT issues followed by different international countries. Creating a "single window" for meeting transparency requirements and for managing regulatory issues in the SPS area and Single regulatory agency cover food safety, animal and plant health issues, jointly governed by two Ministries with relevant portfolios (e.g. Agriculture and Health). Dedicated multidisciplinary coordination team are also prepared to monitor and follow action on trade barriers to increase access to export markets, drawing on expertise from several govt. ministries is one of the major tasks for Inter-departmental/ Inter-ministerial agencies.

This involves reporting to the business community and maintaining frequent contact with it. Inter-ministerial coordination scheme involving various Ministries and Commissions (e.g. Commerce, Agriculture, Customs and Health) with a clear-cut assignment of responsibilities across the various entities to ensure transparency of SPS

⁴¹ Fifth Review Report of the Committee on Sanitary and Phytosanitary Measures, WTO

notifications. Coordination across SPS competent authorities through the organization of periodic coordination meetings organized (e.g. 2 to 3 times per year) to Coordination of SPS-related issues through a national SPS committee composed of Government departments and ministries, private sector and non-governmental organizations. Steps of SPS coordination mechanisms at the national are given below⁴²:

4.1.1 Single agency covering both SPS and TBT issues

Single agency responsible for covering both SPS and TBT issues, creating a "single window" for meeting transparency requirements and for managing regulatory issues in the SPS area, as well as interfacing at the national and international level. Some key tasks include:

- Notification of all technical and SPS regulations that may impact trade, including those based on international standards.
- Definition of priorities for regulatory issues through the establishment of a regulatory agenda.
- Continuous engagement in international partnerships in order to encourage regulatory convergence and promote common standards and guidance with strategic partners.

4.1.2 Single regulatory agency for SPS issues

Single regulatory agency covering food safety, animal and plant health issues, jointly governed by two Ministries with relevant portfolios (e.g. Agriculture and Health). One of the major tasks of Single regulatory agencies are as follows

- supporting transparency is to efforts through partnerships with multiple regional and international stakeholders (e.g. Standards and Trade Development Facility (STDF), the Asia Pacific Economic Cooperation (APEC), the Food and Agriculture Organization (FAO), the World Health Organization (WHO) and the Global Food Safety Partnership (GFSP)).

4.1.3 Inter-departmental/ Inter-ministerial coordination mechanisms

Dedicated multidisciplinary coordination team to monitor and follow action on trade barriers to increase access to export markets, drawing on expertise from several ministries. This involves reporting to the business community and maintaining frequent contact with it. Inter-ministerial coordination scheme involving various Ministries and Commissions (e.g. Commerce, Agriculture, Customs and Health) with a clear-cut assignment of responsibilities across the various entities to ensure transparency of SPS notifications. Coordination across SPS competent authorities through the organization of periodic coordination meetings organized (e.g. 2 to 3 times per year) to:

- Share the concerns to be considered at the international level;

⁴² Collection of resources to facilitate implementation of national SPS coordination mechanism, WTO, 2020.

- Identify STCs and issues of interest to be raised in the SPS Committee;
- Participate in harmonization meetings coordinated at the regional level; and
- Monitor/audit notifications of nonconformity and corrective measures.

4.2 Coordination of SPS and TBT issues at Regional Level

The Agreement on the Establishment of South Asian Regional Standards Organization (SARSO) entered into force with effect from 25 August 2011 after ratification by all member States of SAARC. SARSO Sectoral Technical Committees (STCs) discussing harmonization of standards on Refined sugar, biscuits, instant noodles, black tea, vanaspati, skimmed milk powder on food and agricultural products.

Some of the key SPS and TBT articles in SAARC is as follows-

- Agreement on the Establishment of South Asian Regional Standards Organization (SARSO) (August 2008).
- SAARC Agreement on Multilateral Arrangement on Recognition of Conformity Assessment (November 2011).
- SAARC Agreement on Implementation of Regional Standards (November 2011).

The key SPS and TBT articles in SAFTA agreement are as follows-

- Article 3(d) - free movement of goods, between countries through, inter alia, the elimination of tariffs, para-tariffs and non- tariff restrictions on the movement of goods and any other equivalent measures.
- 6(c) Arrangements relating to non-tariff measures.
- 8(a) Harmonization of standards, reciprocal recognition of tests and accreditation of listing laboratories of contracting states and certification of procedures.

4.2.1 Coordination of SPS and TBT issues at SARSO

SARSO was established after the 'Agreement on the Establishment of South Asian Regional Standards Organization (SARSO)' entered into force - 25 August 20. The aim of the SARSO to develop Harmonized Standards for the region to facilitate intra-regional trade and to have access in the global market, to achieve and enhance coordination and cooperation among SAARC Member States in the fields of Standardization and Conformity Assessment. The Objectives and Function of the SARSO as follows-

- To promote and develop harmonization of Standards of the SAARC Member States with a view to removing the technical barriers to trade and facilitate flow of goods and services in the region.
- To encourage exchange of information and expertise among the National Standards Bodies of the Member States in the fields of Standardization and Conformity Assessment.

- To facilitate capacity building among the Member States in the fields of Standardization and Conformity Assessment by way of training, workshops, seminars etc.
- To act as a source of information for the Member States on standards, regulations, conformity assessment.
- To promote Mutual Recognition Arrangements (MRAs) on Conformity

Member Bodies of SARSO

The number of the SARSO are as follows-

Countries	Institute or Organizations
Afghanistan	Afghanistan National Standards Authority (ANSA)
Bangladesh	Bangladesh Standards and Testing Institution (BSTI)
Bhutan	Bhutan Standards Bureau (BSB)
India	Bureau of Indian Standards (BIS)
India	Ministry of Economic Development (MoD)
Nepal	Nepal Bureau of Standards and Metrology (NBSM)
Pakistan	Pakistan Standards and Quality Control Authority (PSQCA)
Sri Lanka	Sri Lanka Standards Institution (SLSI)

Mechanism of Formulation of SAARC Standards

- Sectoral Technical Committees (STCs)
- Composed of Representatives of the Member Bodies, each dealing with a particular subject
- Responsible for development and maintenance of SAARC Standards. The STCs is responsible for maintain the following standards-
 1. STC on Food and Agricultural Products
 2. STC on Electrical, Electronics, Telecom and IT
 3. STC on Building Materials
 4. STC on Jute, Textile and Leather
 5. STC on Chemicals and Chemical Products
 6. STC on Conformity Assessment

Highest authority of SARSO, vested with all powers relating to its functioning. The GB consists of Heads of the respective National Standards Body of each Member States. The Chairperson of the TMB, the Secretary General of SAARC or his representative and Director General of SARSO are the ex-officio Members. SAARC Agreement on 'Multilateral Arrangement on Recognition of Conformity Assessment' (MARCA) Agreement have been ratified by all SAARC Member States and came into effect from 18 July 2017 to facilitate the Parties to accept results of Conformity Assessment with a view to eliminate Technical Barriers to Trade within SAARC.

4.3 Coordination of SPS and TBT at other regional level

To facilitating and strengthening national mechanisms these mechanisms/systems are indicated in the below⁴³:

African Union: The African Union undertakes efforts to facilitate domestic and regional SPS coordination and increase participation of African countries in the work of standard setting bodies and the SPS Committee. These efforts are also aimed at building synergies to resolve food safety, animal and plant health issues; and promoting dialogue with other regional blocs for mutual support during standard-setting activities. Examples of coordination activities undertaken include supporting electronic forum/physical meetings to discuss specific trade concerns prior to SPS Committee meetings; supporting physical participation of AU member States in the meetings of Codex, OIE and the SPS Committee; and conducting training activities to strengthen domestic SPS coordination mechanisms.

Asia-Pacific Economic Cooperation (APEC): APEC Food Safety Cooperation Forum (FSCF)⁴⁴ Partnership Training Institute Network (PTIN) uses a public-private partnership model for improving food safety and facilitating trade in the APEC region. It works with FSCF Regulators to deliver capacity building through workshops, encouraging the adoption of good regulatory practices in APEC economies in areas such as public consultation in the drafting of food safety regulations; and systematic publication of regulations.

ECOWAS: Economic Community of West African States (ECOWAS) has undertaken various coordination efforts and supported implementation of transparency provisions in the region. Some of the challenges faced include limitations in terms of knowledge, awareness and ownership of SPS issues; cooperation between the notification authority and other government authorities; and compliance with SPS transparency provisions. Possible solutions include increasing training on SPS transparency provisions, revitalizing the functioning of the national SPS committees, establishing monitoring and management systems within the notification authorities, and increasing advocacy and sensitization of high-level authorities or decision makers on the importance of SPS.

IICA: Inter-American Institute for Cooperation on Agriculture (IICA) has facilitated various domestic coordination initiatives implemented in the Latin American and Caribbean region. Based on IICA's experience, countries should consider the following

⁴³ Collection of resources to facilitate implementation of national SPS coordination mechanism, WTO, 2020.

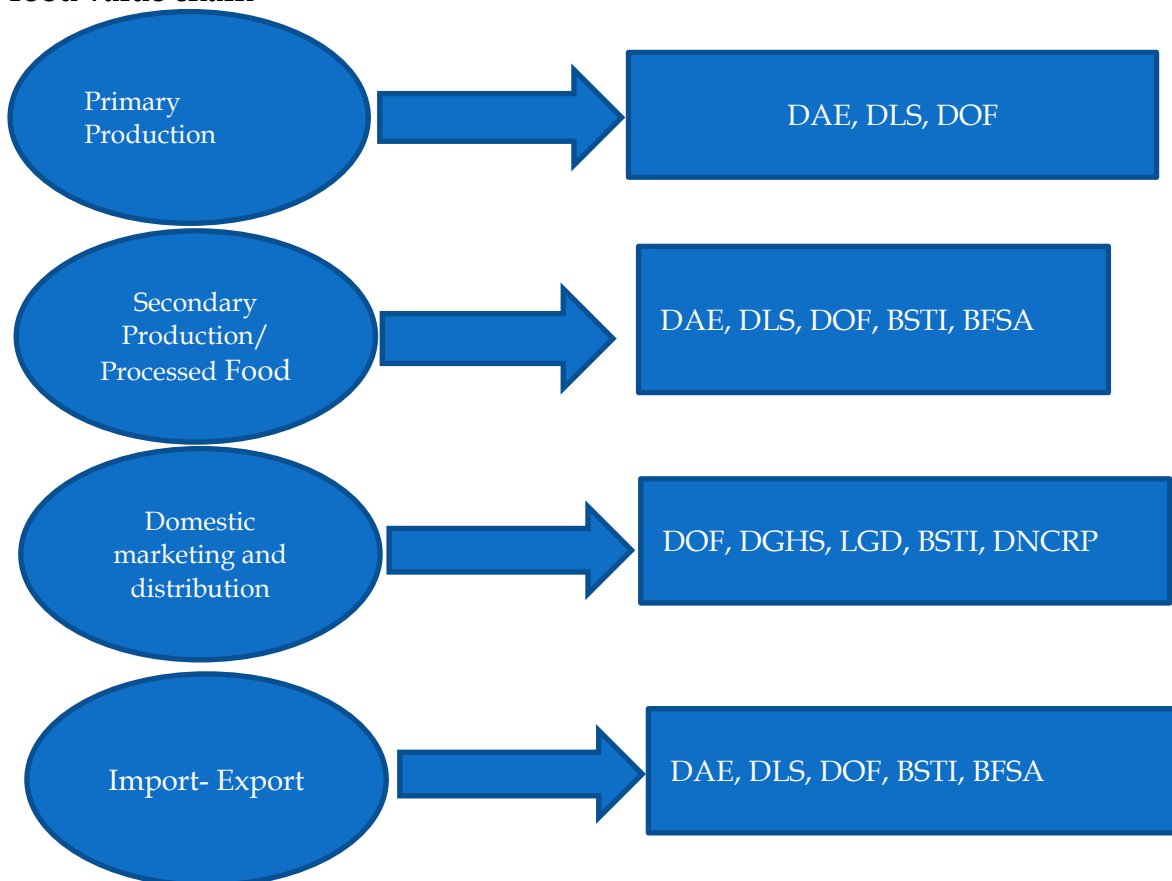
⁴⁴ APEC Food Safety Cooperation Forum (FSCF) includes food safety regulators from the 21 APEC economies. The APEC FSCF focuses on food safety capacity building and regulatory dialogue, encourages the use of science-based international standards and alignment to Codex standards, as well as the adherence to WTO SPS and TBT provisions.

points when establishing a national SPS committee: possibility to interact with different actors (public and private); need for periodic training of all actors involved; capacity to identify and resolve issues, and disseminate results on a permanent basis; and importance of a strong solid focal point.

4.4 National Level Coordination in Bangladesh

The Bangladeshi government is having considerable difficulties enforcing numerous food-related laws and regulations. There are overlaps in regulatory responsibilities among multiple ministries and agencies for ensuring the compliance of SPS and TBT. Under the Food Safety Act 2013, Bangladesh Food Safety Authority (BFSA)'s role is to establish a food safety network among authorities involved in the food safety management system, up to the field level in order to develop and implement Good Agricultural Practices (GAPs), Good Manufacturing Practices (GMPs), Good Hygiene Practices (GHPs), hazard analysis and food safety auditing systems. Currently, the safe food regulations do not include any standards for GMP, GHP, or hazard analysis. The BFSA is currently switching from reactive to risk-based inspections. Recently, 725 approved food safety inspectors from across the nation received training on risk-based assessments from the Directorate General of Health Service (DGHS) and the Food Safety and Standards Administration (BFSA).

Figure 3 Involvement of various departments and agencies in food safety across the food value chain



Albeit the BFSA is the focal point, most food establishments are registered by BSTI, the

Ministry of Industries. The present conflicts in the coordination of food safety efforts between the BFSA and BSTI are notable as there is no single point of registration for the 2.56 million food establishments in Bangladesh. If food establishment regulation and registration are united under the jurisdiction of one authority, or communication among authorities is improved, food safety and the food system would become more viable, functional, and effective. BFSA recently released “Harmonization of Bangladesh’s Food Safety Standards with Codex Standards and other international best practices” to review the existing standards and draft new standards and codes of practice for implementation in the country. BFSA has proposed the following two approaches: revision or formulation of vertical standards for different food products or groups of food products and revision or formulation of horizontal standards:

Primary production, which starts at the farm level, is controlled by the Department of Agricultural Extension (DAE), Department of Livestock Services (DLS), and the Department of Fisheries (DOF). As per the Fish Feed and Animal Feed Act, 2010, the DLS and DOF regulate feed control at the farm level. The DAE regulates the registration and inspection of pesticides and fertilizers through the Pesticides (Amendment) Act, 2009; Fertilizer (Control) Ordinance/Fertilizer (Management) Act 2006; and the Import Policy Order. DAE provides skill development training on topics such as good agricultural practices to producers, including small farm holders. BFSA has limited implementation governance at the farm level. For example, per the recommendations of the Food Safety Act, 2013, BFSA has set the MRL of pesticide residues for food but has no control over the pesticides used at the crop production level. Pesticide usage is controlled by the Plant Protection Wing (PPW) under the DAE.

In order to maintain quality standards, BSTI also conducts inspection procedures and tests on food products during processing but the BFSA controls the requirements for food additives, pollutants, toxins, pesticides, packaging, labeling, management of hygiene and sanitation, and testing throughout processing. The execution of food safety through inspections is the responsibility of city corporations, district health departments, sub-district health departments, and the Directorate of National Consumer Rights Protection (DNCRP).

The Institute of Public Health (IPH), BSTI, and Bangladesh Council of Scientific and Industrial Research (BCSIR) assist these agencies by providing technical capabilities and testing infrastructure. BSTI is the agency responsible for the control of imported food products through inspection, testing, certification, and import clearance. DAE, DOF, and the customs office regulate the export of food products. DAE controls plant product exports as per the sanitary and phytosanitary (SPS) requirements. DOF provides the mandatory health certificates for fisheries and fishery products for export after those fisheries and products meet export compliance requirements. However, the notification

process is not mandatory for complying with SPS and TBT issues if it is at international standard. Although after LDC graduation, the notification process will be the most vital factor for Bangladesh.

4.4.1 Focal point of SPS and TBT in Bangladesh

The World Trade Organization (WTO) Wing, formed under the Ministry of Commerce, carries out operations under the WTO by regularly communicating with the Bangladesh Mission in Geneva on all issues relating to the WTO and works as a focal point of SPS in Bangladesh. Several workshops/trainings on TRIPS, SPS, TBT, Notification, Trade in Services, Non-Agricultural Market Access (NAMA) by WTO Cell for human resource development and capacity building Organized and through which more than 1200 officials of government and private institutions/university, university teachers, Chamber of Commerce representatives and journalists were imparted training on trade. Some of the major functions of the World Trade Organization (WTO) Division relating to SPS is as follows:

- Acting as a “National Inquiry Point” to provide information on Bangladesh's Sanitary Phyto-Sanitary (SPS) Measures and Rules-Regulations as required by other countries;
- Acting as Notification Authority to send regular notifications to the WTO Secretariat under various WTO Agreements;
- Carrying out activities related to various capacity building programs adopted by WTO (Enhance Integrated Framework, Aid for Trade etc.);
- Organize trainings, workshops/seminars with the assistance of the WTO Secretariat to inform stakeholders about various WTO agreements and issues;
- Maintain regular liaison with the Bangladesh Mission in Geneva on ongoing negotiations at the WTO Secretariat and all matters relating to the WTO;
- Implementation of existing agreements and decisions under WTO and all related activities.
- A project called Trade Notification of the WTO Wing is working on notifications and it has sent two notifications to the WTO through two letters.
- WTO Wing, the ministry of commerce is now working on issues for which Bangladesh has not provided notification in the past and issues that should be addressed in next future for notification.
- The Trade Facilitation project is currently working on building EU-standard Laboratory for SPS and TBT issues.

Bangladesh Standards and Testing Institutions (BSTI) is the focal point for TBT and it develops the national standards through 2 (two) National Committees, 6 (six) Divisional Committees and 76 (seventy-six) Sectional (Technical) Committees have developed 4008

⁴⁵national standards of Bangladesh.

Bangladesh Trade Facilitation Project: The Bangladesh Trade Facilitation (BTF) project, a five-year, \$18 million USDA-funded initiative, is designed to help Bangladesh enhance its trade facilitation system and expand regional and international agricultural trade opportunities. Working in concert with key Government of Bangladesh agencies and by supporting and enhancing the National Trade Facilitation Committee, the project addresses the systemic constraints to agricultural trade at Bangladeshi ports; simplifies and automates import and export processes; improves the capacity of government agencies, laboratories, and warehouses; and fosters private and public investment, especially in cold storage. BTF will reduce the cost of trade in agricultural goods; decrease the release time of imported agricultural goods; and improve the predictability of agricultural trade through increased transparency, streamlining, and automating processes⁴⁶.

Land O'Lakes Venture is implementing the Bangladesh Trade Facilitation project (BTF), funded by the United States Department of Agriculture (USDA) which will help the Government of Bangladesh (GoB) implement World Trade Organization's (WTO) Trade Facilitation Agreement (TFA) measures through five key activities⁴⁷:

- a) Increasing harmonization of processes, formalities, and pre-clearance processing;
- b) Increasing transparency of trade information and WTO notification compliance;
- c) Strengthening risk management systems;
- d) Improving laboratories and testing procedures; and
- e) Enhancing cold storage infrastructure for perishable goods.

For the successful implementation of automation and a Risk Management framework, it is important to entrust NBR Customs as the lead organization to spur collaboration within several government agencies as urged in the evaluation of the project. Similarly, it is urged in the report of *Bangladesh Trade Facilitation Evaluation: Baseline Report*, National Single Window (NSW) should include initiatives to develop "transaction modules" (e.g., electronic payment of any fee, application process, queries on application progress, communication of partial application outcomes, request/submittal of missing/incomplete information, allowing document flow along all agencies involved) for fostering automation process and replacing outdated manual procedures within respective agencies. Moreover, the report further urged for speeding up the certification process, innovative pilot programs can be tested to "privatize" any or all

⁴⁵ BSTI Standards catalogue 2021(Till August 2021), BSTI, 2021, Retrieved from https://bsti.portal.gov.bd/sites/default/files/files/bsti.portal.gov.bd/page/c82bd863_c051_46ce_af11_eb5bec479d5b/2021-08-31-11-36-54b7b1099157fbe275580fb4511a00bf.pdf

⁴⁶ <https://www.landolakesventure37.org/Where-We-Work/113>

functions (e.g., inspection, quarantine, testing) related to the issuance of certificates. Similarly, to improve service delivery, private participation in other functions (such as process re-engineering and system updates for targeted agencies), importing countries standard and certification authorities' collaboration with Bangladesh need to be facilitated.

Recently, the BTF project has organized the first-ever Food and Chemical Lab Expo, titled 'Food and Chemical Lab Expo 2022', jointly with the Bangladesh Food Safety Authority in September 2022. The daylong expo featured 38 public and private laboratories and six entities supplying machineries. The expo will serve as a platform to share knowledge and experiences about technologies, best practices, and international standard food safety issues.

Moreover, the BTF project is currently working on automating or digitizing procedures in the three laboratories of the Department of Fisheries. Despite the limited implementation of e-certification and other automation measures, respondents have expressed high enthusiasm for the implementation of the project. Along with these, the project is also conducting a number of activities to establish Pest Risk Analysis (PRA) procedure. Furthermore, the project is currently working on establishing an access point interface between different SPS and TBT certification authorities with the ASYCUDA software at the Chittagong port.

4.5 Coordination in Food Safety and SPS Compliance

The agricultural sector is governed by 13 divisions housed in nine separate ministries, but there is limited coordination between these offices – aggravating an already complicated and confusing system. For example, in a study done by the USDA⁴⁸ team, it was found that the Ministry of Livestock and Fishery department has lack coordination with animal husbandry and animal health (veterinarian medicine) unit. Thus, there is an extreme need to establish links within each agency and for cross-consultation between these agencies or ministries to ensure better communication and coordination of their work as well as to better define each agency's roles and responsibilities. A study done by USDA and FDA in 2013, found that there is much overlap of roles without appropriate coordination or communication for information sharing.

The agricultural industries' export market requires the implementation of SPS measures that will safeguard human health and protect against the spread of unwanted diseases or pests borne by animal and plant products. In order to realize the opportunities for

⁴⁸ Assessing SPS Capacity in Bangladesh, SPS Capacity Building in Bangladesh, Grant Agreement Number 58-3148-2-124, USDA Study 2013

international trade, exporters must be aware of SPS requirements. The Government of Bangladesh (GoB) and regulatory authorities are aware of international SPS standards; however, the country has policies or regulatory infrastructure constraints to adequately implement sound SPS systems. Currently, eight ministries in the government are directly involved in controlling affairs of food and food safety while four others are involved indirectly, Bangladeshi Ministries and Departments involved in Food Control describing these entities. Coordination and cooperation between these multifaceted control systems are complex and difficult. The stakeholders and exporters remain unaware, untrained, or unconcerned about the import requirement of foreign countries⁴⁹. In the following table, the lists of the major stakeholder ministries involved in controlling food and food safety are described below:

Table 14 Bangladeshi Ministries and Departments Involved in Food Control

Ministry	Department/ Organization	Major Activities
Ministry of Agriculture	Department of Agricultural Extension (DAE) Plant Protection Wing	<ul style="list-style-type: none"> • Phytosanitary certificate for imported/exported plants/plant products • Pesticide use control • Fertilizer use control
Ministry of Food	Directorate General of Food (DGF)	<ul style="list-style-type: none"> • Quality Control of Public Food Distribution System (PFDS), Stock, Procured Food grains/Food Stuff, Imported food, etc. • Food Control in the Market (not done at present)
Ministry of Health & Family Welfare	Directorate General of Health; District & Upazila Health Administration and Institute of Public Health	<ul style="list-style-type: none"> • Food Quality and Sanitation Control at Upazila/District level • Testing vendor food sample
Ministry of Local Government and Rural Development (MoLGRD)	City Corporation & Pourashava Health Units	<ul style="list-style-type: none"> • Sanitary inspection • Lab food quality control/lab analysis
Ministry of Fisheries & Livestock	A) Department of Fisheries, Fish Inspection and Quality Control Wing (FIQC)	<ul style="list-style-type: none"> • Fish Quality Control & Certification for export • Same for the domestic market
	B) Department of Livestock	<ul style="list-style-type: none"> • Animal Health • Animal Product • Imported Animal

⁴⁹ Retrieved from the KII from the Stakeholders

Ministry	Department/ Organization	Major Activities
Ministry of Industries	Bangladesh Standards and Testing Institute (BSTI)	<ul style="list-style-type: none"> • Frame Standards and test methods of Food Products • Testing & Certification Marks and Surveillance (i.e. product certification, Halal certification, and management systems certification) for using Certification Marks)
Ministry of Science, Information and Communication Technology	Bangladesh Atomic Energy Commission (BAEC)	<ul style="list-style-type: none"> • Test for Radiation level of Imported Food items • Test for Pesticides Residues
Ministry of Commerce (MoC)	CCI&E EPB	<ul style="list-style-type: none"> • Export Import Policy

4.5.1 Coordination between BSTI, BFSA, and DNCRP

The universal best practice is to have a sole authority who works in setting food standards, testing, licensing and monitoring standard. India has a sole authority related to food safety "The Food Safety and Standards Authority of India (FSSAI). The role of this is being played by the BSTI for many years but the resources of BSTI are limited to cover the whole country. While BFSA is in practice, it can be allowed to set its own standard if any standard has yet to be set in any food under other existing law. For instance, there are limited food products which require mandatory BSTI permission prior to the market, Thousands of other products are out of the BSTI's examination and the standard enforcing authority does not have standards for them. BFSA may play the role of making standards, issuing licensing and monitoring local markets to ensure the standards other than the mandatory food item of BSTI. In addition, BFSA can propose adding a new parameter to the existing BSTI standard if BFSA thinks that not including the parameter in the standard is harmful to human health. In this way, specifying the coordination between these two government agencies can reduce the overlapping task and different standards in ensuring food safety. Thus, both BFSA and BSTI need to collaborate to coordinate the implementation of food safety and control in Bangladesh. At this point, BFSA and BSTI have not signed Framework Agreements or a Memorandum of Understanding (MOU), which limits coordination between the two agencies. Directorate of National Consumer Rights Protection (DNCRP) is responsible for the implementation of consumer product safety through inspections at domestic distribution and marketing levels. BSTI, BFSA, and DNCRP have control at the division level through license control, sample monitoring, and testing. As DNCRP does not have their lab, they need to coordinate with BSTI labs for testing. GOB can establish the Technical Regulation Frameworks (TRF) for the development, implementation and maintenance of technical regulation across all relevant Ministries and their Agencies.

The Plant Quarantine Wing, DAE under the Ministry of Agriculture the Plant Protection Wing monitor the Phytosanitary related matter in plant and plant product of Bangladesh. Existing laboratories are not fully equipped and do not have the properly trained personnel to manage the lab or perform risk assessments⁵⁰. There is a need to develop skilled field personnel, entomologists, chemists, and toxicologists to perform risk assessments. The Departments of Plant Quarantine and Livestock Services in Bangladesh have responsibilities for plant and animal health and serve as contact points for respective international standard-setting organizations - International Plant Protection Convention (IPPC) and the World Organization for Animal Health (OIE). Plant protection measures are implemented under the following legislation:

- Destructive Insects and Pests rule, 1996, amended in 1989, and now Plant Quarantine Law has been enacted in 2011, which includes provisions of SPS measures and provision for establishing a Plant Quarantine Authority.
- Pesticide Ordinance, 1971, and Pesticide Rules, 1985 Oversight of plant health provisions are administered by several areas of the Ministry of Agriculture (MoA) as follows:

Table 15 Plant Health Oversight

Department/ Organization	Major Activities
Plant Protection Wing	<ul style="list-style-type: none"> • Sets and maintains standards for optimum use of chemical fertilizers, pesticides, and prevention of entry of harmful plants, insects, or disease. • Inspects consignments and assigns phytosanitary certificates for materials destined for sale in foreign markets by using quarantine check posts located at 26 different entry/exit points to and from Bangladesh.
Plant Quarantine Wing	<ul style="list-style-type: none"> • Provides services in Plant Quarantine, Pesticide Administration, and Quality Control involving testing pesticides for registration, Operation, Surveillance and Forecasting, and Integrated Pest Management (IPM)
Plant Protection Wing Bangladesh Agricultural Research Council (BARC) BSTI	<ul style="list-style-type: none"> • Set standards, formulate rules and procedures, propose Acts and Laws by the IPPC

⁵⁰ Retrieved from the KII of the Stakeholders

4.6 Coordination in Animal Health Provisions

The Departments of Livestock Services in Bangladesh have responsibilities for animal health and serve as contact points for respective international standard-setting organizations World Organization for Animal Health (OIE). The following legislations provide guidelines and set standards for animal health issues:

- Fish Protection and Conservation Act 1950, amended in 1995
- Marine Fisheries Ordinance and Rules 1983
- Fish and Fish Products Inspection and Quality Control Ordinance, 1983, Rules 1997
- Animal Diseases Act 2005
- Animal and Animal Products Quarantine Act 2005
- Bangladesh Feed Law (This law was passed in early 2012; it bans harmful ingredients in feed and provides quality control, inspection, registration, adulteration control, etc.)
- Oversight of animal health provisions is administered by the Ministry of Fisheries and Livestock (MoFL) as follows:

Table 16 Animal Health Oversight

Department/Organization	Major Activities
Department of Fisheries	<ul style="list-style-type: none"> • Prevention and control of diseases in fish and aquatic animals. • Responsible for the safety and quality of fish and aquaculture products.
Department of Livestock	<ul style="list-style-type: none"> • Inspects for disease and provides quarantine as necessary for imported animals, poultry, and fish • Surveillance within the country for any outbreak of disease, and provides vaccines or veterinary medicine • Maintains liaison with OIE and proposes new rules and standards, when deemed necessary

4.7 Structure of Notification to WTO

If a Member revises its position, following its indication of the use of a standard, guideline, or recommendation as a condition for import, it should explain its change and so inform the Secretariat as well as the relevant international organizations, unless such notification and explanation is given according to the procedures. To avoid unnecessary duplication, the Committee may decide, as appropriate, to use the information generated by the procedures, particularly for notification, which is in operation in the relevant international organizations.

4.8 SPS Notification and Trade Facilitation Process

As per the Article 7 of SPS agreement, members shall notify changes in their sanitary or phytosanitary measures and shall provide information on their sanitary or phytosanitary measures in accordance with the provisions of Annex B. Similarly,

members shall ensure that all SPS regulations are published promptly and available for interested Members. Except in urgent circumstances, members shall allow a reasonable interval between the publication of SPS regulation and its entry into force.

4.8.1 Notification Procedures

When international standard, guideline or recommendation does not exist on a standard, and if the regulation may have a significant effect on trade, Members shall:

- Publish a notice at an early stage with the proposal to introduce a particular regulation;
- Notify other members on products to be covered by regulation together with a brief indication of the objective;
- Provide upon request copies of proposed regulation;
- Allow reasonable time for other members to make comments in writing.

Where urgent problems of health protection arise, member may omit previous steps, provided that the Member:

- Immediately notifies other members of the particular regulation and the products covered, with a brief indication;
- Provides copies of the regulation to other Members;
- Allows other members to make comments and takes comments and the results of the discussions into account;
- Notifications to the Secretariat shall be in English, French or Spanish.

Secretariat shall promptly circulate copies of the notification to all Members and interested international organizations. Members shall designate a single central government authority as responsible for the implementation, on the national level, of the provisions concerning notification procedures of SPS Agreement. This is SPS NNA. National Notification Authority (NNA) is responsible for implementing the notification requirements of the SPS Agreement. In Bangladesh, WTO is the national notification authority and responsible for notification. They will do the following task as follows:

- Ensuring proposed regulations are published early, to allow for comments;
- Notifying other Members, through the Secretariat, of proposed SPS regulations, using the appropriate notification forms;
- Providing copies of proposed regulations on request;
- Ensuring that comments are handled correctly.

4.8.2 National Enquiry Point

NEP is responsible for answering questions on all existing SPS measures (even those that existed before the WTO and the SPS Agreement came into force). Accessing and managing notifications made by other Members are important functions of the NNA/NEP. Each member should have National Enquiry Point (NEP) or WTO Wing, Ministry of Commerce responsible for the provision of answers to other Members and for the provision of relevant documents on:

- Any SPS regulations adopted or proposed;

- Any control and inspection procedures, production and quarantine treatment, pesticide tolerance and food additive approval procedures;
- Risk assessment procedures, appropriate level of SPS protection
- Membership and participation in international and regional SPS organizations and systems, bilateral and multilateral agreements, arrangements and the texts of such agreements and arrangements.

4.8.3 Writing SPS Notification

Notifications should be written, or at least scrutinized, by someone (such as the author of the document being notified) who has a good knowledge of the measure being notified. Templates for notifications are available on the SPS Members' transparency toolkit web site: <https://www.wto.org/spstransparency>. Notifications may be submitted by Members directly online through SPS Notification Submission System (SPS NSS). Regular notifications must be made on an official WTO notification form.

Procedure and submission of SPS Notification: For writing SPS notification, some explanations need to give to clarify for whom the notification is issued and on which products, the notification is applied. The whole process of writing notification is given below with explanation

- a) **Notifying Member:** (If applicable, name of local government involved): name of the WTO Member making the notification.
- b) **Agency responsible:** Indicate the name of the agency or department responsible for developing the proposed SPS regulation being notified under the notification, e.g.: **Health; Fisheries; Agriculture; Forestry; Environment.**
- c) **Products covered:** provide tariff item numbers) as specified in national schedules deposited with the WTO; ICS numbers should be provided in addition, where applicable.
- d) **Regions or countries likely to be affected, to the extent relevant or practicable:**
 All trading partners Specific regions or countries.
- e) **Title of the notified document: Language(s): Number of pages:** This must contain the exact title, language and number of pages of the notified document; usually a law or regulation.
- f) **Description of content:** Summarize the SPS measure clearly, indicating its health protection objective and content. The summary should be as complete and accurate as possible to allow full understanding of the proposed regulation. Write clearly and without abbreviations.
- g) **Objective and rationale:** food safety; animal health; plant protection; protect humans from animal/plant pest or disease; protect territory from other damage from pests. Here, put a cross in the relevant box.

- h) Is there a relevant international standard? If so, identify the standard:** Codex Alimentarius Commission (e.g. title or serial number of Codex standard or related text); World Organization for Animal Health (OIE) (e.g. Terrestrial or Aquatic Animal Health Code, chapter number); International Plant Protection Convention (e.g. ISPM number);
 None Does this proposed regulation conform to the relevant international standard?
 Yes
 No
- i) Proposed date of adoption (dd/mm/y):** Proposed date of publication (dd/mm/yy): Specify the date when the sanitary or phytosanitary regulation is expected to be adopted (or approved) and published; when no more changes will be made to the text of the measure.
- j) Proposed date of entry into force:**
- Six months from date of publication, and/ or (dd/mm/y)
 - Trade facilitating measure.
- k) Final date for comments:**
 Sixty days from the date of circulation of the notification and/or (dd/mm/y):
 Agency or authority designated to handle comments: National Notification Authority; National Enquiry Point. Address, fax number and email address (if available) of other body.
- l) Texts available from:** National Notification Authority, National Enquiry Point. Address, fax number and email address (if available) of other body.

SPS measures should normally be available from the NNA. For measures notified on behalf of other agencies, give the name, address, fax number and address for the appropriate contact for that agency. This might be the designated NNA/NEP or the author of a standard. If the document is available on the internet, give the precise hyperlink. Notifications may be submitted online by using the SPS Notification.

Submission System (SPS NSS) platform (<https://nss.wto.org/spsmembers>) or as an email attachment to WTO CRN (crn@wto.org). Contact the WTO Secretariat if you are not able to submit notifications via the SPS NSS or e-mail. Where applicable, send both the notification and the full text regulation to your website IT personnel for publication on your website. It is helpful to include the title of the regulation and the deadline for comments. The link to the website where the text has been published should be included in the notification, to make it easily accessible to interested Members.

4.8.4 Case Study on SPS and TBT

Box 2 Case study on Betel leaves

Back in the year 2011 a woman in the United Kingdom suffered from an acute stomach pain. Physicians and the UK authorities concerned later traced a shop from where she had sourced betel leaves to chew. The leaves were found to be contaminated with salmonella bacteria and had been part of an export consignment from Bangladesh.

In February 2014, the EU imposed a temporary ban on the import of betel leaves from Bangladesh, citing concerns over the presence of salmonella bacteria in the exported betel leaves. The ban resulted in Bangladesh losing the opportunity to export betel leaves to 29 countries, causing a significant decline in the country's yearly export earnings from agricultural products. The exporters tried to continue exporting betel leaves illegally, but the EU authorities detected a high number of rapid alerts, indicating a high level of contamination and a serious risk to human health.

Challenges for betel leaves exporter in Bangladesh: Betel leaves exporter of Bangladesh faces some major problem while export betel leaves in EU. One of the primary problems for the exporter of betel leaves is product traceability. On the other hand, most of the agricultural products are exported by air, mainly from Hazrat Shahjalal International Airport in Dhaka but the central packing house of the product is in the capital's Shyampur area. Bringing the goods to Shyampur for packing and then transporting them to the airport takes hours. Due to the situation of traffic in the city, the quality of the products deteriorated which is the major problem.

Steps taken by DAE and Plant Quarantine wing: Against this backdrop, Bangladesh firstly selects betel cultivation areas and conducts bacterial-free contract farming, program implementation in the light of good agricultural practices, monitoring, traceability or identification, testing of betel samples. Regarding this issue, Bangladesh Fruits, Vegetables & Allied Products Exporters' Association (BFVAPEA) advisor agronomist Manjurul Islam, told that subsequent research had shown that Salmonella in Pan was an animal-borne disease, which was transmitted through water, livestock and humans in the damp environment. As a result, it has been possible to get rid of these bacteria easily by using ground water in all fields, animal and bird free waste, hygiene of all involved from cultivation to packaging and using chlorine water. He further added that selection and training of farmers, training of exporters' representatives, regular testing of soil and water in drinking lands, safe and pest-free production of betel for export market were also underway. As a result, the bacteria were not found in the betel leaves after 2019.

DAE and Plant Quarantine wing has introduced the traceability and ensured that betel leaf growth will be continuously monitored and introduce contract farming, and pre-testing of samples from every export shipment. According to the Plant Quarantine Wing, Bangladesh has fulfilled the EU's 22 conditions, including: laboratory tests, zone-based product production, farmer selection, farmer and exporter training, soil tests, irrigation water tests, production situation monitoring, field inspection and monitoring, and certification. After that the ban was lifted in March, 2021.

The case study of the betel leaves export ban in the EU from Bangladesh highlights the importance of maintaining high standards of phytosanitary, quality control and traceability measures for agricultural exports.

Box 3 Case study on Potato

Russia imposed a restriction on the import of potatoes from Bangladesh in 2014 after the Brown rot disease was found in the potatoes. The restriction persisted for seven years before being repealed in March 2022 as a result of Bangladesh's government taking steps to guarantee the quality of its potatoes.

Challenges for potato exporter in Bangladesh: Potato exporter of Bangladesh faces some major problem while export Potato in Russia and these problems are product traceability, use of fake phytosanitary certificates and the location of central packaging houses are located at Shyampur outside the production area. Similarly, lack of sufficient storage facilities in the vicinities of potato growing areas, causes deterioration of product quality.

Steps taken by DAE and Plant Quarantine wing: Government worked to improve its trade relations with Russia through Commonwealth of Independent States (CIS), to lift ban on potato exports. DAE and Plant Quarantine Authority, took appropriate action to upgrade the phytosanitary system, security measures (online certification) to prevent use of fake phytosanitary certificates, and proper inspection at ports to ensure shipment of safe agricultural produce. Moreover, DAE and Plant Quarantine wing also ensure strict phytosanitary and quality control requirements for agricultural exports. Similarly, exporters provide associated health certificates and ensuring hygiene and manufacturing practices from production to shipment.

The case study of the restriction on Bangladeshi potato entering the Russia the need of upholding strict phytosanitary and quality control requirements for agricultural exports is very important. Bangladesh now has the chance to reestablish its export market and enhance the standard of Potato production.

4.9. Status of SPS and TBT notifications by Bangladesh and Major SASEC Countries

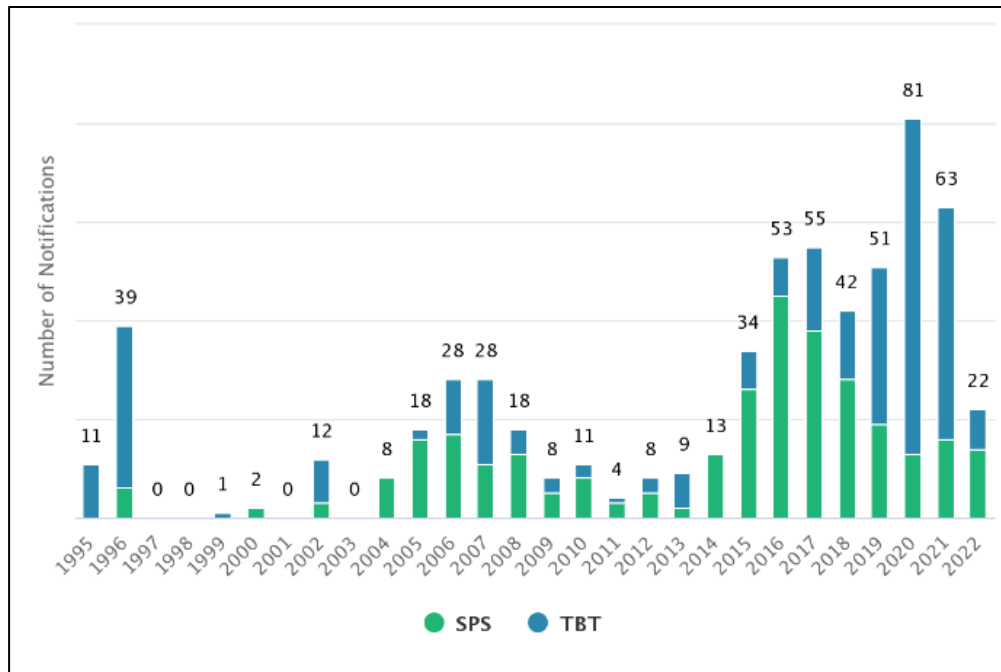
According to WTO, in SASEC countries most of the SPS and TBT notifications are issued by India. In 2020, India issued 81 SPS and TBT notifications while in 2021 the number of notifications was reduced to 63 in 2022, the number of notifications are 22 where 14 of them are SPS-related notifications and the rest of the notifications are TBT related, as urged in figure 4(a). On the other hand, it is explored that from 1995 to 2022, Nepal notifies mostly SPS-related notifications. As per figure 4(c), in 2008 Nepal notifies the highest nine notifications and in 2022, Nepal issued 5 SPS-related Notifications. In figure 4(d), it is shown that Sri Lanka has issued the highest number of notifications related to

SPS and TBT after India. In 2001, the highest number of SPS and TBT notifications issued by Sri Lanka is 18 while in 2021, the number of SPS notifications was one. However, in 2022, there are no notifications on SPS but there are 13 notifications on TBT-related issues.

As per WTO data, figure 4(b) shows, compare to other SASEC countries i.e. India, Nepal, and Sri Lanka, the notification process of Bangladesh is quite lingering. The time series data shows that from 1995 to 2018, there were no notifications on SPS and TBT, though in 2019 and 2020, there were 4 TBT related notifications, however, in 2021 and 2022 there were no notifications by Bangladesh in WTO database but Bangladesh has taken tremendous effort to address the SPS & TBT related issue.

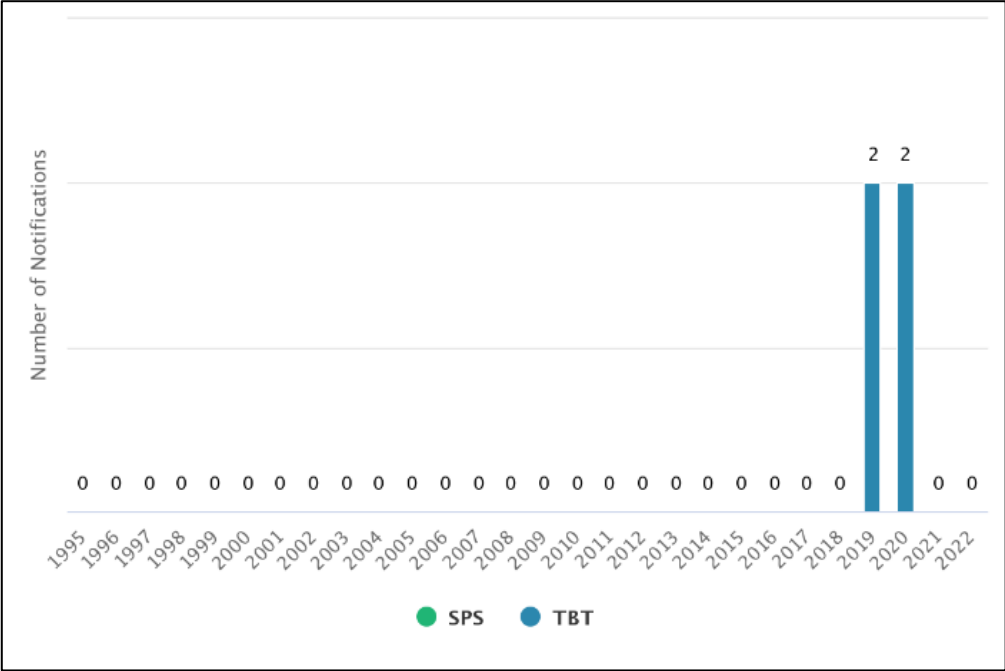
Figure 4 Comparison of the Number Notifications on SPS and TBT from 1995 to 2022

Figure 4(a) Number of SPS and TBT Notifications Imposed by India from 1995 to 2022



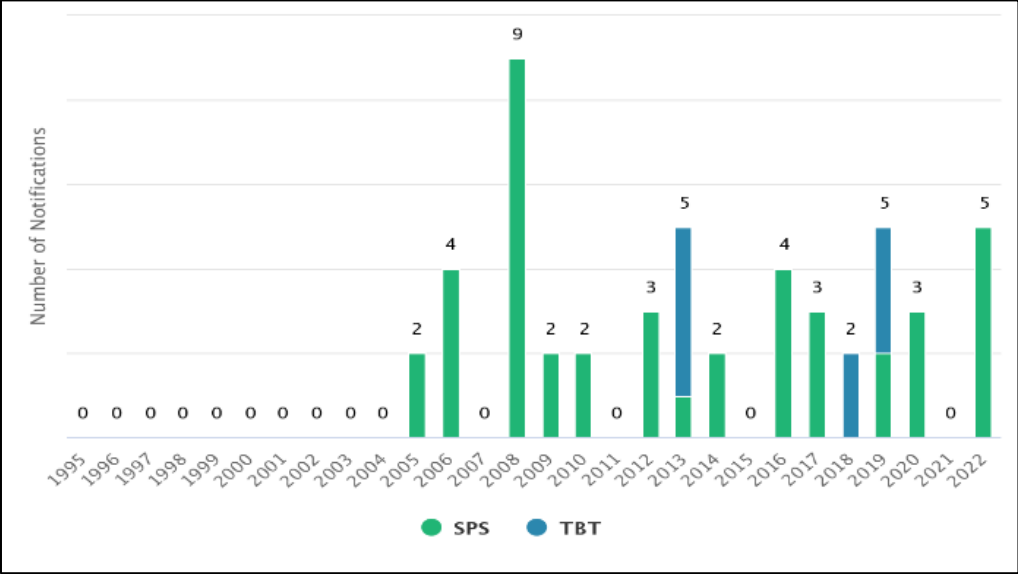
Source: E-ping/SPS and TBT Platform

Figure 4(b) Number of SPS and TBT Notifications Imposed by Bangladesh from 1995 to 2022



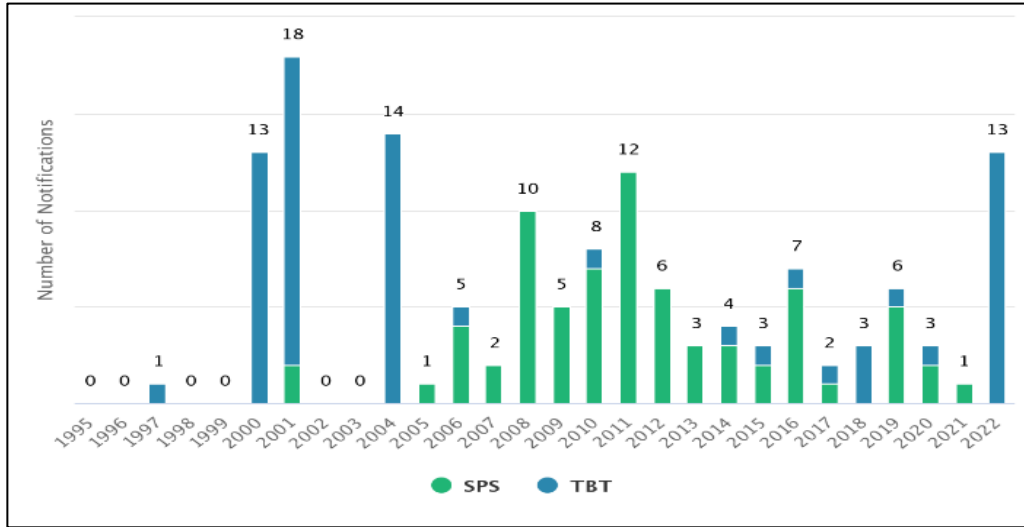
Source: E-ping/SPS and TBT Platform

Figure 4(c) Number of SPS and TBT Notifications Imposed by Nepal from 1995 to 2022



Source: E-ping/SPS and TBT Platform

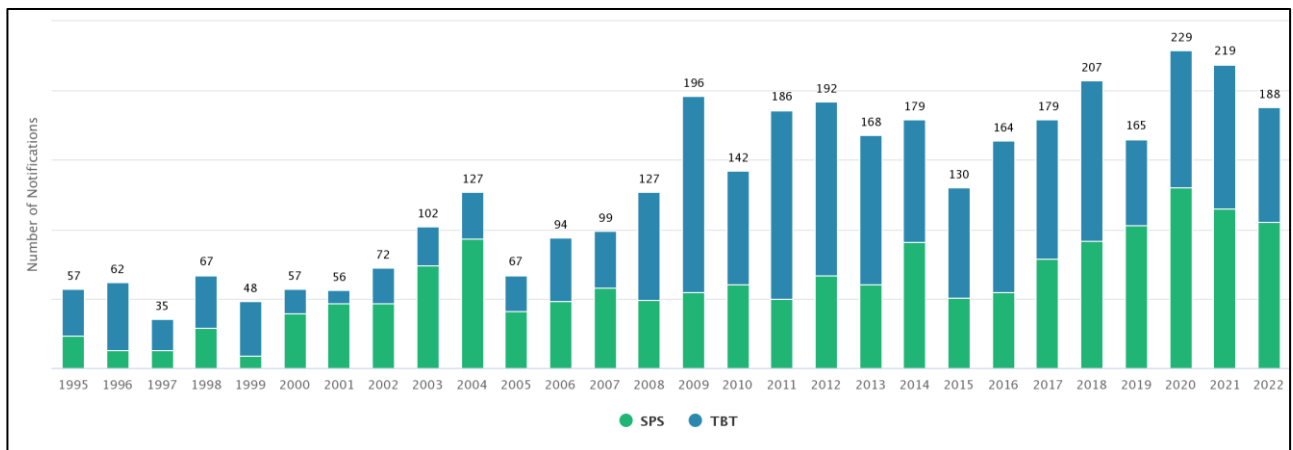
Figure 4(d) Number of SPS and TBT Notifications Imposed by Sri Lanka from 1995 to 2022



Source: E-ping/SPS and TBT Platform

Given the fact, BSTI makes compulsory 229 products under the compulsory Certification Marks (CM) of BSTI in other words that marketing of any of these items needs a conformity certificate of Bangladesh Standard from the BSTI. These include Food and Agriculture, Chemical, Jute and Textile, Electrical and Electronics, and Engineering products, and impose compulsory certificate issues conditions for importing 79 products into Bangladesh. Meanwhile, the department of the Plant Quarantine Wing has issued Phytosanitary Requirements for imported Plants and plant products into Bangladesh for 20 products till October 2022. It is expected that this process will improve the condition of Bangladesh’s SPT and TBT-related preparation for notification in near future.

Figure 4(e) Number of SPS and TBT Notifications Imposed by European Union (EU) from 1995 to 2022



Source: E-ping/SPS and TBT Platform

From 1995 to 2022, the EU participated in discussions on SPS trade concerns, raising 114 cases of SPS notifications. The EU supported 58 of these notifications and responded in 127 cases. In the case of TBT, the EU raised 319 cases, supported 23 cases, and responded in 173 cases. In 2022, EU issued 188 SPS & TBT notification while in 2019, the block has issued 219 notifications regarding SPS and TBT issues. It implies that number of notifications provided by the developed countries are higher than that of LDC and Developing Countries.

Chapter 5: Identification of Potential Exportable Products and SPS and TBT Measures in the Trade Competing Countries

WTO Agreements do not contain provisions for LDC graduation. Against the background of the looming graduation of an increasing number of LDCs, graduation has become an important issue for LDCs at the WTO. Concerns have been expressed by the LDCs over the loss of their special benefits following graduation. In a Declaration at the Eleventh WTO Ministerial Conference in December 2017, LDC Trade Ministers called for positive actions for LDCs on graduation.

At the request of the LDC Group, the Secretariat of the World Trade Organization, with the support of the Enhanced Integrated Framework (EIF), undertook a project to assess the trade-related implications of graduation from LDC status, in particular the impacts it may have on market access currently enjoyed by the LDCs, as well as on their participation in the WTO. Although a number of developing countries have excellent food safety and veterinary and plant health services, others do not. For these, the requirements of the SPS Agreement present a challenge to improve the health situation of their people, livestock and crops which may be difficult for some to meet. Because of this difficulty, the SPS Agreement delayed all requirements, other than those dealing with transparency (notification and the establishment of Enquiry Points), until 1997 for developing countries, and until 2000 for the least developed countries. Later it was further extended for Least Developed Countries. This means that these countries are not required to provide a scientific justification for their sanitary or phytosanitary requirements before that time⁵¹. There is a growing interest from developing countries like Bangladesh in strengthening national food control systems, reformulating national food regulations to align them with international standards, and establishing import/export food inspection and certification programmes to ensure compliance with SPS and TBT requirements. In this section discuss about the regional country export basket that Bangladesh like to export. This section overview which potential product Bangladesh can export to its regional country.

5.1 Pattern of trade with other SASEC countries

The trade data for export and import between Bangladesh and other 5 members states of SASEC sub-region was analyzed for the years 2012 – 2022. In this study data is taken from the Export Promotion Bureau (EPB) and Bangladesh Bank (central bank of Bangladesh) has also been used at places. In Annex 2 Tables 1 through 5, a closer look at the Bangladesh export data for the most recent year, July 2021 – June 2022 fiscal year

⁵¹ Sanitary and Phytosanitary Measures: Introduction Understanding the WTO Agreement on Sanitary and Phytosanitary Measures, Retrieved from, https://www.wto.org/english/tratop_e/sps_e/spsund_e.htm

reveals that the top 10 of export products generally constitute a very high proportion of the total exports. This tendency of high concentration of a few export products is the same for all 6 other SASEC member countries. The country specific details are as follows:

It reveals very low volume of intra-sub-region trade flow. The exports from Bangladesh to SASEC have been particularly low comparing to world export, ranging from a meager 2.33% in 2012-13 fiscal year, to the highest 4.24% in 2021-22 fiscal year of the total exports to the world from Bangladesh. It is evident that the exporting trend showing upward in the past 6 years. For example, in the 2013-14 fiscal year, Bangladesh exported a total of US\$ 30186.62 million to the world, but exported only worth US\$ 516.84 million in the SASEC countries, with India being the largest export destination for Bangladesh in the region. The detailed table is given bellow:

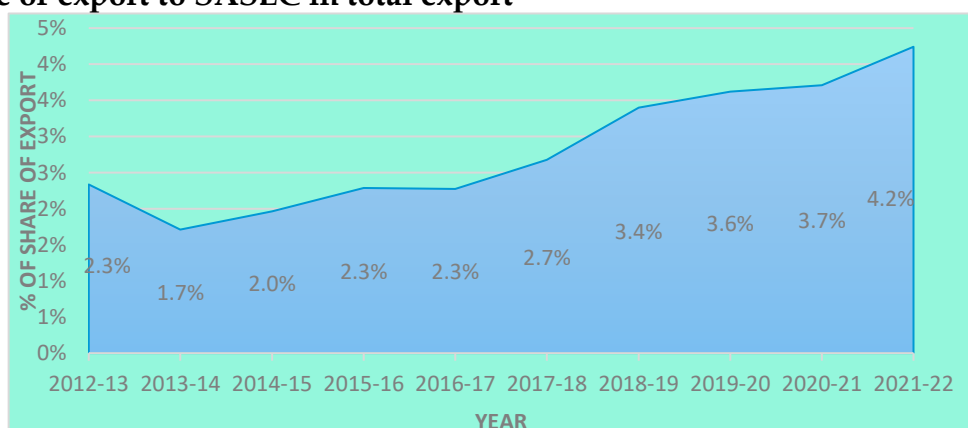
Table 17 Merchandise Export from Bangladesh to other SASEC countries (million US\$)

Country/ Fiscal year	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Bhutan	1.82	1.91	4.92	4.74	3.21	4.38	7.56	4.36	6.98	9.56
India	563.96	456.63	527.16	689.62	672.40	873.27	1248.05	1096.38	1276.67	1991.39
Maldives	1.53	1.71	5.64	3.05	2.97	5.39	6.38	5.14	6.02	5.84
Nepal	26.41	13.69	25.05	17.88	47.40	45.30	38.05	46.01	68.66	105.50
Sri Lanka	23.69	26.81	23.92	30.45	42.25	31.60	45.55	38.40	47.32	58.13
Myanmar	13.67	16.10	25.80	38.23	23.73	21.37	32.54	28.31	31.40	38.89
Total export to SASEC	631.07	516.84	612.49	783.97	791.96	981.31	1378.13	1218.60	1437.05	2209.30
Total export to the World	27027.36	30186.62	31208.94	34257.18	34846.84	36668.17	40535.04	33674.09	38758.31	52082.6 5
% share of SASEC in total export	2.33%	1.71%	1.96%	2.29%	2.27%	2.68%	3.40%	3.62%	3.71%	4.24%

Source: http://epb.gov.bd/site/view/epb_export_data/

Bangladesh shares of export to SASEC in total export

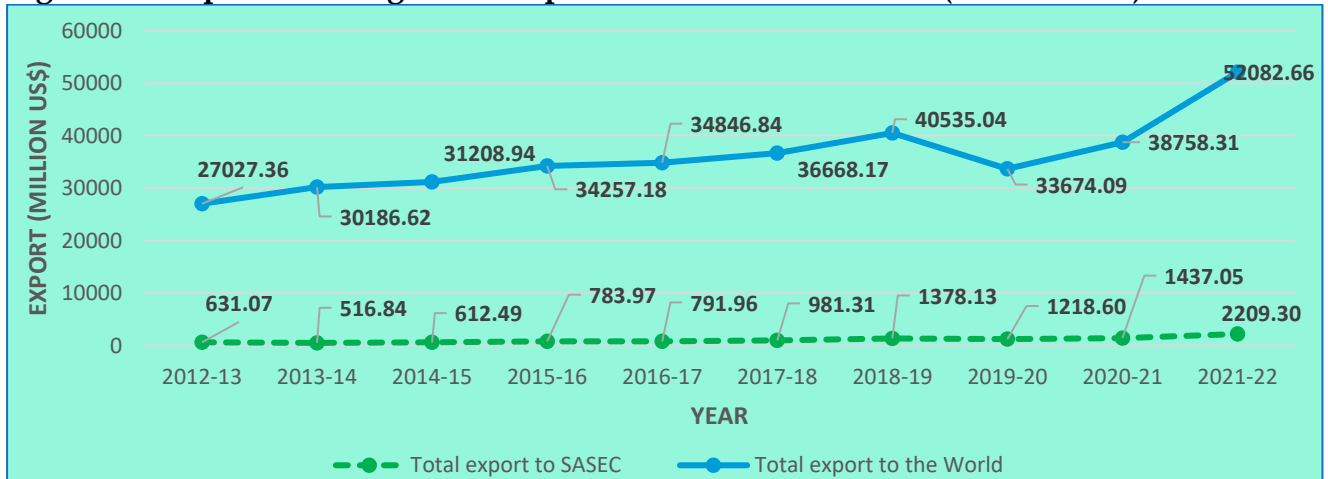
Figure 5 % share of export to SASEC in total export



Source: EPB Export Data

It is evident from the figure 4 that the exporting trend is upward and over the years the volume of importing products by SASEC country is growing. In 2021-22 fiscal year Bangladesh export⁵² about 4.24% of the total export which is about 13.5% higher than the previous fiscal year. We can visualize the poor export volume of Bangladesh within the SASEC partners compared to Bangladesh's total export volume with the world in the Figure 1 below. Since the export volume of Bangladesh to SASEC remains below US\$ 3,000 million, the line for exports to SASEC in Figure 2 is almost lying along the horizontal axis.

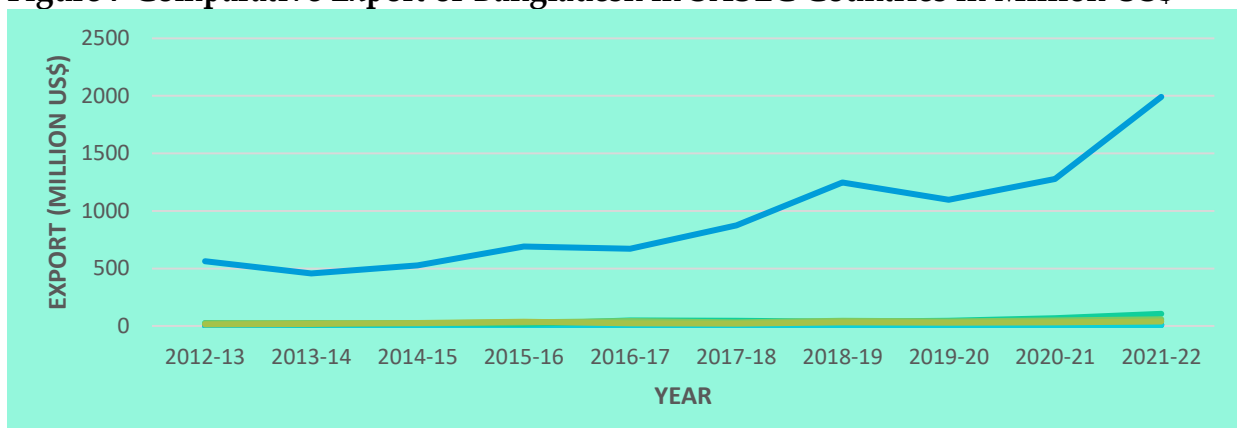
Figure 6 Comparative Bangladesh Exports to World and SASEC (Million US\$)



Source: EPB Statistics and Pocket Export Statistics FY 2020-21

The Figure 5 also reveals the fact that India has been the largest importer of Bangladesh in the SASEC sub-region. Nepal is the second largest importer, while Sri Lanka holds the third largest importer from Bangladesh in the sub-region. Bhutan and Maldives have a very small volume of imports from Bangladesh. Their import volume is so small, under US\$ 100 million from Bangladesh that they are not visible in the line-chart provided in Figure 6 below:

Figure 7 Comparative Export of Bangladesh in SASEC Countries in Million US\$

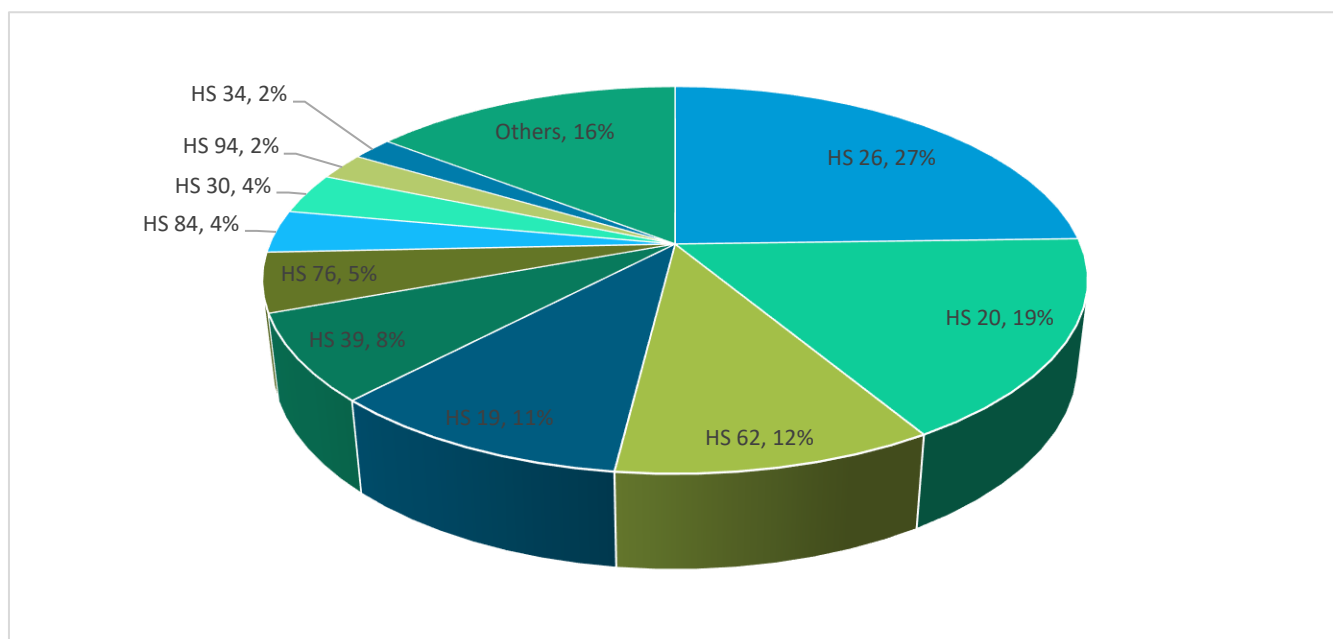


Source: EPB Statistics and Pocket Export Statistics FY 2020-21

⁵² http://epb.gov.bd/site/view/epb_export_data/

Referring to Annex Tables 1 through 5 in Annex 2, a closer look at the Bangladesh export data for the most recent year, July 2021 – June 2022 fiscal year reveals that the top 10 export-products generally constitute a very high proportion of the total exports. This tendency of high concentration of a few export products is the same for all 5 other SASEC member countries. The country specific details are as follows:

Figure 8 Top 10 Export Products from Bangladesh to Bhutan



HS 26: Ores, slag and ash

HS 20: Preparation of vegetables, fruit, nuts or other parts of plants

HS 62: Articles of apparel and clothing accessories, not knitted or crocheted

HS 19: Preparations of cereals, flour, starch or milk; pastrycooks' products

HS 39: Plastics and articles thereof

HS 76: Aluminium and articles thereof

HS 84: Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof

HS 30: Pharmaceutical products

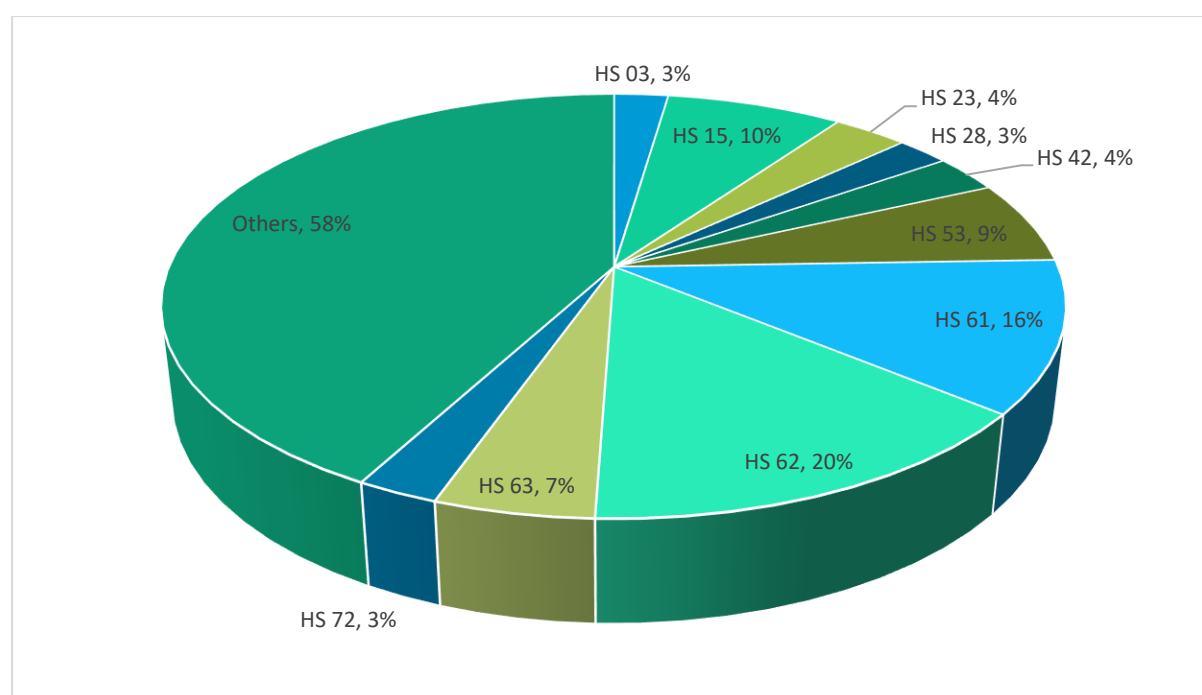
HS 94: Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishing; lamps and lighting fittings, NES or incl.; illuminated signs or name-plates and the like; prefabricated buildings

HS 34: Soap, organic surface-active agents, washing and lubricating prep., artificial or prepared waxes, polishing or scouring prep., candles and similar, modelling pastes, dental waxes and prep. with basis of plaster

Bhutan: Top 10 export products from Bangladesh to Bhutan under HS chapter, valued at US \$ 9.0 million, constitute 94% of all exports valued at US \$ 9.6 million for 2021-2022 fiscal year. Ores, slag and ash (HS Chapter 26) was the top export product to Bhutan in that year. Under HS Chapter 20 Preparation of vegetables, fruit, nuts or other parts of plants was in the second place with 20% of all export to Bhutan. Under HS Chapter 62 Articles of apparel and clothing accessories, not knitted or crocheted in the third positions with 12% of the total export. Under HS Chapter 19 the Preparations of cereals,

flour, starch or milk; pastry cooks' products export about 11%, under HS chapter 39 Plastics and articles thereof export about 8% , Aluminium and articles thereof under HS chapter 76 was 5% , Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof under HS chapter 84 was 4%, Pharmaceutical products was 4% under HS chapter 30. In the FY 2021-22 Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishing; lamps and lighting fittings, NES or incl.; illuminated signs or name-plates and the like; prefabricated buildings under HS 94 was 2% and Soap, organic surface-active agents, washing and lubricating prep., artificial or prepared waxes, polishing or scouring prep., candles and similar, modelling pastes, dental waxes and prep. with basis of plaster under HS chapter 34 was 2% and any other products under different HS chapter was 16%.

Figure 9 Top 10 Export Products from Bangladesh to India



HS 03: Fish and crustaceans, mollusc and other aquatic invertebrates

HS 15: Animal or vegetable fats and oils and their cleavage products; prepared edible fats, animal or vegetable waxes.

HS 23: Residues and waste from the food industries; prepared animal fodder.

HS 28: Inorganic chemicals; organic or inorganic compounds of precious metals, of rare earth metals, of radioactive elements or isotopes

HS 42: Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles of animal gut (other than silk-worm gut)

HS 53: Other vegetable textile fibres; paper yarn and woven fabrics of paper yarn

HS 61: Articles of apparel and clothing accessories, knitted or crocheted

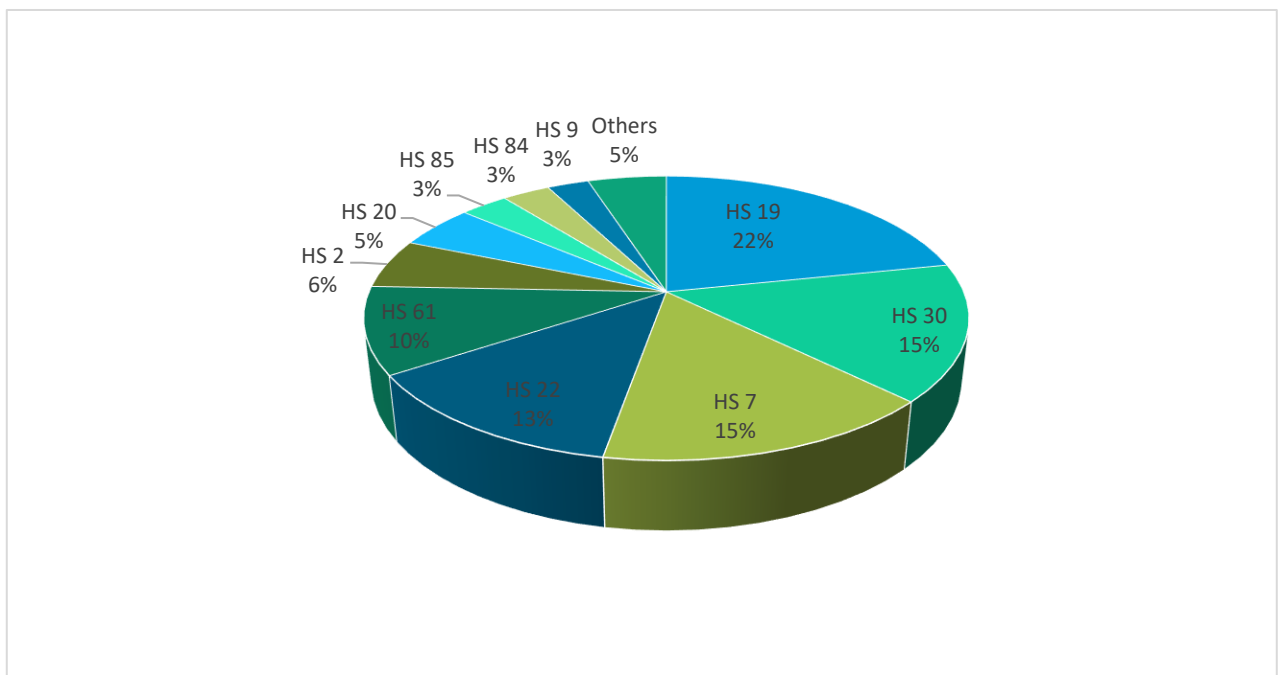
HS 62: Articles of apparel and clothing accessories, not knitted or crocheted

HS 63: Other made-up textile articles; sets; worn clothing and worn textile articles; rags

HS 72: Iron and steel

Top 10 export products from Bangladesh to India, valued at US \$ 1587 million, constitute 42% of all exports to India valued at US \$ 1991.391 million in 2021-2022 fiscal year. Articles of apparel and clothing accessories, not knitted or crocheted under HS chapter 62 Bangladesh export 20% of total export product to India. Articles of apparel and clothing accessories, knitted or crocheted under HS chapter 61 Bangladesh export 16% of total export to India though 58% of other types of products are exported in FY 2021-22.

Figure 10 Top 10 Export Products from Bangladesh to Maldives



HS 19: Preparations of cereals, flour, starch or milk; pastrycooks' products

HS 30: Pharmaceutical products

HS 7: Edible vegetables and certain root and tubers

HS 22: Beverages, spirits and vinegar

HS 61: Articles of apparel and clothing accessories, knitted or crocheted

HS 2: Meat and edible meat offal.

HS 20: Preparation of vegetables, fruit, nuts or other parts of plants

HS 85: Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles

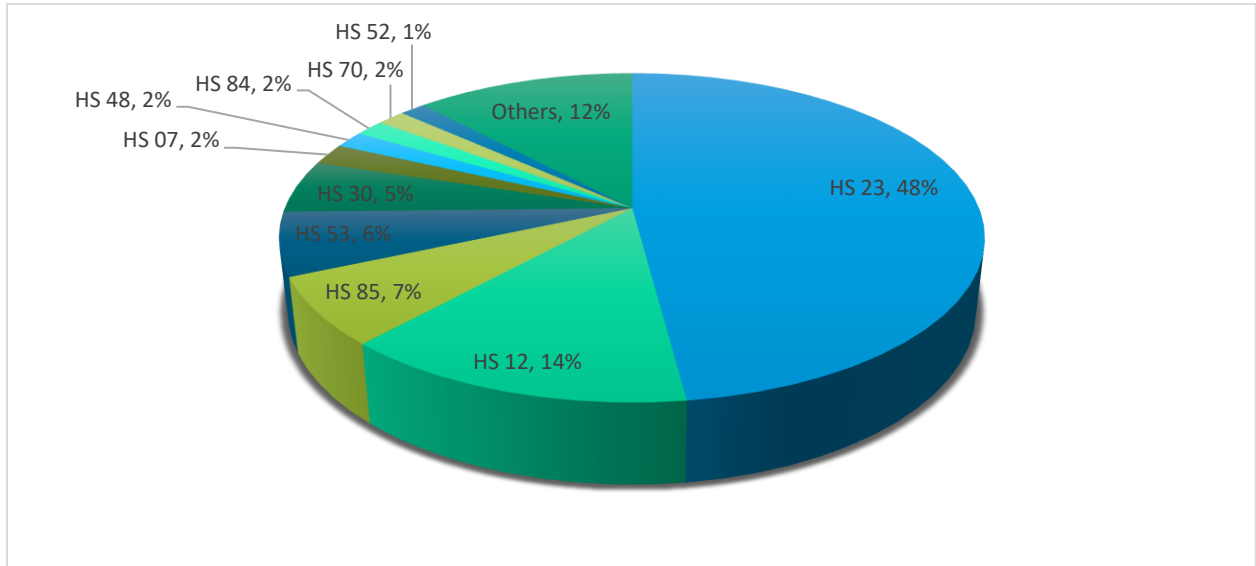
HS 84: Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof

HS 9: Coffee, tea, mate and spices

Top 10 export products from Bangladesh to Maldives, valued at US \$ 5.53 million, constitute 95% of all exports valued at US \$ 5.84 million in 2021-2022 fiscal year. Preparations of cereals, flour, starch or milk; pastrycooks' products under HS chapter 19 was the top export product to Maldives in that year with 22% of total export to Maldives and Pharmaceutical Products Under HS chapter 30, Edible vegetables and certain root

and tubers under HS chapter under 7 was 15% respectively. The figure shows that only 5% of others product under different chapter exported by Bangladesh in fiscal year 2021 to 2022.

Figure 11 Top ten Export Products from Bangladesh to Nepal



HS 23: Residues and waste from the food industries; prepared animal fodder.

HS 12: Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder

HS 85: Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles

HS 53: Other vegetable textile fibres; paper yarn and woven fabrics of paper yarn

HS 30: Pharmaceutical products

HS 07: Edible vegetables and certain root and tubers

HS 48: Paper or paperboard; articles of paper pulp, of paper or paperboard

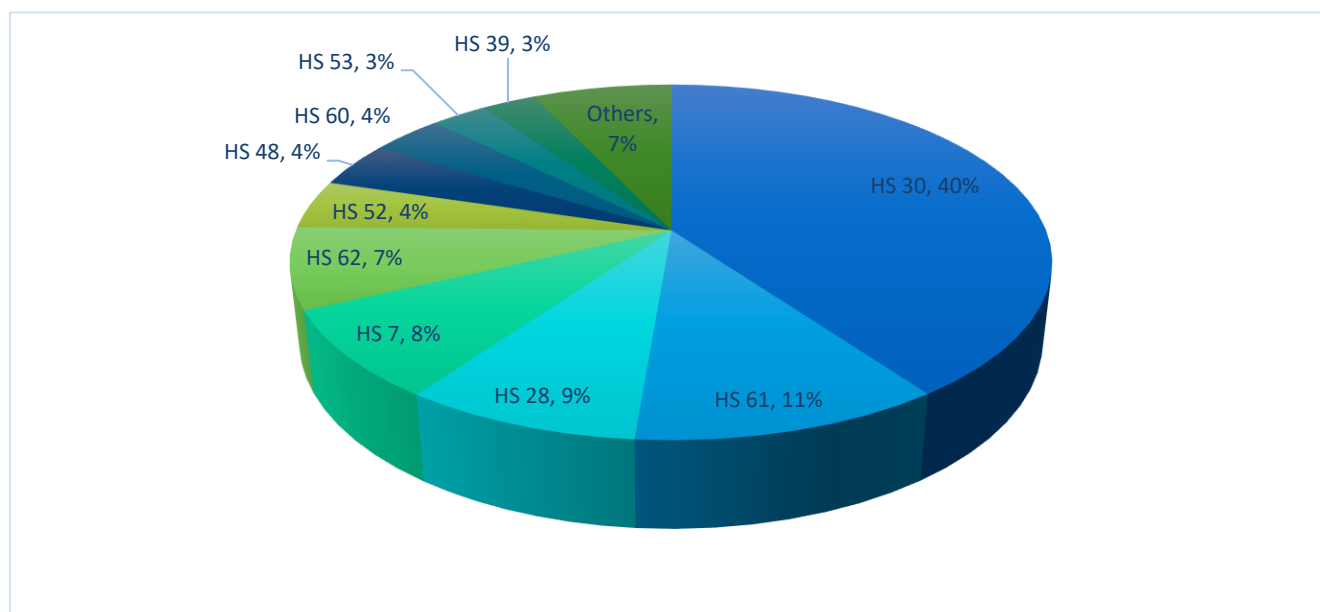
HS 84: Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof

HS 70: Glass and glassware

HS 52: Cotton

The top 10 export products from Bangladesh to Nepal, valued at US \$ 93.31 million constitute 80% of all exports valued at US \$ 105.50 million in 2021-2022 fiscal year. Residues and waste from the food industries; prepared animal fodder under HS chapter 23 was the top export product to Nepal in that year with 48% of total export. Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder under HS chapter 12 Bangladesh export about 14% of total export in FY 21-22 and under different chapter only 12% of total products.

Figure 12 Top Ten Export Products from Bangladesh to Sri Lanka



HS 30: Pharmaceutical products

HS 61: Articles of apparel and clothing accessories, knitted or crocheted

HS 28: Inorganic chemicals; organic or inorganic compounds of precious metals, of rare earth metals, of radioactive elements or isotopes

HS 7: Edible vegetables and certain root and tubers

HS 62: Articles of apparel and clothing accessories, not knitted or crocheted

HS 52: Cotton

HS 48: Paper or paperboard; articles of paper pulp, of paper or paperboard

HS 60: Knitted or crocheted fabrics

HS 53: Other vegetable textile fibres; paper yarn and woven fabrics of paper yarn

HS 39: Plastics and articles thereof

Top 10 export products valued at US \$ 53.84 million from Bangladesh to Sri Lanka constitute 93% of all exports valued at US \$ 58.13 million in 2021-2022 fiscal year. Pharmaceutical products under HS chapter 30, 40% of total export Bangladesh export to Sri Lanka in FY 21-22. Under HS Chapter 61 Articles of apparel and clothing accessories, knitted or crocheted exported about 11% of total export in FY 21-22.

5.1.1 Bangladesh Export in SASEC member countries

Among the SASEC member countries, India, the largest economy in the region, remains the largest export destination of Bangladesh, followed by Sri Lanka and Nepal during the period covered from 2002-2015, as shown in Section I of the report. Exports to Bhutan and Maldives from Bangladesh are quite negligible. While looking at the staggering difference in the export volumes of Bangladesh to the SASEC countries in comparison to the total exports, it would be prudent to note that Bangladesh's export basket is heavily dominated by readymade garments (RMG) products falling under HS Chapters 61 and 62, constituting over 80% of the exports (Export Promotion Bureau).

The main reason for Bangladesh’s prominence achieved over the years and currently maintaining the 2nd position after China since 2014 in the global supply chain of readymade garments products is her cheap labor as the basis of competitive advantage in RMG exports.

5.2 SPS Legislation, Local Practices, and International Best Practices

As a signatory of the WTO’s Agreement on Sanitary and Phyto Sanitary (SPS) measures, Bangladesh aims to administer SPS measures with the objective of protecting life and health of human, animals, and plants. Review of secondary sources suggests that as of 2013, Bangladesh imposes SPS measures to over 300 product categories. Out of 91 potential export products identified from Bangladesh only 4 items are facing SPS measures in Nepal. At the same time the national diagnostic study of Nepal identifies SPS measures on 23 potential export items from Nepal facing SPS measures in Bangladesh. Similarly, 38 items out of 139 potential export products from Bangladesh face SPS measures in Sri Lanka. The report from Sri Lanka identifies only 7 potential export items from Sri Lanka facing SPS measures in Bangladesh. Out of 127 potential export products of Bangladesh, the number of items facing SPS related measures is 14 in India. These products are subject to quarantine, certification, and inspection requirements related to SPS measures.

Table 18 Potential Export Products Facing SPS Measures in SASEC Sub-Region

Country	Potential Products of Bangladesh Facing SPS Measures in SASEC (6-digit)	Products from SASEC Partners Facing SPS Measures in Bangladesh(6-digit)
Bangladesh	-	
Bhutan	3 out of 71	
India	14 out of 127	
Maldives		
Nepal	4 out of 91	23 out of 100
Sri Lanka	38 out of 39	7 out of 100

Source: Identification of Potential Export Items Facing SPS and TBT Measures in the SASEC Sub-region, The Bangladesh Country Study, Asian Development Bank (ADB), 2017.

Bangladesh imposes SPS measures to over 300 products (6-digit) categories. On the other hand, out of 91 potential export products identified from Bangladesh only 4 items are facing SPS measures in Nepal. Besides, 23 potential export Products from Nepal facing SPS measures in Bangladesh and 38 items out of 139 potential export products from Bangladesh face SPS measures in Sri Lanka and 7 potential export products from Sri Lanka facing SPS measures in Bangladesh.

The competitive advantage derived from cheap labor as the basis of in RMG exports is unlikely to work when it comes to export of RMG products in the SASEC countries, where the wages are also cheap, though higher than in Bangladesh. In fact, for RMG products, India, Sri Lanka, and in some cases, Nepal too are competitors of Bangladesh

in the world market. Hence, Bangladesh's major export products of RMG under HS Chapters 61 and 62 have limited market penetration in other SASEC countries, compared to other export destinations among the developed countries. Such factors influencing trade volume and destination are discussed further in a sub-section G, later in this chapter.5.3 SPS/TBT Compliance in Major Regional Countries and Export Markets.

Box 4 Trade Summary for Bangladesh in Terms of No. of Products and Partners

According to WITS data, Bangladesh exported 1,728 products (having a minimum value of US \$ 100,000) under HS 6-digit code to 188 countries in 2015, as shown in Box 2. However, most items under 6-digit HS code have insignificant export volume and values in most of the destination countries. The



export basket of Bangladesh is dominated by only a handful of major export products, namely, readymade garments, frozen fish, jute and jute goods, leather and leather goods, and processed agro-food items.

Depending on the requirements in the destination countries, exporters do the needful to comply with the SPS/TBT measures before sending the consignments. However, according to most exporters, it is much easier to comply with the SPS/TBT related measures on the major export products in the developed countries of the EU and USA, compared to those practiced in the SASEC countries in most cases. A comparison with the measures imposed by the major export destinations of Bangladesh, e.g., Germany and the UK on the same products that also face SPS/TBT measures in India and Sri Lanka revealed a high level of difficulties in terms of the number of measures and the number of implementing authorities. For example, India imposes, on MFN basis, 41 Nos. SPS and TBT related measures on frozen shrimp (HS Code 030616), which are implemented by at least 6 different authorities for testing, inspection, and certification. But for the same product, United Kingdom imposes, again on MFN basis, only 10 Nos. SPS and TBT measures, administered by a single authority. More details are provided in Table for India. Similarly, Sri Lanka imposes, on MFN basis, 33 Nos. SPS and TBT measures on imported black tea (HS Code 090230), whereas the United Kingdom imposes only 15 Nos, SPS and TBT measures on the same product imported from other countries in MFN basis.

The study also finds an extensive list of SPS and TBT measures imposed by some other SASEC countries, particularly India and Sri Lanka, on the potential export items from Bangladesh. Nepal has a moderate list, and though quite long, Nepal's SPS/TBT measures are mostly on the Nepalese importers requiring them to obtain licenses and authorization related to SPS and TBT reasons from relevant Nepalese authorities, and hence these measures do not have impact on Bangladeshi export products or exporters. Bhutan and Maldives have minimal TBT or SPS measures in place.

5.3 Potential export products of Bangladesh subject to the SPS and TBT measures in Regional Countries

The report has identified and prepared a list of potential export products from Bangladesh which have limited or no exports to other SASEC member countries. The methodology of making the selection followed the terms stipulated in the Terms of Reference, and are reflected in a self-explanatory manner in the labels of the column-heads of the tables. The lists of such potential export products for each of the 5 other SASEC countries are provided in the Annex Tables 6 - 10 in Annex 3.

We have used UN Comtrade Database as the basis for product selection. However, data on export of Bangladesh is unavailable in Comtrade Database. Hence, we have used all other SASEC member country's import from Bangladesh and summed export values and quantity exported by commodity code and finally used it as export of Bangladesh. Unit value of export of Bangladesh is calculated after dividing the export value by the quantity exported. Partner country's import from the world is collected from Comtrade Database. Unit value of import of partner country is calculated after dividing the imported value by the quantity imported for particular commodities. Import share of partner country from Bangladesh is defined as the ratio of that country's import from Bangladesh and that country's total import from the rest of the world. Bangladesh's export share to partner country is the ratio of Bangladesh's export to the partner country and total export of Bangladesh to the rest of the world. Then all the data (2011-2015 period, except for Bangladesh-Bhutan where only 2 years' data for 2011 and 2012 were available at the time of preparation of the report) are appended in a file. Then average of 2011-2015 period of all the variables is calculated along the HS 6-digit commodity codes. We have used six filters to select the products in which Bangladesh has its export potential and partner country has its import demand.

5.4 Bangladesh-Bhutan: Bangladesh's export to Bhutan

The final dataset provided for Bhutan in **Table 3 of Annex 3** comprises 71 products at 6-digit HS Code. The minimum value of Bangladeshi exports for these 71 products was US\$ 100,000, while Bhutan also imported each of these products worth at least US\$ 100,000 from the rest of the world. The average unit value of Bangladeshi exports was

less than the average unit price of Bhutan's imports of the same product from the rest of the world. Investigation on TBT and SPS related measures and available data for potential export products from Bangladesh reveal that 61 out of these 71 products shown in HS 6- digits are subject to TBT/SPS measures by Bhutan. No information was available on the rest 11 items.

Among these 61 products, only 3 items belonging to HS Chapters 20 and 22 have SPS related regulations and all the 61 items have TBT regulations imposed on them. Out of these 61 products, 1 belong to HS Chapter 20 (Fruity Beverages), 5 belong to HS Chapter 39 (Plastics and Articles Thereof), with 7 TBT measures related to certification and inspection requirement for quality and performance on each product, commensurate with Bhutan's high priority on environmental protection as part of their national policy framework. 12 products belong to HS Chapter 85 (Electrical and Electronic Machinery and Equipment's and Parts Thereof) with 7 TBT measures related to certification and inspection requirement for quality and performance on each product. 4 products belong to HS Chapter 87 (Vehicles: Other than Railway or Tramway Rolling Stock, and Parts and Accessories Thereof), with 1 TBT measure on each item for ensuring performance and safety requirements. 4 more products belong to HS Chapters 69 (Construction Materials) and 73 (Metal Products and Containers) with 6 and 7 TBT measures related to safety and performance. However, a summary of the SPS and TBT measures imposed on these 61 products from Bangladesh with potential export to Bhutan is provided in the **Table below**:

Table 19 SPS/TBT Measures Imposed by Bhutan on Potential Exports of Bangladesh

HS Chapter	No. of Products	TBT Measures	SPS Measures	Code Description	Legislation/Implementation Authority
HS 85= Electrical machinery and equipment and parts	12	B8, B14, B41, B81, B83, B 89 – Authorization, certification,	B7	Authorization, Licensing, Certification, Conformity Assessment where approval is granted at the discretion of the issuing authority, Ministry of Economic Affairs.	Sales Tax, Customs and Excise Act 2000/ Ministry of Economic Affairs, Royal Government of Bhutan
HS 84= Nuclear reactors, boilers, machinery and mechanical appliances; parts	7	inspection related TBT measures			
HS 39= Plastics and articles	5				
HS 69= Ceramic products	4	B8, B41, B81, B83, B 89	B7	do	do
HS 73= Articles of iron or steel	4				

HS Chapter	No. of Products	TBT Measures	SPS Measures	Code Description	Legislation/Implementation Authority
HS 94= Furniture	6	B31, B 89		do	do
HS 87= Vehicles others than railway or tramway rolling-stock, and parts and accessories	4	B 89		do	do
HS 63= Other made up textile articles; sets; worn clothing and worn textile articles; rags	3	B8, B41, B81, B83, B 89	B7	do	do
HS 22= Beverages, spirits and vinegar	2		A3, A 83	do	do
HS 20= Preparation of vegetables, fruit, nuts or other parts of plants	1		A3, A 83	do	do
HS 20= Preparation of vegetables, fruit, nuts or other parts of plants	1	B 41	B 7	do	do
HS 40= Rubber and articles thereof	2	B8, B41, B83, B 89	B7, B82	do	do
HS 42= Articles of leather	2				
HS 41= Raw hides and skins (other than furskins) and leather	2				
HS 62= Articles of apparel and clothing accessories, not knitted or crocheted	2				
HS 90= Optical, photographic, cinematographic, measuring, checking, precision, medical or	1	B8, B41, B83, B 89	B7, B82,	do	do

HS Chapter	No. of Products	TBT Measures	SPS Measures	Code Description	Legislation/Implementation Authority
surgical instruments and apparatus; parts and accessories					
HS 61= Articles of apparel and clothing accessories, knitted or crocheted	1				
HS 54= Man-made filaments					
HS 46= Manufactures of straw, of esparto or of other plaiting materials; basket ware and wickerwork	1				
	1				
HS 72= Iron and steels					
HS 95= Toys, games and sports requisites; parts and accessories	1				
	1				
Total		61 products under 6-digit HS Codes with SPS/TBT measures out of 71 products			
SPS and TBT Code		A3: Labeling, marking and packaging requirements for SPS reasons; A83: Certification requirement for SPS reasons; B7: Product-quality or -performance requirement; B8: Conformity assessment related to TBT; B 14: Authorization requirement for TBT reasons; B31: Labeling requirement; B 41: TBT regulations on production processes; B 81: Product registration requirement for TBT reasons; B 82: Product testing requirement against a given standard, B 83: Certification of conformity with a given regulation; B 89: Conformity assessment related to TBT, n.e.s.			

Source: Raihan et al (2014); NTM Inventory (Annex 2) of NTMs in South Asia: Assessment and Analysis.

5.4.1 Respective SPS & TBT Regulations in Bhutan that are Impeding Export on identified items

There are no significant impediments faced by Bangladeshi export products to Bhutan. The BSTI certification mark is readily accepted by Bhutanese authorities, even without a formal Mutual Recognition Agreement between the two countries. Plastic products, fruity beverages, bakery items, and readymade garments find ready access in Bhutanese markets. It is not necessarily the SPS and TBT measures that restrict export of Bangladeshi products to Bhutan. Annex Tables 6 of Annex 3 identify 71 potential export products from Bangladesh to Bhutan and associated of SPS and TBT measures. Out of these 71 products under 6-digit HS code, 61 are identified with associated SPS and TBT related measures. No information could be found on the rest 11 items. Fruity Beverages (HS Chapters 20 and 22) have SPS related measures A3 and A83 related to marking, labeling, packaging and certification requirements, which are easy for Bangladeshi exporters, since the quality mark of BSTI is readily accepted by Bhutanese authorities. Plastic items falling under HS Chapter 39 require 7 TBT related compliance requirements, i.e., B7, B8, B14, B 41, B43, B83, and B89, all of which are related to quality and performance related measures and certification requirements thereof. Bangladeshi 49 plastic products are getting a windfall in Bhutan market recently, and exporter do not find it difficult to comply with these TBT measures.

Electronic appliances, engine parts, and metal items falling under HS Chapters 85, 87, and 94 face the same set of 7 TBT related compliance requirements, i.e., B7 (Product-quality or -performance requirement), B8 (Conformity assessment related to TBT), B14 (Authorization requirement for TBT reasons), B41 (TBT regulations on production processes), B83 (Certification of conformity with a given regulation), and B89 (Conformity assessment related to TBT) all of which are related to quality and performance related measures and certification requirements thereof, but Bangladesh has no or very limited exports to Bhutan for these items. The reasons are not very clear from available sources.

Textile and clothing items falling under HS Chapters 61, 62, and 63 face 6 TBT measures, B7, B8, B14, B 41, B83, and B89 related to quality and performance related measures and certifications thereof, show very limited or no export from Bhutan to Bangladesh. However, the fact remains that these items have a large presence in Bhutanese market, entering as medium sized luggage accompanying small traders. So, there is quite a considerable amount of informal export of clothing items from Bangladesh to Bhutan, but official data is not available due to informal nature of such exports.

Among the 11 potential exports of Bangladesh to Bhutan, for which no SPS/TBT information could be found, Portland cement (not elsewhere specified) (HS 252329) is of particular interest for Bangladesh. Bhutan has her own production of this item, and

has it under the SAFTA sensitive list. So, it can be logically inferred that Bhutan has high tariff imposed on this item to discourage imports. However, Bhutan has global imports of HS 252329 of average value worth US\$ 7,574,228 with average unit value of import standing at 12 cents per KG, while Bangladesh has exported worth US\$ 17,843,934 with an average unit value of exports at 8 cents per KG during the period covered in this study. In short, Bangladesh had both price advantage and supply capacity but did not or could not export any to Bhutan.

Similarly, another potential export item from Bangladesh to Bhutan, with no information found on associated SPS/TBT measures, are *Basketwork, wickerwork and other articles, made directly to shape from* (HS 460219), is on SAFTA sensitive list, with zero export to Bhutan though Bangladesh have both supply capacity and price advantage. Three other items, namely, Furniture, metal, nes (HS 940320), Furniture, wooden, nes (HS 940360, and Furniture parts nes (HS 940390) are on the SAFTA sensitive list, but they each have 2 TBT measures associated with them. These TBT related measures are B 31 (Labeling Requirement for TBT reasons), and B 89 (Conformity assessment related to TBT n.e.s), as required by Bhutan's Customs and Excise Act 2000 administered by Bhutan's Ministry of Economic Affairs. Further details could not be known.

5.5 Bangladeshi Exportable Product to India under SPS & TBT Regime

The final dataset provided for India in the Table 11 comprises 127 products at 6-digit HS Code. The minimum value of Bangladeshi exports for these 127 products was US\$ 1,000,000, while India also imported each of these products worth at least US\$ 1,000,000 from the rest of the world. The average unit value of Bangladeshi exports was less than the average unit price of India's imports of the same product from the rest of the world.

Investigation on TBT and SPS related measures for potential export products from Bangladesh reveals that all 127 out of these 127 products shown in HS 6-digits are subject to TBT/SPS measures imposed by India. Among these 127 products, 28 belong to HS Chapter 62 (Apparel and Clothing Accessories: Not Knitted or Crocheted); 21 belong to HS Chapter 61 (Apparel and Clothing Accessories: Knitted or Crocheted); 6 belong to HS Chapter 41 (Hides and Skins (other than Fur skins) and Leather. 7 products belong under HS Chapter 63 (Home Textiles, Worn Clothing, Rags, etc.). 4 products each under HS Chapter 20 (Preparations of Vegetables, Nuts, Fruits, or other Parts of Plants) and HS Chapter 30 (Pharmaceutical Products). 3 products each under HS Chapters 52 (Cotton) and 87 (Vehicles: Other than Railway or Tramway Rolling Stock, and Parts and Accessories Thereof); 2 products under HS Chapter 55 (Manmade Staple Fibres). 1 product each under 9 HS Chapters 03, 09, 38, 54, 56, 57, 72, 85, and 87 are also subject to various SPS and TBT measures.

It is interesting to note that India has its own domestic production for most of these 88 potential export products of Bangladesh, and India has significant (above US\$ 1 million) global imports for these products. A further examination of the details may reveal whether and how these TBT/SPS measures have any trade restricting impact or not. Such examination, at least for some products will be incorporated in the final version of the report.

More details on the potential export products from Bangladesh to India can be found in the shaded rows of Annex Table 7 of Annex 3. However, a summary of the SPS/TBT measures imposed on these 127 products from Bangladesh with potential export to India is provided in the Table below:

Table 20 SPS/TBT Measures Imposed by India on Potential Exports of Bangladesh

HS Chapter	No. of Products	TBT Measures	SPS Measures	Code Description	Legislation/Implementation Authority
HS 62= Articles of apparel and clothing accessories, not knitted or crocheted	28	B 83	B 82	Import consignment of textile products shall be accompanied by a pre-shipment certificate from a textile testing laboratory accredited to the National Accreditation Agency of the Country of Origin. In cases where such certificates are not available, the consignment will be cleared after getting a sample of the imported consignment tested & certified from any of the agencies indicated in Public Notice No. 12 (RE-2001)/1997-2002 dated 3rd May, 2001.	B 82 & B 83
HS 61= Articles of apparel and clothing accessories, knitted or crocheted	21	B 83	B 82	do	do
HS 63= Other made up textile articles; sets; worn clothing and worn textile articles; rags	7	B 83	B 82	do	do
HS 52= Cotton	3	B 83	B 82	do	do
HS 55= Man-	2	B 83	B 82	do	do

HS Chapter	No. of Products	TBT Measures	SPS Measures	Code Description	Legislation/Implementation Authority
made staple fibres					
HS 41= Raw hides and skins (other than furskins) and leather	6		A 85, A 86, A 89	No objection certificate is required for clearance of import consignment from Officer-in-Charge of the Animal Quarantine and service station located at Delhi, Chennai and Kolkata or any other stations after inspection of good	Notification No S S.O. 794(E) 2008 of Department of Animal Husbandry and Dairying/Department of Animal Husbandry, Dairying & Fisheries
HS 20=Preparation of vegetables, fruit, nuts or other parts of plants	4	A41 A31	A33 , A82	Imported products must conform to the standards set by Food Safety and Standards (Food Products Standards and Food Additives) Regulations, 2011	Food Safety and Standards (Food Products Standards and Food Additives) Regulations, 2011/Food Safety and Standards Authority of India
HS 30=Pharmaceutical products	4	B81		Imports are permitted subject to Registration and other requirements as administered by Drug Controller General of India under the provisions of Drugs and Cosmetics Act.	The Drugs and Cosmetic Act, 1940/Ministry of Health and Family Welfare
HS 87=Vehicles others than railway or tramway rolling-stock, and parts and accessories	3	B19 B83	B82	The second hand or used vehicle shall not be older than three years from the date of manufacture, shall be tested before clearance and should have a minimum roadworthiness for a period of 5 years from the date of importation into India with assurance for providing service facilities within the country during the five year period.The new vehicle shall conform to the provisions of the Motor Vehicles Act, 1988	Import Policy 2012/DGFT

HS Chapter	No. of Products	TBT Measures	SPS Measures	Code Description	Legislation/Implementation Authority
				and the rules made thereunder.	
HS Chapter (03, 09, 38, 54, 56, 57, 72, 85, 87) (Fish and crustaceans, mollusc and other aquatic invertebrates, Coffee, tea, mate and spices, Miscellaneous chemical products, Miscellaneous chemical product, Other vegetable textile fibres, Wadding felts and non wovens, Special woven fabrics, Iron and steel, Electrical machinery and equipment and parts, Vehicles others than railway or tramway rolling-stock, and parts and accessories) respectively	49				Various legislation under relevant implementing authority
Total				127 Products under 6-digit HS Code	
SPS and TBT Code				B 83 - Certification requirement for TBT reasons, B 82 - Testing requirement, A41-Microbiological criteria of the final product, A31 - Labelling requirement, A33 - Packaging requirement for SPS reasons, A82 - Testing Requirement, B81 - Product registration requirement for TBT reasons, B19 - Prohibition/restriction of imports for objectives set out in TBT Agreements, A85-Traceability information requirements, A86-Quarantine requirement, A89- Conformity assessment related to SPS n.e.s.	

Source: Raihan et al (2014); ITC Market Access Map

5.6.1 Respective SPS & TBT Regulations in India that are Impeding Export on identified items

A total of 127 potential export products for India, and associated SPS and TBT measures for these products are identified and listed in Annex Tables 7 and 12. It is of interest to note that all 127 out of these 127 products shown in HS 6-digits are subject to TBT/SPS measures imposed by India. It is interesting to note that India has its own domestic production for most of these 127 potential export products of Bangladesh, and India has significant (above US\$ 1 million) global imports for these products. Among these 127 products, 28 belong to HS Chapter 62 (Apparel and Clothing Accessories: Not Knitted or 50 Crocheted as well as 21 belong to HS Chapter 61 (Apparel and Clothing Accessories: Knitted or Crocheted); 6 belong to HS Chapter 41 (Hides and Skins (other than Fur skins) and Leather. While 7 products belong under HS Chapter 63 (Home Textiles, Worn Clothing, Rags, etc.) and Similarly, 4 products each under HS Chapter 20 (Preparations of Vegetables, Nuts, Fruits, or other Parts of Plants) and HS Chapter 30 (Pharmaceutical Products). 3 products each under HS Chapters 52 (Cotton) and 87 (Vehicles: Other than Railway or Tramway Rolling Stock, and Parts and Accessories Thereof) and 2 products under HS Chapter 55 (Manmade Staple Fibres) as well as 1 product each under 49 HS Chapters including 03, 09, 38, 54, 56, 57, 72, 85, 87, and so forth are also subject to various SPS and TBT measures.

Box 5 Maximum Level Permitted for the Use of Non Nutritive Sweetener

Source: ITC Market Access Map; http://www.macmap.org/Offlinedocument/NTM/IND_244.pdf

2. In the Food Safety and Standards (Food Products Standards and Food Additives) Regulations, 2011, -
 (a) In regulation 3.1.3 relating to "Artificial Sweetener", after sub regulation (5), and the entries relating thereto shall be added:

"(6) Use of Non Nutritive Sweetener. – The non nutritive sweetener mentioned in column (2) of the Table below may be used only in the food articles mentioned in column (3) and in quantities not exceeding the limits mentioned in column (4) and as per the provisions contained in these regulations:

Sl.No.	Name of non-nutritive sweetener	Articles of food	Maximum level (mg/kg) (steviol equivalent)
(1)	(2)	(3)	(4)
1	Steviol Glycoside	Dairy based drinks flavored	200
		Dairy based desserts (ice-cream, frozen desserts, cream toppings)	330
		Yoghurt	200
		Fruit Nectars	200
		Non-carbonated water-based beverages (non alcoholic)	200
		Ice Lollies or edible Ice	270
		Jams, Jellies, Marmalades	360
		Ready to eat cereals	350
		Carbonated water	200
		Soft drink concentrate	200 (in the final product after reconstitution)
		Chewing gum	

Among the 21 items under HS Chapter 61 (*Apparel and Clothing Accessories: Knitted or Crocheted*) and 28 items under HS Chapter 62 (*Apparel and Clothing Accessories: Not Knitted or Crocheted*), and 7 items under HS Chapter 63 (*Home Textiles and Drapery*), all are

subject to inspection, certification, and registration requirements related to TBT reasons, classified as B15 (Authorization requirements for importers), B31 (Labelling requirements), B33 (Packaging requirements), B82 (Testing requirements), and B83 (Certification requirements). They mostly need testing for hazardous chemicals, e.g., azo dye, etc. Bangladeshi exporters do not find these TBT measures restrictive per se, except for some procedural difficulties, bureaucratic hassles, and congestion, particularly when exporting via land ports. 6 products under HS Chapter 41 (*Hides, Skin and Leather*) face 6 TBT measures - B14 (Authorization requirements for importing certain Products), B15, B31 and B33 with repetition, related to inspection and certification requirements, registration requirements for TBT reasons, and to some measures for protection of wildlife.

The **1972 Wildlife (Protection) Act** states that,

“The export of any of the species included in Schedules 1 to 5 requires an export permit. Re-export of these species requires a re-export certificate, and the import of any specimen of species in Schedules 1, 2 and 3 requires an import permit. Specimens of certain animal species which are bred in captivity may not be traded unless they are marked. Any person trading in specimens from Scheduled species must be registered”.

Bangladeshi exporters face difficulty in complying with the measures that require certification that the animal from which the leather or hide was obtained was farmed and not belonged to wildlife. The reason is that Bangladesh does not yet have such laws or any competent authority to issue any certificate in this regard. 4 products falling under fruity beverages (*HS Chapter 20*) face a whopping 40 Nos. SPS and TBT measures for food quality, maximum residual level of trade elements and pathogens, and a plethora of labeling, marking, packaging, testing, inspection and certificate requirements. One example of restricted use of certain substance, Steviol Glycoside, an artificial sweetener, not exceeding a certain amount, is provided below in Box-4 as a screen shot from the notification issued by Food Safety Authority of India:

Box 6 Maximum Level Permitted for Certain Naturally Occurring Contaminants

“3. Polychlorinated biphenyls (PCBs) and Polycyclic Aromatic Hydrocarbon (PAH) compounds in Fish and Fishery Products:

Sl.No.	Name of the contaminants	Article of food	Limit
(1)	(2)	(3)	(4)
1.	Polychlorinated biphenyls (Sum of PCB28, PCB52, PCB101, PCB138, PCB153 and PCB180)	Inland and Migratory Fish	2.0 ppm
2.	Polychlorinated biphenyls (Sum of PCB28, PCB52, PCB101, PCB138, PCB153 and PCB180)	Marine Fish, Crustaceans and molluscs	0.5 ppm
3.	Benzo(a)pyrene	Smoked Fishery Products	5.0 ppb.”

Sl.No.	Name of the contaminants	Article of food	Limit (µg/kg)
(1)	(2)	(3)	(4)
1.	Paralytic Shellfish Poison (PSP)	Bivalve Molluscs	80 µg/100g (Saxitoxin Equivalent)
2.	Amnesic Shellfish Poison (ASP)	Bivalve Molluscs	20 µg/g (Domoic acid equivalent)
3.	Diarrhetic shellfish poison (DSP)	Bivalve Molluscs	160 µg of Okadaic acid equivalent/Kg
4.	Azaspiracid poison (AZP)	Bivalve Molluscs	160 µg of azaspiracid equivalent/Kg
5.	Brevetoxin (BTX)	Bivalve Molluscs	200 mouse units or equivalent/Kg.”

(Source: ITC Market Access Map; http://www.macmap.org/Offlinedocument/NTM/IND_241.pdf)

Other food and beverage items belonging to HS Chapters 09 – 19 are also subject to around 40 Nos. SPS and TBT measures. Frozen fish falling under HS Chapter 03 (freshwater and marine fish, shellfish, etc.) are subject to more than 40 measures. Food Safety and Standards (Contaminants, Toxins and Residues) Amendment Regulation, 2016 regarding limit of biotoxins in fish and fish products states that

“Fish and Fishery Products are subject to microbiological limits for the naturally occurring toxic substances Polychlorinated biphenyls (PCBs), Polycyclic Aromatic Hydrocarbon (PAH) and several biotoxins.”

The maximum tolerable limits set by the Indian regulation are shown in Box 4 below. Bangladesh exporters find it difficult to undergo various tests and obtain certification for all these contaminants. The testing facilities for shrimp and fish in Bangladesh are normally attuned to the residue requirements of the European Union, which are slightly different than the amounts shown in **Box 4**. However, that is not the main problem. The main problem lies in monitoring and tuning the production, culture and harvest process of fish and shrimp, which do not automatically need any monitoring for these contaminants in question, due to absence of appropriate food safety law, standards, and enforcement thereof.

Specific Prohibitions and Restrictions: There is general prohibition on **melamine contents** on all milk and dairy products. Additionally, there is general restriction on Genetically Modified Organisms unapproved by designated Indian authority. Since Bangladesh does not have any well-formulated and well-enforced policy or authority for managing the GMO, there is a general view that many GMO products are entering Bangladesh, and the final products using the GMO items may contain GMO which are manufactured locally. There is no testing and certification facility for GMO in Bangladesh.

5.7. Bangladesh-Maldives: Exportable Product to Maldives Under SPS & TBT Regime
Investigation on TBT and SPS related measures for potential export products from Bangladesh reveals that only 1 6-digit level product, HS Code 871200 (Bicycles and other cycles, including delivery tricycles, not motorized) out of these 71 products shown in HS 6- digits are subject to TBT measures for safety and performance reasons by Maldives.

It should be noted here that source for the TBT measure mentioned in paragraph 57 above is from 2012. Updates on the data source for Maldives are difficult to come by, and more legislation on product standards, quality, and performance related measures were not readily available. However, (Raihan et al, 2014) urged that with the reference of the telephone conversation with officials at Maldives National Chamber of Commerce and Industry, that UNIDO had started developing 20 TBT and SPS related standards for standardization and metrology, out of which 18 relate to fish and fish products, and the other two to management systems. The TBT Enquiry Point is being developed but has not yet started functioning.

A special quarantine unit has been set up by the Ministry of Fisheries and Agriculture in Maldives to issue certificates and monitor imports. It needs to be mentioned that business houses in Sri Lanka and India buys bulk of fish products, conducts the necessary testing and inspection and then export them to EU and other developed countries, and thus causing trade deflection. Uncertain political situation resulting in stagnant policy and regulatory regime was also mentioned by the business community. Details on the SPS and TBT measures on potential export products from Bangladesh to Maldives could not be found based on available information. But the potential products are listed in the Annex Table 8 of Annex 3. The summary of the TBT measures imposed on the 2 products from Bangladesh with potential export to Maldives is provided in the Table below:

Table 21 SPS/TBT Measures Imposed by Maldives on Potential Exports of Bangladesh

HS Chapter	No. of Products	TBT Measure	SPS Measure	Code Description	Legislation/Implementation Authority
HS 02 (HS 020220) Frozen unboned bovine meat (excl. carcasses)	1	B11 - Prohibition for TBT reasons		Bovine cuts bone in, frozen required halal certification	Export and Import Law, 1979 (No. (31/79)/Ministry of Economic Development
HS 87 (HS 871200) Bicycles and other cycles, not motorized	1	B11 - Prohibition for TBT reasons		Imports of used motor vehicles and cycles over five-years old and three-years old, respectively, are also prohibited	Export and Import Law, 1979 (No. (31/79)/Ministry of Economic Development

Source: Raihan et al (2014); NTM Inventory (Annex 1) of NTMs in South Asia: Assessment and Analysis.

5.7.1 Respective SPS & TBT Regulations in Maldives that are Impeding Export on Identified Items

Investigation of the potential export products from Bangladesh to Maldives identifies 66 items under 6-digit HS code and these products are listed in Annex Table 8 of Annex 3. TBT related measures were identified only for two products out of these 66 items. The products are HS 020220 (*Bovine cuts bone in, frozen*), and Code 871200 (*Bicycles and other cycles, including delivery tricycles, not motorized*). Both are subject to B11(Prohibition for TBT reasons) classification of TBT related NTM, prohibition for TBT reasons. Meat products need halal certification, and there is prohibition on imported used cycles if they are older than specific number of years, considering the safety and performance issues.

Examining the list of 66 potential products from Bangladesh, we find there are 4 items

under HS Chapter 03 (Fish and crustaceans), 4 products under HS Chapter 04 (Edible vegetables), 12 items under HS Chapters 17, 19, 20, 21, and 22 for various processed food and beverage items, and 8 items under HS Chapter 61 (Woven articles of clothing and apparel) may be considered as important for which Bangladesh has significant export capacity.

Two important points should be noted while discussing potential exports to Maldives; first, the very small size of Maldivian market and economy making it less attractive to Bangladeshi exporters, according to a number of exporters consulted; and secondly, the unavailability of information on Maldivian regulatory requirements and standards affecting trade. Most of the trade related regulations are still mostly under formulation. However, this makes Maldives an import friendly country with few technical requirements that are mandatory. As revealed in the Maldives National Diagnostic Study, the existing NTM requirements fall on a narrow band of products namely, plants, animals, food, medicine and dangerous items. These requirements are also quite basic, focusing on labeling or health certificates from the country of origin.

We found 14 products, or 29.71% items are under SAFTA sensitive list out of the 66 potential export products from Bangladesh to Maldives. The top export product from Bangladesh, Waters included mineral & aerated, containing sugar or sweetening matter or flavor (HS Code 220210) also falls under SAFTA sensitive list and hence facing high tariffs, but apparently these high tariffs did not create any significant obstacle, probably due to MFN treatment of tariffs. Bottled water is subject to standards and packaging related SPS and TBT measures in Bangladesh at the time of processing, bottling, and retailing and requires the mandatory approval and quality certification mark from Bangladesh Standards and Testing Institution (BSTI), which is readily accepted in Maldives, for bottled non-alcoholic beverages.

5.8 Bangladesh-Nepal: Bangladesh's export to Nepal

Investigation on TBT and SPS related measures for potential export products from Bangladesh reveals that all 92 products shown in HS 6-digits are subject to TBT/SPS measures by Nepal. However, most number of these 92 products have only 2 TBT measures imposed on them. These measures are related to license and authorization requirement for TBT reasons for the Nepalese importers from their government. Such TBT measures are classified as B8 and B14 (UNCTAD Classification), and a one-time compliance is required, and does not necessarily pose any significant obstacle to trade. But there are 12 products that face a more extensive SPS and TBT measures. Out of these 12 products, 3 belong to HS Chapter 19 (Preparations of Cereals, Flour, Starch or Milk; Pastry Cooks' Products). Another 3 products belong to HS Chapter 20 (Preparations of Vegetables, Nuts, Fruits, or other Parts of Plants). The rest of the 6 potential export products from Bangladesh facing SPS or TBT measures in Nepal belong to 6 different categories or food, cement, fertilizer, and electronic items.

TBT Related Measure: The TBT related measures by Nepal on these 12 products are mostly related to quality, safety, and performance, commensurate with the country's legitimate and valid interests for protecting public health and ensuring product quality and safety. More details on the potential export products from Bangladesh to Nepal can be found in the shaded rows of the Annex Table 9 of Annex 3. However, a summary of the SPS and TBT measures imposed on 12 products from Bangladesh with potential export to Nepal is provided in the Table below:

Table 22 SPS/TBT Measures Imposed by Nepal on Potential Exports of Bangladesh

HS Chapter	No. of Products	TBT Measure	SPS Measure	Code Description	Legislation/Implementation Authority
HS 19 = Preparations of cereals, flour, starch or milk; pastrycooks' products	3		B22- Restricted use of certain substances in foods and feeds and their contact materials	Food grain must be pure, clean and healthy and free from artificial colour and harmful matters	The Food Act, 2023 (1966) Food Regulation, 2027 (1970)/The Department of Food Technology and Quality Control (DFTQC), under the Ministry of Agriculture and Cooperatives
HS 20 = Preparation of vegetables, fruit, nuts or other parts of plants	3	A 14, B 14	B7, B 14 -	Product must comply with quality requirement	do
HS Chapter (14, 21, 25, 31) (Vegetable plaiting materials, Miscellaneous edible preparations, Salt, sulphur; earths and stone; plastering materials, lime and cement, Fertilisers) respectively	6	A 14, B14	B14	Imports requiring a license or permission For Narcotic and	Export and Import Control Act (1957, as amended in 2006)/ Ministry of Commerce and Supplies

HS Chapter	No. of Products	TBT Measure	SPS Measure	Code Description	Legislation/Implementation Authority
(34, 85) (Soap, organic surface active agents, washing and lubricating prep., artificial or prepared waxes, polishing or scouring prep., candles and similar, modelling pastes, dental waxes and prep. with basis of plaster, Electrical machinery and equipment and parts)		A1, B1	B1	intoxicating medicine and chemistry thereof, Pre-shipment quality inspection certificates are required for industrial chemical products.	
Total			12 Products under 6-digit HS Code		
SPS and TBT Code			A1-Prohibitions or restriction of products or substances because of SPS reasons B22- Restricted use of certain substances in foods and feeds and their contact materials, A 14, B 14 - Authorization requirement for SPS and TBT reasons; B7 - Product quality or performance; B 14 - Authorization requirement for SPS and TBT reasons; B1 - Prohibitions/restrictions of imports for objectives set out in the SPS and TBT agreement.		

Source: Raihan et al (2014); ITC Market Access Map

5.8.1 Respective SPS & TBT Regulations in Nepal that are Impeding Export on Identified Items

Nepal is the 3rd largest export destination of Bangladesh in the SASEC sub-region, but export potential to Nepal is often stymied due to lack of direct port access, Nepal being a land-locked country. The multi-state transshipment agreements, including the Bangladesh-Bhutan-India-Nepal (BBIN) Motor Vehicle Agreement (MVA) are not yet in force, and export consignments from Bangladesh to Nepal have to reach Nepalese land ports after crossing over Indian border posts and territory, a subject fraught with many difficulties which include infrastructure problems, bureaucratic hassles, and other challenges in borders.



Investigation of the potential export products from Bangladesh to Nepal identifies 91 items under 6-digit HS code. These products are listed in Annex Table 9 of Annex 3. All of these 91 items are subject to TBT/SPS measures by Nepal. However, 80 of these 91 products have only 2 TBT measures imposed on them. These measures are related to license and authorization requirement for TBT reasons for the Nepalese importers from

their government. Such TBT measures are classified as B8 (Conformity assessment related to technical barriers to Trade) and B 14 (Authorization requirements for importing certain Products) (UNCTAD Classification), requiring a one-time compliance, does not necessarily pose any significant obstacle to trade.

The 12 remaining products under 6-digit HS code face slightly more extensive SPS/TBT regulations. Out of these 12 products, 3 belong to HS Chapter 19 (Preparations of Cereals, Flour, Starch or Milk; Pastry Cooks’ Products). Another 3 products belong to HS Chapter 20 (Preparations of Vegetables, Nuts, Fruits, or other Parts of Plants). The rest of the 6 potential export products from Bangladesh facing SPS or TBT measures in Nepal belong to 6 different categories or food, cement, fertilizer, and electronic items. But these are not deemed as significant barriers to Bangladeshi traders. Some of these items belonging to Chapters 19 and 20 for processed food and beverage items have mandatory quality mark by BSTI, which is readily accepted by Nepalese authorities, even without any formal mutual recognition agreement (MRA) existing between the two countries.

Box 7 Nepal Standards for Contaminants in Ordinary Portland Cement

Portland cement, (HS Code 252329) from Bangladesh has significant export potential to Nepal, with no export at the moment. This product is under SAFTA sensitive list of Nepal, and it also has 8 TBT related measures imposed by Nepal, the highest number of TBT related measures for a single product among the 91 potential

NTM classification		NTM rev. 2012	
Official title			
Nepal Bureau of Standards and Metrology website - Nepal Standard no. 49-2041, Ordinary Portland Cement			
Start date	01.1984	End date	Not specified
		Date submitted	01.2012
Document	NA	Web link	
<p> Requirement - 1-Tolerance limits for residues of or contamination by certain substances (NTM code - B21)</p>			
Measure definition		<p>"A measure that establishes a maximum level or "tolerance limit" of substances, which are used during their production process but are not their intended ingredients: Example: Salt level in cement, or sulphur level in gasoline, must be below specified amount."</p>	
Other countries affected		World	

Source: ITC Market Access Map:
<http://QuickSearch/FindNtm/FindNtmResultDetails.aspx?reporter=524&par tner=050&product=25232900>

export products identified for Bangladesh to Nepal. The TBT related measures identified belong to NTM Classifications of two measures of B6 (Product identity requirements), and B1 (Import authorization/licensing related to technical barriers to

trade) each of B8 (Conformity assessment related to technical barriers to Trade) , B14 (Authorization requirements for importing certain Products), B21 (Tolerance limits for residues of or contamination by certain substances), B32 (Marking requirements), and B33 (Packaging requirements) – related to testing, inspection, and certification measures for TBT reasons.

5.9 Bangladesh-Sri Lanka: Bangladesh’s export to Sri Lanka

Investigation on TBT and SPS related measures for potential export products from Bangladesh reveals that 87 out of these 139 products shown in HS 6-digits are subject to TBT/SPS measures by Sri Lanka. Among these 87 products, 4 belong to HS Chapter 85 (Electrical and Electronic Machinery and Equipment’s and Parts Thereof). 3 belong to HS Chapter 20(Preparations of Vegetables, Nuts, Fruits, or other Parts of Plants), reflecting Sri Lanka’s priority on food safety and quality. 2 products belong to HS Chapter 40 (Rubber and Articles Thereof). The rest 2 of 10 the products are single products of HS 6-digit code and cannot be shown clustered under 2-digit HS Chapters.

Most of these regulations are related to certification and inspection requirements for SPS and TBT reasons, and some are labeling requirements for information and for ensuring product safety and performance standards. More details on the potential export products from Bangladesh to Sri Lanka can be found in the shaded rows of the Annex Table 10 of Annex 3. However, a summary of the TBT measures imposed on these 19 products from Bangladesh with potential export to Sri Lanka is provided in the Table below:

Table 23 SPS/TBT Measures Imposed by Sri Lanka on Potential Exports of Bangladesh

HS Chapter	No. of Products	TBT Measure	SPS Measure	Code Description	Legislation/ Implementation Authority
HS 85 = Electrical machinery and equipment and parts	7	B 83		a certificate of compliance with the standard stipulated for that article, issued by a laboratory in the exporting country, either accredited by a recognized accreditation body or recognized by the SriLanka Standards Institution.	Imports (Standardization and Quality Control) Regulations 2006/Sri Lanka Standards Institution.
HS 20= Preparation of vegetables, fruit, nuts or other parts of plants	5	d o		do	Do

HS Chapter	No. of Products	TBT Measure	SPS Measure	Code Description	Legislation/ Implementation Authority
HS Chapters (09, 19, 22, 27, 40, 95)= Coffee, tea, mate and spices, Preparations of cereals, flour, starch or milk; pastrycooks' products, Beverages, spirits and vinegar, Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes, Rubber and articles thereof, Toys, games and sports requisites; parts and accessories	10 (= 2 x 5)	do		do	do
HS Chapters (05, 07, 08, 19, 21, 22, 34, 35, 55, 69, 87, and others)= Products of animal origin, not elsewhere specified or included, Edible vegetables and certain root and tubers, Edible fruits and nuts; peel of citrus fruit or melon, Preparations of cereals, flour, starch or milk; pastrycooks' products, Miscellaneous edible preparations, Beverages, spirits and vinegar, Soap, organic surface active agents, washing and lubricating prep., artificial or prepared waxes, polishing or scouring prep., candles and similar, modelling pastes, dental waxes and prep. with basis of plaster, Albuminoidal substances; modified starches; glues;	32		A 9, A11, A14 , A 83		Miscellaneous regulations including Food (Irradiation) Regulations (2005,Food (Colouring Substances) Regulations (2006,the Animal Disease Act, No. 59 of 1952/ Ministry of Health,Department of Animal Production and Health (DAPH)

HS Chapter	No. of Products	TBT Measure	SPS Measure	Code Description	Legislation/ Implementation Authority
enzymes, Ceramic products, Vehicles others than railway or tramway rolling-stock, and parts and accessories					
Total		54 Products under 6-digit HS Code			
SPS and TBT Code		B 83- Certification requirement for TBT reasons, A 9 - SPS measures n.e.s; A11 - Temporary geographic prohibitions for SPS reasons; A14 - Special Authorization requirement for SPS; A 83 -Certification requirement for SPS reasons;			

Source: Raihan et al (2014); ITC Market Access Map

Each of these products identified in Annex 3 has been examined closely for SPS and TBT related NTMs faced by it either in Bangladesh or in the importing country. For SPS/TBT measures faced in India, Nepal, and Sri Lanka, the extensive NTM database of ITC's Market Access Map (MacMap) provided valuable information on the SPS and TBT measures, the respective implementation authorities and the legislation behind them. For Bhutan and Maldives, no such published source of information was available. The consultant had to depend on limited published information from secondary sources, mostly the Annexure of (**Dr. Selim Raihan, 2014**) report, and information gathered from traders and business associations. Some of the SPS/TBT related NTMs have been further examined by looking at the specific regulation, the required procedural steps, the institutional mechanism to implement them and limitations thereof (if any), and by talking to the people at the government agencies responsible for enforcing those, and with the traders.

5.9.1 Respective SPS & TBT Regulations in Sri Lanka that are Impeding Export on Identified Items

Sri Lanka is the 2nd largest export destination of Bangladesh trailing behind India in the SASEC sub-region. Considering the high potential of trade between the two countries, both governments are currently contemplating a bilateral free trade agreement (FTA). Right now, extensive consultation process is going on in both countries. If signed, it will be the first ever bilateral trade agreement of Bangladesh. During the last few years, Sri Lanka has undertaken extensive reforms and updates in their trade related policies, regulations, and quality regime. As a result, the number of regulatory measures has gone up significantly, which is reflected in quite high numbers of SPS/TBT measures. This study identifies 139 products with export potential from Bangladesh to Sri Lanka. These 139 products are listed in Annex Table 10 of Annex 3. Out of these 139 products, 88 are found to have no information available for SPS and TBT measures imposed on by Sri Lanka, as per the ITC Market Access Map and from the secondary sources as well. The rest of the 54 products have information on respective SPS/TBT measures imposed on them.

Among these 54 products, 7 belong to HS Chapter 85 (Electrical and Electronic Machinery and Equipment's and Parts Thereof) and 5 belong to HS Chapter 20 (Preparations of Vegetables, Nuts, Fruits, or other Parts of Plants), reflecting Sri Lanka's priority on food safety and quality. 2 products belong to HS Chapters 09 (Tea, mate & spices), 19 (Preparations of cereals, flour, starch or milk; pastry cooks' products), 22 (Beverages, spirits and vinegar), 27 (Light petroleum oils and preparations), 40 (Rubber and Articles Thereof), and 95 (Toys, games and sports requisites; parts and accessories thereof). The rest of the products are mostly single products of HS 6-digit code and cannot be shown clustered under 2-digit HS Chapters.

Box 8 Synthetic Dyes Permitted by Sri Lanka's Ministry of Health

It is interesting to note that for a product like Black Tea (HS Code 090230 and 090240) has 33 Nos. SPS and TBT related measures imposed by Sri Lanka. Sri Lanka herself is one of the major producers, blenders and exporters of black tea in the world, and it is likely they are keen on maintaining their leadership position and quality standards by putting strict measures to ensure safety, hygiene, and quality.

*Source: ITC Market Access Map;
http://www.macmap.org/Offlinedocument/NTM/LKA_20.pdf*

Synthetic dyes that are permitted to be used as colorings substances in food

No.	Column I Colour	Column II Common Name	Column III INS Number
1.	Red	1. Carmoisine (Azorubine)	122
		2. Ponceau 4R	124
		3. Erythrosine	127
		4. Allura Red	129
5.	Yellow	1. Sunset yellow FCF	110
		2. Tartrazine	102
3.	Blue	1. Indigotine	132
		2. (Indigo carmine)	
		3. Brilliant Blue FCF	133
4.	Green	1. Fast Green FCF	143

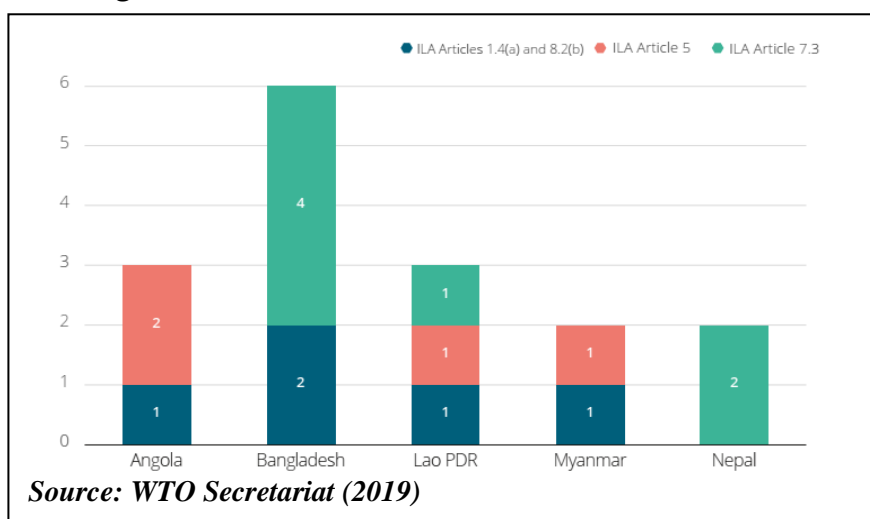
The screenshot in Box 6 is provided from Sri Lanka's **Food (Colouring Substances) Regulations, 2006, published in the Gazette No. 1688/28**. These Regulations cover not only the amount of food coloring permitted and their types, but also require that they need to be mentioned in the product labels and packages, and appropriate inspection, testing and certifications will be required where applicable.

5.10 Sanitary and Phytosanitary Condition for Exporting into International Market

Since the reference to LDCs in the SPS Agreement is not exclusive in nature, as the provision allows other developing country situations to be taken into account when a member is considering introducing an SPS. However, there might be some implications with regard to accessing funds under the Standards and Trade Development Facility. Upon graduation, there will be an increase in terms of co-financing from 10% to 20%.

Figure 13 Existing notifications from graduating LDC WTO members under the Agreement on Import Licensing Procedures

Currently, five graduating WTO LDC members have submitted notifications pursuant to the Agreement (Figure 3). However, most of the notifications under Article 7.3 related to the submission of the



annual questionnaires have remained outstanding for the past five years. Among graduating LDCs, Bangladesh is the most frequent respondent to the annual questionnaire, followed by Nepal, and Lao PDR.

5.10.1 SPS and TBT Compliance for Exporting into International Countries

Measures related to technical barriers to trade (TBTs) and to sanitary and phytosanitary (SPS) standards and regulation have become important dimensions of Preferential Trade Agreements (PTAs). Governments seek to act through their PTAs, as well as through the World Trade Organization (WTO), to protect human, animal, or plant life or health. Such efforts within WTO guidelines, provided that they are not discriminatory and that regulations and standards are not used as disguised protectionism. In a number of instances, PTA members seek to go beyond the broad rules-based approach followed in the WTO and to reduce differences in national standards and certification processes that impede trade.

There are, broadly, two models for dealing with standards measures in PTAs. Where the European Union (EU) is a party to a PTA, the agreement often calls for the partner country to harmonize its national standards and conformity assessment procedures with those of the EU. PTAs in the Asia-Pacific region and those in which the United States is a partner typically seek to address problems resulting from different national standards and conformity procedures through a preference for international standards or through the use of mutual recognition mechanisms.

5.10.2 SPS and TBT Compliance for Exporting into USA

In USA, Bangladesh has to comply different SPS and TBT regulations especially for exporting frozen and vegetables foods including fruits and other fried able foods like singara, roti, parata, samucha, puri etc.) Fresh products with Phytosanitary Certificate

(PC) for SPS and improved packaging for TBT are two measures that Bangladesh has to comply for exporting frozen and vegetables foods. In the case of Tobacco exporting to USA Bangladesh has to comply SPS measure i.e. Free from storage pests such as (*Lasioderma serricornis*) with PC. In the case of Rice export to USA Bangladesh has to comply SPS measure i.e PC with Khapra Beetle moth. The moth should be removed by Fumigation process with import requirements.

5.10.3 SPS and TBT Compliance for Exporting into United Kingdom (UK)

In UK Bangladesh export different types of vegetables including Spiny Gourd, Bitter Melon, Yardlong Bean, Pumpkin based Products (Snake Gourd, Ridge Gourd, Bottle Gourd, Sponge Gourd, Wax Gourd and etc.), Eggplant/ Aubergine, Leafy Bases Vegetables (Red Spinach, Amaranthus, Jute Leaf, Mint Leaf, Holy Basil Leaf, Malabar Spinach) and others vegetables. To enter into the UK market different type of SPS measures such as Free from Fruit Fly (Mainly: *Bactocera Dorsalis*), Trips (Mainly: Palmi) with Phytosanitary Certificate (PC), Free form Fruit Fly and Thimposh with PC and Free from White Fly, Leaf Minor, Spodoptera and etc. with PC SPS measures have to comply by Bangladesh. On the other hand, if the products want to enter into the UK super market Bangladesh has to comply the Fresh products with PC SPS measure and improved packaging and GAP Certifications for TBT measure. In the the case of exporting Citrus Bases Fruits (Jara Lemon, *Citrus Macroptera*, *Citrus Limetta*, Bangladeshi Lemon, Kagoji Lemon, Alas Lemo and etc.), Mango, Other fruits (Jackfruits, Lychee, Pendant) Bangladesh has to follow SPS measures as Free from Citrus Black Spot, Bankar and wash with soap based products like (Sodium OrthoPhenyl Phenate) and collect fruits from disease control ed environment with PC, Free from fruit fly (Mainly: *Bactocera Dorsalis*), Pump Uvil, Stone Uvil and Purification with Hot Water Treatment/Vapour Heat Treatment with PC and TBT measure Fresh products with PC and improved packaging.

5.10.4 SPS and TBT Compliance for Exporting into EU

In the case of exporting Frozen food including Vegetables, fruits and other fried able foods like singara, roti, parata, samucha, puri etc.) Fresh products with PC one SPS measure and improved packaging one TBT measure has to acquiesce by the Bangladeshi Exporter. In the case of Tobacco exporting one SPS measure i.e. Free from storage pests such as (*Lasioderma serricornis*) with PC Bangladesh has to comply. Exporting Jute and Jute products and Rice to EU countries one SPS measures that is PC with Khapra Beetle moth should be tested and the moth should be removed by Fumigation process. Similarly, for other products following conditions need to be followed.

Animal health: Compulsory conditions for animals and products of animal origin to be imported into the EU and imports of live animals into the European Union (EU) must comply with the general health requirements related to **Country Health approval, Approved establishment, Health certificates, Health controls, Common Veterinary**

Entry Document (CVED). Live animals can only be imported into the EU if they come from a third country included in a positive list of eligible countries for the relevant animal, are accompanied by the proper certificates and have succeeded the mandatory controls at the pertinent Member State's border inspection post (BIP).

Health control of products of animal origin for human consumption: If a country wants to import products of animal origin intended for human consumption once must comply **General rules on hygiene of foodstuffs and other specifications for food of animal origin, Country health approval and approved establishments, Official certificates, Official control and Particular provisions for specific foodstuffs** and the following rules need to be complied for import.

Health control of fishery products intended for human consumption: Imports of fishery and aquaculture products intended for human consumption must comply with general health requirements related to **Country health approval, Approved establishment, Official certificates** and **Official control**.

Plant health: Imports into the European Union (EU) of plants, plant products and any other material have to follow the following EU conditions:

- a. **Import bans:** Plants, plant products and other objects originating from non-EU countries listed to Regulation (EU) 2019/2072 (CELEX 32019R2072) are prohibited for introduction within the whole EU or in defined protected zones of the EU.
- b. **Phytosanitary certificate:** Imports of plants and plant products to Regulation (EU) 2019/2072 (CELEX 32019R2072) must be accompanied by an official phytosanitary certificate.
- c. **Inspection and plant health checks:** Imports of plant, plant products the importer country follows i) Documentary checks to examine that the required certificates, alternative documents or marks have been issued or satisfied and ii) Identity checks to verify that the plants, plant products or other objects conform to the ones declared on the required official certificates.
- d. **Importers register:** Importers, whether or not producers, of plants, plant products or other objects must be included in an official register of a Member State under an official registration number.
- e. **Emergency measures:** plants and plant products as well as other material capable of harboring plant pests may be subject to emergency measures.

Traceability, compliance and responsibility in food and feed: Food and feed cannot be placed on the market in the European Union (EU) if they are unsafe. EU Food Law pursues not only a high level of protection of human life and health and consumers' interests but also the protection of animal health and welfare, plant health and the

environment, covering all stages of food/feed production and distribution such as:

- a. **Compliance with Food Law:** Imported food and feed must comply with the relevant requirements of food law or conditions recognized by the EU to be at least equivalent. The competent authority of the exporting country must offer guarantees as to the compliance or equivalence with the EU requirements.
- b. **Traceability:** The EU Law defines traceability as the ability to trace and follow any food, feed, food-producing animal or substance that will be used for consumption, through all stages of production, processing and distribution.
- c. **Responsibilities:** Food business operators at all stages of production, processing and distribution within the businesses under EU control, shall ensure that foods satisfy the requirements of food law which are relevant to their activities and shall verify that such requirements are met.

5.10.5 SPS and TBT Compliance for Exporting into Japan

In the case of Mango and Other fruits including Jackfruits, Lychee, Pendant export to Japan Bangladesh has to comply Free from fruit fly (Mainly: *Bactrocera Dorsalis*), Pump Uvil, Stone Uvil and Purification with Hot Water Treatment/Vapour Heat Treatment with PC SPS measures and one TBT measures i.e. improved packaging has to comply.

5.11 Product Specific SPS and TBTs in Different Export Destinations

This section provides some descriptions SPS and TBT in selected Bangladeshi products face in export destinations of Bangladesh. We identified five products (jute and jute products, footwear, shrimp, plastic products and potato) have been selected for this study. For each export item selected, the non-tariff measures have been collected country-wise for major export destinations. This section also identifies the NTMs that are perceived or turn out to be more restrictive than necessary and thus difficult to comply with. These measures thus emerged as non-tariff barriers. The findings from the stakeholders' consultations, interview and first-hand experiences of the exporters are also provided in this section.

Table 24 Product Specific SPS and TBTs in Export Destinations

Sl. No	Product Name	SPS Measure	TBT Measure
1.	RMG/Textile products		<ol style="list-style-type: none"> 1. Import of clothing and textile products in Australia is subject to mandatory information standards; 2. In India these are subject to condition of free from hazardous dyes; 3. Import of apparels in Singapore is subject to technical regulations and noncompliance with

Sl. No	Product Name	SPS Measure	TBT Measure
			<p>regulations may cause fines and/or imprisonment.</p> <p>4. Import of garments in Thailand is subject to import restrictions involving licensing and prohibition;</p> <p>5. In Republic of Korea these are subject to standards of the Korean Agency for Technology and Standards⁵³.</p>
2.	Frozen foods (Shrimps and others types of frozen foods)	<ol style="list-style-type: none"> 1. In the EU and US markets, Bangladeshi frozen foods are facing problems, e.g. HACCP, lack of traceability and capacity building of testing facility etc. 2. EU uses RASFF food and fish testing to prevent Nitrofurans Hazards and some antibiotic problems. 3. In the Middle East, especially in the Gulf markets, Bangladeshi frozen foods have been facing some antibiotic problems. 4. Import of fish and fish products in Pakistan is subject to quarantine requirements. 5. Import of fish and seafood in Singapore and Mauritius is subject to import license⁵⁴. 6. EU mostly put SPS-related NTMs for ensuring health safety of its consumers. SPS and quality certification, therefore, is the major criteria that needs to be complied with in order to export Shrimp from Bangladesh. 7. At present 78 processing plants have qualified maintaining EU standards and are approved by 	<ol style="list-style-type: none"> 1. The buyer's specific packaging requirements are burdensome for the exporters. It is costly to make different patterns and sizes of cartons for each buyer. 2. Exporting Shrimp to the USA has been perceived to be a matter of hassle by some exporters. 3. TBT faced by the exporter is the requirement of labelling in local language for Belgium and some middle-eastern countries. This increases the cost of production of the exporters.

⁵³ & ⁴⁰ Export Related Compliance: Bangladesh Perspective, Md. Abu Musa, Bangladesh Journal of Tariff and Trade, 2015

⁵⁴ Export Related Compliance: Bangladesh Perspective, Md. Abu Musa, Bangladesh Journal of Tariff and Trade, 2015

Sl. No	Product Name	SPS Measure	TBT Measure
		<p>the EU authority⁵⁵. The FIQC of Bangladesh provides the health certificate for exporting shrimp to EU. Though the certificate is recognised by the EU, what makes the legitimate matter problematic for Bangladesh is that the cost of obtaining the certification has increased by almost 75%. Sometimes, traceability certificates are required by the buyers of EU and Middle East and Bangladesh lack this certification.</p> <p>8. Illegal, Unreported and Unregulated (IUU) certificate is also needed to export sea case shrimp to EU, which is difficult to comply for Bangladeshi exporters.</p>	
3.	Agro and agro-processed products	<ol style="list-style-type: none"> 1. HACCP and EUREPGAP standards must be met for supplying agro and agro-processed products in to EU markets. 2. Due to Aflatoxin problem with Bangladeshi Nuts in Chanachur was prohibited in EU Countries in 2015. 3. EU countries always claim Sudan Dye Certificate for all types of spices. Import of pickle is prohibited in pickle as mixed by Mustard Oil. 4. EU countries always ask products definite percent of ingredients in the labels. Besides, they do not accept the certificates/test reports issued by Bangladesh Standards and Testing Institution (BSTI) and Bangladesh Council of Scientific and Industrial Research (BCSIR). 	<ol style="list-style-type: none"> 1. Import of every unit of packaged vegetables in Malaysia must contain the importers details, including labeling with nutritional information, manufacturing of goods and best before information.

⁵⁵ A Study on Identification of Non-Tariff Barriers Faced by Bangladesh in Exporting Potential Exportable Products to Major Export Markets by BFTI 2019

Sl. No	Product Name	SPS Measure	TBT Measure
		<p>5. In the USA market the preservative label of Bangladesh is not acceptable. Import of Mustard oil, Pickles and Chutney is restricted in Australia and Singapore for containing Benzoic acid. Import of all primary agricultural products in India is subject to bio-security and SPS permit.</p> <p>6. Australia ban on the shipment of aromatic rice from Bangladesh and Australia will not accept rice that has been fumigated with aluminum phosphate. Instead, they prefer that the rice be fumigated with methyl bromide.</p>	
4.	Pharmaceuticals		<p>1. Exports of pharmaceuticals of Bangladesh have to face difficult challenges due to importing countries' product regulations, language requirements, cultural preferences, national packaging requirements, industry protection mechanisms etc.</p> <p>2. To Export pharmaceutical goods, registration of the drug, import licensing and No Objection Certificates (NOC) are compulsory in many importing countries (Malaysia, Pakistan, India, etc). Import of pharmaceuticals in South Korea requires a free sale certificate from the exporting country⁵⁶.</p>

⁵⁶ Export Related Compliance: Bangladesh Perspective, Md. Abu Musa, Bangladesh Journal of Tariff and Trade, 2015

Sl. No	Product Name	SPS Measure	TBT Measure
5.	Jute and jute products	<ol style="list-style-type: none"> 1. Fiber products that are packed in wooden crates or placed on wooden pellets have to be fumigated. 2. In the past, methyl bromide was used to fumigate these crates and pellets, but use of methyl bromide is now banned in many countries. Alternative treatments are costly because more than one chemical is needed to treat the broad spectrum of pests. 3. The plethora of standards imposed by importing countries has increased cost of compliance to significant levels. In Australia, sacks and woven fabrics require certification that industrially processed JACKS have originated from pest-free crops. 4. In Japan, blended products require additional certification depending on the specific percentage of certain JACKS in the fabric. 5. Import of Jute and Jute goods in India is regulated by Plant Quarantine Order (Regulation of Import into India), 2003, and the Jute Grading and Marking Rules, 1978, Jute Bags Marking Order of 4th July, 2002. 	<ol style="list-style-type: none"> 1. Exporters need to pay inspection and fumigation fees ranging from around Rs. 900 to Rs. 9000 per shipment. Twelve (12) land ports of entry are specified in the legislation through which jute and other plants can be exported to India. 2. India issued a rule in 2010 by which labeling of a country of origin for jute bags becomes mandatory for exports. 3. Moreover, it was mandated that it should be machine stitched on four sides which raises the manufacturing cost for the exporters.
6.	Leather and leather products	EU's EBA policy; market access of Bangladesh into EU countries has been facing TBT measures, e.g. packaging, marking and labeling related barriers	EU's EBA policy; market access of Bangladesh into EU countries has been facing SPS measure e.g. environmentally friendly chemical usage certification; leather products must be AZO1 free certified on health grounds due to its risk of cancer hazard in many EU countries, etc.
7.	Potatoes		1. The major export destinations for Bangladeshi potatoes

Sl. No	Product Name	SPS Measure	TBT Measure
			<p>(HS code 070190) are Malaysia, Sri Lanka, Kuwait and Singapore.</p> <ol style="list-style-type: none"> 2. While exporting to Kuwait, the standard or legislation that Bangladesh needs to comply with is the GCC regulations that Kuwait follows. 3. The conditions mainly include use of materials that are not inconsistent with the principles of Islamic law, cultural or moral values. But the buyers at times impose some additional requirements which basically turn out to be TBTs for the potato exporters. 4. Different buyers have different packaging requirement and it is hard and costly for exporters to comply with. 5. Another stringent barrier for potato exporter is the color and size of potatoes. The buyers do not accept potatoes that have black or red skins and only white skin potatoes are eligible to export. 6. The exportable potatoes should have the weight limit of 80-140 grams. These stringent quality criteria pose additional burden to the exporters. These criteria and requirement of the buyers are discriminatorily stringent for Bangladesh due to the negative image

Sl. No	Product Name	SPS Measure	TBT Measure
			of the sector in international market ⁵⁷ .
8.	Plastics	<ol style="list-style-type: none"> 1. Some country has recently put a limit to the import of plastic waste. Exporter or domestic importers require to register at the GAQSIQ or the entry-exit inspection and quarantine body going for trade. 2. A state-level pre- inspection will be conducted for plastic waste import and certification will be provided by the entry-exit inspection and quarantine bodies or the inspection organs designated by the GAQSIQ⁵⁸. 	<ol style="list-style-type: none"> 1. Plastic goods from Bangladesh are mainly exported to Hong Kong, Japan, Middle East, EU and USA. 2. The product- and country-specific SPS and TBT for the top export destinations are imposed. 3. The Consumer Goods Safety Regulation, 1997, Consumer Goods Safety Ordinance, 1997, and the Waste Disposal Ordinance, 1980, are the major regulations that deals with import of Plastics waste in Hong Kong. 4. The legislations impose quality control measures, authorization of importers under certain environmental regulations, labelling and packaging requirements etc. Authorization for disposal of imported plastic waste is required. 5. Bilingual labelling in both English and Chinese for any kind of warning or caution is one of the requirements⁵⁹. 6. China imposes regulations on Product Registration, packaging rules, product inspection and pre- shipment inspection, Conformity Assessment etc. China

⁵⁷ BFTI Team Interview with Stakeholders from agribusiness

⁵⁸ BFTI Team Interview with Stakeholders from Plastic Sector

⁵⁹ BFTI Team Interview with Stakeholders from Plastic Sector

Sl. No	Product Name	SPS Measure	TBT Measure
			has set its waste material import standard higher.

5.12 Mandatory matters for importers and exporters in importing and exporting plants and plant products:

In today's world, it is mandatory for all countries to follow WTO-SPS Agreement and IPPC adopted strict rules and guidelines for importing and exporting plants and plant products. Bangladesh is unlikely to be exceptional as a voting country in WTO and IPPC. According to WTO-SPS Agreement in Section-1 of Article 2, all Nations are said to adopt sanitary and phytosanitary measures to protect the people, flora and fauna of their country. In continuation of the said Agreement under IPPC the Basic principal strongly describes in subsection 1.1 that

Contracting parties have sovereign authority, in accordance with applicable international agreements, to prescribe and adopt phytosanitary measures to protect plant health within their territories and to determine their appropriate level of protection for plant health.

As a result, if any country wants to export plants and plant-related products to another country, the exporting countries is obliged to export the products by fulfilling the Import Requirements of importing countries and if it is violated, then the importing country can ban the entry of those products, prevent the entry or destroy them or return back to them or may allow to enter into the country on the condition of purification. For this reason, it should be noted that, each country has made sure that any plants and plant-like products will enter their country under conditions adopted by IPPC by delineating the limit of appropriate level of protection on the basis of what rules and conditions are followed to enter this product in their countries.

Starting from producer level to importer-exporter and almost all levels of individuals in Bangladesh have no idea or unclear idea about import and export of plants and plant products, especially for export, the matter has become complicated day by day. Many people think that SPS Measure is Trade Restrictive, but actually because the Measure is WTO-SPS Agreement, it is business friendly as all the countries that are able to follow the SPS Measure, i.e. they are able to export by fulfilling the import conditions of the importing country, and their exports are increasing day by day. As an example, we can see countries like Thailand, Vietnam, Philippines, Malaysia, India, Kenya etc. are producing products to meet the needs of importing countries in the export of their country's plants and plant products.

In 2014, India negotiated with the EU to engage the Quarantine Department of India to produce fruit fly free mangoes and in 2015 there was no problem in their mango exports. Moreover, India has created an Irradiation Facility to capture the mango market in

America and has applied for market access in Australia and New Zealand. It should be noted that plants and plant products cannot enter any country without fulfilling the SPS conditions as well as GAP Certification is required to enter the Super Market of any country. If the goods are bought and exported from the market, there is no possibility of meeting the conditions of the importing country, so the goods are intercepted and at one time the goods are banned from entering the importing country. Although Salmonella bacteria is not a disease of betel nut, in 2011, when its existence was detected in betel sent from Bangladesh in England, they repeatedly notified Bangladesh and Plant Quarantine Wing stopped providing PC. Without PC, the export of betel was ongoing and hence the EU banned the import of betel from Bangladesh for 1 year in 2013. As Bangladesh could not take effective measures, the ban was extended from June/2015 to June/2016. Likewise, our main vegetable exports may be banned from exporting to the EU at any time due to repeated interceptions. However, if these exportable products are monitored from the beginning of production, it will be possible to bring down the interception of the product at once, thus, it will be ensured that the export will increase to a large extent.

It is to be noted that Bangladeshi exporters are improving their positions with regard to quality and compliance. Earlier the European Union EU Customs authority used to test 20 percent of frozen fish consignments from Bangladesh to be sure about quality. It was a difficult barrier for Bangladeshi firms to export shrimp to EU. The EU lifted the testing requirement restriction in Nov 2011 (which was slapped two years ago) after the country made progress in its residue monitoring system over the past several years. Similarly, with registration of 190,000 shrimp farms, implementation of traceability has become easier¹⁹. Still, there are some NTBs that Bangladesh just cannot address. In order to promote our export interests, exporters will have to comply with the buyers' requirements; otherwise, buyers may switch to other sourcing nations (who satisfies their requirements) and we may be lost ground to other competitors.

Developed countries frequently change their rules and regulations. Currently, Qatar, Saudi Arabia have set new rules and regulations to protect their domestic industry. Buyer, Ramez Group - Hypermarket has placed an order for Bangladeshi plastics. But Qatar wants the tests for each item of one container while testing cost amounted to US\$ 80000⁶⁰ which is really burdensome for the exporters to bear the huge testing cost. Because exporters have to do these tests in other countries including China, India as in Bangladesh there is no testing lab but in case of India, it doesn't create a burden on the exporters as they have their own accredited testing lab.

⁶⁰ A Study on Identification of Non-Tariff Barriers Faced by Bangladesh in Exporting Potential Exportable Products to Major Export Markets, Bangladesh Foreign Trade Institute (BFTI), 2019

Initiatives and arrangements should be done to establish testing labs in Bangladesh so that the exporters don't have to go to third parties testing labs in other countries including Hong Kong, Guangzhou and India to do these tests. Export volume can be enhanced if these barriers can be reduced to remain competitive and stable in the global market.

Table 25 Phytosanitary Requirements of different countries for exportable Bangladeshi products are shown below⁶¹:

S L.	Name of the Plant and Plant Based Products	Importing Country	Phytosanitary Import Requirements from Importing Country	Product entry Requirements into Super Market from Importing Country
1.	a. Spiny Gourd, Bitter Melon, Yardlong Bean.	UK, Italy, Germany, French, Denmark, Sweden and etc.	Free from Fruit Fly (Mainly: <i>Bactocera Dorsalis</i>) and Trips (Mainly: <i>Palmi</i>) with Phytosanitary Certificate (PC)	Fresh products with PC, improved packaging and GAP Certifications.
	b. Pumpkin based Products (Snake Gourd, Ridge Gourd, Bottle Gourd, Sponge Gourd, Wax Gourd and etc.)	Do	Free form Fruit Fly and Thimposh with PC	Do
	c. Eggplant/ Aubergine	Do	Free form Thimposh with PC	Do
	d. Leafy Bases Vegetables (Red Spinach, Amaranthus, Jute Leaf, Mint Leaf, Holy Basil Leaf, Malabar Spinach)	Do	Free from White Fly, Leaf Minor, Spodoptera and etc. with PC	Do
	e. Other Vegetables	Do	Free from disease with PC	Do
2.	All types of Fruits and Vegetables	Middle East	Fresh products with PC and improved packaging	Do
3.	Citrus Bases Fruits (Jara Lemon, <i>Citrus Macroptera</i> , <i>Citrus Limetta</i> , Bangladeshi Lemon, Kagoji Lemon, Alas Lemo and etc.)	UK, Italy, Germany, French, Denmark, Sweden and etc.	Free from Citrus Black Spot, Bankar and wash with soap based products like (Sodium OrthoPhenyl Phenate) and collect fruits from disease control ed environment with PC.	Do

⁶¹ DAE Citizen Charter, Retrieved

from:http://dae.portal.gov.bd/sites/default/files/files/dae.portal.gov.bd/page/902599be_5f17_4c92_9a29_676fd187c1cc/Phytosanitary%20requirements%20of%20Export%20and%20Import.pdf

S L.	Name of the Plant and Plant Based Products	Importing Country	Phytosanitary Import Requirements from Importing Country	Product entry Requirements into Super Market from Importing Country
4.	Fruits a. Mango	Do	Free from fruit fly (Mainly: <i>Bactrocera Dorsalis</i>), Pump Uvil, Stone Uvil and Purification with Hot Water Treatment/Vapour Heat Treatment with PC	Fresh products with PC, improved packaging and GAP Certifications with RAL test report.
	Do	Japan, Korea	Entry is Prohibited	-
	Others Fruits (Jackfruits, Lychee, Pendant)	UK, Italy, Germany, French, Denmark, Sweden and etc.	Fresh products with PC and improved packaging	
5.	Potato	Middle East, Malaysia, Russia, Sri Lanka, Singapore, Vietnam and etc.	For Russia: Free from Bofaun Roat, Sist Nimotod, Potato Timber Moth. Note: If the conditions is fulfilled Russia will notify first. For other country the conditions is to have fresh products with PC and improved packaging	Potato exports to the EU are restricted and other countries have their own import conditions
6.	Rice	USA, Canada, Eu and Middle East	PC with Khapra Beetle moth. The moth should be removed by Fumigation process with import requirements.	If Khapra Beetle is insect free, there is no problem in entering the Super Market
7.	Jute and Jute Products	Russia, Iran, Turkey, Syria, Egypt, India, Pakistan, Mexico, Eu, Vietnam, Chili, Korea and others 25 country	Do	Do
8.	Food Staff (Pupped Rice, Flattened Rice, Bombay Mix, Juice, Biscuit, Pickle, Dal Moth, Mustard oil and etc.)	About 80 countries total		All these products applicable for marketing
9.	Processed Spice (Turmeric, Chili Paper, Coriander and etc.)	Do	Must have PC with test report free of Sudan dye, heavy metal.	Do

S L.	Name of the Plant and Plant Based Products	Importing Country	Phytosanitary Import Requirements from Importing Country	Product entry Requirement s into Super Market from Importing Country
10.	Frozen food (Vegetables, fruits and other fried able foods like singara, roti, parata, samucha, puri etc.)	USA, Canada, EU, Middle East and various countries in Asia	Fresh products with PC and improved packaging	
11.	Wood Packaging Material: (Packaging cover used for shipping jute goods, machinery etc.)	All countries of the world	IPPC approved Heat Treatment or Dielectric Treatment or Methyl Bromide etc. should be treated so that the wood does not contain any kind of insect or other pests and the exporting packaging material must have PC with ISPM-15 adopted logo by IPPC.	The ISPM-15 logo has not yet been registered because shipment of products using wood packaging material is at risk.
12.	Tobacco	EU, Brazil, USA	Free from storage pests such as (<i>Lasioderma serricorne</i>) with PC	
13.	Other products		Specific conditions of the importing country with PC	

Chapter 6: Insights Gathering from Key Informant Interview (KII), Focus Group Discussion (FGD) and Public Consultation (PC)

As per the field study, it was found that currently, quality standards for all types of products in Bangladesh are needed to be regulated frequently, with differing treatment and quality requirements applied for products bound for domestic markets vs those bound for international trade. For export-oriented items, quality parameters are normally followed in accordance with the standards of the importing country. This attitude toward quality standards needs to change, and quality standards should be adopted and enforced consistently for all export and import products, whether traded domestically or internationally. If domestic regulations are strictly enforced, overall quality standards in the manufacturing process will immediately improve.

6.1 General Insights

The World Trade Organization (WTO) is the sole global international organization that deals with international trade rules. WTO rules help to ensure that these products are traded safely and that health-protection measures are not used to protect domestic producers. Bangladesh is lag behind to adhere to international product standards for certain industries. Inadequate worldwide standard laboratory and acceptability inadequate number of recognized certification bodies are major gaps in implementing SPS and TBT measurements.

6.2 Policy and regulatory insights

Bangladesh became a codex member in 1975 and Bangladesh Food Safety Authority was set up in 2015 according to Food Safety Act, 2013. For this reason, harmonization is defined firstly to bring into consonance or accord, the adjustment of differences and inconsistencies among different measurements, methods, procedures, schedules, specifications, or systems to make them uniform or mutually compatible. Harmonization will need to be a part with international standards; ensure the availability of safe food to Bangladesh's citizens; enhance exports; comply with international commitments and improve production practices.

Some laws have been seen in importing nations for which Bangladesh does not yet have a properly updated legislative or policy framework in place. Bangladesh, for example, has no policy, regulation, or guideline governing the treatment of genetically modified organisms (GMOs). As a result, Bangladesh is unable to meet the standards for GMO-related certificates in SASEC importing countries. It has also been noticed that some products in which Bangladesh has a strong offensive trade interest encounter a very high number of SPS and TBT measures in the importing country.

6.3 Key Informant Interviews (KII)

The study's primary purpose was to meet the goals and concerns of the client and stakeholder groups. A total of twenty (20) KIIs were performed for the study, with representatives from important stakeholders such as public organizations, business associations, chambers, think-tanks, exporter, importer, C&F agents and so on. The main stakeholders for this study are public and private sector officials, businesspersons, associations, and other relevant stakeholders who deal with SPS and TBT issues in Bangladesh. In this regard the participants are from Ministry of Commerce, Ministry of Health and Family welfare, Ministry of Industries, Ministry of Agriculture, Ministry of Fisheries & Livestock, and Ministry of Food are citable. The related government organizations are BSTI, FIQC, EPB, RJSC, BTTC, BPC, BB, BIDA, NBR, BTRC, SME Foundation. The probable apex associations and chambers are FBCCI, DCCI, sectoral Bangladesh Frozen Food Exporters' Association, Bangladesh Agro-Processors' Association, Bangladesh Fresh Vegetables Exporters' Association, Bangladesh Fish Exporters' and Importers' Association, Bangladesh Fruits, Vegetables & Allied Products Exporters' Association, Bangladesh live and chilled food exporters association, and some other specialized/product-based associations etc. The KIIs were conducted using three methods: telephone interviews, email interviews, and face-to-face interviews. The KIIs were held both in and outside of Dhaka. Twenty participants participate in the key informant interview. The detailed list of the participants is enclosed in the **Appendix 1**.

6.4 Focus group Discussions

Bangladesh Foreign Trade Institute (BFTI) organized two FGD on " Sanitary and Phyto-sanitary (SPS) and Technical barrier on Trade (TBT), Coordination and notification, certification, process and infrastructure for promoting trade" Suggested by the Project Steering Committee (PSC) under the Bangladesh Regional Connectivity Project-1 of WTO Cell, Ministry of Commerce. The FGDs were held simultaneously on June 12, 2022, at 9:30 AM in Conference Room and Classroom 2 BFTI, Dhaka. The participants in the FGD were 20 in number. Each FGD contained 10 Members. Mr. Dr. Md. Jafar Uddin, the CEO of BFTI was present as the Chief Guest at the Focus Group Discussion. Mr. Md. Obaidul Azam, Director, BFTI delivered the welcome remarks and moderated the discussion as Chairperson of the Focus Group Discussion Session.

6.4.1 The FGD questions

The FGDs set following question to pile up the information about SPS-TBT measurements from learning and experiment of different relevant stakeholders:

- a. What are the key challenges in the areas of SPS and TBT measures in export and import, and infrastructure limitations that need to be addressed in improving our trade competitiveness? How these challenges can be addressed?
- b. What are the infrastructure limitations of Bangladesh in a trade that should be

solved immediately?

- c. What can be done to improve inter-agency cohesion and cooperation for better facilitation in the WTO notification system?
- d. What measures should be taken to improve the trade potential between Bangladesh and SASEC countries (India, Nepal, Bhutan Myanmar, Maldives, and Sri Lanka)?

The detailed list of the participants **of the FGD-1** along with the name of the group she or he assigned is enclosed in the **Appendix 1**. **And the** detailed list of the participants **of the FGD-2** along with the name of the group she or he assigned is enclosed in the **Appendix 1**. The detailed list of the participants **of the Public Consultation** along with the name of the group she or he assigned is enclosed in the **Appendix 2**.

Table 26 Insight Matrix of KII, FGD and Public Consultation

Objectives	Primary Data Collection Sources	Comment from Stakeholders
1.Current SPS/TBT measures in Bangladesh and its institutional framework	KII	<ul style="list-style-type: none"> • The SPS and TBT rules and regulations are scientific and up to the international level with some limitations. Because of association pressure, and a shortage of skilled personnel, these requirements may not be successfully implemented. • In Bangladesh, the existing rules/systems/guidelines for the protection of human, animal, and plant health are not updated on a regular basis. Even though many rules/measures/guidelines are followed for exporting or marketing domestic products, they are insufficient in comparison to the number of imported products. • To maintain plant health, several modifications must be made to current laws and regulations. Good Agriculture Practice (GAP), traceability, and other current and important topics should be included. <p>Current challenges in international trade in terms of SPS and TBT:</p> <ul style="list-style-type: none"> • Infrastructure problems, lack of lab facilities, lack of testing facilities at the port. • Lack of infrastructure, no identification methods to remedy gaps, and the present procedures are difficult.

Objectives	Primary Data Collection Sources	Comment from Stakeholders
		<ul style="list-style-type: none"> • Strict TBT standards for items and quality testing might also be difficult for dealers. • One of the difficulties is the cost of complying with Standards. This covers both direct and indirect compliance expenses which includes both permanent expenditures such as infrastructure investment and recurring costs such as administrative fees. It also covers variable expenses like compliance assessment in comparison to the cost of inspection, testing, and certification. • Incompatible laboratory facilities, lack of accredited lab along with testing parameter and understanding of the local supply chains for major non-traditional products are creating challenges. • Challenges encompass enforcement of the existing provisions, effective controls and inspection services for any SPS or TBT measures including checks at the borders. • Usage of more chemical fertilizer and pesticides in the production of agricultural goods is the main challenge in complying with the SPS Measures. • Inadequacy of technical personnel at the national policy-making level • Lack of adequate infrastructure (process, test, store, transport, etc.) and applicable technical knowledge and training for all levels concerned • It is challenging for developing nations to meet all requirements, especially when it comes to export.
	FGD	<ul style="list-style-type: none"> • The latest updates about the SPS and TBT need to be continuously disseminated through seminars, campaigns, and using entertainment media. • Lack of traceability of agricultural products is the main problem in implementing SPS and TBT measurements in Bangladesh

Objectives	Primary Data Collection Sources	Comment from Stakeholders
	Public Consultation	<ul style="list-style-type: none"> • Bangladesh has two committees on SPS and TBT respectively, every three months the SPS and TBT committees discussed SPS and TBT.
2. Coordination at National, Regional and international level	KII	<ul style="list-style-type: none"> • Lack of coordination between the existing laws and regulations of various departments of the government. • SPS and TBT-based laws and regulations across exporting and importing nations are not harmonized. • Formatting all national rules according to the same standards is a difficult task. • Lack of coordination between implementing agencies and Certification body.
	FGD	<ul style="list-style-type: none"> • Live animals like Carb, fish and etc. need a commercial testing facility near Dhaka Airport for Product inspection and certification. • Govt. should develop a system as a contact point, contact center, and suggestion center for farmers
	Public Consultation	<ul style="list-style-type: none"> • Bangladesh participates in every WTO meeting regarding SPS and TBT. • WTO wing, Ministry of Commerce regularly arrange consultation meeting if the trade dispute arises • The private stakeholder can join only when the public stakeholder consultations meetings are organized by WTO Cell.
3. Gaps comparing current national SPS legislation, local practices, and international best practices	KII	<ul style="list-style-type: none"> • In response to having enough laboratories and infrastructure facilities in Bangladesh for SPS and TBT, 15% of the respondents have said that there is enough laboratories and infrastructure facilities and 85% of the respondents have said there is not enough laboratories and infrastructure facilities. • There is no meaningful supply chain management compliant with SPS and TBT. • Insufficient lab equipment and a technical professional scarcity for lab testing procedure in plant Quarantine Station

Objectives	Primary Data Collection Sources	Comment from Stakeholders
		<ul style="list-style-type: none"> The testing facility is located a long distance from the port area. There was too many paperwork to submit for getting SPS and TBT certificate
	FGD	<ul style="list-style-type: none"> Interactions between functionaries and policy level executives should be formalized
	Public Consultation	<ul style="list-style-type: none"> India is a good place to look for best practices because they are currently considerably more advanced in handling SPS and TBT-related concerns.
4. Specific needs of the country for SPS and TBT compliance	KII	<ul style="list-style-type: none"> There are not enough testing laboratories near ports to maintain the product quality 100%, as there is a delay in communication, and a cold storage dilemma. Lack of MoU, MRA, bilateral agreements, multilateral agreements with India and Nepal create technical and regulatory barriers. India frequently prohibits export without prior notice, causing issues, and many imported items lack the appropriate certificates. SASEC nations' trade progress is impeded by a lack of sufficient testing facilities, transportation (multi-connectivity), and product storage. Key issues include failure to adhere to international standards, a lack of certification, and a lack of cooperation among regulatory organizations.
	FGD	<ul style="list-style-type: none"> Bangladesh has insufficient facilities in smart warehouse and smart cooling system for perishable products and non-perishable products in all ports.
	Public Consultation	<ul style="list-style-type: none"> A financial strategy, which might be part of a 5-year plan or national budget, is necessary to handle SPS and TBT-related concerns continuously. The entire value chain of products should include SPS and TBT compliance, from manufacture to sales.

Objectives	Primary Data Collection Sources	Comment from Stakeholders
<p>5. Common issues and challenges faced by the countries to facilitate development of coordinated regional responses and required capacity</p>	<p>KII</p>	<ul style="list-style-type: none"> • Improper port management, testing and certification issues, rules of origin, anti-dumping issues, tariff structure, tariff, para-tariff, and non-tariff barriers are all hurdles in trade with SASEC countries • Even if Bangladesh has accreditation facilities, India would not import items from Bangladesh unless our laboratories/accreditation organizations are registered in accordance with their own requirements. • Despite a lengthy notice period, 12 items are still not acknowledged by India, in violation of the stipulated MoU/BCA/MRA. • Lack of a PC quality control system for imported products are Major Concern in SPS related issues. • Importers face a variety of certification issues, including (Bovine Spongiform Encephalopathy) BSE Free Certificate/BSE Free Status of MBM and Avian Influenza Free Status for DOC. • The absence of a radiation test prior to shipment and certification concerns for declaring food safety for human consumption. • Many imported products are not covered by the Import Policy Order 2021-2024, and Customs ACT 1969, where port authorities require to test samples for clearance issuance which itself a lengthy procedure, causing financial loss to importers. <p>Issues faced by the Exporters:</p> <ul style="list-style-type: none"> • Inability to secure adequate product traceability. • Inadequate accredited laboratory and acceptability. • Inadequate number of recognized certification bodies.

Objectives	Primary Data Collection Sources	Comment from Stakeholders
		<ul style="list-style-type: none"> • Not producing the products as per international standards and not testing the exporting products from accredited labs. • Few years ago, Betel leaf export to UK was banned due to Salmonella. • According to the FIQC act and rules the quality control and certification system are operated in the country is not fully implemented. • Quality control is also dependent on the specific quality demand of the importing countries and exporters are often reluctant to comply with these terms and condition. • There are FMD (Foot and Mouth Disease) free status for Meat certification problem, Traceability problem. • As Bangladesh is lagging behind to implement Sanitary and phytosanitary measures, it faces difficulties in exporting to the EU and Northern Hemisphere. • Lack of Coordination between existing domestic rules/systems, different food controlling ministries/agencies/departments and limitations of timely dissemination of updates or information for general population • Lack of proper and adequate facilities of transportation. • Exporters face Size, shape, colour, packaging and processing problems for products while exporting into foreign market. • Exporters fail to fulfill the phytosanitary import requirements and as there is no surety of traceability of goods, Non-Compliance in exporting goods is increasing. • Associations/chambers' capacities should be increased for providing training to importer-exporters and raising their awareness.

Objectives	Primary Data Collection Sources	Comment from Stakeholders
		<ul style="list-style-type: none"> • Good agricultural practice, proper traceability, field-to-consumer food safety, pest-free zone etc. measures are needed. • Every division needs an approved accredited laboratory in this regard. • In order to maintain the quality of the commodities in the supply chain, development in transportation and storage systems is required.
	Public Consultation	<ul style="list-style-type: none"> • To connect exporters and importers on one platform, the Ministry of Commerce (MoC) should operate the Bangladesh Trade portal with updated information. • With which exporters and importers are informed on notifications made under the WTO SPS-TBT that affect Bangladesh. Through this trade portal, roughly 3600 emails are sent to trade body associations each week to promote trade.
6. The specific potential items for exports subject to SPS/TBT measures	KII	<ul style="list-style-type: none"> • RMG, (Lower-Higher End), Agra-fish (Seven Sisters), and Processed food can be exported. • Agro-based Products like Potato, Mango, Betel, Vegetables, Processed food, banana, Pineapple, Lemon, Cabbage, Pumpkin, Guava, Pineapple, Litchi, Banana, Jackfruit Fruits, Jute and Jute Products. • Live Fishes, Meat, Pharmaceutical Goods and Raw Materials of Animal Feed, Fish, Frozen Fish, Shrimps, Pharmaceuticals, Frozen Foods, Leather and Leather Goods, Jute And Jute Goods, Ships, ICT Goods, Software, Aluminium, Refrigerators, AC and Electronics Goods. <p>Export to India: Ceramics, processed food (Agricultural product), woven and knitwear, jute and jute products, cotton and cotton products, plastics, and leather and leather products.</p> <p>Export to Bhutan: Baby clothes and clothing accessories, men's trousers and shorts, jackets and</p>

Objectives	Primary Data Collection Sources	Comment from Stakeholders
		<p>blazers, jute and jute goods, leather and leather goods, dry cell batteries, fans, watches, potatoes, condensed milk, cement, toothbrush, plywood, particle board, mineral and carbonated water, green tea and orange, pineapple, and guava juice.</p> <p>Export to Maldives: Vegetables, processed food, ceramics, leather goods, RMG, jute products, pharmaceutical products</p> <p>Export to Nepal: Jute, potatoes, plastic products, washing machines, medicines, soybean seeds and drinks, machinery materials, batteries, readymade garments, tissue paper</p> <p>Export to Sri Lanka: Readymade garment, vegetables (agro products), ceramics, plastics, Garments, jute products, leather products, different variants of tea, medicine and medical accessories (PPE), plastic products, frozen foods (fish, snacks, chicken, etc.), processed food products, fresh vegetables, fruits, flowers, etc.</p> <ul style="list-style-type: none"> • In addition to software / IT service products, etc., new products can be selected according to the needs of the target group by conducting a survey in the target country.
7. Identification of standards or regulations in the SASEC countries that are impeding trade	FGD	<ul style="list-style-type: none"> • South Asian Regional Standards Organization (SARSO) is not active. So, it's needed to expedite the SARSO activities.
	Public Consultation	<ul style="list-style-type: none"> • Farmers need to be educated about SPS and TBT-related information. For instance, root-level clarification is required regarding what pesticides should be used at what amounts.
8. Reforms in Institutional, infrastructure,	KII	<ul style="list-style-type: none"> • The land port requires a full Accreditation labs and testing institutes with sufficient equipment and facilities as well as logistic

Objectives	Primary Data Collection Sources	Comment from Stakeholders
legal capacity, and recommendations		<p>services, phase-wise development is needed.</p> <ul style="list-style-type: none"> • A full quarantine facility should be ensured at every custom station of Bangladesh, as well as central and regional development. • Infrastructure development necessitates extensive planning. • Establishment of internationally accepted standard testing centers, developing manpower skills, buying need-based testing machines, and organizing national and international training programs are necessary in this regard. • Category-wise systems for storage, transportation of goods (Multimodal Connectivity), Coordinated/paperless automation system connecting different departments, and QR code-based logistic systems are needed.
	FGD	<ul style="list-style-type: none"> • One Stop Service center (Depending on Import-Export Zone), Internationally recognized laboratory.
	Public Consultation	<ul style="list-style-type: none"> • We should concentrate on maintaining standard of the importing country because international standards can differ. For instance, other countries standards might not be comparable to European standards. • MRAs (mutual recognition agreements) may be started in this situation especially with India
9. Strengthen the notification procedures of the SPS/TBT	KII	<ul style="list-style-type: none"> • The plant quarantine wing can play an important role in the development, modernization and compliance system for plant-based goods. • WTO wing, Ministry of Commerce can convey WTO notification and SPS and TBT compliance to the traders. • Coordination of the regulatory bodies with WTO wing can facilitate the existing coordination mechanism of SPS and TBT in Bangladesh.

Objectives	Primary Data Collection Sources	Comment from Stakeholders
		<ul style="list-style-type: none"> • Countries with chronic capacity shortages struggle with the WTO's complicated notification responsibilities and standards until they achieve greater levels of development. As a result, stronger institutional capacities need to be ensured. In this sense, institutional capacity building must be considered at first. • The WTO wing should be more proactive, and inter-ministerial cooperation should be enhanced. • Establishment of a particular technical committee or trained pool of negotiators for the establishment of SPS, TBT conditions compliance, and notification compliance systems in international trade. • Involve all levels of stakeholders at the public-private level for informing and implementing current information by creating a regional one-stop service under a centralized information transmission system.
	FGD	<ul style="list-style-type: none"> • Providing product-specific SPS and TBT training at regular intervals with the participation of experts from the WTO Cell from Ministry of Commerce.
	Public Consultation	<ul style="list-style-type: none"> • If the International Standard is not compatible to Bangladeshi standard, then Bangladesh should notify WTO otherwise not. • WTO encourages to Notify though notification is not mandatory regarding the regular SPS and TBT measures recognized by WTO. • As Bangladesh follow the international standard i.e. Codex, IPPC, and IEC, currently Bangladesh does not notify WTO to avoid unnecessary queries of export destinations countries.

6.5 Finding Summary from KII, FGD and Public Consultation

Bangladesh lacks adequate human resource capacities to address key SPS-TBT concerns in appropriate global area. Based on the findings of the KII, FGD and Public Consultation, it was found that Bangladesh has a considerable need to strengthen its quality infrastructure in terms of institutional capacity - both physical and human - in testing, inspection, and certification facilities for exporters. Here, modernization and automation of procedural stages along with the reduction of various stage approvals need to be ensured for trade facilitation. There is also a need for having accredited testing procedure and laboratories so that Bangladesh can easily convince regional trading partners to harmonize the conformity evaluation procedure for numerous items in accordance with scientific and international standards. Given the concern, government policy should prioritize training programs to address local issues and situations. Because of Bangladesh's limited implementation and monitoring capabilities, it is difficult to assure compliance with SPS-TBT procedures even when explicit compliance needs are communicated to firms and organizations. Similarly, it was suggested in the stakeholder consultation the several public entities in charge of enforcing SPS and TBT-related regulations should improve interagency coordination.

6.6 Findings from Desk Review

SPS is one of the WTO Agreement agreed during Uruguay Round of Trade negotiations (1986-84). These are based on GATT Article XX.b. and it came into force in 1995. SPS measures are quarantine and biosecurity measures which are applied to protect human, animal or plant life or health from the risks arising from the introduction, establishment and spread of pests and diseases and from risks arising from additives, toxins and contaminants in food and feed. TBT Agreement having regard to the Uruguay Round of Multilateral Trade Negotiations, desiring to further the objectives of GATT 1994 and recognizing the important contribution that international standards and conformity assessment systems that can make in this regard by improving efficiency of production and facilitating the conduct of international trade. Bangladesh has adopted various SPS and TBT related legislations and acts such as The Pure Food Ordinance, 1959, The Bangladesh Standards and Testing Institution (Amendment) Act, 2003, The Iodine Deficiency Disorders Preventions Act, 2005, The Fish Protection and Conservation Act, 1950, The Fish and Fish Product (Inspection and Quality Control) Ordinance, 1983, The Pesticide Ordinance, 1971 (and Rules, Amended in 2010), Agricultural Pest Ordinance, 1962, The Agriculture Produce Market Regulation Act, 1964, The Destructive Insects and Pests Rules (Plant Quarantine), 1966 and etc. to implement compliance of SPS and TBT in international trade.

The desk review revealed that BSTI has already developed and adopted contains 4095 national standards of Bangladesh that are now in vogue for various products, these products have not yet been brought under the mandatory CM scheme. Moreover, BSTI

has achieved BAB awarded accreditation in 283 parameters of 35 products. It was revealed by the BSTI personnel that BSTI have already developed over 2,500 standards, all in harmony with international norms. As for the BFSA which is the main governing body for ensuring food safety and for establishing rules and regulations, has designated 10 food testing labs under various departments and public institutions, and a few of them have accreditations for various testing parameters. It is also revealed that the plant quarantine wing has been made the competent authority for the export and import of plants and plant products. The Wing under the Department of Agricultural Extension (DAE) has 30 plant quarantine stations all over the country. Out of these 30 stations, 23 are at various Land Customs Stations (LCS), 3 at international airports, 2 are at sea ports, and 1 at the inland container depot of railway.

Over the past ten years, trade in goods and services has become increasingly important to the Bangladesh economies as per the finding of the literature review. Sanitary and Phytosanitary (SPS) and Technical Barriers to Trade (TBT) issues have become significant barriers of exports for developing countries, particularly in the agriculture, and food sectors. This also becomes true for Bangladesh. It implies that Bangladesh needs to enhance its capacity specially in infrastructural, technical capacity development and maintaining compliance with global standard like codex Alimentarius, IPPC and World Organization for Animal Health (WOAH). The desk review also reveals that the number of SPS and TBT notifications are increasing day by day. Based on secondary sources, it appears that Bangladesh enforces SPS measures on more than 300 product categories, while only 4 export items from Bangladesh face SPS measures in Nepal out of 91 potential export products. Nepal's national diagnostic study identifies SPS measures on 23 potential export items from Nepal are facing SPS measures in Bangladesh. Similarly, 38 out of 139 potential export products from Bangladesh face SPS measures in Sri Lanka, while only 7 potential export items from Sri Lanka face SPS measures in Bangladesh. India imposes SPS measures on 14 out of 127 potential export products from Bangladesh, subjecting these products to quarantine, certification, and inspection requirements.

It was found that the logistic and technical capacity related to the institution (food, livestock, plant, standardization) need to be enhanced. The number of accredited laboratory and testing parameter of the BSTI test is not at an expected level which in turn make us weak to sign Mutual Recognition Agreement (MRA) with potential trade partners. Similarly, in the literature review, a lack in the capacity of the Food Safety Authority was found. Meanwhile, legislative inefficiency to ensure the effective implementation of the international level of SPS and TBT Standard in both the domestic and export market creates a hindrance to expanding export in the world market. It was also found, the expected level of incentives in establishing testing labs and developing testing parameters accredited by international standards drag Bangladeshi ability to maintain compliance with SPS and TBT in international trade.

Chapter 7: Gap analysis of Institutional, Infrastructural, Legal Capacity relating SPS and TBT Measures along with International Best Practices

The major laws directly affecting SPS regulations are quite old in Bangladesh. Some parts of these laws are revised from time to time through Statutory Regulatory Orders (SRO) notified by official gazettes, but traders are not quite aware of the updates. There have been some debates recently on biotech vegetable products developed by local scientists. The issue of genetically modified organisms (GMOs) and living modified organisms (LMOs) is an example, for which the legal framework is not adequate in Bangladesh. Though the existing Plant Quarantine Act prohibits the import of GMO seeds, GMO grains are being imported for uses as feeds for poultry, fish and livestock industries in absence of a clearly defined regulatory framework and Rules on managing GMO products. The Food Safety Act 2013 has been enacted by merging about 13 separate laws related to food safety, adulteration, food toxicity, and safe handling of food products but the implementation of this law is not yet fully functional. Traditionally, inspectors from municipalities and city corporations are vested with the power to inspect food production facilities. Bangladesh has been found to be technically active under the Department of Agricultural Extension but poor understanding among the exporter and importers, lack of knowledge, inefficient lab facilities, lack of supporting manpower in quarantine station are making wide gaps with other countries, affecting trade negatively. Given the concern, this chapter analyze the gap of existing institution, law and organization related to SPS and TBT and identify the challenges, drawing back export competitiveness of Bangladesh.

7.1 Institutional Capacity of Food Safety Authority and Its Gap Analysis

Food safety at the farm production level is controlled by the Department of Agricultural Extension (DAE), Department of Fisheries (DOF), and Department of Livestock Services (DLS). As per the Act, the BFSa has a role in coordinating the activities of DAE, DOF, and DLS by establishing a food safety network up to the field level. After the farm products become food, they are classified and monitored by the BFSa to control adulterated foods and food additives. Most food establishments food are not registered by the BFSa, but by the BSTI under the Ministry of Industries. There is no single point of registration for the 2.56 million food establishments in Bangladesh and FAO, and the current coordination gap between BFSa and BSTI in coordination of food safety activities are salient⁶².

⁶² Food Safety System in Bangladesh: Current Status of Food Safety, Scientific Capability, and Industry Preparedness

7.2 Lack of adequate human resources, weak implementation and monitoring

Bangladesh lacks adequate human resource capacities to deal with the relevant SPS-TBT issues in the appropriate global area. There is a lack of trained manpower at all levels and a degree of awareness about related issues. Bangladesh's weak implementation and monitoring capacity mean that it is also difficult to ensure compliance with SPS-TBT measures even when specific compliance demands are notified to firms and enterprises⁶³. As a result, when faced with market access difficulties originating from SPS-TBT measures, Bangladesh has formidable difficulties in addressing the attendant concerns, and often unable to take adequate corrective measures. Such vacuum in terms of capacity is pervasive not only at the level of governments but at the level of firms as well. Firms do not have the required technical expertise to ensure compliance; and at the firm level, awareness about SPS-TBT related demands continues to remain alarmingly low. This will mean devising for WTO a system and specific measures of positive and active support for the development process and the strengthening of national capacities of developing countries. Its implementation would become a central objective in whatever the negotiations or activities in the WTO.

7.3 Gap Analysis Regarding the TBT legislation, local practices, and international best practices

Interviews of the members of the core SPS/TBT group formed, and secondary research revealed some gaps in the current TBT related legislations, local practices, and international best practices. Generally speaking, for all TBT related requirements, Bangladesh enforces only those which are applicable for 229 products requiring the mandatory BSTI Certification Marks (CM) before marketing in Bangladesh. For other products, there is weakness in the current legislation, and there is a need for identifying priority areas where regulatory reforms are needed immediately. Some of the gaps in TBT related legislation, local practices, and international best practices are briefly described centering the discussion of institutional capacity.

7.3.1 Gap Analysis in Local Practices of TBT

The enforcement of the prevailing laws is poor. The domestic market goes fairly unregulated, except for the 229 products requiring mandatory BSTI marks. For all other products, there are no clearly defined standards or quality parameters for which the TBT measures can be formulated. This is also valid for most imported products, if they do not fall under the mandatory 229 products, then importers have to take compulsory certificate for 79⁶⁴ products from BSTI ordained by import policy order given mandatory product. These products are butter, infant formula end formula for special medical

⁶³ Market Access Implications of SPS and TBT: Bangladesh Perspective, Prof. Mustafizur Rahman, 81-87222-69-7 CULT, 2002

⁶⁴ List of the Mandatory Products Under Import Policy 2021-24, BSTI, 2022, BSTI Retrieved from <http://www.bsti.gov.bd/site/page/de9acc2b-2399-45f3-a5e1-237025cd2698/List-of-the-Mandatory-Products-Under-Import-Policy-Order>

purposes intended for infants, Chocolate, Refined Sugar, Follow up Formula, Milk powders and Cream Powders, Sugar, James, Biscuit, Lozenges, Sauce, Fruits and Vegetable Juices, Tomato Paste, Tomato Ketchup, Fermented vinegar, Coffee Powder, Carbonated Beverage, Natural Mineral Water, Soft Drink Water, Instant Noodles, Chips, chewing gum, Fortified Soybean Oil, Fortified Edible Palm Oil, Fortified Edible Sunflower Oil, Fortified Palm Olin, Synthetic Vinegar, Other Edible oil, Mosquito Coil, Toilet Soup, Coconut Oil, Pencil, Diesel and Gasoline, Writing and Printing Paper, Ceramic Products, Tooth Paste, Shampoo, Skin Powders, Hair Oils, Skin Creams, Ball pen Points, Lipstick, After Shave Lotion, Baby Oil, Toilet Soup for Babies, Skin powder and cream lotion for babies, Baby Shampoo, Skin Lotion, Polyester Suiting, Sanitary Napkins, Motor, Electric Fans, Household Refrigerators and Freezer, Primary Batteries, Electric Irons, Switches, Plugs and Sockets, Circuit Breakers, Electricity Metering, LED Lamps, Protective Helmet, Sanitary Ware Appliances, Gas Cylinder and Ceramic Tiles, etc.

7.3.2 Institutional Capacity of BSTI and Its Gap Analysis

The Department of Customs usually oversees the enforcement of the regulations under the prevailing Import Policy Order before clearance is done. Products that need the approval from Bangladesh Standards and Testing Institution (BSTI) related to performance measures, labeling requirements, content requirements, or any other TBT issues, will require appropriate testing, inspections, and certification from BSTI before being marketed in Bangladesh or being exported from Bangladesh. One major gap in the institutional capacity of BSTI is the lack of adequate number of personnel working at different sections and regional offices of BSTI. Out of the approved permanent positions for the different offices and the head office, and the laboratories of the BSTI, there are only about 66% of the approved workforce is working at the moment.

From field level assessment it was found that BSTI has already developed and adopted contains 4095 ⁶⁵national standards of Bangladesh that are now in vogue for various products, these products have not yet been brought under the mandatory CM scheme. Moreover, BSTI has achieved BAB awarded accreditation in 283 parameters of 35 products, which in number is not citable. On-going Development Program and Activities need to be completed immediately as urged in the BSTI Annual Report 2020-21. Especially those are related to capacity building and facilitating SPS and TBT compliance related.

1. Inclusion of 48 products under mandatory certification marks of BSTI.
2. Development and implementation of Web based Real Time Quick Response (QR) code system for issuing BSTI licenses, certificates and clearance certificates.

⁶⁵ BSTI Standards Catalogue 2021(Till August 2021), BSTI, 2021 Retrieved From https://bsti.portal.gov.bd/sites/default/files/files/bsti.portal.gov.bd/page/c82bd863_c051_46ce_af11_eb5bec479d5b/2021-08-31-11-36-54b7b1099157fbc275580fb4511a00bf.pdf

3. Development of e-application system for online applications, SMS services, fee receipt, deposit and database of BSTI personnel.
4. Development of apps for 'b' mark checking of packaged goods registration issued by BSTI.
5. Establishment of bank booth at BSTI head office for receiving fees.
6. Establishment of 10 BSTI regional offices with different laboratories.
7. Expansion of physical and chemical testing laboratories of BSTI.
8. Expansion of Metrology laboratories of BSTI with training facilities.
9. Vertical extension of 4 (four) BSTI Divisional and District Offices.
10. Issue of certificate for Halal products.
11. Establishment of 41 BSTI District Offices.
12. Revision of Package Commodities Rules 2007.
13. Issuance of certificate for purity of imported Gold.

7.3.3 Institutional Capacity of Plant Quarantine Wing and Its Gap Analysis

The results of his preliminary assessment and inventorial studies show that Bangladesh did not have an effective control measure (Plant Quarantine) system for the introduction of exotic pests, diseases and weeds in terms of laboratory facilities, technical support, and logistic support at the plant quarantine station at the land port. From field visit, it was found that the logistic support provided to the technical officers for transportation, communication and late night stay at workplace is not satisfactory at the plant quarantine stations of the land port. Moreover, officer belonging to plant quarantine station has to suffer a lot for poor salary growth, promotional facilities from existing post and even they risk their own life when returning home at late night on foot in most of the border post. Thus, lack of financial and logistics supports create barriers for quarantine stations officer to work efficiently. Currently, because of lack of manpower a dedicated official from the plant quarantine wing needs to take minimum four days even more to give the import permit, export PC certificate and release order. To fully understand the sampling and processing good, the adequate workforce and special officer employment is critical concern. On the other hand, stakeholders informed about the higher service fees amounting 200 taka for online application of PC Certificate and Import Permit whereas the certificate fees are around 50 taka. The overall competency of the quarantine personnel is not always at their best because of frequent transfers from Plant Quarantine Wing to another wing when the tenure comes. Due to this reason the competency and skill cannot be developed as would be required in areas of phytosanitary certification, pest identification, diagnosis and other relevant phytosanitary issues that require experience along with technical expertise. The inadequate logistic and technical staff support specially in different plant quarantine stations especially in Bhomara, Akhaura and other land port create extra barrier to facilitate export.

7.3.4 Lack of accredited laboratories and logistic facilities

In a discussion with the stakeholders, it was revealed that there are lack of laboratory for the wing though a number of project have been taken to establish research laboratory. For example, Heat treatment facilities in *Chapainawabganj* and other area can facilitate trade and investment in mango and other potential products. They further urged that as Bangladesh does not maintain domestic food safety procedures, some issues related to SPS issues arise naturally in cases of export. Meanwhile, farmers and exporters are unaware of using scientific methods while exporting their products. For maintaining traceability of the products, it was suggested to follow zoning in regional export zone. It is necessary to have a regional testing laboratory at export zone because although if the export of mangos is subject to strict inspection in Rajshahi, by the time it reached Dhaka, it had become contaminated. Meanwhile, the officials further stressed pest risk analysis especially for pest basis and using pest in crop to reduce the health hazard related issues while exporting. From stakeholder interview, it was found that the fundamental issue with export is that Bangladeshi exporters are unwilling to adhere to GAP (Good Agricultural practice), where plant quarantine wing along with private sector industries and relevant association can take pragmatic measures to raise the awareness of the stakeholders. Stakeholders urged in Public Consultation for expanding agro-product exports, a study needs to conduct for evaluating whether the contract farming with compliance is friendly for agro-product trade or following Good Agriculture Practices (GAP) is necessary. This will help address the needs of GAP and ensure that agricultural products meet export requirements.

7.3.5 Institutional Capacity of Department of Live Stock and Its Gap Analysis

The Animal Diseases Act does not have sufficient provisions to require the DLS to establish an animal disease information management system for recording and analyzing notifiable and other animal disease information. There is no requirement in any of the current legislation for the DLS to use risk analysis in setting standards for importation of animals and animal products. The DLS is weakly represented on the Pharmacy Board and there is currently insufficient regulatory control over the registration, distribution, sale and use of veterinary medicines or biologicals in Bangladesh for livestock. As private veterinary practice develops and the commercialization of poultry and dairy farming grows in volume, there will be an urgent need to address the regulation of veterinary drugs in order to avoid the misuse of medicines, addressing the SPS concerns. In some cases, powers and authority to make technical decisions and delegate responsibility have been vested in the Director General of the DLS who is not always a veterinarian, whilst in others, for instance the power to ban or regulate the import of animals or animal products, is given to the Customs Authority under the Import and Export Control Act (1950) and the Customs Act (1969) and Import Policy Order 2021-24, where opinion of DLS are considered less important. Such cases could compromise the technical independence of the DLS. DLS is currently

issue certificate for sweet meat (like sweet, Yogurt and other milk products) while BSTI also issue certificate of these product. Lack of coordination of BSTI with DLS make confusion which institution should issue certificate on these products. Similarly, DLS is the authority, providing approval for the farming of pigeon, hen and other domestic animal but sometimes Forest Department intervene some of the farming house, having the approval of DLS for farming⁶⁶.

7.3.6 Institutional Capacity of Department of Fisheries inspection and Quality Control Wing and Its Gap Analysis

The government of Bangladesh has formulated the national fisheries policy which provides the legal framework for better management of the fisheries sector and contributing to the nation's economy. The policy mainly focuses on enhancing production of the fisheries sector. Indeed, it emphasized biological and ecological resource sustainability as well as social and economic aspects of the fisher community. Even the national fisheries policy is rich in a strength, management regime, and it is not supported by the required actions of putting the policy into practice but the fisheries department has the accredited lab facilities in Bangladesh and testing standard can be classified as world standard. The testing certificate given by the Department of Fisheries inspection and Quality Control Wing, are well accepted in worldwide. Specially in EU and other export destination, fisheries department has proved its ability with scientific ability and testing procedure.

7.3.7 Lack of Coordination Various Department with Department of Fisheries

Department of Fisheries are responsible authorities for prevention and control of diseases in fishes and aquatic animals. They are also responsible for the safety and quality of fish and aquaculture products. Because of lack of coordination between department of fisheries, water development board and ministry of agriculture, zoning in shrimp cultivation cannot be ensured till now. Which land should be used for agricultural sector and which should not, there is always debate regarding this issues. Land use in coastal Bangladesh is diverse, competitive and conflicting. Agriculture, shrimp farming, salt production, forestry, ship-breaking yards, ports, industry, settlements and wetlands are some of the uses. However, as the region has a history of traditional shrimp farming, polders provided an opportunity for intensive shrimp farming. Crop land and mangroves were transformed to shrimp farming. This created social conflict. Planned management of diverse land use, including zoning, has been recommended to follow to mitigate this conflict.

7.3.8 Weakness in Good Agriculture Practice (GAP) Policy Implementation

The responsibility for the implementation of Good Agriculture Practice (GAP) policy has already been delegated institutionally by formulating a time-bound action plan.

⁶⁶ Interview of BFTI Team with the Stakeholders

Bangladesh Agricultural Research Council (BARC) has been nominated as a scheme owner. In addition, a steering committee, technical committee and certification committee consisting of various stakeholders have been formed to manage the GAP policy. In the existing value chain process, the farmers' products go through a channel of intermediaries who take a big chunk of the money from both the farmer and the customer but most of them are not following GAP. However, there are some looming threats. From 1997 to 2010, pesticide usage in food production increased eight folds. With the increasing use of pesticides in food production comes the threat of dangerous diseases like leukemia, lung cancer, and birth effects, among others.

Fear of harvest loss, pressure of market demand, unaware farmers of the dangers of using insecticides and lack of supervision from both the private sector and the government, lead farmers to conduct traditional farming. Finally, as customers themselves are not completely aware of the threat of pesticides and other contaminants in their food, retailers don't feel the need to pay much attention to this issue. Hence, implementation of the GAP policy has become the challenging task for Bangladesh. Moreover, regarding contract farming following GAP, there's limitation from the private sector to invest in training and education, and that's where the call is for the public sector and the government, who can support the research and development on how to best improve food safety.

7.3.9 Reluctant to comply with the import requirements

It has been learned from the DAE personnel that the Exporters are reluctant to comply with the import requirement of the importing countries. Most of them are not yet prepared to meet the current phytosanitary requirements, mostly because the domestic market does not enforce phytosanitary measures. Complying with the Phytosanitary issues like Codex issues MRL, HACCP and GAP issues are burden for them. Though they are now gradually improving their preparedness. "There are not sufficient supporting staff and official against the approved workforce are working at the moment at different quarantine stations..."

Some of the challenges related to implementation of SPS measures are as follows:

- a. Lack of awareness among stakeholders about:
 - Rules & regulations of modern production system
 - Bad impacts of insecticides and pesticides
 - SPS requirements of the importing countries
- b. Inadequate capacity to comply with SPS requirements – this is particularly true for small and medium enterprises because their lack of equipment, trained personnel, and often unhygienic production facilities, and poor control over the supply chain. For example, in 2017, due to presence of formalin (a toxin, which is added as a preservative, and not naturally found in fish) in samples of fish

imported from Bangladesh. The news clippings from both countries clearly mention that formalin was found in all 6 samples of the export consignments from Bangladesh checked at the Agartala Integrated Check Post (ICP), and from 5 other samples of Bangladeshi fish collected from the Market.

- c. Inadequate infrastructure and lab facilities at the national level.
- d. Weak coordination among various entities involved in production and export activities.

Such setbacks are clear examples of institutional weakness of the concerned implementation authorities (in this case, Department of Livestock and Fisheries) to carry out the required tests before the consignment was cleared for export. Lack of adequate number of personnel is a major reason for such incidents of failure to comply with the regulations⁹. The fish export to Tripura resumed again officially on May 22, 2017. However, the export consignments would go only through Agartala ICP, as this port has the only one having a formalin testing facility, and other 5 land ports of Tripura do not have such facilities.

7.4 International Best Practices

BSTI develops the standards in conformity with ISO, Codex Alimentariaux, and other internationally accepted norms. It was revealed by the BSTI personnel that BSTI has already developed over 4008 standards⁶⁷, all in harmony with international norms. However, they cannot yet enforce the standards due to lack of adequate facilities for conformity assessment, both in terms of equipment, laboratories, and personnel, and also in some cases, due to absence of Standard Operating Procedures (SOPs) for conformity assessment. Similarly, Bangladesh can follow international best practices:

Case Study 1

7.4.1 Successful activities of the Malaysia WTO/TBT Inquiry and Notification Point

The Malaysian WTO/TBT Inquiry and Notification Point (MWENP) has been managed by appointment of the Malaysian Government since 1993 by SIRIM Berhad⁶⁸. Since January 2002, this function was managed by the Standards Research and Management Center, a department attached to SIRIM Berhad. MWENP provides a number of services, including:

- Assistance in answering foreign inquiries regarding existing or proposed Malaysian Standards, regulations and conformity assessment systems;
- Assistance in answering domestic inquiries regarding existing or proposed standards, regulations and conformity assessment systems affecting trade of

⁶⁷ BSTI Annual Report, BSTI, 2021

⁶⁸ SIRIM Perhaps is a wholly-owned company of the Malaysian Government under the control of its Ministry of Finance. Considered as the government's mandated machinery for research and technology development and the national champion of quality, SIRIM Berhad has always played a important role in the creative activities and the growth of the private sector in Malaysia. More about the SIRIM's activities, see: <http://www.sirim.my/home>

other WTO Members;

- Assistance in the preparation and submission of notification of Malaysia's proposed technical regulations to WTO in accordance with TBT agreement obligations;
- Disseminating information on proposed foreign regulations to government agencies, institutions, organizations, associations and other interested parties in Malaysia through the WTO/TBT Newsletter; and
- Managing National TBT Subcommittee (NSC)⁶⁹.

Of these five services provided, the fourth has been particularly successful in past years in facilitating export activities of Malaysian manufacturing industries in general, and of the Malaysian plastic industry in particular. Examples of successful services are activities relating to the WTO/TBT Notification Newsletter⁷⁰ and to Export Alert!. Regarding the WTO/TBT Notification Newsletter, it is published in order to propagate information to Malaysian companies and other interested parties on notifications made by other WTO Members under the article 10 of the TBT Agreement⁷¹. It consists of a summary of the proposed technical regulations and a conformity assessment requirement, including its name, a brief description about its fields of application and related rules; a final date for comments and proposed date of entry into force. This timely capture of information is critical for the Malaysian plastic manufacturers to ensure that they have time to find suitable solutions to these changes. In addition, under the TBT Agreement, a member is entitled to make comments on the proposed technical regulations of the other Members in a reasonable time fixed by them, the fore-mentioned permanent publication is so important that Malaysian exporters may review these proposed technical regulations and forward their comments

Export Alert!, is a unique, automated, and customized e-mail notification service that helps exporters in general, and plastic manufacturers in particular, keep abreast of technical regulatory changes in global markets before they enter into force. For example, when foreign regulators update the requirements that apply to any Malaysian export product, an e-mail is sent by Export Alert! To industry subscribers³⁵. In addition, subscribers are entitled to full access to complete texts of the proposed technical regulations and are given an opportunity to directly comment on changes. This free service, the only alert service of its kind in Malaysia, is provided by SIRIM Berhad with the support of the Malaysian Government.

⁶⁹ Malaysian WTO/TBT Inquiry and Notification Point, Retrieved from: <http://www.sirim.my/web/srmc/overview1>.

⁷⁰ WTO/TBT Notification Newsletter, Retrieved from: <http://www.sirim.my/web/srmc/wto/tbt-notificationnewsletter>

⁷¹ Article 10.1 of the TBT Agreement provides: "Each Member shall Each Member shall ensure that an enquiry point exists which is able to answer all reasonable enquiries from other Members and interested parties in other Members as well as to provide the relevant documents regarding..."

Case Study 2

7.4.2. Measures applied by Thailand to overcome SPS regulations

SPS measures have been found to be barriers to agricultural trade, particularly for developing and the least-developed countries, since it is financially, scientifically and technically challenging for them to comply with related SPS obligations. SPS measures are problematic themselves but large exporters like Thailand can only maintain their competitiveness by meeting the importers' SPS regulations. On such a basis, Thailand has developed a food safety system and conformity assessment on the ground such that there will be equivalent food safety standards for domestic and foreign consumers in conformity with international standards. Moreover, the National Bureau of Agricultural Commodity and Food Standards (ACFS) in Thailand is responsible for "developing standards and processes for production of agricultural commodities and food products; inspect and certify product standards at farm-level production, monitor and evaluate on-going programs and measures on food safety, engage in international negotiations on technical aspects at the bilateral level and with the international organizations to ensure fairness of the use of SPS measures and function as the Central Information Center and Traceability on food standards of agricultural commodities". All these efforts have been made to make sure that Thai agricultural products can meet the SPS requirements in importing countries⁷².

Furthermore, Thailand has also placed an effective import control system focusing on target chemical residues, plant and animal diseases and pests; encouraged the use of hygienic practices and HACCP in the industry and promoted farm registration and certification. In such a way, exporters need to obtain products certification, export permits from related government departments and have their products inspected for chemical residues through a rather complicated, expensive and time consuming procedures. Although exporters might be upset as the products have already begun to spoil by the time they have finished all those processes, it is necessary to certify their product quality in order to avoid detention and/or destruction that might happen when products reach destination.

Case Study 3

7.4.3. Measures applied by India to overcome SPS and TBT regulations

India has managed to create suitable position for itself in the global food market and is currently amongst the largest producers for some food products in world. These include production of grains like wheat and paddy, dairy, fruits and vegetables, marine products etc. Some incentives are taken by India in SPS regulations as follows⁷³-

⁷² Implementation of SPS/TBT agreements experiences from other countries and lessons for Vietnam, Ngoc Thuy Hoa, Ha Ngoc Nguyenb and Ngan Kim Vu , 2013

⁷³ Case study on SPS measures and TBT measures in India: An analysis, Rita Ghial, Assistant Professor, Department of Law, Punjab University, Chandigarh, Punjab India, International Journal of Academic Research and Development, Volume 3; Issue 1; January 2018; Page No. 1334-1340,

Food Safety and Standard Authority of India under the Food products Orders, Essential Commodities and the Prevention of Food Adulteration Acts specify the bindings for the producers and sellers of foodstuff. It regulates sanitary and hygienic conditions at all levels of supply chain, and lay down the minimum requirements for:

- Sanitary and hygienic conditions of premises, surrounding environment and personnel;
- Water to be used for processing;
- Machinery and equipment;
- Product standards

Besides this, maximum limits of preservatives, additives and contaminants have also been specified for various products. Ministry of Food Processing Industries, Ministry of Agriculture and some other agencies are responsible for implementing these legislations. The followings are giving the various legislations enacted, and the institutions responsible for their implementation:

- Ministry of Agriculture control the Insecticide, Milk and Milk Product, Meat Food Product
- Ministry of Rural Development: Directorate of Marketing and Inspection (DMI) responsible for Agriculture Produce (Grading and Marking).
- Ministry of Health and Family Welfare inspect Prevention of Food Adulteration.
- Ministry of Food Processing Industries inspect the quality of Fruit and Vegetables Product.
- Ministry of Commerce control the Export (Quality Control and Inspection)
- Ministry of Civil Supplies, Consumer Affairs and Public Distribution control Standards of Weights and Measures, Standards of Weights and Measures (Enforcement), Solvent Extracted Oils, De-oiled Meal and Edible Flour, Vegetables Product and Bureau of Indian Standards.
- Ministry of Environment and Forests inspect Aquaculture Authority Notification, Environment Protection, Coastal Regulation Zone for marine products

Some others important organization are as follows-

- a) **Bureau of Indian Standards (BIS):** "This is a premier organization for setting standards. So far it has set more than 17,000 standards, out of which 150 are mandatory, while others are voluntary.
- b) **Food and Agriculture Department (FAD):** It deals with the standardization in the field of food and agriculture, including processed food, agricultural inputs, agricultural machinery and livestock husbandry.
- c) **Ministry of Food Processing Industry (MFI):** As the name suggests, this ministry formulates the procedures and standards for the food processing industries
- d) **Export Inspection Council (EIC):** This is an apex agency that facilitates exports

of SPS compliant commodities. It also gives advice to the government regarding measures to be taken for enforcement of quality control an inspection. EIC provides three kinds of inspection and certification:

- Consignment-wise inspection.
- In-process quality control.
- Food safety management system-based certification.

Case Study 4

7.4.4 U.S. Strategy for Addressing SPS and TBT Concerns

The United States maintains ongoing interagency processes and mechanisms to identify, review, analyze, and address foreign government standards-related measures that can act as barriers to U.S. exports. These activities are coordinated through the Trade Policy Staff Committee (TPSC), which is chaired by United States Trade Representative (USTR) and comprised of representatives from federal agencies with an interest in foreign standards-related measures⁷⁴. Representatives meet formally a few times per year and also maintain ongoing informal consultation and coordination on SPS and TBT issues throughout the year. Representatives of the subcommittee include officials from USDA, the Department of Commerce, and the Department of State, and also officials from the Office of Management and Budget (OMB) and federal regulatory agencies, such as the HHS Department's Food and Drug Administration (FDA) and the Environmental Protection Agency (EPA). More broadly, USTR chairs an interagency group (i.e., both USDA and non-USDA agencies with SPS and TBT responsibilities) that meets regularly on WTO SPS issues. As part of this ongoing interagency process, the United States regularly reviews SPS and TBT measures involving globally traded goods that are notified to the WTO, as required under the SPS and TBT Agreements.

Ongoing Interagency Efforts: Regarding agricultural products, the U.S. process for identifying and dealing with SPS and TBT issues is coordinated, at least in the initial stages, by staff of USDA's Foreign Agricultural Service (FAS), the lead USDA trade agency. An FAS office is the designated WTO "enquiry" point for communicating with other countries on SPS measures, and shares information with and from industry groups and exporters, USTR, FAS's overseas posts, and various regulatory agencies such as USDA's Animal and Plant Health Inspection Service (APHIS) and Food Safety and Inspection Service (FSIS), EPA, and FDA. FAS staff maintain a database on foreign SPS and agriculture related TBT measures with a potential impact on trade, even those which may comply with WTO or other international trade agreement provisions. FAS chairs regular meetings of USDA technical staff from various USDA agencies to discuss the status of emerging and ongoing SPS/TBT issues, including options for resolving a potential dispute.

⁷⁴ USTR's Report on Technical Barriers to Trade

As SPS and agriculture-related TBT concerns arise in USA, technical staff and other government officials usually initiate at least informal dialogue with countries concerning the measure in question. They also communicate with affected industries in the private sector. Oftentimes an SPS or TBT issue is most likely to be resolved when USDA or other government experts discuss its scientific aspects with their foreign counterparts. These staff-level discussions often help the importing and exporting parties to clarify their differences, and to determine mutually acceptable conditions for importing the affected product that will not compromise the importing party's safeguards.

U.S. Reporting Systems: USTR is required to submit to the President, the Senate Finance Committee, and appropriate committees in the House of Representatives, an annual report on significant foreign trade barriers, the National Trade Estimate Report on Foreign Trade Barriers (or NTE report). The NTE report covers significant barriers – including tariffs and various nontariff barriers, including those that are consistent and also inconsistent with international trading rules. The report categorizes, describes, and in some cases quantifies these barriers on a country-by-country basis. As part of its NTE Report and its other two accompanying reports on SPS and TBT barriers to U.S. trade, USTR⁷⁵ reports that SPS and TBT trade barriers continue to threaten, constrain, or block U.S. agricultural exports. These reports address concerns within more than 60 major U.S. trading partners.

Responsibility of U.S. Government Agencies: The United States, like other countries, has in place an extensive, often intersecting, system to protect consumers from unsafe food and agricultural products and to protect its animal and plant resources from foreign pests and diseases. A variety of statutes and implementing regulations, directives, and administrative procedures underpin this system. These essentially constitute the nation's SPS measures. At the same time, U.S. officials work cooperatively with other governments, frequently within international scientific bodies, to develop commonly recognized guidelines for SPS measures (and TBTs) that will promote balanced but safe trade in plants, animals, agricultural, and food products.

Trade Policy and Negotiations: The Office of the United States Trade Representative (USTR), an agency within the Executive Office of the President, is responsible for developing and coordinating U.S. international trade policy and overseeing negotiations with other countries, including with respect to foreign SPS and TBT measures. USTR meets with governments, business groups, legislators, public interest groups, and other

⁷⁵ USTR, *National Trade Estimate Report on Foreign Trade Barriers* (or NTE Report); also USTR's *Report on Sanitary and Phytosanitary Measures and Report on Technical Barriers to Trade 2010*

interested parties to gather input on SPS and TBT issues and to discuss trade policy and negotiating positions. USTR coordinates U.S. trade policy through an interagency structure, and also serves as the lead U.S. agency in negotiating bilateral, regional, and multilateral trade agreements and lead U.S. counsel in all WTO disputes. USTR consults with other government agencies on trade policy matters through the Trade Policy Review Group (TPRG) and the Trade Policy Staff Committee (TPSC), and coordinates processes regarding the specialized subgroups addressing SPS and TBT issues.

Food and Agricultural Products Related Strategies: Within the Department of Health and Human Services, the Food and Drug Administration (FDA) oversees the safety of most human and animal foods and drugs. The primary exceptions are meat and poultry and their products, which are regulated by USDA's Food Safety and Inspection Service (FSIS) under the Federal Meat Inspection Act and the Poultry Products Inspection Act. USDA's Animal and Plant Health Inspection Service (APHIS) has lead responsibility for animal and plant health under the Animal Health Protection Act and the Federal Plant Protection Act. Pesticides are regulated by the independent Environmental Protection Agency (EPA) under the Federal Insecticide, Fungicide, and Rodenticide Act.

Each of the responsible agencies has promulgated an extensive body of regulations to implement these laws, all of which apply to imports as well as domestic products. For example, plants, animals, and their products require an APHIS import permit. Whether a product can be imported and the conditions for entry are dependent upon an APHIS risk assessment of a product and where it originated, taking into account internationally recognized scientific guidelines—that is, for animal health, the Office of International Epizootics (OIE), and for plant health, the International Plant Protection Convention (IPPC). The risk assessment usually culminates with formal rules in the Federal Register. FSIS evaluates foreign meat and poultry programs to ensure their equivalency with U.S. requirements and reinspects samples at the border. FDA requires imports to comply with the same safety and labeling standards that apply to domestic foods.

Chapter 8: Recommendation & Conclusion

The prioritized recommendations proposed in this chapter are based on the findings of the National Diagnostic Study (NDS), analysis of relevant trade data and the suggestions retrieved from the KII, Focus Group Discussion and Public Consultation. Following the suggested SPS and TBT measures in trade, Bangladesh can **proliferate** its product diversification in potential export markets. All of these recommendations are categorized under the following categories, namely: (i) Infrastructure Development & Institutional Strengthening; (ii) Coordination; (iii) Reform of Policy and Legislative Frameworks and (iv) Capacity Building and R&D.

8.1 Recommendation on Infrastructure Development & Institutional Strengthening

The following recommendations can guide to facilitate Infrastructure Development of BSTI, Plant Quarantine Wing, DAE, BFSA and others SPS and TBT related agencies:

1. Increase the number of accredited labs at strategic locations adjacent to industry clusters, ports and main trading hubs;
2. SPS and TBT certification authorities need to develop their own Standard Operating Procedure (SOP) to reduce the cost and time for providing the SPS and TBT certificate for export and import;
3. Standard Operating Procedures (SOP) should also be reviewed with evolving obligations and requirements of Trade Facilitation;
4. Introduce One Stop Service (OSS) for health certificate with effective SOP to facilitate trade.
5. Upgrade laboratory equipment, logistic apparatus and trained personnel at testing labs of Quarantine station at land and seaport;
6. Promote consistent compliance with GLOBAL GAP and establish a certification body for GLOBAL GAP for close cooperation between private sectors and government regulators;
7. The testing facility needs to be expanded by registering or enlisting modern laboratories of various private, international, or educational establishments by BSTI or government standards;
8. Import rapid detection devices and kits for BFSA, BSTI, and other testing labs to pare the time-consuming conventional testing methods for microbiological contamination of food;
9. Strengthen the logistic support and technical support at every plant quarantine station at the port while incentivizing the technical professional with fiscal and non-fiscal incentives;
10. The Plant Quarantine Wing should have administrative power so that they can employ their technical officer in the plant quarantine section and not be transferred to any other post of the Department of Agriculture Extension;

11. Quality standards for products should be consistently applied to local and export-oriented products while following Codex standards for food additives in both domestic and foreign markets;
12. The current list of 229 products requiring the mandatory Certification Marks (BSTI) should be expanded according to their importance for both domestic and export markets;
13. The number of accredited testing of products parameters needs to be increased by expanding the technical and lab capacities of BSTI;
14. Chemical residue testing, heavy metal testing, antibiotic and hormone testing, pesticide testing, virus, bacterium, fungus, mycotoxin testing, illnesses diagnostic lab, and reference lab should be introduced;
15. Existing Bangladesh Trade Portal may be updated on a regular basis, particularly for the SPS and TBT related information in export and import;
16. Modern cool chain and packaging facilities needs to be established near the ports area for perishable goods.

8.2 Recommendation on Coordination

To subsequent suggestions may promote better inter-agency coordination:

1. Ministry of Commerce may encourage relevant associations and business chambers to organize training programs, and seminars and provide technical policy support for exporters regarding SPS and TBT;
2. Ministry of Commerce may formulate a national single coordination body regarding SPS and TBT issues which should include representatives from respective ministries, SPS and TBT related government agencies, private sectors, and business associations;
3. Ministry of Commerce may formulate national single window under a coordination body aligned with WTO notification system regarding SPS and TBT issues
4. A notification platform for SPS and TBT needs to be established for regular notification and update in line with e-ping WTO notification system.
5. The ToR of the coordination body may include the clause like identifying the SPS and TBT related barriers in international trade, disseminating notification, promoting MRA with potential trade partners, facilitating training and workshop on raising awareness among business and consumer regarding SPS and TBT issues.
6. Organize minimum two coordination meetings on a quarterly basis on SPS and TBT issues under the Ministry of Commerce for addressing the challenges while exporting to foreign markets;
7. The National Trade Portal should regularly be updated in line with WTO E-ping notification system to serve as a one-stop service where traders can get updated

- data and notifications on their respective products;
8. The various ministries and public agencies engaged in administering SPS and TBT-related regulations should enhance inter-agency coordination under the National Focal point, WTO Wing, Ministry of Commerce;
 9. The private sector should inform Bangladesh Trade & Tariff Commission (BTTC) instantly whenever they face any SPS and TBT-related problem in export so that BTTC can directly point out the problem while negotiating with a potential trade partner;
 10. EPB may create a common information hub for SPS and TBT for exporters.

8.3 Recommendation on Reform of Policy and Legislative Frameworks

Reformation of laws and signing MRA agreements have significant implications for expanding export of potential sectors of Bangladesh. In this context, the following recommendations are suggested:

1. Laws governing the SPS and TBT regimes in Bangladesh, need to be updated and brought in line with international standards, and obligations of human, animal, and plant health;
2. The Government may introduce fiscal and other incentive schemes to attract private sector investors for establishing testing laboratories and other SPS-TBT-related infrastructure, testing facilities, and labs;
3. Develop Mutual Recognition Agreements (MRA) and Conformity Assessment Procedures with neighboring SASEC countries as well as other potential trading partners;
4. Increase the number of accredited testing parameters of to attract EU, India and other bilateral trade partners to sign Mutual Recognition Agreement with Bangladesh.

8.4 Recommendation on Capacity Building and R&D

Investing in R&D and training initiatives can help businesses and individuals stay up-to-date with the latest developments in SPS and TBT issues. In this context, the following suggestions are prescribed:

1. A need assessment study for priority infrastructure, including major laboratories under BSTI, DAE, Department of Fisheries and Bangladesh Food Safety Authority needs to be initiated;
2. A detailed study needs to be conducted to identify laws, rules and policies of Bangladesh that are not complying with international standards of SPS and TBT issues;
3. The government may develop a formal procedure for responding to the SPS and TBT dispute in international trade to mitigate the loss of exporters and farmers, like the Thai government;
4. Technical, vocational institutions and universities should include appropriate

curricula and design courses on subjects such as metrology, food safety, chemical and toxic hazards, and so forth;

5. A new study needs to be taken to address, whether contract farming along with compliance will expedite the export of agricultural products or Bangladesh can expand Agro-Products exports in farming level by following Good Agriculture Practice (GAP) in farming level.
6. Strengthen the BAB capacity to provide accreditation services for conformity assessment bodies (CABs) related to SPS and TBT measures. This would involve enhancing BAB's technical competence and its ability to conduct assessments and evaluations of CABs in accordance with international standards and guidelines.

8.5 Conclusion

Reviewing the context of existing infrastructure and SPS and TBT-related skills, regulatory authorities should facilitate capacity-building activities of technical professionals, as it will facilitate trade concerning SPS and TBT issues. Meanwhile, it was found in KII, FGD, Public Consultation and the secondary literature reviews that regulatory authorities should implement the existing policies and review the regulations related to SPS and TBT measures to suit the needs of the trade regime of the 21st century. Moreover, the government may facilitate the capacity building of the regulatory authorities by empowering the implementing agencies, and allocating adequate financial resources, human resources, and technical and financial support for the lab while adopting additional international standards both in the domestic market and in export. The international compliance of SPS and TBT needs to be followed in all phases of production, processing, retailing, and trading at the domestic and international levels. In the case of coordination at the national level, the Ministry of Industry, Ministry of Agriculture, and Ministry of Live Stock and Fisheries under the umbrella of the Ministry of Commerce can develop an integrated approach with the participation of the relevant private sector and the public agencies. Similarly, these ministries and their relevant authorities can play a vital role in addressing the existing gaps regarding infrastructure and the lack of awareness among exporters about SPS and TBT-related information. Furthermore, it is suggested to improve institutional efficiency through reforms in procedural steps followed for SPS or TBT-related functions, such as sampling, testing, inspection, conformity assessment, certification, etc. At the same time, in the case of infrastructure, relevant ministries and agencies may develop and scale up existing lab facilities and initiate a needs assessment study for the infrastructure needs of the major institutions responsible for SPS and TBT administration. Besides, develop an incentive mechanism for mobilizing investments and accreditation of testing laboratories and enhance cooperation with regulatory authorities. All of these exercises will help to formulate future strategies for trade and industrialization, facilitating the compliance of SPS and TBT in the world market.

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Appendices

Appendix 1: Participant List KII and FGD

Annex Table -1: KII Participant list

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2. Mr. Nafees Imtiaz, Deputy Director, Daffodil International University;
3. Mr. Shamsuddin Ahmed, Ex-Director, EPB;
4. Mr. Md. Shawkat Ali, Deputy Secretary, Policy, Law & International Cooperation, Ministry of Industries;
5. Mr. Md. Serajul Islam, Senior Asst. Director, Department of Fisheries (DoF);
6. Mr. Atiqure Rahman, Business Manager (Agricultural Commodities), SGS;
7. Mr. Habibur Rahman Shamim Mridha, Secretary, Bangladesh Live and Chilled Food Exporters Association (BLCFEA);
8. Mr. Aminul Islam, Secretary, Bangladesh Land Port Authority (BLPA);
9. Mr. A.H.M. Golam Saklayen, representative, Inter-Tek

Participant list for FGD-2

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2. Mr. Md. Serajul Islam, Senior Asst. Director, Department of Fisheries (DoF)
3. Ms. Tripti Gonsalves, Vice-Chairman, Bangladesh Live and Chilled Food Exporters Association (BLCFEA);
4. Mr. Abdur Rahman, Deputy Chief, MCCI;
5. Mr. Md. Zahangir Alam, Asst. General Manager, Pran Group (BAPA);
6. Dr. Foyasal Khan, Deputy Executive Secretary, DCCI;
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8. Mr. Md. Humayun Kabir, Senior QCO, Bangladesh Frozen Foods Exporters Association (BFFEA);
9. Mr. Md. Hafizur Rahman, Executive Secretary, Bangladesh Fruits, Vegetables & Allied Product Exporter's Association (BFVAPEA);
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Appendix 1.2: Participant List of Public Consultation

Participants of the Public Consultation Program are as Follows:

SL	Name & Designation	Designation	Organization
1.	Mr. Nazmus Sakib Khan	Deputy Director	Bangladesh Bank
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5.	Mr. Ziaul Islam,	Deputy Director (Export)	Department of Agriculture Extension (DAE)
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8.	Dr. Md. Houmyoun Kabir Khan	Director (Strategic Investment Unit)	Bangladesh Investment Development Authority (BIDA)
9.	Mr. Rashedul Islam	Sr. Executive	Bangladesh Garment Manufacturers and Exporters Association (BGMEA)
10.	Mr. Md Shahidul Islam	First Secretary (Addl. Commissioner)	NBR (Customs)
11.	Mr. Shamsuddin Ahmed	Consultant	BFTI
12.	Mr. Md. Monjurul Islam	Advisor	Bangladesh Fruits, Vegetables & Allied Product Exporter's Association (BFVAPEA)
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22.	Mr. Ahsanul Hasan	Officer	Bangladesh Agro-Processors' Association (BAPA)
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25.	Ms. Nazma Begum	Joint Secretary	Ministry of Industries
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30.	Mr. Md. Fahim Bin Asmat	Deputy General Manager	SME Foundation
31.	Shah Mohammad Mahbub		BIDA
32.	Mr. Rasel Ahmed	Investigator	EPB
33.	Mr. Habibur Rahman Mridha	Secretary	Bangladesh Live & Chilled Food Exporters Association (BLCFEA)

Appendix 1.3: Questionnaire of KII on 4th Studies

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার

বাণিজ্য মন্ত্রণালয়

ডিরিউটিও সেল

বাংলাদেশ রিজিওনাল কানেস্টিভিটি প্রজেক্ট-১

(প্রকল্পের আওতায় পরিচালিত চার (০৪)টি স্টাডির মধ্যে চার (০৪) নম্বর স্টাডির প্রয়োজনে মূল তথ্যদাতা
(কেআইআই)-গণের জন্য প্রশ্নমালা)

(৪টি স্টাডি, পিএসসি কর্তৃক নির্ধারিত)

স্টাডির বিষয়ঃ আন্তর্জাতিক বাণিজ্য উন্নয়নের লক্ষ্যে Sanitary and Phyto-sanitary (SPS) ও Technical Barrier to Trade (TBT) এর সমন্বয়সাধন এবং এর জন্য নোটিফিকেশন ও সনদপত্র প্রদান পদ্ধতি এবং অবকাঠামো সম্প্রসারণ।

Study 4: Sanitary and Phyto-sanitary (SPS) and Technical Barrier to Trade (TBT) co-ordination and notification, certification process and infrastructure for promoting trade.

১ম অংশ: সাধারণ তথ্য

উত্তরদাতার নামঃ

প্রতিষ্ঠানের নামঃ

প্রতিষ্ঠানের ঠিকানাঃ

মোবাইল নাম্বার ই-মেইল ঠিকানা

মন্ত্রণালয়/বিভাগ

২য় অংশ: নির্দিষ্ট প্রশ্নাবলী

১) আপনি কি মনে করেন যে বাংলাদেশে মানব, প্রাণী ও উদ্ভিদ স্বাস্থ্য সুরক্ষার জন্য যেসব নির্ধারিত বিদ্যমান বিধি/ব্যবস্থা/নির্দেশিকা আছে সেগুলো বিজ্ঞানভিত্তিক এবং আন্তর্জাতিক মানসম্পন্ন? উত্তরের স্বপক্ষে মতামত দিন।

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২) বাংলাদেশের ব্যবসায়ীরা আন্তর্জাতিক বাণিজ্য ক্ষেত্রে পণ্যভিত্তিক কি কি ধরনের এসপিএস (SPS) ও টিবিটির (TBT) সম্মুখীন হয়ে থাকে?

আমদানি	রপ্তানি

৩) বাংলাদেশে এসপিএস (SPS) ও টিবিটি (TBT) সংক্রান্ত কি ধরনের আইন ও বিধিমালা রয়েছে? এবং এক্ষেত্রে টেস্টিং (Testing), ইন্সপেকশন (Inspection) ও সার্টিফিকেশন (Certification) এ জড়িত কোন কোন সংস্থা বিদ্যমান রয়েছে?

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৪) আপনি কি মনে করেন যে বাংলাদেশে এসপিএস (SPS) বিষয়ক নিয়ম ও প্রবিধানসমূহ জাতীয় এবং আন্তর্জাতিক ক্ষেত্রে ভিন্নরকম ও বৈষম্যমূলক?

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৫) বাংলাদেশে মানব, প্রাণি ও উদ্ভিদ স্বাস্থ্য (SPS) সুরক্ষা এবং বাণিজ্যে কারিগরী বাধা (TBT) অপসারণ বিষয়ক বিদ্যমান বিধানাবলী ও করণীয় বিষয়ে ব্যবসায়ীদের কি পরিকার ধারণা রয়েছে এবং ব্যবসায়ীগণ ও সংশ্লিষ্ট সংস্থার জন্য এইধরনের তথ্যাবলী কি সহজপ্রাপ্য?

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৬) আপনার মতে বর্তমানে আন্তর্জাতিক বাণিজ্যে এসপিএস (SPS) ও টিবিটি (TBT) এর শর্তসমূহে পরিপালনের ক্ষেত্রে বিদ্যমান চ্যালেঞ্জ কি কি?

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৭) বাংলাদেশে এসপিএস (SPS) ও টিবিটির (TBT) ক্ষেত্রে যথেষ্ট পরীক্ষাগার (Laboratory) ও অবকাঠামোগত সুবিধা আছে বলে আপনি মনে করেন?

ক) হ্যাঁ খ) না

৮) ৭ নং প্রশ্নের উত্তর হ্যাঁ হলে,

ক) কি ধরনের পরীক্ষাগার (Laboratory) প্রয়োজন?

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খ) কি ধরনের অবকাঠামোগত উন্নয়ন প্রয়োজন?

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৯) আপনি কি অন্যান্য দেশের (SPS) ও (TBT) ক্ষেত্রে এমন কোনো উত্তম পদ্ধতি বা বেস্ট প্র্যাক্টিস উল্লেখ করতে পারবেন যা বাংলাদেশে চালু করলে বাণিজ্য সহজীকরণে ভূমিকা রাখবে?

ক)এসপিএস (SPS)

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খ) টিবিটি (TBT)

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১০) আপনার মতামত অনুসারে SASEC ভুক্ত দেশসমূহে (ভারত, ভুটান, মালদ্বীপ, মায়ানমার, নেপাল ও শ্রীলংকা) বাংলাদেশ থেকে রপ্তানিতে সম্ভাবনাময় পণ্য কি কি?

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১১) আপনার মতামত অনুসারে বাংলাদেশ ও SASEC ভুক্ত দেশসমূহের (ভারত, ভুটান, মালদ্বীপ, মায়ানমার, নেপাল ও শ্রীলংকা) মধ্যকার বাণিজ্যে কি ধরনের বাধা-বিপত্তি বিদ্যমান আছে?

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১২) বাংলাদেশের (SPS) ও (TBT) এর নোটিফিকেশন ডব্লিউটিওতে দেয়ার পদ্ধতি উন্নয়নের সুযোগ আছে কি?

ক) হ্যাঁ

খ) না

১৩) WTO Agreement on SPS and TBT অনুসারে আন্তর্জাতিক বাণিজ্যে (SPS) ও (TBT) এর শর্ত অনুসরণ এবং (SPS) ও (TBT) এর নোটিফিকেশন কমপ্লায়েন্স ব্যবস্থার উন্নয়নে কি কি ব্যবস্থা গ্রহণ করা যেতে পারে বলে আপনি মনে করেন?

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উত্তরদাতার স্বাক্ষর (সীলসহ):

তথ্যসংগ্রহকারীর নাম :

স্বাক্ষরঃ

তারিখঃ

Annex 1: List of Accredited Conformity Assessment Bodies

Sl. No.	Name of the CAB	Field/status
Testing Laboratory (ISO/IEC 17025:2005)		
1.	Institute of National Analytical Research Services (INARS), BCSIR , Dhaka	Withdrawn
2.	Bangladesh Standards and Testing Institutions (BSTI): Chemical, Biological and Physical testing Laboratories in Dhaka	Products Testing
3.	SGS Bangladesh Limited, Dhaka	Textile Testing
4.	AAA Corporation-Laboratory-01, Gazipur	Chemical Testing
5.	Interstoff Apparels Ltd. Laboratory (IALL), Gazipur	Textile Testing
6.	Fish Inspection and Quality Control (FIQC) Laboratory, Savar, Dhaka	Food Testing
7.	Textile Testing Services Ltd., Gazipur	Textile Testing
8.	Testing Laboratory, Dysin International Ltd., Dhaka	Textile Testing
9.	ITS Labtest Bangladesh Ltd., Tejgaon I/ A, Dhaka	Textile Testing
10.	Concrete Innovation and Application Centre (CIAC), Holcim Cement (Bangladesh) Ltd., Dhaka	Mech. test of Aggregate and Concrete
11.	Lub-rref (Bangladesh) Ltd. Chittagong Petroleum	Products Testing
12.	Bureau Veritas Consumer Products Services (Bangladesh) Ltd., Savar, Dhaka	Textile Testing
13.	Nestle Sreepur QA Laboratory, Gazipur	Food Testing
14.	Fish Inspection and Quality Control (FIQC) Laboratory, Chittagong	Food Testing
15.	Fish Inspection and Quality Control (FIQC) Laboratory, Khulna	Food Testing
16.	Modern Testing Services (Bangladesh) Ltd., Savar, Dhaka	Textile Testing
17.	Bureau Veritas Consumer Products Services (Chittagong) Ltd	Voluntary suspension
18.	ITS Labtest Bangladesh Ltd., Chittagong	Textile Testing
19.	Analytical Chemistry Laboratory, Atomic Energy Centre, Dhaka	Chemical Testing
20.	Central laboratory, Divine Fabrics Ltd., Gazipur	Textile Testing
21.	Petromax Refinery Ltd. Khulna Petroleum	Product Testing
22.	Central Laboratory, Samuda Chemical Complex Limited, Munshiganj	Chemical Testing

Sl. No.	Name of the CAB	Field/status
23.	TÜV SÜD Bangladesh (Pvt.) Ltd., Dhaka	Textile Testing
24.	Bangladesh Material Testing Laboratory Ltd., Dhaka Construction	Construction material testing
25.	Quality Control Laboratory, Julphar Bangladesh Ltd., Gazipur	Pharmaceutical Testing
26.	NUSDAT-UTS, Walton Hi-Tech Industries Ltd., Gazipur	Electrical Testing
27.	PRAN Beverage Laboratory, PRAN Dairy Limited, Narshingdi	Food Testing
28.	Fakir Testing Services Ltd., Fatulla, Narayanganj	Textile Testing
29.	TAHA GIYIM Lab Bangladesh, Gulshan, Dhaka	TAHA GIYIM Lab Bangladesh, Gulshan, Dhaka Textile Testing
30.	SGS Food & Agricultural Testing Laboratory, Dhaka	Food Testing
31.	UL VS Bangladesh Ltd., Uttara, Dhaka	Textile Testing
32.	Plasma Plus Application and Research Laboratory, Uttara, Dhaka	Textile, Food, Pharmaceuticals and Environmental testing
33.	Brachi Testing Service (BD) Ltd., Kawan Bazar, Dhaka	Textile Testing
34.	Amber Textile Services Ltd., Gazipur	Textile Testing
35.	SGS Bangladesh Limited, Chittagong	Textile Testing
36.	TÜV Rheinland Bangladesh PVT. Ltd., Gulshan, Dhaka	Dhaka Textile testing
37.	Quality Control Laboratory (Central Laboratory), Renata Limited, Mirpur, Dhaka	Pharmaceutical testing
38.	Quality Control Laboratory (Potent Product Facility), Renata Limited, Mirpur, Dhaka	Pharmaceutical testing
39.	Pesticide Analytical Laboratory (PAL), BARI, Gazipur	Chemical testing
40.	GMS Testing Laboratory, Gazipur	Textile testing
41.	Testing Laboratory, Impess-Newtex Composite Textiles Limited, Tangail	Textile testing
42.	Testing Laboratory, Qtex Solutions Limited, Uttara, Dhaka	Chemical testing
Calibration Laboratory (ISO/IEC 17025:2005)		
43.	National Metrology Laboratory (NML-BSTI), Dhaka	Calibration (Length, Temperature, Mass, Volume, Pressure, Time and Frequency)

Sl. No.	Name of the CAB	Field/status
44.	Training Institute for Chemical Industries (TICI), Narshindi	Mechanical
45.	Calibration Laboratory, Dysin International Ltd., Dhaka	Voluntary suspension
46.	OTS (Pvt.) Ltd., Dhaka	Mechanical
47.	Instrumentation Engineering Services Ltd., Dhaka	Mechanical
Medical Testing Laboratory (ISO 15189:2012)		
48.	United Hospital, Pathology Laboratory, Gulshan, Dhaka	Pathological Testing
49.	Pathological Laboratory, Labaid Limited, Dhanmondi, Dhaka	Pathological Testing
Certification Body (ISO/IEC 17021:2011)		
50.	BSTI, Management System Certification Wing, Dhaka	Management Systems (ISO 9001, ISO 14001, ISO 22000 and HACCP) Certification
51.	United Certification Services Limited, Dhaka	Management System Certification
Inspection Body (ISO/IEC 17020:2012)		
52.	Qtex Solutions Limited, Dhaka	Qtex Solutions Limited, Dhaka
53.	Envirotech International Ltd., Uttara, Dhaka	Workplace Environment

Source: Bangladesh Accreditation Board, as on July 2017

Annex 2: Top 10 export products from Bangladesh to other SASEC countries in the most recent year at the 6-digit HS code level

Annex Table 1: Top 10 export to Bhutan in Fiscal Year 2021-2022 (July-June)

Sl. no	HS code (6 digit)	Description	Export value in US\$
1	261900	Slag, dross, etc, from the manufacture of iron or steel	2,585,175.20
2	200989	Juice of any other single fruit or vegetable other than Cranberry Juice	1,686,163.84
3	620711	Men's or boys' underpants and briefs of cotton	1,080,905.81
4	392410	Tableware and kitchenware of plastics	735,256.61
5	190590	Other bread, etc, nes; communion wafers, rice paper, etc	591,020.80
6	761510	Table, kitchen or other household articles and parts thereof; of aluminium polishing	415,410.05
7	190531	Sweet biscuits	270,745.52
8	340111	Soap and organic surface-active products in bars, etc, for toilet use	201,163.41
9	170490	Sugar confectionery (incl. white chocolate), not containing cocoa, nes	186,504.74
10	300490	Other medicaments of mixed or unmixed products, for retail sale, nes	185,785.41
	Total of top 10		7,938,131.39
	% share of top 10 in total export to Bhutan	US \$ 7,938,131.39 as percentage of total export value of US \$ 9555321.87	83.08%

Data source: Export Promotion Bureau, Bangladesh (http://epb.gov.bd/site/view/epb_export_data/2021-2022)

Annex Table 2: Top 10 export to India

Sl. no	HS code (6 digit)	Description	Export value in US \$
1	151590	Other fixed vegetable fats and fractions, nes	182,019,655.19
2	620342	Men's or boys' trousers, breeches, etc, of cotton	114,724,996.91
3	631090	Used or new rags, worn out scrap twine, cordage, rope, etc, not sorted	85,022,320.42
4	230400	Oil-cake and other solid residues, of soya-bean	84,786,775.06
5	530310	Jute, etc (excl. flax, true hemp and ramie), raw or retted	80,838,615.97
6	420212	Trunks, suit-cases..., etc, with outer surface of plastic or textiles	60,912,537.49
7	720421	Waste and scrap of stainless steel	60,131,677.98
8	610910	T-shirts, singlets and other vests, of cotton, knitted or crocheted	59,523,251.64
9	620520	Men's or boys' shirts of cotton	58,059,023.13

Sl. no	HS code (6 digit)	Description	Export value in US \$
10	281410	Anhydrous ammonia	43,874,427.72
	Total of top 10		829,893,281.51
	% share of top 10 in total export to India	US \$ 829,893,281.51 as percentage of total export value of US \$ 1991390835.610	41.67%

Data source: Export Promotion Bureau, Bangladesh (http://epb.gov.bd/site/view/epb_export_data/2021-2022)

Annex Table 3: Top 10 export to Maldives

Sl. no	HS code (6 digit)	Description	Export value in US \$
1	70190	Other potatoes, fresh or chilled	789,090.75
2	220210	Waters (incl. mineral and aerated), with added sugar, sweetener, etc	754,310.38
3	190540	Rusks, toasted bread and similar toasted products	469,526.00
4	190190	Food prep's of goods of hdgs 0401-0404 or of flour, meal, etc not cont'g cocoa...nes	469,359.55
5	610910	T-shirts, singlets and other vests, of cotton, knitted or crocheted	438,523.79
6	300390	Other medicaments with >=2 constituents, not for retail sale, nes	319,858.42
7	300490	Other medicaments of mixed or unmixed products, for retail sale, nes	317,948.05
8	20220	Frozen unboned bovine meat (excl. carcasses)	310,172.59
9	300320	Medicaments of other antibiotics, not for retail sale	242,092.62
10	190590	Other bread, etc, nes; communion wafers, rice paper, etc	215,017.14
	Total of top 10		4,325,899.29
	% share of top 10 in total export to Maldives	US \$ 4,325,899.29 as percentage of total export value of US \$ 5837167.02	74.11%

Data source: Export Promotion Bureau, Bangladesh (http://epb.gov.bd/site/view/epb_export_data/2021-2022)

Annex Table 4: Top 10 export to Nepal

Sl. no	HS code (6 digit)	Description	Export value in US\$
1	230400	Oil-cake and other solid residues, of soya-bean	50,261,642.64
2	120190	Soya beans, whether or not broken other than Seed, Wrapped/canned upto 2.5 Kg	14,519,451.30
3	530310	Jute,etc (excl. flax, true hemp and ramie), raw or retted	5,311,181.97

Sl. no	HS code (6 digit)	Description	Export value in US\$
4	850710	Lead-acid accumulators for starting piston engines	4,051,378.29
5	70190	Other potatoes, fresh or chilled	2,213,869.32
6	300490	Other medicaments of mixed or unmixed products, for retail sale, nes	1,903,165.68
7	300439	Medicaments of other hormones, for retail sale, nes	1,885,919.20
8	700510	Non-wired unworked sheets of float/ground/polished glass, with absorbant ...layer	1,521,751.59
9	190540	Cotton waste, nes	1,250,840.79
10	151319	Sugar confectionery nes (includg white chocolate),not containg cocoa	1,204,847.23
	Total of top 10		84,124,048.01
	% share of top 10 in total export to Nepal	US \$ 84,124,048.01 as percentage of total export value of US \$ 105501576.030	79.74%

Data source: Export Promotion Bureau, Bangladesh (http://epb.gov.bd/site/view/epb_export_data/2021-2022)

Annex Table 5: Top 10 export to Sri Lanka

Sl. no	HS code (6 digit)	Description	Export value in US\$
1	300490	Other medicaments of mixed or unmixed products, for retail sale, nes	13,007,292.23
2	610910	T-shirts, singlets and other vests, of cotton, knitted or crocheted	3,717,165.32
3	70190	Other potatoes, fresh or chilled	3,283,170.25
4	281511	Sodium hydroxide (caustic soda), solid	3,196,322.92
5	300320	Medicaments of other antibiotics, not for retail sale	3,075,966.92
6	300420	Medicaments of other antibiotics, for retail sale	2,420,945.57
7	300390	Other medicaments with >=2 constituents, not for retail sale, nes	2,325,613.53
8	600192	Pile fabrics of man-made fibres, nes, knitted or crocheted	2,001,454.33
9	300439	Medicaments of other hormones, for retail sale, nes	1,870,992.64
10	70110	Seed potatoes	1,391,949.86
	Total of top 10		36,290,873.57
	% share of top 10 in total export to Sri Lanka	US \$ 36,290,873.57 as percentage of total export value of US \$ 58127763.02	62.43%

Data source: Export Promotion Bureau, Bangladesh (http://epb.gov.bd/site/view/epb_export_data/2021-2022)

Annex 3: Identification of potential export items for exports from the country and subject to SPS/TBT measures of the importing countries

Annex Table 6: Potential export products in Bhutanese market

S. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M	X Share of exports in M (in %) [(4)/(7)]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	190190	Malt extract&food prep of Ch 19 <50% cocoa&hd 0401 to 0404 < 10% cocoa	0	162377	0.79	154452	2.57	0.000%
2.	190219	Uncooked pasta, not stuffed or otherwise prepared, nes	0	732889	1.33	2812483	2.09	0.000%
3.	200980	Fruit&veg juice nes (exc mx) unferment unspirited,whether/not sug/sweet	0	1893061	0.65	510622	0.98	0.000%
4.	220210	Waters incl mineral&aeratd,containg sugar o sweeteng matter o flavourd	51144.5	5211851	0.47	301709	1.18	16.952%
5.	220290	Non-alcoholic beverages nes,excludg fruit/veg juices of headg No 20.09	0	2605020	0.57	543404	1.15	0.000%
6.	230990	Animal feed preparations nes	0	307988	2.36	222205	3.09	0.000%
7.	252329	Portland cement nes	0	17843934	0.08	7574228	0.12	0.000%
8.	271011	Light petroleum oils and preparations	0	44204264	0.94	3892429	1.08	0.000%
9.	330300	Perfumes and toilet waters	0	106054	53.46	123850	843.82	0.000%
10.	390110	Polyethylene having a specific gravity of less than 0.94	0	1244426	0.71	429882	1.19	0.000%
11.	390190	Polymers of ethylene nes, in primary forms	0	288439	0.76	429335	1.52	0.000%
12.	391590	Plastics waste and scrap nes	0	40503320	0.91	529608	2.06	0.000%
13.	392310	Boxes, cases, crates & similar articles of plastic	0	302724	2.78	134293	4.47	0.000%
14.	392690	Articles of plastics or of other materials of Nos 39.01 to 39.14 nes	0	2818980	3.91	379935	7.90	0.000%
15.	401150	Pneumatic tires new of rubber for bicycles	0	1594561	3.05	120977	10.18	0.000%
16.	401693	Gaskets, washers and other seals of vulcanised rubber	0	256972	2.42	110592	8.17	0.000%
17.	420212	Trunks, suit-cases&sim container w/outer surface of plastics/textiles	0	2072331	18.04	195081	22.08	0.000%

S. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M	X Share of exports in M (in %) [(4)/(7)]
18.	420222	Handbags w outer surface of sheetg of plastics o of textile materials	1173	1857792	16.01	332190	31.39	0.353%
19.	420292	Containers, with outer surface of sheeting of plas or tex materials,nes	0	15163559	12.13	420941	14.99	0.000%
20.	460129	Mats, matting and screens, of vegetable plaiting materials, flat-woven	0	260568	2.28	813099	11.01	0.000%
21.	460219	Basketwork, wickerwork and other articles, made directly to shape from	0	2888100	4.29	1079660	10.20	0.000%
22.	490110	Brochures, leaflets and similar printed matter, in single sheets	0	627527	3.07	1256226	9.48	0.000%
23.	490199	Books, brochures, leaflets and similar printed matter, nes	0	221029	5.15	176727	11.97	0.000%
24.	540710	Woven fab of high tenacity fi yarns of nylon oth polyamides/polyesters	0	148696	12.72	592367	33.37	0.000%
25.	610333	Mens/boys jackets and blazers, of synthetic fibres, knitted	0	3246247	16.22	439265	34.09	0.000%
26.	620323	Mens/boys ensembles, of synthetic fibres, not knitted	0	769003	17.16	197858	32.24	0.000%
27.	620452	Womens/girls skirts, of cotton, not knitted	0	117522712	23.77	308000	43.68	0.000%
28.	630231	Bed linen, of cotton, nes	0	135938160	9.62	100952	11.49	0.000%
29.	631010	Used or new rags of textile materials, sorted	0	33587696	0.45	102392	4.91	0.000%
30.	631090	Used or new rags of textile materials, not sorted	0	23971734	0.46	1394332	3.70	0.000%
31.	690290	Refractory bricks etc nes	5951	589834	0.04	118561	0.08	5.019%
32.	690410	Building bricks	0	137253	0.11	156049	0.14	0.000%
33.	690790	Tiles, cubes and sim nes, unglazed ceramics	0	188076	0.25	225996	3.34	0.000%
34.	690890	Tiles, cubes and sim nes, glazed ceramics	0	739870	0.25	179029	0.83	0.000%
35.	720719	Semi-fin prod, iron or non-alloy steel, cntg by wght <.25% carbon, nes	0	1350980	0.70	1590667	0.86	0.000%
36.	730900	Reservoirs,tanks,vats&sim ctrn,cap >300L,i o s (ex liq/compr gas type)	0	155179	3.63	210560	4.28	0.000%
37.	731100	Containers for compressed or liquefied gas of	0	158687	0.53	383632	2.73	0.000%

S. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M	X Share of exports in M (in %) [(4)/(7)]
		iron or steel						
38.	731815	Bolts o screws nes,with o without their nuts o washers,iron o steel	0	260224	2.48	146971	7.26	0.000%
39.	732399	Table,kitchen or oth household art&parts thereof,of iron or steel,nes	0	409444	8.69	380142	24.86	0.000%
40.	840999	Parts for diesel and semi-diesel engines	0	1047647	4.99	355857	14.93	0.000%
41.	841191	Parts of turbo-jets or turbo-propellers	0	135606	39.72	190379	1167.88	0.000%
42.	841391	Parts of pumps for liquid whether or not fitted with a measurg device	0	104375	25.18	199259	39.88	0.000%
43.	841490	Parts of vacuum pumps, compressors, fans, blowers, hoods	0	223487	1.77	144406	8.38	0.000%
44.	844399	Parts and accessories of printers, copying machines and facsimile mach	0	1329780	29.17	245094	68.64	0.000%
45.	846693	Parts & accessories nes for use on machines of headg No 84.56 to 84.61	0	527058	4.14	692202	5.04	0.000%
46.	847330	Parts&accessories of automatic data processg machines&units thereof	62	899127	12.09	1216773	68.99	0.005%
47.	850211	Generatg sets,diesel/semi-diesel engines,of an output not exced 75 KVA	0	960078	8.14	340379	13.71	0.000%
48.	850213	Generatg sets,diesel/semi-diesel engines,of an output exceedg 375 KVA	0	213309	7.97	401499	13.70	0.000%
49.	850239	Electric generating sets	0	401043	13.73	572087	20.49	0.000%
50.	850422	Liq dielect transf havg a power handlg cap >650 KVA but <= 10,000KVA	0	297328	5.51	1506773	7.04	0.000%
51.	850440	Static converters, nes	0	237532	39.84	573725	122.15	0.000%
52.	851712	Telephones for cellular networks mobile telephones or for other wirele	0	1243912	174.92	223227	14932.98	0.000%
53.	851762	Machines for the reception, conversion and transmission or regeneratio	0	265000	166.06	3136358	696.22	0.000%
54.	851769	Apparatus for the transmission or reception of voice, images or other	0	125500	19.82	111198	3619.83	0.000%

S. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M	X Share of exports in M (in %) [(4)/(7)]
55.	851770	Parts of telephone sets, telephones for cellular networks or for other	0	2891463	60.93	1956443	158.68	0.000%
56.	852580	Television cameras, digital cameras and video camera recorders	0	329079	99.86	160603	989.86	0.000%
57.	854140	Photosensitive semiconduct device,photovoltaic cells&light emit diodes	0	7314036	1693.31	270585	3885.35	0.000%
58.	854390	Parts of electrical machines & apparatus havg individual functions,nes	0	247262	1110.33	121592	1373.03	0.000%
59.	870324	Automobiles with reciprocating piston engine displacing > 3000 cc	0	131849	10.46	567419	17.20	0.000%
60.	870390	Automobiles nes including gas turbine powered	0	367198	2.03	8544662	24.69	0.000%
61.	870810	Bumpers and parts for motor vehicles	0	298705	11.81	148934	23.27	0.000%
62.	870899	Motor vehicle parts nes	535	284893	5.68	1038434	11.07	0.052%
63.	903180	Measuring or checking instruments, appliances and machines, nes	0	240374	332.68	186278	419.75	0.000%
64.	940169	Seats with wooden frames, nes	0	221891	4.63	215353	7.70	0.000%
65.	940179	Seats with metal frames, nes, other than those of heading No 94.02	0	2659868	5.29	178502	18.08	0.000%
66.	940320	Furniture, metal, nes	0	1759928	4.59	346867	5.37	0.000%
67.	940360	Furniture, wooden, nes	0	664785	4.98	850025	5.45	0.000%
68.	940390	Furniture parts nes	0	254903	2.57	806789	6.08	0.000%
69.	940550	Non-electrical lamps and lighting fittings	0	299775	10.09	160540	18.65	0.000%
70.	940600	Prefabricated buildings	0	465244	2.39	127050	3.23	0.000%
71.	950699	Articles&equip for sports&outdoor games nes&swimmg&paddlg pools	0	1452866	9.20	870062	10.53	0.000%

Data source: UN Comtrade Database

Note: X = Bangladesh being country of exports, M = Bhutan being the importing country

Color Code: Orange = SAFTA sensitive list (phase II)

Annex Table 7: Potential export products in Indian market

S. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M	X Share of exports in M (in %) [(4)/(7)]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	030616	Frozen cold-water shrimps and prawns	0	2062926	8.73	8412623	26.59	0.000%
2.	050800	Coral&sim mat,shellfish shell,cuttl bone,echinoderm unwk unshp pdr&wast	0	1232998	0.58	5366523	2.79	0.000%
3.	090240	Black tea (fermented) & partly fermented tea in packages exceedg 3 kg	0	1501780	2.20	42310300	2.23	0.000%
4.	100630	Rice, semi-milled or wholly milled, whether or not polished or glazed	0	5569144	0.89	1124982	0.99	0.000%
5.	120740	Sesamum seeds, whether or not broken	0	17671538	0.96	54318556	1.52	0.000%
6.	170199	Refined cane or beet sugar, solid, without flavouring or colouring matter	0	4954871	0.68	3600403	1.61	0.000%
7.	190410	Prep foods obtaind by the swellg o roastg of cereal o cereal products	138582	4043849	1.01	1376803	2.70	10.065%
8.	190531	Sweet biscuits	50478	2213301	1.31	4293499	2.82	1.176%
9.	190590	Communion wafers,empty cachets f pharm use&sim prod&bakers' wares nes	1013418	9494282	1.75	8529443	2.73	11.881%
10.	200819	Nuts&seeds nes incl mx,o/w prep o presvd,sugard,sweetend,spiritd o not	232117	2241248	1.25	5864912	3.72	3.958%
11.	200980	Fruit&veg juice nes (exc mx) unferment unspiritd,whether/not sug/sweet	280156	1893061	0.65	5978389	1.45	4.686%
12.	200989	Juice of fruit or vegetables, unfermented, whether or not containing added sugar or other	70851	6189548	0.43	7544313	1.93	0.939%
13.	200990	Mixtures of juices unfermentd¬ spiritd whether o not sugard o sweet	70382	3562315	0.48	4600449	1.89	1.530%
14.	240120	Tobacco, unmanufactured, partly or wholly stemmed or stripped	28192	80136376	4.22	14692954	8.21	0.192%
15.	300420	Antibiotics nes, in dosage	0	7477425	63.38	37812312	1186.42	0.000%
16.	300440	Alkaloids or their derivs, not cntg antibiotics or hormones, in dosage	0	1245041	27.29	3238604	1848.11	0.000%

S. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M	X Share of exports in M (in %) [(4)/(7)]
17.	300450	Vitamins and their derivatives,in dosage	0	1730534	56.36	6252648	765.61	0.000%
18.	300490	Medicaments nes, in dosage	41822	38608208	32.68	519696128	1038.86	0.008%
19.	382490	Chemical/allied industry preparations/prods nes	43010	1222495	1.81	437501632	2.24	0.010%
20.	392321	Sacks and bags (including cones) of polymers of ethylene	22450	18285068	2.07	13934866	6.84	0.161%
21.	392390	Articles for the conveyance or packing of goods nes, of plastics	25104	12493644	5.03	57254172	5.21	0.044%
22.	401150	Pneumatic tires new of rubber for bicycles	48785	1219433	3.31	1413384	4.81	3.452%
23.	401699	Articles of vulcanised rubber nes, other than hard rubber	1411	1228678	6.87	246262368	10.39	0.001%
24.	410411	Full grains, unsplit and grain splits, in the wet state "incl. wet-blu	81798	3603174	4.14	10519514	11.89	0.778%
25.	410419	Hides and skins of bovine "incl. buffalo" or equine animals, in the we	1336269	20187568	1.61	136971168	8.39	0.976%
26.	410711	Full grains leather "incl. parchment-dressed leather", unsplit, of the	95716	7249054	23.44	6626649	25.31	1.444%
27.	410719	Leather "incl. parchment-dressed leather" of the whole hides and skins	1002729	8684038	23.25	49992488	24.03	2.006%
28.	410799	Leather "incl. parchment-dressed leather" of the portions, strips or s	3357032	26481616	18.63	48091040	21.41	6.981%
29.	411390	Leather further prepared after tanning or crusting "incl. parchment-dr	10397	1014800	15.94	7420622	22.15	0.140%
30.	420211	Trunks,suit-cases & similar containers with outer surface of leather	0	1938137	38.22	4919645	42.80	0.000%
31.	420222	Handbags w outer surface of sheetg of plastics o of textile materials	18889	6300535	21.18	40290048	23.37	0.047%
32.	420231	Articles carried in pocket or handbag, with outer surface of leather	1961	6670260	64.56	8975033	95.70	0.022%
33.	420292	Containers,with outer surface of sheeting of plas or tex materials,nes	8677	46789332	14.63	8179359	17.16	0.106%
34.	520531	Cotton yarn,>/=85%, multi,	0	1068331	2.01	4246833	6.86	0.000%

S. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M	X Share of exports in M (in %) [(4)/(7)]
		uncombed,>/=714.29 dtex, not put up, nes						
35.	520942	Denim fabrics of cotton,>/=85%, more than 200 g/m2	60293	1466536	5.58	25974726	7.74	0.232%
36.	521142	Denim fabrics of cotton, <85% mixed with m-m fib, more than 200 g/m2	8434	1572110	6.33	6007753	7.44	0.140%
37.	540752	Woven fabrics,>/=85% of textured polyester filaments, dyed, nes	2656	1513538	8.32	39374156	10.65	0.007%
38.	550510	Waste of synthetic fibres	38624	1012110	0.71	15774128	0.83	0.245%
39.	550810	Sewing thread of synthetic staple fibres	6951	2044634	4.33	3514677	6.40	0.198%
40.	560750	Twine, cordage, ropes and cables, of other synthetic fibres	140784	1407589	4.58	5390569	4.99	2.612%
41.	570110	Carpets of wool or fine animal hair, knotted	0	1177568	32.21	1100114	35.68	0.000%
42.	610333	Mens/boys jackets and blazers, of synthetic fibres, knitted	128380	5800536	14.82	2000384	33.64	6.418%
43.	610343	Mens/boys trousers and shorts, of synthetic fibres, knitted	195039	76416432	13.16	2288011	27.19	8.524%
44.	610443	Womens/girls dresses, of synthetic fibres, knitted	6500	67012888	17.79	2565116	41.27	0.253%
45.	610444	Womens/girls dresses, of artificial fibres, knitted	9574	25875256	19.27	1612017	50.16	0.594%
46.	610462	Womens/girls trousers and shorts, of cotton, knitted	360065	632954688	15.39	1924541	24.23	18.709%
47.	610463	Womens/girls trousers and shorts, of synthetic fibres, knitted	141498	112479288	16.01	2651476	31.27	5.337%
48.	610469	Womens/girls trousers and shorts, of other textile materials, knitted	86584	29350136	12.90	2229680	30.98	3.883%
49.	610510	Mens/boys shirts, of cotton, knitted	1384143	803242944	16.24	9013346	33.88	15.357%
50.	610610	Womens/girls blouses and shirts, of cotton, knitted	131550	277628832	17.77	2480486	34.47	5.303%
51.	610620	Womens/girls blouses and shirts, of man-made fibres, knitted	73405	55897416	20.51	4985064	37.86	1.473%

S. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M	X Share of exports in M (in %) [(4)/(7)]
52.	610690	Womens/girls blouses and shirts, of other materials, knitted	96091	5035315	29.23	1727079	64.19	5.564%
53.	610711	Mens/boys underpants and briefs, of cotton, knitted	67433	238330304	17.54	1076606	25.27	6.263%
54.	610822	Womens/girls briefs and panties, of man-made fibres, knitted	191263	82710624	32.74	2183354	53.94	8.760%
55.	610990	T-shirts,singlets and other vests,of other textile materials,knitted	851465	393528928	20.75	13711272	40.61	6.210%
56.	611020	Pullovers, cardigans and similar articles of cotton, knitted	1348651	2119963776	18.71	7406716	30.81	18.208%
57.	611030	Pullovers, cardigans and similar articles of man-made fibres, knitted	1725135	1653824000	17.23	9730858	32.85	17.728%
58.	611529	Pantyhose and tights of textile materials, knitted or crocheted (excl.	294675	4277618	16.92	2945894	24.14	10.003%
59.	611610	Gloves impregnated, coated or covered with plastics or rubber, knitted	499480	9299095	7.13	2985748	17.45	16.729%
60.	611692	Gloves, mittens and mitts, nes, of cotton, knitted	146519	3310163	6.90	1801153	7.15	8.135%
61.	611710	Shawls, scarves, veils and the like, of textile materials, knitted	35604	8709872	15.91	2053608	36.69	1.734%
62.	611780	Clothing accessories nes, of textile materials, knitted	607	5001783	22.61	3682634	32.46	0.016%
63.	620193	Mens/boys anoraks and similar articles,of man-made fibres,not knitted	694106	280954688	31.36	4306281	43.53	16.118%
64.	620293	Womens/girls anoraks & similar article of man-made fibres,not knitted	372105	183799600	30.84	1893299	45.24	19.654%
65.	620311	Mens/boys suits, of wool or fine animal hair, not knitted	0	12333893	45.45	3109312	132.54	0.000%
66.	620331	Mens/boys jackets and blazers,of wool or fine animal hair,not knitted	2489	7943577	39.97	3047517	104.47	0.082%
67.	620332	Mens/boys jackets and blazers, of cotton, not knitted	681156	22292324	21.12	3686955	46.20	18.475%
68.	620333	Mens/boys jackets and blazers, of synthetic	2333409	35654384	24.96	10753335	39.42	21.699%

S. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M	X Share of exports in M (in %) [(4)/(7)]
		fibres, not knitted						
69.	620339	Mens/boys jackets and blazers, of other textile materials, not knitted	169200	6219831	31.11	1988091	64.74	8.511%
70.	620341	Mens/boys trousers and shorts,of wool or fine animal hair,not knitted	0	6759261	24.13	1123825	65.56	0.000%
71.	620432	Womens/girls jackets, of cotton, not knitted	76990	33603368	22.99	1063163	49.80	7.242%
72.	620433	Womens/girls jackets, of synthetic fibres, not knitted	479129	42086400	23.25	3596695	49.13	13.321%
73.	620439	Womens/girls jackets, of other textile materials, not knitted	39906	6120088	22.34	1381546	71.25	2.889%
74.	620442	Womens/girls dresses, of cotton, not knitted	17554	63645488	26.04	2799426	52.49	0.627%
75.	620443	Womens/girls dresses, of synthetic fibres, not knitted	13446	22152798	23.83	3636751	57.40	0.370%
76.	620444	Womens/girls dresses, of artificial fibres, not knitted	45996	14267148	33.22	2936295	65.46	1.566%
77.	620449	Womens/girls dresses, of other textile materials, not knitted	5197	16167585	4.12	1417496	142.63	0.367%
78.	620453	Womens/girls skirts, of synthetic fibres, not knitted	17802	21824696	19.85	1062314	43.50	1.676%
79.	620462	Womens/girls trousers and shorts, of cotton, not knitted	3336426	2388698624	19.73	18984876	32.91	17.574%
80.	620463	Womens/girls trousers and shorts, of synthetic fibres, not knitted	246255	153748592	19.03	2548511	36.60	9.663%
81.	620469	Womens/girls trousers & shorts,of other textile materials,not knitted	446220	137576304	20.07	4538225	42.42	9.832%
82.	620630	Womens/girls blouses and shirts, of cotton, not knitted	268291	387380480	28.67	3057907	50.39	8.774%
83.	620640	Womens/girls blouses and shirts, of man-made fibres, not knitted	205446	143075312	23.50	7632045	51.29	2.692%
84.	620920	Babies garments and clothing accessories of cotton, not knitted	379923	362621408	22.77	2092594	33.71	18.156%
85.	620990	Babies garments&clothg accessories of oth	47999	7408246	19.34	2229244	31.85	2.153%

S. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M	X Share of exports in M (in %) [(4)/(7)]
		textile materials,not knitted						
86.	621010	Garments made up of textile felts and of nonwoven textile fabrics	0	1947511	8.65	2117904	10.30	0.000%
87.	621040	Mens/boys garments nes,made up of impreg,ctd,cov,etc,textile woven fab	257535	211656400	29.07	2374969	43.56	10.844%
88.	621210	Brassieres and parts thereof, of textile materials	1283840	239589344	33.33	10540461	66.71	12.180%
89.	621290	Corsets,braces & similar articles & parts thereof,of textile materials	40639	6432439	33.13	1529437	47.06	2.657%
90.	621600	Gloves, mittens and mitts, of textile materials, not knitted	14012	1068607	11.09	1356173	35.90	1.033%
91.	630399	Curtain/drape/interior blind curtain/bd valance,of oth tex mat,nt knit	350	3226402	5.73	3302329	7.68	0.011%
92.	630492	Furnishing articles nes, of cotton, not knitted or crocheted	529122	3450578	11.99	20519456	13.56	2.579%
93.	630532	Flexible intermediate bulk containers, man-made mater	28243	31035342	2.54	1423459	7.65	1.984%
94.	630539	Sacks & bags,for packing of goods,of other man-made textile materials	0	1069477	2.27	1297338	4.91	0.000%
95.	630590	Sacks and bags, for packing of goods, of other textile materials	115130	1480662	4.37	1007654	6.38	11.426%
96.	630622	Tents, of synthetic fibres	159333	146401344	6.41	1165530	7.87	13.670%
97.	630790	Made up articles, of textile materials, nes, including dress patterns	8163	10564076	4.42	19915856	6.04	0.041%
98.	640291	Footwear,outer soles/uppers of rubber or plastics,coverg the ankle,nes	144483	14277063	13.43	1167669	19.77	12.374%
99.	640299	Footwear, outer soles/uppers of rubber or plastics, nes	122016	34297020	14.61	54812112	18.86	0.223%
100	640320	Footwear,outr sole/uppr of leathr,strap across the instep/arnd big toe	109110	1008116	23.28	9480026	40.67	1.151%
101	640351	Footwear, outer soles and uppers of leather, covering the ankle, nes	290517	2025084	22.29	2815402	57.43	10.319%
102	640359	Footwear, outer soles and uppers of leather, nes	63373	5089800	35.88	11312132	67.00	0.560%

S. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M	X Share of exports in M (in %) [(4)/(7)]
103	640391	Footwear,outer soles of rubber/plast uppers of leather covg ankle nes	89827	173939824	26.29	3635586	36.75	2.471%
104	640399	Footwear, outer soles of rubber/plastics uppers of leather, nes	185741	202574976	24.18	36123232	35.71	0.514%
105	640411	Sports footwear w outer soles of rubber o plastics&uppers of tex mat	628906	10148156	18.90	25064524	31.28	2.509%
106	640419	Footwear o/t sports,w outer soles of rubber/plastics&uppers of tex mat	3480341	83806016	14.01	45910036	21.57	7.581%
107	640520	Footwear with uppers of textile materials, nes	41	1748136	10.41	4652976	20.97	0.001%
108	640690	Parts of footwear; removable in-soles, heel cushions and similar articles; gaiters, leggin	0	2699501	2.75	26271638	5.62	0.000%
109	670300	Human hair,worked;wool/animal hair&other tex mat,prepared for wigs,etc	0	1569191	19.47	1212233	102.90	0.000%
110	701959	Woven fabrics of glass fibre nes	0	1446441	2.23	11817453	4.88	0.000%
111	720917	Cold rolled iron/steel, coils >600mm x 0.5-1mm	0	4335747	0.73	379781632	0.78	0.000%
112	844399	Parts and accessories of printers, copying machines and facsimile mach	32245	1451873	20.29	384963008	56.03	0.008%
113	847330	Parts&accessories of automatic data processg machines&units thereof	95727	2168803	21.46	1502694400	83.38	0.006%
114	850431	Transformers electric power handling capacity not exceeding 1 KVA, nes	14811	2548841	22.07	49057020	25.32	0.030%
115	850720	Lead-acid electric accumulators nes	207198	3982005	4.08	125791304	4.29	0.165%
116	851770	Parts of telephone sets, telephones for cellular networks or for other	19251	2021177	42.09	3195409152	54.69	0.001%
117	853120	Indicator panels incorporatg liquid crystal device/light emittg diode	7828	5571505	124.39	28203828	134.13	0.028%
118	871200	Bicycles and other cycles (including delivery tricycles),not motorised	3076757	79521152	8.46	36177328	8.72	8.505%
119	880212	Helicopters of an unladen weight exceeding 2,000 kg	0	8485884	907.81	97404760	1167.55	0.000%
120	900211	Objective lenses f cameras,projectors/ photographic	5074	8950738	225.43	28878394	515.32	0.018%

S. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M	X Share of exports in M (in %) [(4)/(7)]
		enlargers/reducers						
121	900219	Objective lenses, nes	7384	6147427	280.78	14456109	584.16	0.051%
122	900290	Lenses, prisms, mirrors and other optical elements, mounted, nes	4292	6236751	206.18	18279344	446.79	0.023%
123	900311	Frames and mountings for spectacles, goggles or the like, of plastic	0	2305176	264.51	10828524	278.40	0.000%
124	940180	Seats nes, other than those of heading No 94.02	6292	1114797	4.09	22806144	6.69	0.028%
125	940190	Parts of seats other than those of heading No 94.02	19272	2552262	2.93	117528376	8.78	0.016%
126	940430	Sleeping bags	75883	20634042	10.40	1182998	13.26	6.414%
127	950699	Articles&equip for sports&outdoor games nes&swimmg&paddlg pools	391	2254130	9.74	62948416	10.18	0.001%

Data source: UN Comtrade Database

Note: X = Bangladesh being country of exports, M = India being the importing country

Color Code: Orange = SAFTA sensitive list (phase II)

Annex Table 8: Potential export products in Maldivian market

S. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M	X Share of exports in M (in %) [(4)/(7)]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	030389	Frozen fish, n.e.s.	42746	23506244	3.91	601175	8.08	7.110%
2.	030614	Crabs frozen, in shell or not, including boiled in shell	193	511699	4.61	1021635	18.15	0.019%
3.	030617	Other frozen shrimps and prawns	3019	485104704	10.39	5278712	14.75	0.057%
4.	030749	Cuttle fish and squid,shelled or not,frozen,dried,salted or in brine	0	949051	2.23	988350	6.63	0.000%
5.	040229	Milk and cream powder sweetened exceeding 1.5% fat	0	601488	5.24	10895053	5.75	0.000%
6.	070390	Leeks and other alliaceous vegetables, fresh or chilled	272	2015589	2.26	732023	2.34	0.037%
7.	070960	Peppers of the genus Capsicum or of the genus Pimenta,fresh or chilled	1244	1571164	1.51	2816612	3.91	0.044%
8.	070999	Fresh or chilled vegetables n.e.s.	5686	19609992	1.87	3162281	4.13	0.180%
9.	080280	Areca nuts	0	1217600	2.05	2834498	2.90	0.000%
10.	080290	Nuts edible, fresh or dried, whether or not shelled or peeled, nes	42	77270048	1.39	966969	6.84	0.004%
11.	081090	Fruits, fresh nes	945	1064107	3.50	3292557	4.79	0.029%
12.	090230	Black tea (fermented) & partly fermentd tea in packages not exceedg 3 kg	0	995197	3.51	1241293	6.74	0.000%
13.	091099	Spices nes	2441	3926414	1.83	827056	3.10	0.295%
14.	151590	Veg fats&oils nes&their fractions,refind or not but not chemically mod	0	5633706	0.92	7128755	4.18	0.000%
15.	160250	Bovine meat and meat offal nes,excluding livers, prepared or preserved	1234	4213531	4.75	682236	10.27	0.181%
16.	170199	Refined cane or beet sugar, solid, without flavouring or colouring matter	0	6175861	0.70	832053	1.28	0.000%
17.	170490	Sugar confectionery nes (includg white chocolate),not containg cocoa	2022	1436352	1.10	1679701	2.52	0.120%
18.	190219	Uncooked pasta, not stuffed or otherwise prepared, nes	1288	926975	1.25	4845196	2.13	0.027%

S. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M	X Share of exports in M (in %) [(4)/(7)]
19.	190410	Prep foods obtained by the swelling or roasting of cereal or cereal products	2265	4379973	0.97	1290155	4.84	0.176%
20.	190531	Sweet biscuits	8396	1985378	1.32	5968827	1.93	0.141%
21.	200819	Nuts & seeds nes incl mx,o/w prep or preserved,sugared,sweetened,spirited or not	6121	1712723	1.15	2298707	2.97	0.266%
22.	200989	Juice of fruit or vegetables, unfermented, whether or not containing added sugar or other	133656	5375046	0.44	3591262	1.00	3.722%
23.	200990	Mixtures of juices unfermented¬ spirited whether or not sugared or sweet	2869	2242186	0.48	2448919	1.52	0.117%
24.	210690	Food preparations nes	22165	2530853	1.44	6512310	3.49	0.340%
25.	220290	Non-alcoholic beverages nes,excluding fruit/veg juices of heading No 20.09	16436	3317898	0.49	7429186	1.35	0.221%
26.	240220	Cigarettes containing tobacco	4183	704083	9.00	13109530	29.41	0.032%
27.	251710	Pebbles, gravel, broken or crushed stone used for aggregates etc	0	9530377	0.03	11411461	0.04	0.000%
28.	252329	Portland cement nes	575	15673607	0.08	14937755	0.09	0.004%
29.	340111	Toilet soap&prep,shaped;papers&nonwovens impreg with soap toilet use	635	1456139	1.99	1192446	2.62	0.053%
30.	382490	Chemical/allied industry preparations/prods nes	0	1212825	2.12	1837062	3.37	0.000%
31.	390190	Polymers of ethylene nes, in primary forms	0	1207011	0.80	1762300	1.05	0.000%
32.	392321	Sacks and bags (including cones) of polymers of ethylene	360	17132734	2.08	711634	3.26	0.051%
33.	392329	Sacks and bags (including cones) of plastics nes	12	3653973	2.73	729202	5.77	0.002%
34.	392410	Tableware and kitchenware of plastics	0	2650713	4.32	1451000	5.40	0.000%
35.	392490	Household and toilet articles nes, of plastics	84	2706364	3.16	1518251	5.32	0.006%
36.	392690	Articles of plastics or of other materials of Nos 39.01 to 39.14 nes	0	3538275	2.98	4952642	9.59	0.000%
37.	420292	Containers,with outer surface of sheeting of plastic or textile materials,nes	0	34111204	14.01	557368	17.05	0.000%
38.	460290	Basketwork,wickerwork&other article made up	3900	1355013	4.70	578568	5.94	0.674%

S. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M	X Share of exports in M (in %) [(4)/(7)]
		from oth plaited materials						
39.	570299	Carpets of other textile materials, woven, made up, nes	0	8705857	3.21	601168	4.70	0.000%
40.	610342	Mens/boys trousers and shorts, of cotton, knitted	5860	162478192	14.99	1282447	22.53	0.457%
41.	610349	Mens/boys trousers and shorts, of other textile materials, knitted	5049	6161576	21.54	1823534	30.44	0.277%
42.	610449	Womens/girls dresses, of other textile materials, knitted	585	2752745	13.44	887898	82.70	0.066%
43.	610469	Womens/girls trousers and shorts, of other textile materials, knitted	1674	21732514	12.71	588019	31.94	0.285%
44.	610510	Mens/boys shirts, of cotton, knitted	1122	799012224	16.66	577836	34.45	0.194%
45.	610590	Mens/boys shirts, of other textile materials, knitted	3995	4554167	21.82	749562	49.68	0.533%
46.	610990	T-shirts,singlets and other vests,of other textile materials,knitted	16691	341062848	21.24	1555817	39.86	1.073%
47.	630231	Bed linen, of cotton, nes	0	149613120	9.71	935085	11.88	0.000%
48.	630291	Toilet and kitchen linen, of cotton, nes	326	19548562	5.04	1852789	8.57	0.018%
49.	630533	Sacks, bags, packing, of strip plastic material	9869	3437248	2.39	825382	2.90	1.196%
50.	630790	Made up articles, of textile materials, nes, including dress patterns	5	10401985	4.22	803965	15.55	0.001%
51.	640391	Footwear,outer soles of rubber/plast uppers of leather covg ankle nes	0	153400960	25.51	537792	36.22	0.000%
52.	640590	Footwear, nes	3739	945099	15.73	4147705	20.16	0.090%
53.	690890	Tiles, cubes and sim nes, glazed ceramics	0	648920	0.23	7065872	0.49	0.000%
54.	691110	Tableware and kitchenware of porcelain or china	0	46165948	3.94	794673	4.62	0.000%
55.	721049	Flat rolled prod,i/nas,plated or coated with zinc,>/=600mm wide, nes	0	1064813	1.04	4996339	1.46	0.000%
56.	732690	Articles, iron or steel, nes	59403	1079501	2.60	4793177	7.03	1.239%
57.	840999	Parts for diesel and semi-diesel engines	0	965434	4.51	7041206	29.08	0.000%

S. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M	X Share of exports in M (in %) [(4)/(7)]
58.	844399	Parts and accessories of printers, copying machines and facsimile mach	326	1424360	22.66	3814768	55.07	0.009%
59.	851712	Telephones for cellular networks mobile telephones or for other wirele	690	1474310	347.39	14333950	489.46	0.005%
60.	851770	Parts of telephone sets, telephones for cellular networks or for other	0	2333981	48.53	625586	206.88	0.000%
61.	852851	Monitors of a kind solely or principally used in an automatic data-pro	435	807075	33.08	690773	37.52	0.063%
62.	871200	Bicycles and other cycles (including delivery tricycles),not motorised	0	75824288	8.49	816615	8.72	0.000%
63.	940180	Seats nes, other than those of heading No 94.02	0	1367800	3.49	943329	6.57	0.000%
64.	940320	Furniture, metal, nes	0	937030	4.51	2919625	4.95	0.000%
65.	940370	Furniture, plastic, nes	0	660917	1.91	518867	4.99	0.000%
66.	940490	Articles of bedding/furnishing, nes, stuffed or internally fitted	233	5714696	7.13	2619216	9.22	0.009%

Data source: UN Comtrade Database

Note: X = Bangladesh being country of exports, M = Maldives being the importing country.

Color Code: Orange = SAFTA sensitive list (phase II)

Annex Table 9: Potential export products in Nepali market

S. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M	X Share of exports in M (in %) [(4)/(7)]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	140490	Vegetable products nes	0	595989	0.80	1348012	1.62	0.000%
2.	190410	Prep foods obtained by the swellg o roastg of cereal o cereal products	3660	4043849	1.01	935602	2.17	0.391%
3.	190490	Cereals,exc maize (corn),in grain form,pre-cookd or otherwise preparad	1678	1131793	0.91	576087	1.52	0.291%
4.	190531	Sweet biscuits	21222	2213301	1.31	10250660	1.32	0.207%
5.	200819	Nuts&seeds nes incl mx,o/w prep o presvd,sugard,sweetend,spiritd o not	3785	2241248	1.25	665815	3.50	0.568%
6.	200899	Fruits&oth edible pts of plants nes,prep/presvd,sug,sweet/spir/not	695	592122	0.85	3730289	0.90	0.019%
7.	200980	Fruit&veg juice nes (exc mx) unferment unspiritd,whether/not sug/sweet	53477	1893061	0.65	568110	1.27	9.413%
8.	210690	Food preparations nes	70291	3005545	2.44	34384104	3.05	0.204%
9.	252329	Portland cement nes	0	14499271	0.08	34939652	0.08	0.000%
10.	271012	Light petroleum oils and preparations	0	36393344	0.70	299515808	1.10	0.000%
11.	310210	Urea,wthr/nt in aqueous solution in packages weighg more than 10 kg	0	21677092	0.38	80379592	0.47	0.000%
12.	340111	Toilet soap&prep,shaped;papers&nonwovens impreg with soap toilet use	4343	1472447	1.98	2836965	2.05	0.153%
13.	390110	Polyethylene having a specific gravity of less than 0.94	0	584771	1.11	17576328	1.34	0.000%
14.	390190	Polymers of ethylene nes, in primary forms	3	1606062	0.81	1505083	1.54	0.000%
15.	390720	Polyethers nes	8	542130	2.10	2115435	2.32	0.000%
16.	390760	Polyethylene terephthalate	0	580887	0.92	12793576	1.36	0.000%
17.	392410	Tableware and kitchenware of plastics	6559	2980871	4.31	1556111	5.46	0.421%
18.	392490	Household and toilet articles nes, of plastics	43284	3395315	3.27	1411920	5.39	3.066%
19.	392690	Articles of plastics or of other materials of Nos 39.01 to 39.14 nes	1476	3456869	2.99	3698054	4.93	0.040%
20.	400121	Natural rubber in smoked sheets	107072	7389445	2.72	951604	3.16	11.252%

S. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M	X Share of exports in M (in %) [(4)/(7)]
21.	401150	Pneumatic tires new of rubber for bicycles	0	1219433	3.31	767550	4.81	0.000%
22.	401320	Inner tubes of rubber for bicycles	0	897171	4.89	624161	5.77	0.000%
23.	401699	Articles of vulcanised rubber nes, other than hard rubber	0	1228678	6.87	610367	13.76	0.000%
24.	420222	Handbags w outer surface of sheetg of plastics o of textile materials	14	6300535	21.18	1494989	23.37	0.001%
25.	420229	Handbags, of vulcanised fibre or of paperboard	840	611504	18.16	1628827	19.56	0.052%
26.	420330	Belts and bandoliers of leather or of composition leather	609	1532347	32.81	1045412	61.89	0.058%
27.	520531	Cotton yarn,>/=85%, multi, uncombed,>/=714.29 dtex, not put up, nes	0	750050	1.86	6007922	3.09	0.000%
28.	520839	Woven fabrics of cotton,>/=85%, not more than 200 g/m2, dyed, nes	0	513363	8.56	1051700	17.23	0.000%
29.	520942	Denim fabrics of cotton,>/=85%, more than 200 g/m2	141505	1466536	5.58	2081151	7.74	6.799%
30.	610339	Mens/boys jackets and blazers, of other textile materials, knitted	8368	1197304	27.69	723451	39.26	1.157%
31.	610910	T-shirts, singlets and other vests, of cotton, knitted	80829	4420477440	14.65	3731208	27.71	2.166%
32.	610990	T-shirts,singlets and other vests,of other textile materials,knitted	37961	393528928	20.75	6114209	40.61	0.621%
33.	611019	Jerseys, pullovers, cardigans, waistcoats and similar articles, of fin	5113	6659383	18.42	710281	67.78	0.720%
34.	611030	Pullovers, cardigans and similar articles of man-made fibres, knitted	2753	1653824000	17.23	2140338	32.85	0.129%
35.	611599	Hosiery nes, of other textile materials, knitted	635	999939	10.08	2096683	18.36	0.030%
36.	611710	Shawls, scarves, veils and the like, of textile materials, knitted	115	8709872	15.91	501779	36.69	0.023%
37.	620119	Mens/boys overcoats&sim articles of oth textile materials,not knitted	2429	893494	20.23	589113	50.75	0.412%
38.	620199	Mens/boys anoraks&similar articles,of oth textile materials,not knitted	5083	2482153	29.79	657861	50.29	0.773%

S. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M	X Share of exports in M (in %) [(4)/(7)]
39.	620322	Mens/boys ensembles, of cotton, not knitted	3069	3710630	17.14	9828052	21.80	0.031%
40.	620332	Mens/boys jackets and blazers, of cotton, not knitted	766	22292324	21.12	949555	46.20	0.081%
41.	620333	Mens/boys jackets and blazers, of synthetic fibres, not knitted	4053	35654384	24.96	7205533	39.42	0.056%
42.	620339	Mens/boys jackets and blazers, of other textile materials, not knitted	24999	6219831	31.11	542981	64.73	4.604%
43.	620342	Mens/boys trousers and shorts, of cotton, not knitted	40982	4370372608	16.71	2774226	28.03	1.477%
44.	620349	Mens/boys trousers and shorts, of other textile materials, not knitted	18865	51900104	21.77	865911	32.57	2.179%
45.	620412	Womens/girls suits, of cotton, not knitted	490	7231421	36.88	1321206	48.13	0.037%
46.	620413	Womens/girls suits, of synthetic fibres, not knitted	0	5009249	19.88	2317170	39.76	0.000%
47.	620419	Womens/girls suits, of other textile materials, not knitted	3158	584133	8.29	3410182	54.64	0.093%
48.	620422	Womens/girls ensembles, of cotton, not knitted	2110	1604981	19.87	1562061	25.55	0.135%
49.	620442	Womens/girls dresses, of cotton, not knitted	246	63645488	26.04	964212	52.49	0.025%
50.	620469	Womens/girls trousers & shorts, of other textile materials, not knitted	5505	137576304	20.07	652358	42.42	0.844%
51.	620520	Mens/boys shirts, of cotton, not knitted	20207	1812625536	22.24	1522487	43.59	1.327%
52.	620590	Mens/boys shirts, of other textile materials, not knitted	32237	65932064	25.68	1012671	46.77	3.183%
53.	620711	Mens/boys underpants and briefs, of cotton, not knitted	1157	28816222	18.43	1203192	23.76	0.096%
54.	620799	Mens/boys bathrobes, dressg gowns, etc of oth textile materials, not knit	4906	3630260	11.62	563700	15.75	0.870%
55.	620930	Babies garments & clothing accessories of synthetic fibres, not knitted	1459	24590996	18.04	1650841	31.51	0.088%
56.	620990	Babies garments & clothg accessories of oth textile materials, not knitted	3777	7408246	19.34	868104	31.85	0.435%

S. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M	X Share of exports in M (in %) [(4)/(7)]
57.	621040	Mens/boys garments nes,made up of impreg,ctd,cov,etc,textile woven fab	9322	211656400	29.07	1858939	43.56	0.501%
58.	621050	Womens/girls garments nes,of impregnatd,ctd,cov,etc,textile woven fab	1830	125975680	31.59	2163839	43.13	0.085%
59.	621132	Mens/boys garments nes, of cotton, not knitted	638	27034448	17.04	616966	24.76	0.103%
60.	621142	Womens/girls garments nes, of cotton, not knitted	2985	44695024	23.68	9710583	31.59	0.031%
61.	621143	Womens/girls garments nes, of man-made fibres, not knitted	5085	34007864	22.02	6879893	35.11	0.074%
62.	621210	Brassieres and parts thereof, of textile materials	151	239589344	33.33	1398130	66.71	0.011%
63.	621490	Shawls,scarves,veils & the like,of other textile materials,not knitted	99	1030058	24.01	1142300	40.45	0.009%
64.	630221	Bed linen, of cotton, printed, not knitted	28	197799328	9.50	800313	11.64	0.003%
65.	630291	Toilet and kitchen linen, of cotton, nes	6182	20119876	4.89	593094	8.54	1.042%
66.	630612	Tarpaulins, awnings and sunblinds, of synthetic fibres	0	857475	5.79	856514	8.04	0.000%
67.	630629	Tents, of other textile materials	0	1532358	6.54	1048645	8.69	0.000%
68.	640219	Sports footwear, outer soles and uppers of rubber or plastics, nes	0	714902	9.76	1941085	29.01	0.000%
69.	640299	Footwear, outer soles/upper of rubber or plastics, nes	75	34297020	14.61	6170517	18.86	0.001%
70.	640319	Sports footwear,o/t ski,outr sole of rbr/plas/leather&upper of leather	0	835492	30.09	632842	36.86	0.000%
71.	640399	Footwear, outer soles of rubber/plastics uppers of leather, nes	729	202574976	24.18	1610082	35.71	0.045%
72.	640411	Sports footwear w outer soles of rubber o plastics&uppers of tex mat	0	10148156	18.90	771168	31.28	0.000%
73.	640419	Footwear o/t sports,w outer soles of rubber/plastics&uppers of tex mat	2746	83806016	14.01	4044870	21.57	0.068%
74.	640520	Footwear with uppers of textile materials, nes	0	1748136	10.41	2698189	20.97	0.000%
75.	640590	Footwear, nes	8643	990747	17.45	2953483	22.64	0.293%

S. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M	X Share of exports in M (in %) [(4)/(7)]
76.	650400	Hats&other headgear,plaited or made by assemblg strips of any material	468	658276	17.70	630091	24.17	0.074%
77.	650590	Hats&other headgear,knitted or made up from lace,or other textile mat	11370	84613472	18.14	807400	30.87	1.408%
78.	690890	Tiles, cubes and sim nes, glazed ceramics	544	550262	0.23	11808215	0.49	0.005%
79.	691110	Tableware and kitchenware of porcelain or china	0	46156184	3.97	853479	4.81	0.000%
80.	720917	Cold rolled iron/steel, coils >600mm x 0.5-1mm	0	4335747	0.73	1831412	0.78	0.000%
81.	732690	Articles, iron or steel, nes	0	1403297	2.18	2307809	7.03	0.000%
82.	790112	Zinc not alloyed unwrought containg by weight less than 99.99% of zinc	0	1139339	1.47	6553107	2.15	0.000%
83.	840999	Parts for diesel and semi-diesel engines	0	869922	4.50	1999336	29.55	0.000%
84.	844399	Parts and accessories of printers, copying machines and facsimile mach	0	1451873	20.29	553771	56.03	0.000%
85.	850431	Transformers electric power handling capacity not exceeding 1 KVA, nes	0	2548841	22.07	867901	25.32	0.000%
86.	851712	Telephones for cellular networks mobile telephones or for other wirele	95	3358118	389.77	94310864	482.32	0.000%
87.	851770	Parts of telephone sets, telephones for cellular networks or for other	0	2021177	42.09	5243913	206.89	0.000%
88.	852851	Monitors of a kind solely or principally used in an automatic data-pro	0	676752	34.45	3731539	37.69	0.000%
89.	871200	Bicycles and other cycles (including delivery tricycles),not motorised	2528	79521152	8.46	5813135	8.72	0.043%
90.	940320	Furniture, metal, nes	408	754585	4.09	3427884	4.97	0.012%
91.	950699	Articles&equip for sports&outdoor games nes&swimmg&paddlg pools	0	2254130	9.74	676134	10.18	0.000%

Data source: UN Comtrade Database

Note: X = Bangladesh being country of exports, M = Nepal being the importing country

Color Code: Orange = SAFTA sensitive list (phase II)

Annex Table10: Potential export products in Sri Lankan market

S. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M	X Share of exports in M (in %) [(4)/(7)]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	051191	Fish,shellfish&aqua invert prod nes&dead anim of Ch 3 nt for hum cons	0	835178	0.89	3015094	1.08	0.000%
2.	080290	Nuts edible, fresh or dried, whether or not shelled or peeled, nes	53	71268816	1.63	580067	5.13	0.009%
3.	090230	Black tea (fermented) & partly fermentd tea in packages not exceedg 3 kg	0	926201	3.54	511740	7.25	0.000%
4.	090240	Black tea (fermented) & partly fermented tea in packages exceedg 3 kg	0	1501780	2.20	13191508	2.74	0.000%
5.	140490	Vegetable products nes	0	595989	0.80	7803296	2.49	0.000%
6.	170490	Sugar confectionery nes (includg white chocolate),not containg cocoa	7017	1748492	1.12	1411171	2.26	0.497%
7.	190410	Prep foods obtaind by the swellg o roastg of cereal o cereal products	0	4043849	1.01	2111888	2.01	0.000%
8.	190590	Communion wafers,empty cachets f pharm use&sim prod&bakers' wares nes	1331	9494282	1.75	836776	2.73	0.159%
9.	200819	Nuts&seeds nes incl mx,o/w prep o presvd,sugard,sweetend,spiritd o not	0	2241248	1.25	1504277	3.50	0.000%
10.	200899	Fruits&oth edible pts of plants nes,prep/presvd,sug,sweet/spir/not	0	592122	0.85	998748	1.57	0.000%
11.	200980	Fruit&veg juice nes (exc mx) unferment unspiritd,whether/not sug/sweet	0	1893061	0.65	880974	1.15	0.000%
12.	200989	Juice of fruit or vegetables, unfermented, whether or not containing added sugar or other	0	6189548	0.43	597129	1.86	0.000%
13.	200990	Mixtures of juices unfermentd¬ spiritd whether o not sugard o sweet	122	3562315	0.48	1032155	1.80	0.012%
14.	210690	Food preparations nes	191294	3005545	2.44	32951510	7.67	0.581%
15.	220210	Waters incl mineral&aeratd,containg sugar o sweeteng matter o flavourd	383	5998232	0.48	683743	1.01	0.056%
16.	220290	Non-alcoholic beverages nes,excludg fruit/veg juices of headg No 20.09	1470	3739460	0.50	3344320	1.58	0.044%

S. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M	X Share of exports in M (in %) [(4)/(7)]
17.	240110	Tobacco, unmanufactured, not stemmed or stripped	0	11048812	3.28	61513580	21.77	0.000%
18.	240120	Tobacco, unmanufactured, partly or wholly stemmed or stripped	0	80136376	4.22	582452	7.58	0.000%
19.	240210	Cigars, cheroots and cigarillos, containing tobacco	0	3096592	8.28	898851	65.11	0.000%
20.	240220	Cigarettes containing tobacco	0	593281	7.99	5070096	27.81	0.000%
21.	240319	Other smoking tobacco, whether or not containing tobacco substitutes in any proportion	0	548049	3.31	2114896	5.65	0.000%
22.	271011	Light petroleum oils and preparations	0	44204264	0.94	440980064	0.97	0.000%
23.	271012	Light petroleum oils and preparations	0	36393344	0.70	593640960	0.89	0.000%
24.	284700	Hydrogen peroxide	184979	4573289	0.44	1350568	0.55	13.696%
25.	310210	Urea,withr/nt in aqueous solution in packages weighg more than 10 kg	0	21677092	0.38	180415680	0.42	0.000%
26.	340111	Toilet soap&prep,shaped;papers&nonwovens impreg with soap toilet use	0	1472447	1.98	1092846	3.63	0.000%
27.	350300	Gelatin and gelatin derivs; isinglass; glues of animal origin, nes	0	718222	4.31	4294504	6.83	0.000%
28.	390110	Polyethylene having a specific gravity of less than 0.94	0	584771	1.11	67655912	1.50	0.000%
29.	390190	Polymers of ethylene nes, in primary forms	0	1606062	0.81	3607934	1.75	0.000%
30.	390720	Polyethers nes	0	542130	2.10	18982048	2.28	0.000%
31.	390760	Polyethylene terephthalate	0	580887	0.92	13396118	1.42	0.000%
32.	392321	Sacks and bags (including cones) of polymers of ethylene	41305	18285068	2.07	8222485	3.38	0.502%
33.	392329	Sacks and bags (including cones) of plastics nes	14358	3397628	2.77	6155096	3.91	0.233%
34.	392390	Articles for the conveyance or packing of goods nes, of plastics	108	12493644	5.03	3807233	5.39	0.003%
35.	392690	Articles of plastics or of other materials of Nos 39.01 to 39.14 nes	412679	3456869	2.99	31584378	6.35	1.307%
36.	400121	Natural rubber in smoked sheets	619388	7389445	2.72	44919396	3.08	1.379%

S. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M	X Share of exports in M (in %) [(4)/(7)]
37.	401150	Pneumatic tires new of rubber for bicycles	53659	1219433	3.31	1509100	4.81	3.556%
38.	401320	Inner tubes of rubber for bicycles	50670	897171	4.89	735944	5.77	6.885%
39.	401699	Articles of vulcanised rubber nes, other than hard rubber	22523	1228678	6.87	9663019	8.06	0.233%
40.	410449	Hides and skins of bovine "incl. buffalo" or equine animals, in the dr	0	19753800	14.41	1608619	17.11	0.000%
41.	410799	Leather "incl. parchment-dressed leather" of the portions, strips	40052	26481616	18.63	1485561	23.58	2.696%
42.	411200	Leather further prepared after tanning or crusting "incl. parchment-dr	29591	3130262	30.12	5727211	76.21	0.517%
43.	411310	Leather further prepared after tanning or crusting "incl. parchment-dr	0	15405117	27.90	2460967	40.50	0.000%
44.	411390	Leather further prepared after tanning or crusting "incl. parchment-dr	0	1014800	15.94	1648602	37.90	0.000%
45.	420229	Handbags, of vulcanised fibre or of paperboard	977	611504	18.16	1269820	19.56	0.077%
46.	420310	Articles of apparel of leather or of composition leather	0	550551	45.00	872498	118.16	0.000%
47.	480300	Paper,household/sanitary,rolls of a w >36 cm,sheets one side >36 cm	145136	2082715	1.13	2633305	1.27	5.512%
48.	482110	Paper labels of all kinds, printed	202180	949306	12.03	15609097	17.70	1.295%
49.	520511	Cotton yarn,>/=85%,single,uncombd,>/=714.29 dtex, nt put up	722	641090	3.81	11397216	5.30	0.006%
50.	540231	Texturd yarn nes,of nylon/oth polyamides fi,<=50tex/s.y.,not put up	0	784226	4.53	10070774	6.70	0.000%
51.	540233	Textured yarn nes,of polyester filaments,not put up for retail sale	18862	1337469	2.20	18592372	2.55	0.101%
52.	540752	Woven fabrics,>/=85% of textured polyester filaments, dyed, nes	0	1513538	8.32	2396439	17.06	0.000%
53.	540761	Woven fabric >85% non-textured polyester filaments	0	619046	10.13	4350741	15.18	0.000%
54.	550810	Sewing thread of synthetic staple fibres	23056	2044634	4.33	1751737	6.40	1.316%

S. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M	X Share of exports in M (in %) [(4)/(7)]
55.	550922	Yarn,>/=85% of polyester staple fibres, multiple, not put up, nes	82942	1725590	3.75	17426604	4.27	0.476%
56.	551011	Yarn,>/=85% of artificial staple fibres, single, not put up	379422	5492033	3.71	9151894	7.17	4.146%
57.	551311	Plain weave polyest stapl fib fab,<85%,mixd w/cottn,<=170g/m2,unbl/bl	254	942690	5.64	11115343	5.71	0.002%
58.	560750	Twine, cordage, ropes and cables, of other synthetic fibres	0	1407589	4.58	1447712	28.95	0.000%
59.	560790	Twine, cordage, ropes and cables, of other materials	44116	15320518	1.08	2401439	6.89	1.837%
60.	560900	Articles of yarn, strip, twine, cordage, rope and cables, nes	383	624945	4.42	1580110	10.86	0.024%
61.	570500	Carpets and other textile floor coverings, nes	0	989529	2.96	1323233	4.97	0.000%
62.	580639	Narrow woven fabrics of other textile materials, nes	8959	708016	2.90	9461759	7.27	0.095%
63.	600410	Knitted or crocheted fabrics, of a width of > 30 cm, containing >= 5%	0	823077	7.46	87633104	17.58	0.000%
64.	600622	Dyed cotton fabrics, knitted or crocheted, of a width of > 30 cm (excl	137167	1377425	1.34	100403352	8.30	0.137%
65.	600634	Printed fabrics, knitted or crocheted, of synthetic fibres, of a width	0	2129899	2.51	2807040	8.76	0.000%
66.	610342	Mens/boys trousers and shorts, of cotton, knitted	115692	186386080	15.08	630124	21.75	18.360%
67.	610610	Womens/girls blouses and shirts, of cotton, knitted	13919	277628832	17.77	940730	34.21	1.480%
68.	610690	Womens/girls blouses and shirts, of other materials, knitted	47562	5035315	29.23	1066701	63.17	4.459%
69.	610711	Mens/boys underpants and briefs, of cotton, knitted	5389	238330304	17.54	918491	24.37	0.587%
70.	610719	Mens/boys underpants and briefs, of other textile materials, knitted	15663	2589988	12.67	1063441	26.36	1.473%
71.	610829	Womens/girls briefs and panties, of other textile	101655	2228876	28.81	1568254	36.62	6.482%

S. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M	X Share of exports in M (in %) [(4)/(7)]
		materials, knitted						
72.	610831	Womens/girls nightdresses and pyjamas, of cotton, knitted	53886	171566208	15.63	579310	23.10	9.302%
73.	610990	T-shirts,singlets and other vests,of other textile materials,knitted	165082	393528928	20.75	4824979	37.20	3.421%
74.	611020	Pullovers, cardigans and similar articles of cotton, knitted	91704	2119963776	18.71	1145494	30.76	8.006%
75.	611692	Gloves, mittens and mitts, nes, of cotton, knitted	33258	3310163	6.90	5231821	8.03	0.636%
76.	620319	Mens/boys suits, of other textile materials, not knitted	4197	3018611	28.18	650119	49.39	0.646%
77.	620332	Mens/boys jackets and blazers, of cotton, not knitted	10448	22292324	21.12	597813	45.51	1.748%
78.	620339	Mens/boys jackets and blazers, of other textile materials, not knitted	1052	6219831	31.11	1330209	62.29	0.079%
79.	620342	Mens/boys trousers and shorts, of cotton, not knitted	673053	4370372608	16.71	17558166	27.42	3.833%
80.	620349	Mens/boys trousers and shorts, of other textile materials, not knitted	181352	51900104	21.77	11504502	30.12	1.576%
81.	620419	Womens/girls suits, of other textile materials, not knitted	206	584133	8.29	693857	50.80	0.030%
82.	620439	Womens/girls jackets, of other textile materials, not knitted	823	6120088	22.34	845765	69.59	0.097%
83.	620442	Womens/girls dresses, of cotton, not knitted	18270	63645488	26.04	2057567	51.59	0.888%
84.	620443	Womens/girls dresses, of synthetic fibres, not knitted	1836	22152798	23.83	1209396	54.98	0.152%
85.	620449	Womens/girls dresses, of other textile materials, not knitted	3956	16167585	4.12	3100235	142.62	0.128%
86.	620452	Womens/girls skirts, of cotton, not knitted	16535	119623224	23.47	595367	37.54	2.777%
87.	620459	Womens/girls skirts, of other textile materials, not knitted	35857	8516268	24.48	1861322	50.00	1.926%
88.	620462	Womens/girls trousers and shorts, of cotton, not knitted	248320	2388698624	19.73	3815207	32.36	6.509%

S. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M	X Share of exports in M (in %) [(4)/(7)]
89.	620469	Womens/girls trousers & shorts,of other textile materials,not knitted	700071	137576304	20.07	11791708	41.20	5.937%
90.	620520	Mens/boys shirts, of cotton, not knitted	217896	1812625536	22.24	6344512	42.33	3.434%
91.	620590	Mens/boys shirts, of other textile materials, not knitted	98215	65932064	25.68	1131337	41.10	8.681%
92.	620630	Womens/girls blouses and shirts, of cotton, not knitted	64270	387380480	28.67	2826013	46.15	2.274%
93.	620640	Womens/girls blouses and shirts, of man-made fibres, not knitted	33161	143075312	23.50	2190487	48.46	1.514%
94.	620690	Womens/girls blouses and shirts,of other textile materials,not knitted	167410	20710728	22.37	3774051	50.01	4.436%
95.	621290	Corsets,braces & similar articles & parts thereof,of textile materials	0	6432439	33.13	17110836	42.42	0.000%
96.	621490	Shawls,scarves,veils & the like,of other textile materials,not knitted	462	1030058	24.01	541660	37.78	0.085%
97.	621600	Gloves, mittens and mitts, of textile materials, not knitted	0	1068607	11.09	827807	14.67	0.000%
98.	621710	Clothing accessories nes, of textile materials, not knitted	22496	9986533	19.49	4156658	19.93	0.541%
99.	621790	Parts of garments or of clothg accessories nes,of tex mat,not knitted	12875	1162998	20.50	9912242	36.04	0.130%
100.	630260	Toilet&kitchen linen,of terry towellg or similar terry fab,of cotton	13115	158899216	5.39	1469603	6.56	0.892%
101.	630532	Flexible intermediate bulk containers, man-made mater	0	31035342	2.54	887953	4.10	0.000%
102.	630533	Sacks, bags, packing, of strip plastic material	0	3172737	2.35	644626	2.73	0.000%
103.	630790	Made up articles, of textile materials, nes, including dress patterns	4509	10564076	4.42	1409691	7.29	0.320%
104.	640299	Footwear, outer soles/ uppers of rubber or plastics, nes	0	34297020	14.61	958293	18.86	0.000%
105.	640351	Footwear, outer soles and uppers of leather, covering the ankle, nes	0	2025084	22.29	1223453	57.43	0.000%

S. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M	X Share of exports in M (in %) [(4)/(7)]
106.	640359	Footwear, outer soles and uppers of leather, nes	61244	5089800	35.88	2893500	67.00	2.117%
107.	640391	Footwear,outer soles of rubber/plast uppers of leather covg ankle nes	0	173939824	26.29	557166	36.75	0.000%
108.	640399	Footwear, outer soles of rubber/plastics uppers of leather, nes	5793	202574976	24.18	1075140	35.71	0.539%
109.	640411	Sports footwear w outer soles of rubber o plastics&uppers of tex mat	0	10148156	18.90	734577	31.28	0.000%
110.	640419	Footwear o/t sports,w outer soles of rubber/plastics&uppers of tex mat	0	83806016	14.01	1480190	21.57	0.000%
111.	640590	Footwear, nes	1088	990747	17.45	9090737	22.64	0.012%
112.	690890	Tiles, cubes and sim nes, glazed ceramics	0	550262	0.23	43545132	0.49	0.000%
113.	701959	Woven fabrics of glass fibre nes	0	1446441	2.23	668707	7.19	0.000%
114.	730820	Towers and lattice masts, iron or steel	0	621529	1.65	10722533	1.95	0.000%
115.	732690	Articles, iron or steel, nes	3968	1403297	2.18	24987156	3.27	0.016%
116.	740829	Wire, copper alloy, nes	0	546532	8.39	638599	10.15	0.000%
117.	761290	Container,alum,cap <300L,lined/heat insul/nt,n/ftd w/mech/thermo equip	0	601669	5.35	10975269	6.28	0.000%
118.	780199	Lead unwrought nes	0	8241078	2.04	1338762	3.03	0.000%
119.	790112	Zinc not alloyed unwrought containg by weight less than 99.99% of zinc	70187	1139339	1.47	537052	1.79	13.069%
120.	840999	Parts for diesel and semi-diesel engines	0	869922	4.50	20496994	21.22	0.000%
121.	841199	Parts of gas turbines nes	0	519721	32.57	11574955	147.77	0.000%
122.	841490	Parts of vacuum pumps, compressors, fans, blowers, hoods	0	715746	3.17	3206350	11.56	0.000%
123.	844399	Parts and accessories of printers, copying machines and facsimile mach	41	1451873	20.29	22138966	38.84	0.000%
124.	847330	Parts&accessories of automatic data processg machines&units thereof	116	2168803	21.46	22350838	27.09	0.001%
125.	850423	Liq dielectric transf havg a power handlg capacity exceedg 10,000 KVA	0	982519	7.75	6710722	9.94	0.000%
126.	850431	Transformers electric power handling capacity	0	2548841	22.07	2906063	25.32	0.000%

S. No.	HS Code	Description	Export value of X to M	Global export value of X	UV exports of X	Global import value of M	UV imports of M	X Share of exports in M (in %) [(4)/(7)]
		not exceeding 1 KVA, nes						
127.	850710	Lead-acid electric accumulators of a kind used for starting piston engines	2309751	14271493	2.82	15702176	3.11	14.710%
128.	850720	Lead-acid electric accumulators nes	16	3982005	4.08	5409432	4.29	0.000%
129.	851712	Telephones for cellular networks mobile telephones or for other wireless	181	3358118	389.77	128778240	482.32	0.000%
130.	852851	Monitors of a kind solely or principally used in an automatic data-processor	221	676752	34.45	11634184	37.69	0.002%
131.	853120	Indicator panels incorporating liquid crystal device/light emitting diode	0	5571505	124.39	1395306	134.13	0.000%
132.	860800	Signalling devices for railways, waterways & airports & parts thereof	0	550071	27.00	1952032	28.72	0.000%
133.	871200	Bicycles and other cycles (including delivery tricycles), not motorised	8393	79521152	8.46	755027	8.72	1.112%
134.	900211	Objective lenses of cameras, projectors/photographic enlargers/reducers	0	8950738	225.43	566401	424.61	0.000%
135.	940180	Seats nes, other than those of heading No 94.02	0	1114797	4.09	790844	6.69	0.000%
136.	940190	Parts of seats other than those of heading No 94.02	0	2552262	2.93	3100267	8.48	0.000%
137.	940370	Furniture, plastic, nes	0	706362	1.97	848978	2.31	0.000%
138.	950699	Articles & equip for sports & outdoor games nes & swimming & paddling pools	2750	2254130	9.74	1337933	10.18	0.206%
139.	960200	Worked vegetable/mineral carved art objects; worked unhardened gelatin	0	594191	7.11	669850	30.80	0.000%

Data source: UN Comtrade Database

Note: X = Bangladesh being country of exports, M = Sri Lanka being the importing country

Color Code: Orange = SAFTA sensitive list (phase II)

Annex 4: Potential Product Identifications Methodology and Data Gathering

Filters for Selection of Products with Export Potential

1. Bangladesh-Bhutan: Bangladesh’s export to Bhutan

Append: After appending data for 2 years, we have 1775 observations (data are available only for 2 years).

Filter 1: Drop if the product is exported only one year within the considered year: (we did not consider this filter since data are available only for 2 periods). After removing duplicates: 1211 commodities.

Filter 2: Keep if average unit value of export of Bangladesh < average unit value of import of Bhutan: 723 observations.

Filter 3: Keep if average import share of Bhutan ≤ 0.2 : 698 observations.

Filter 4: Keep if average export share of Bangladesh ≤ 0.2 : 698 observations.

Drop if average unit value of import of Bhutan = . : 660 observations.

Filter 5:

Keep if average export value of Bangladesh >	50000	100000
	183 observations	89 observations

Filter 6:

Keep if average import value of Bhutan >	50000	100000
	112 observations	71 observations

The final dataset provided for Bhutan in Table 6 of Annex 2 comprises 71 products.

2. Bangladesh-India: Bangladesh's export to India

Append: After appending data for 5 years, we have a total of 11887 observations.

Filter 1: Drop the products if it were exported only one year throughout the time span. There were remaining 8192 observations. We removed duplicate commodities. After removing, there were 2771 observations.

Filter 2: We removed the products for which unit value of export of Bangladesh is greater than or equal to the unit cost of import of India. There were remaining 1432 products in the data set.

Filter 3: Drop the observations if average import share of India is greater than 0.20. There were 1353 observations after 3rd filter.

Filter 4: Drop the observations if average export share of Bangladesh is greater than 0.20. After removing, there were 1036 products.

Drop if average unit value of import of India = . : 966 observations (Stata considers . as the highest value. Therefore we dropped the data for which average unit value is .)

Filter 5: We consider the products which has a large export capacity of Bangladesh for our analysis. From this perspective, we consider the products which have average export value of at least 1 million dollar. There are 225 products in the dataset.

Filter 6: Only those products are considered for which there is a large import demand in India. Products are taken into account if India's import value is greater or equal to 1 million dollar. There are 127 products on the dataset after applying this last filter.

The final dataset provided for India in Table 7 of Annex 2 comprises 127 products.

3. Bangladesh-Maldives: Bangladesh's export to Maldives

Append: After appending data for 4 years, we have 6525 observations

Filter 1: Drop if the product is exported only one year within the considered year: 4275 observations left. After removing duplicates: 1782 commodities.

Filter 2: Keep if average unit value of export of Bangladesh < average unit value of import of Maldives: 1194 observations.

Filter 3: Keep if average import share of Maldives ≤ 0.2 : 1190 observations.

Filter 4: Keep if average export share of Bangladesh ≤ 0.2 : 1164 observations.

Drop if average unit value of import of Maldives = . : 988 observations.

Filter 5:

Keep if average export value of Bangladesh >	100000	500000
	496 observations	326 observations

Filter 6:

Keep if average import value of Maldives >	100000	500000
	236 observations	66 observations

The final dataset provided for Maldives in Table 8 of Annex 2 comprises 66 products.

4. Bangladesh-Nepal: Bangladesh's export to Nepal

Append: After appending data for 5 years, we have 11612 observations.

Filter 1: Drop if the product is exported only one year within the considered year: 8002 observations left. After removing duplicates: 2700 commodities.

Filter 2: Keep if average unit value of export of Bangladesh < average unit value of import of Nepal: 12669 observations.

Filter 3: Keep if average import share of Nepal ≤ 0.2 : 1234 observations.

Filter 4: Keep if average export share of Bangladesh ≤ 0.2 : 1182 observations.

Drop if average unit value of import of Nepal = . : 1029 observations.

Filter 5:

Keep if average export value of Bangladesh >	100000	500000
	510 observations	337 observations

Filter 6:

Keep if average import value of Nepal >	100000	500000
	265 observations	91 observations

The final dataset provided for Nepal in Table 9 of Annex 2 comprises 91 products.

5. Bangladesh-Sri Lanka: Bangladesh's export to Sri Lanka

Append: After appending data for 5 years, we have 11778 observations.

Filter 1: Drop if the product is exported only one year within the considered year: 8108 observations left. After removing duplicates: 2758 commodities.

Filter 2: Keep if average unit value of export of Bangladesh < average unit value of import of Sri Lanka: 1301 observations.

Filter 3: Keep if average import share of Sri Lanka ≤ 0.2 : 1273 observations.

Filter 4: Keep if average export share of Bangladesh ≤ 0.2 : 1197 observations.

Drop if average unit value of import of Sri Lanka = . : 1123 observations.

Filter 5:

Keep if average export value of Bangladesh >	100000	500000
	519 observations	218 observations

Filter 6:

Keep if average import value of Sri Lanka >	100000	500000
	357 observations	139 observations

The final dataset provided for Sri Lanka in Table 10 of Annex 2 comprises 139 products.

Annex 5: Detail Insights From KII, FGD and Public Consultation

Findings from KII

The respondents shared their views and suggestions based on the topics presented in the questionnaire. The summary of the findings is presented topic-wise as follows:

Existing rules/systems/guidelines for protection of human, animal and plant health in Bangladesh:

- The SPS and TBT rules and regulations are scientific and up to the international level with some limitations. Because of association pressure, and a shortage of skilled personnel, these requirements may not be successfully implemented.
- Bangladesh's SPS and TBT-based rules and regulations are still in the development stage.
- In Bangladesh, the existing rules/systems/guidelines for the protection of human, animal, and plant health are not updated on a regular basis. Even though many rules/measures/guidelines are followed for exporting or marketing domestic products, they are insufficient in comparison to the number of imported products.
- To maintain plant health, several modifications must be made to current laws and regulations. Good Agriculture Practice (GAP), traceability, and other current and important topics should be included.

Types of product-wise SPS and TBT do Bangladeshi traders in international trade

SPS	TBT
There is no meaningful supply chain management.	Need to introduced One stop service
Lengthy testing procedures	Poor logistical service.
The market system is outdated.	There were much too many paperwork to submit.
There is very little traceability.	
There is no storage facility.	
Not yet producing products in accordance with international standards and failing to test exporting products in accredited labs	
The testing procedure is very Costly	
The testing facility is located a long distance from the port area.	
Inadequate quarantine system facilities	
Insufficient lab equipment and a labor scarcity for lab testing procedure in plant Quarantine Station	

General Comments

SPS and TBT measurements differ from one product to the next and from one country to the next. SPS or TBT is determined by the product and market nature of the different countries, depending on the standard. It was found that 70% of the products are facing the SPS barriers while 29% of product face TBT barriers rest of the 1% of the total product face other obstacle.

Import measures and trade difficulties include:

In terms of SPS Barriers

- Lack of a PC quality control system for imported products are Major Concern in SPS related issues.
- Importers face a variety of certification issues, including (Bovine Spongiform Encephalopathy) BSE Free Certificate/BSE Free Status of MBM and Avian Influenza Free Status for DOC.
- Inability to secure adequate product traceability.
- Failure to adhere to international product standards for certain industries.
- Inadequate accredited laboratory and acceptability Inadequate number of recognized certification bodies.
- The absence of a radiation test prior to shipment and certification concerns for declaring food safety for human consumption.
- International standards regarding SPS or TBT measures i.e. Standard packaging, Heat Treatment, Testing and etc. are not being followed.

In terms of TBT Barriers

- Slow notification process about updated laws in various exporting countries.
- Lack of coordination between implementing agencies and Certification body.
- Many imported products are not covered by the Import Policy Order 2021-2024, and Customs ACT 1969, where port authorities require to test samples for clearance issuance which itself a lengthy procedure, causing financial loss to importers.

Issues faced by the Exporters:

- Not producing the products as per international standards and not testing the exporting products from accredited labs.
- Few years ago, Betel leaf export to UK was banned due to Salmonella 1000, Standards.
- According to the FIQC act and rules the quality control and certification system are operated in the country is not fully implemented.
- Quality control is also dependent on the specific quality demand of the importing countries and exporters are often reluctant to comply with these terms and condition.
- There are FMD (Foot and Mouth Disease) free status for Meat certification problem, Traceability problem.

- As Bangladesh is lagging behind to implement Sanitary and phytosanitary measures, it faces difficulties in exporting to the EU and Northern Hemisphere.
- Lack of Coordination between existing domestic rules/systems, different food controlling ministries/agencies/departments and limitations of timely dissemination of updates or information for general population
- Lack of proper and adequate facilities of transportation.
- Exporters face Size, shape, colour, packaging and processing problems for products while exporting into foreign market.
- Exporters fail to fulfill the phytosanitary import requirements and as there is no surety of traceability of goods, Non-Compliance in exporting goods is increasing.

Rules and regulations regarding SPS in Bangladesh

- SPS rules regulations are not discriminatory but many deficiencies exist. However, those who do not have any Mutual Recognition Agreement do not accept Bangladesh's certificate.
- Rules and regulations are similar in some cases, but concise and limited (not everything that includes in our rules).
- Bangladeshi technical system is poor than the EU, Australia, Thailand, India, Indonesia, and other countries and the international standard.
- Bangladeshi SPS-related rules and regulations are balanced with international standards in the case of import of agricultural goods but not balanced in the case of export.
- It is necessary to ensure coordination between national and international SPS with the aim of developing the country's producers and industries while keeping geographical issues, public health and environmental protection measures in mind as well.
- Importers and Exporters do not have any clear idea about SPS and TBT rules and regulations.

Understanding on the existing regulations and actions on human, animal, and plant health (SPS) protection and removal of TBT in Bangladesh:

- Persuasion should be continued to make these regulations more available to traders. A consultation meeting with stakeholders related to SPS and TBT will be helpful in this regard.
- Although information is easily accessible, understanding non-tariff barriers (where SPS and TBT are used) are not easy for traders. Highly technical information needs to be presented in easy-to-understand language, awareness-raising ways and user-friendly way.

- Information management systems and availability systems should be developed more.
- The business people do not have adequate knowledge regarding SPS and TBT-related policies, acts. Regulatory bodies like Ministries and government agencies have tried to facilitate the issues by making them more transparent and readily available.
- Although the existing regulations and actions related to SPS and TBT removal in Bangladesh are applicable to the interests of the export large industrial enterprises, most of the small and medium enterprises belonging to SMCE do not get such provisions.

Current challenges in international trade in terms of SPS and TBT:

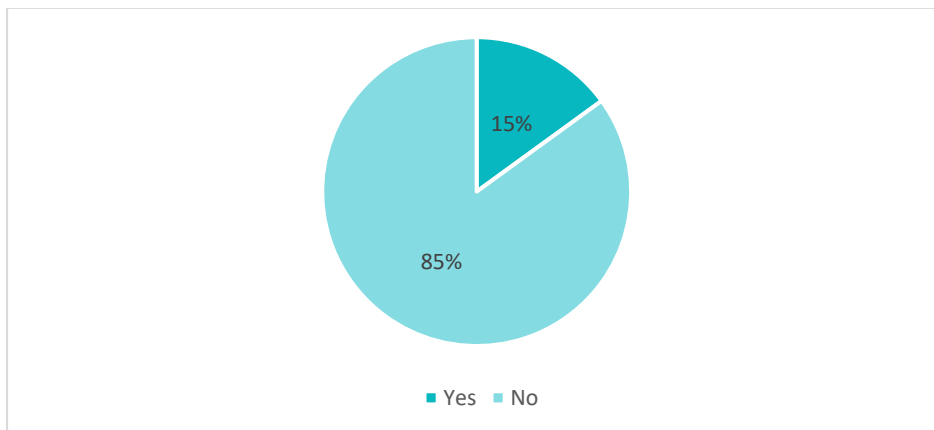
- GAP, Traceability implementation and compliance with the developed world market.
- Infrastructure problems, lack of lab facilities, lack of testing facilities at the port
- Need to capacitate public and commercial sector, where to go for difficulties or information, numerous gaps, need to distribute (widely diffused) exporter's intelligible language, lack of coordination (NSW implementation)
- Lack of infrastructure, no identification methods to remedy gaps, and the present procedures are difficult.
- Strict TBT standards for items and quality testing might also be difficult for dealers.
- One of the difficulties is the cost of complying with Standards. This covers both direct and indirect compliance expenses which includes both permanent expenditures such as infrastructure investment and recurring costs such as administrative fees. It also covers variable expenses like compliance assessment in comparison to the cost of inspection, testing, and certification.
- TBT and SPS controls are becoming more common in developed-country markets in response to rising consumer demand for safer imported food and agricultural goods.
- The nature and extent of the impact of SPS and TBT measures are influenced by several factors, including the size of exporting firms, the nature of the destination market, the exporting country's economic status, and, as a result, scientific, legal, and other compliance capacities.
- Incompatible laboratory facilities, lack of accredited lab along with testing parameter and understanding of the local supply chains for major non-traditional products are creating challenges.
- Building scientific, legal and other capacities through investment in infrastructure and relevant public institutions is a challenge.

- Challenges encompass enforcement of the existing provisions, effective controls and inspection services for any SPS or TBT measures including checks at the borders.
- Usage of more chemical fertilizer and pesticides in the production of agricultural goods is the main challenge in complying with the SPS Measures.
- Inadequacy of technical personnel at the national policy-making level
- Lack of coordination between the existing laws and regulations of various departments of the government
- Lack of adequate infrastructure (process, test, store, transport, etc.) and applicable technical knowledge and training for all levels concerned
- SPS and TBT-based laws and regulations across exporting and importing nations are not harmonized. Formatting all national rules according to the same standards is a difficult task.
- It is challenging for developing nations to meet all requirements, especially when it comes to export.

Laboratories and infrastructure facilities in Bangladesh for SPS and TBT

In response to having enough laboratories and infrastructure facilities in Bangladesh for SPS and TBT, 15% of the respondents have said Yes and 85% of the respondents have said there is not enough laboratories and infrastructure facilities.

Figure 14 Percentage of enough laboratories and infrastructure facilities in Bangladesh for SPS and TBT



Required Laboratory and Testing Facilities:

- Accredited Testing Laboratory with as per international standards where it is possible to test standards for meeting quarantine requirements (including MRL).
- Land port should have Accredited Testing Laboratory
- Most laboratories rely on traditional and totally inadequate methods of identifying fungal plant pathogens, such as culturing and microscopy. They do not use modern methods for identifying bacteria, viruses, phytoplasma, and

cryptic fungi that cannot be cultured and these labs should be set up at integrated check post/land customs stations (LCS).

- Chemical residue testing, heavy metal testing, antibiotic and hormone testing, pesticide testing, virus, bacterium, fungus, mycotoxin testing, eyes testing, illnesses diagnostic lab, reference lab should be introduced.
- Facilities of all quarantine centers should be developed.

Necessary Infrastructure Development:

- The land port requires a full Accreditation labs and testing institutes with sufficient equipment and facilities with like logistic services, phase-wise development is needed.
- A quarantine facility should be built at every custom station of Bangladesh, as well as central and regional development. Infrastructure development necessitates extensive planning.
- Establishment of internationally accepted standard testing centers, developing manpower skills, buying need-based testing machines, and organizing national and international training programs are necessary in this regard.
- One Stop Service center (Depending on Import-Export Zone), Internationally recognized laboratory.
- Category-wise systems for storage, transportation of goods (Multimodal Connectivity), Coordinated/paperless automation system connecting different departments, and QR code-based logistic systems are needed.
- Associations/chambers' capacities should be increased for providing training to importer-exporters and raising their awareness.
- Good agricultural practice, proper traceability, field-to-consumer food safety, pest-free zone etc. measures are needed.
- Every division needs an approved accredited laboratory in this regard.
- In order to maintain the quality of the commodities in the supply chain, development in transportation and storage systems is required.

Best practices of other countries related to SPS and TBT contributing to trade facilitation:

- GAP and Traceability implementation systems.
- E-certification, integration system of SPS and implementation of food safety law like India
- Product identification and production at zone-based to reduce the health hazard issues.
- Group -based and zone-based training for Farmers.
- Implementation of Good Agricultural Practices, storing capacities in ports and developed proper marketing systems with cooling chain system.

- Argentina, Brazil and Uruguay have reasonably provided stakeholder better SPS services; as they are very efficient global food and agricultural exporters, they are usually reluctant to set apart their national practices and standards from international best practices.
- FMCS (Foreign Manufacturer Certification Scheme), and MRA (Mutual Recognition Agreement) can be counted as best practices.
- For SPS, with effective coordination, the traceability of products is ensured in many countries.
- Contract farming in agriculture sector is introduced in many countries.

Potential products for export from Bangladesh to SASEC countries (India, Bhutan, Maldives, Myanmar, Nepal and Sri Lanka):

- RMG, (Lower-Higher End), Agra-fish (Seven Sisters), and Processed food can be exported.
- Agro-based Products like Potato, Mango, Betel, Vegetables, Processed food, banana, Pineapple, Lemon, Cabbage, Pumpkin, Guava, Pineapple, Litchi, Banana, Jackfruit Fruits, Jute and Jute Products.
- Live Fishes, Meat, Pharmaceutical Goods and Raw Materials Of Animal Feed, Fish, Frozen Fish, Shrimps, Pharmaceuticals, Frozen Foods, Leather And Leather Goods, Jute And Jute Goods, Ships, ICT Goods, Software, Aluminium, Refrigerators, AC and Electronics Goods.

Export to India:

Ceramics, processed food (Agricultural product), woven and knitwear, jute and jute products, cotton and cotton products, plastics, and leather and leather products.

Export to Bhutan:

Baby clothes and clothing accessories, men's trousers and shorts, jackets and blazers, jute and jute goods, leather and leather goods, dry cell batteries, fans, watches, potatoes, condensed milk, cement, toothbrush, plywood, particle board, mineral and carbonated water, green tea and orange, pineapple, and guava juice.

Export to Maldives:

Vegetables, processed food, ceramics, leather goods, RMG, jute products, pharmaceutical products

Export to Nepal:

Jute, potatoes, plastic products, washing machines, medicines, soybean seeds and drinks, machinery materials, batteries, readymade garments, tissue paper

Export to Sri Lanka:

Readymade garment, vegetables (agro products), ceramics, plastics, Garments, jute products, leather products, different variants of tea, medicine and medical accessories (PPE), plastic products, frozen foods (fish, snacks, chicken, etc.), processed food products, fresh vegetables, fruits, flowers, etc.

- In addition to software / IT service products, etc., new products can be selected according to the needs of the target group by conducting a survey in the target country.

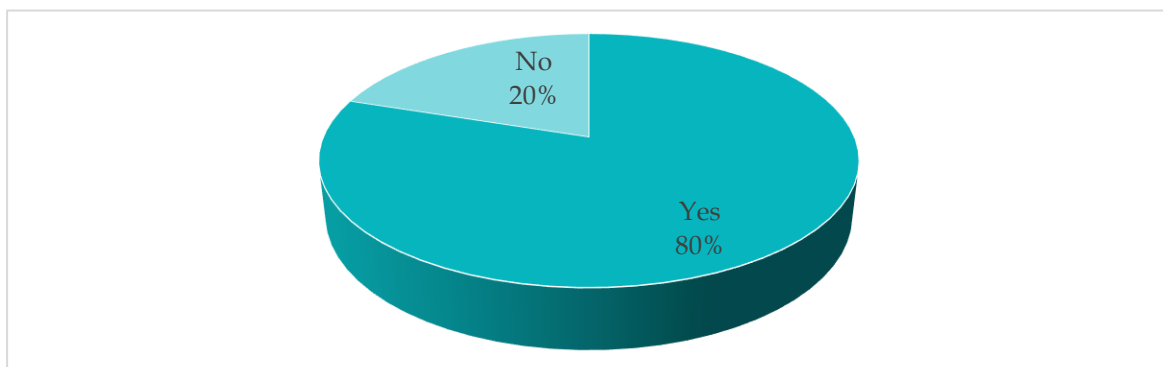
Obstacles exist in trade between Bangladesh and SASEC countries (India, Bhutan, Maldives, Myanmar, Nepal and Sri Lanka:

- Issues with non-tariff barriers and quarantine certification.
- There are not enough testing laboratories near ports to maintain the product quality 100% as the same as reported, as there is a delay in communication, and a cold storage dilemma.
- Lack of MoU, MRA, bilateral agreements, multilateral agreements with India and Nepal create technical and regulatory barriers.
- India frequently prohibits export without prior notice, causing issues, and many imported items lack the appropriate certificates.
- Improper port management, testing and certification issues, rules of origin, anti-dumping issues, tariff structure, tariff, para-tariff, and non-tariff barriers are all hurdles.
- Even if Bangladesh has accreditation facilities, India would not import items from Bangladesh unless our laboratories/accreditation organizations are registered in accordance with their own requirements.
- Despite a lengthy notice period, 12 items are still not acknowledged by India, in violation of the stipulated MoU/BCA/MRA.
- SASEC nations' trade progress is impeded by a lack of sufficient testing facilities, transportation (multi-connectivity), and product storage.
- Key issues include failure to adhere to international standards, a lack of certification, and a lack of cooperation among regulatory organizations.

Opportunity to improve the method of submitting notification:

80% of the respondent urged that there are possibilities to improve the method of submitting notification of (SPS) and (TBT) to WTO while 20% of the respondent has said limited scope of improvement

Figure 15 opportunity to improve the method of submitting notification of (SPS) and (TBT) to WTO



Steps for compliance system of (SPS) and (TBT) in international trade

- The plant quarantine wing can play an important role in the development of a modernization and compliance system for plant-based goods.
- WTO wing, Ministry of Commerce can convey WTO notification and SPS and TBT compliance to the traders. And coordination of the regulatory bodies with WTO wing can facilitate the existing coordination mechanism of SPS and TBT in Bangladesh.
- Producing high-quality agricultural commodities through contract farming and exporting those items in accordance with the export destination's standard requirements.
- Countries with chronic capacity shortages struggle with the WTO's complicated notification responsibilities and standards until they achieve greater levels of development and, as a result, stronger institutional capacities. In this sense, institutional capacity building must be considered.
- The WTO cell should be more proactive, and inter-ministerial cooperation should be enhanced.
- The Technical and Infrastructure Development of SPS and TBT-related Departments can help to strengthen the Compliance System.
- Establishment of a particular technical committee or trained pool of negotiators for the establishment of SPS, TBT conditions compliance, and notification compliance systems in international trade.
- Involve all levels of stakeholders at the public-private level in informing and implementing current information by creating a regional one-stop service under a centralized information transmission system.
- Providing product-specific SPS and TBT training at regular intervals with the participation of experts from the WTO Cell from Ministry of Commerce.

The FGD questions

The FGDs set following question to pile up the information about SPS-TBT measurements from learning and experiment of different relevant stakeholders:

- e. What are the key challenges in the areas of SPS and TBT measures in export and import, and infrastructure limitations that need to be addressed in improving our trade competitiveness? How these challenges can be addressed?
- f. What are the infrastructure limitations of Bangladesh in a trade that should be solved immediately?
- g. What can be done to improve inter-agency cohesion and cooperation for better facilitation in the WTO notification system?
- h. What measures should be taken to improve the trade potential between Bangladesh and SASEC countries (India, Nepal, Bhutan Myanmar, Maldives, and Sri Lanka)?

Findings from FGD-1

The suggestions from FGD-1 are as following:

- a. Most of the core stakeholders do not have enough information about the SPS and TBT measures and non-tariff measures at the national and international levels. There exists an information gap between Govt. and related stakeholders. The latest updates about the SPS and TBT need to be continuously disseminated through seminars, campaigns, and using entertainment media.
- b. The core stakeholder should have a clear picture of what measures and regulations are being taken about export-oriented products on SPS and TBT and need a common platform for regular updates.
- c. It is important to identify potential exportable product lists and develop country-wise SPS and TBT measures for potential products. Need accredited laboratory for certification of export destination product.
- d. Live animals like Carb, ell fish and etc. need a commercial area near Dhaka Airport for Product inspection and certification.
- e. Govt. should develop a system as a contact point, contact center, and suggestion center for farmers.
- f. An initiative may be taken to establish a SASEC retailed hub for agricultural products

Findings from FGD-2

- a. Lack of traceability of agricultural products is the main problem in implementing SPS and TBT measurements in Bangladesh.
- b. Lack of maintenance facilities for TBT measures and Lack of proper working environment, infrastructural facilities from field level.
- c. Lack of testing laboratory, lack of inspection body and Weak import and export policy.
- d. Bangladesh has insufficient facilities in smart warehouse and smart cooling system for perishable products and non-perishable products in all ports.
- e. Needs to strengthen policies and regulations regarding export and import industries
- f. Bangladesh Accreditation Board need to facilitate more accredited laboratories for future purposes.
- g. South Asian Regional Standards Organization(SARSO) is not active. So it's needed to expedite the SARSO activities.
- h. Interactions between functionaries and policy level executives should be formalized.
- i. Regular interactions between customs officials, port officials, and BSTI officials should be scheduled on the ground as well as at the headquarters and district office levels to identify shortfalls and/or divergence between agency-specific

rules, regulations, and practices, and to ensure future consistency of approach in application of SPS and TBT related legislation and regulations.

Findings from Public Consultation

- Bangladesh has two committees on SPS and TBT respectively, every three months the SPS and TBT committees discussed SPS and TBT.
- Bangladesh participates in every meeting regarding SPS and TBT. The private stakeholder can join only when the private stakeholder consultations meetings are organized by WTO Cell.
- If the International Standard is not compatible to Bangladeshi standard, then Bangladesh should notify WTO otherwise not. WTO encourages to Notify though notification is not mandatory regarding the regular SPS and TBT measures recognized by WTO. As Bangladesh follow the International standard i.e. Codex, IPPC, and IEC, currently Bangladesh does not notify WTO to avoid unnecessary queries of export destinations countries.
- To connect exporters and importers on one platform, the Ministry of Commerce (MoC) operates the Bangladesh Trade portal. With which exporters and importers are informed on notifications made under the WTO SPS-TBT that affect Bangladesh. Through this trade portal, roughly 3600 emails are sent to trade body associations each week to promote trade. The MoC is working to improve this capability.
- We should concentrate on the standard of the importing country because international standards can differ. For instance, other countries standards might not be comparable to European standards. MRAs (mutual recognition agreements) may be started in this situation.
- Current information about SPS and TBT should be freely accessible to our traders.
- India is a good place to look for best practices because they are currently considerably more advanced in their handling of SPS and TBT-related concerns.
- A financial strategy, which might be part of a 5-year plan or national budget, is necessary to handle SPS and TBT-related concerns continuously.
- The entire value chain of products should include SPS and TBT compliance, from manufacture to sales.
- To comprehend and duplicate measures based on how other developed countries are addressing their SPS TBT concerns, technology transfer and technical specialists are needed.
- Bangladesh should give focus to establish more accredited labs. For instance, airport-based laboratories should comply to Middle East or European standards, whereas land-based laboratories should have lab technician, logistic

support and enough workforce along with technical infrastructure to meet Indian standards.

- In order to fill positions in the laboratories, skilled workers such as officers, scientists, lab technicians, and chemists are required.
- The most important strategy to employ the SPS and TBT issue is to ensure the food safety issue in national market as food safety is non-negotiable. It will facilitate to maintain the international compliance of SPS and TBT in international Market.
- Farmers need to be knowledgeable about SPS and TBT-related information. For instance, root-level clarification is required regarding which crops are appropriate for animals and what pesticides should be used at what amounts.

Annex 6: Validation Workshop Meeting Minutes

Government of the People's Republic of Bangladesh
Bangladesh Regional Connectivity Project-1
Ministry of Commerce
Level-12 (west side) Prabasi Kalyan Bhaban
71-72, Eskaton Garden, Dhaka-1000

Validation Workshop on Study

- (i) A compiled policy and regulatory guidelines/standard operating procedures (SOP) for Cross Border Land Port Management with respect to international trade and transport formalities, procedures, documentation and related matters;
- (ii) Sanitary and Phyto-sanitary (SPS) and Technical Barriers to Trade (TBT), coordination and notification, certification process and infrastructure for promoting trade.

Jointly Organized by: Bangladesh Foreign Trade Institute (BFTI) and Bangladesh Regional Connectivity Project (BRCP)-1, WTO Wing, Ministry of Commerce

Date: February 09, 2023

Venue: Bangladesh Foreign Trade Institute (BFTI) Conference Room

Introduction:

Bangladesh Foreign Trade Institute (BFTI) organized a Validation Workshop on 2nd and 4th studies of four under Bangladesh Regional Connectivity Project-1 of WTO Wing, Ministry of Commerce on February 09, 2023, at 09:30 AM in Bangladesh Foreign Trade Institute (BFTI) Conference Room and Class Room 2, BFTI Dhaka.

Ms. Wahida Akter, Secretary, Ministry of Agriculture graced the occasion as the Chief Guest of the validation workshop. Mr. Md. Obaidul Azam, Director, BFTI delivered the welcome remarks, and Mr. Md. Hafizur Rahman, Director General, WTO Wing, Ministry of Commerce and Mr. Md. Mijanur Rahman, Project Director (Joint Secretary), Bangladesh Regional Connectivity Project (BRCP)-1 were present as special guests. Dr. Md. Jafar Uddin, Chief Executive Officer (CEO), Bangladesh Foreign Trade Institute (BFTI) presided over the Validation Workshop as the chairperson.

Summary of the Welcoming Session:

Mr. Md. Obaidul Azam, Director, BFTI welcomed the guest and shared the background of the studies, including the process on how data was collected and draft reports were prepared in consultation with relevant stakeholders. He remarked that post LDC graduation scenario and aspiration to become a developed country was taken into consideration as policy recommendations that were proposed in the studies.

Chief Guest, Ms. Wahida Akter, Secretary, Ministry of Agriculture thanked BFTI for conducting the study on SPS & TBT and SOP for Cross Border Land Port Management. She further expressed her gratitude to make the opportune for gracing the occasion as the chief guest. She informed that the traditional agriculture sector of Bangladesh had been transforming into an export-oriented sector through commercialization and pragmatic policy and fiscal support provided by the government. She also informed that Bangladesh has become self-reliant in onion production and successfully met our demand due to a strong supply chain in the agriculture sector. Citing the contribution of the Ministry of Agriculture in securing the food safety of the nation, she informed that the Ministry has expanded mustard plant production to become self-reliant in oil production. She added that now Bangladesh can almost meet up the demand for rice with our domestic production. She further informed Bangladesh needs 2.5 crore metric tons of rice yearly and we could meet the largest portion of this demand domestically. *Citing the importance of the SPS issue in trade, she urged that SPS certificates for exporting agricultural products should be upgrade to international standards so that importing countries could accept our certificate.* Finally, *she put emphasis on complying with SPS and TBT-related regulations to increase the export competitiveness of the agricultural product, where both Ministry of Agriculture and the Ministry of Commerce can work together.*

Dr. Md. Jafar Uddin, Chief Executive Officer (CEO), BFTI Chairperson of the Validation workshop thanked BRCP-1 and the personnel working at the project and WTO wing, as they had trusted BFTI to conduct these studies. He informed that the Ministry of Agriculture and the Ministry of Commerce had worked together to ensure the food safety of the nation during Covid-19. Addressing the significance of product diversification, he highlighted that the export basket of Bangladesh is limited to few products. In this context, the agriculture sector could contribute to product diversification as it has about 100% value added products. He expressed that if Bangladesh could comply with the SPS and TBT issues in the agriculture sector, it would **proliferate** product diversification and new market access.

Mr. Md. Hafizur Rahman, Additional Secretary & Director General, WTO Wing, Ministry of Commerce informed that Bangladesh is compliant with the notification process to WTO. He further informed that the country would not need to notify WTO if she follows international product testing procedures. However, if Bangladesh sets a higher standard, then Bangladesh will have to notify WTO with scientific evidence. He further added that Bangladesh presently faces SPS and TBT-related notification processes and infrastructural challenges. Addressing the importance of Mutual Recognition Agreement (MRA) in trade, he informed that Bangladesh and India are working on MRA and India sent a draft agreement of the MRA, which is under the consideration. He further added that India presently accepts certificates for 21 products from Bangladesh. Regarding SPS and TBT issues, he stressed interagency coordination for resolving SPS TBT challenges. Moreover, for efficient land port management, he suggested that the SOP related study should explore the processes that can ease export-import procedures in Land ports. Moreover, he remarked that SOP should also prescribe the ways for improving interagency coordination among land ports, customs and other agencies.

Mr. Md. Mijanur Rahman, Project Director (Joint Secretary), Bangladesh Regional Connectivity Project (BRCP)-1 remarked that complying with SPS and TBT conditions is a precondition for exporting/importing agricultural and other products into a foreign and domestic market. He emphasized on infrastructure development and strengthening coordination among the different related organizations, working for SPS and TBT issues. He further stressed the efficiency of the trade procedure of ports and interagency coordination among ports, customs and export-import-related agencies to ease the export-import procedure.

After the welcoming session, representative from BFTI gave presentation on the 2nd and 4th studies and the panellist and participants shared their comments, suggestions and recommendations on the same which are summarized below:

Recommendations for Study:

- (ii) Sanitary and Phyto-sanitary (SPS) and Technical Barriers to Trade (TBT), coordination and notification, certification process and infrastructure for promoting trade.

Technical Session-2

Moderator: Mr. Md. Obaidul Azam, Director, BFTI

Panellist: Mr. Jewel Rana, Additional Deputy Director (Export), Department of Agricultural Extension (DAE), Ministry of Agriculture

- The study on SPS and TBT is comprehensive so far, I have seen the study but some recommendations regarding Plant Quarantine, which I depict need to be included.
- SPS regarding frozen foods and shrimps should be written in one section not differently while defining the specific SPS and TBT issues of products.
- Prohibited acids written in Agro and Agro-processed products in the study needs to be revised as prohibited preservative and here Bangladesh uses Benzoic acid as a preservative while exporting products into a foreign market.



- MRL is not mandatory for all importer countries. maximum residue level (MRL) test is defined by the Plant Quarantine Wing if the products are needed the MRL test, as per the requirement of importer countries.
- In the product identification section, the study needs to be focused on EU market-related SPS and TBT issues regarding their Standards and Regulations.
- What are the clear roles of the Bangladesh Food Safety Authority (BFSA) in terms of Import and Export need to be cleared in the study and the study also needs to be identified the capability of BFSA's role in export and import with the existing setup.
- The Plant Quarantine wing has been made the Competent Authority for the export and import of plants and plant products.
- "Fivers have to be quarantined" should be written as "Fivers have to be Fumigated" in the study.
- Due to the ban on the shipment of aromatic rice from Bangladesh last year, Australia will not accept rice that has been fumigated with aluminium phosphate. Instead, they prefer that the rice be fumigated with mithai bromides. In addition, at present, Bangladesh has no capacity for producing mithai bromides fumigation.
- Bangladesh has a great need to increase Mutual Recognition Agreements (MRA) with various countries that have export potential.
- The director of the Plant Quarantine wing should have administrative power so that they can employ their technical officer in the plant quarantine section and not be transferred to any other post of the Department of Agriculture Extension. It should be included as recommendations.
- The role of the private bodies in complying with the SPS rules while exporting needs to be depicted in the study.
- The information regarding SPS and TBT needs to be disseminated through an information hub and therefore a website on SPS and TBT issue need to prepare.
- EPB may create a common information hub for SPS and TBT for the exporter.
- Most of the Agricultural Products are exported by air, mainly from Hazrat Shahjalal International Airport in Dhaka. However, the central packinghouse of the product is in the capital's Shyampur area. Bringing the goods to Shyampur for packing and then transporting them to the airport takes hours due to the situation of traffic in the city. This, too, causes a problem for exporters and a depletion of product standards.

Mr. Md. Obaidul Azam, Director, BFTI

- The government needs to formulate a national coordination body regarding SPS and TBT issues, including representatives both from private and public bodies.
- A national single window for SPS and TBT notification centers should be formed.
- One-Stop Service for Health Certificates of products may be effective with SOP for providing certificate.
- A new study needs to be taken to address whether contract farming along with compliance is necessary for exporting agricultural products or following Good Agriculture Practices, Bangladesh can expand its Agro-Products exports.

Dr. Md. Alam Mostafa, Joint Secretary (WTO Section-3), Ministry of Commerce (MoC)

- The study is comprehensive, as a specific measure for complying with SPS and TBT, and all the relevant agencies regarding SPS and TBT issues are diagnosed as per the objectives of the studies.
- The notification process is not mandatory for complying with SPS and TBT issues if it is at international standard. Although after LDC graduation, the notification process will be the most vital factor for Bangladesh.
- A project called Trade Notification of the WTO Wing is working on notifications and it has sent two notifications to the WTO through two letters.
- WTO Wing, the ministry of commerce is now working on issues for which Bangladesh has not provided notification in the past and issues that should be addressed in next future for notification.
- The Trade Facilitation project is currently working on building EU-standard Laboratory for SPS and TBT issues.



Mr. Sharif Rayhan Kabir, Deputy Secretary (Trade Consult), FTA Wing

- Urged for arranging a minimum of two coordination meetings on SPS and TBT under the Ministry of Commerce for addressing the challenges while exporting to foreign markets.

Ms. S.M Sumaiya Zabeen, Deputy Chief (C.C), Bangladesh Trade & Tariff Commission (BTTC)

- Two case studies on SPS and TBT notification for exportable products for example Rice, Mango, Lemon, Potato, and Betel Leaves may be included in the study.
- The notification procedure format should be included in the study.
- The private sector should inform Bangladesh Trade & Tariff Commission (BTTC) instantly whenever they face any SPS and TBT-related problem in export. BTTC can directly point out the problem while negotiating with a potential trade partner.

Mr. Badrul Islam, Assistant Manager-Export, Kazi Farms Group

- Bangladesh has no GlobalGAP certification body to comply with the super shop of EU countries and their Standards.
- In recommendation, the study should emphasize on establishing a Global GAP certification body.

Mr. Md. Zahangir Alam, Assistant General Manager-R&D, PRAN Group

- Bangladesh lags in terms of product testing facilities and the study rightly finds out it.
- A recommendation for Bangladesh to develop a local international testing facility for domestic and exportable products needs to be included.
- The study needs to have a recommendation for developing a central laboratory for testing the quality standard of products.
- To follow and develop the GAP certification process, DAE should initiate and increase the contract farming process.
- Private trade bodies can provide training on products specific to SPS and TBT that exporters face in the export destination.
- Conduct study and start piloting contract farming to evaluate the impact of it on traceability and compliant farming.

Mr. Mohammad Arafat Hossain Sarker, Assistant Director (CM), Bangladesh Standards and Testing Institution (BSTI)

- One sub-section for Bangladesh Accreditation Board (BAB) needs to be added to the study, as BAB provides an accredited certificate for laboratories and institutions.
- Bangladesh should increase Mutual Recognition Agreement (MRA) in Bilateral Trade Agreement so that potential products can be exported with BSTI and other national certifications.
- A specific coordination body for SPS and TBT needs to be established for addressing SPS and TBT issues in international trade
- The study needs to recommend strong coordination for addressing coordination problems among SPS and TBT-related institutions and organizations.

Mr. Md. Monjurul Islam, Adviser, Bangladesh Fruits, Vegetables & Allied Products Exporter's Association (BFVAPEA)

- EU countries follow the GAP and Global GAP require exporting agricultural products in Mainstream Super market.
- Certification bodies like Global GAP needs to be established
- Increase the number accredited laboratories in both public sector and private sector.
- If the import countries have the requirement for GAP, then the exporter countries should follow the GAP certification process.

Ms Tania Akter, Senior Lecturer BRAC Business School, BRAC University

- Two case studies on SPS and TBT notification for exportable products should be included in the study.



Technical Session-2

Following participants were present in the validation workshop for the Study

- (ii) Sanitary and Phyto-sanitary (SPS) and Technical Barriers to Trade (TBT), coordination and notification, certification process and infrastructure for promoting trade.

Sl.	Name and Designation	Organization
1.	Mr. Jewel Rana Additional Deputy Director (Export)	Department of Agricultural Extension (DAE)
2.	Mr. Md. Obaidul Azam Director	Bangladesh Foreign Trade Institute (BFTI)
3.	Dr. Md. Alam Mostafa Joint Secretary (WTO -3)	MoC
4.	Mr. Sharif Rayhan Kabir Deputy Secretary (Trade Consult) FTA Wing	MoC
5.	Mr. Mohammad Jakir Hossain Deputy Secretary (Export -2)	MoC
6.	Ms. S.M Sumaiya Zabeen Deputy Chief (C.C)	Bangladesh Trade & Tariff Commission (BTTC)
7.	Dr. Mohammad Maqueshudul Haque Bhuiyan, Sr. Asst. Director (PSO-FIQC)	Department of Fisheries (DoF)
8.	Mr. Mohammad Arafat Hossain Sarker, Assistant Director (CM)	Bangladesh Standards and Testing Institution (BSTI)
9.	Mr. Md. Mozibur Rahman Assistant Director	Export Promotion Bureau (EPB)
10.	Sourav Kumar Singha Scientific Officer	Bangladesh Food Safety Authority (BFSA)
11.	Ms. Tania Akter Lecturer	BRAC Business School, BRAC University
12.	Mr. Md. Zahangir Alam, Assistant General Manager-R&D	PRAN Group
13.	Mr. Badrul Islam Assistant Manager-Export	Kazi Farms Group
14.	Mr. Md. Monjurul Islam Adviser	Bangladesh Fruits, Vegetables & Allied Products Exporter's Association (BFVAPEA)
15.	Mr. Kawser Ali Deputy Secretary	Bangladesh Garment Manufacturers and Exporters Association (BGMEA)
16.	Ms. Parvin Akther Sr. Executive (QA)	Bengal Meat Processing Industries Ltd.
17.	Mr. Harunur Rashid Research Associate, North & South America	BFTI
18.	Mr. H. M Simon Research Associate, Asia and Oceania	BFTI

Annex 7: Terms of Reference

Terms of Reference (revised)

Consultancy/Research firm for conducting 04 studies suggested by Project Steering Committee (PSC) in FY 2021-22.

Background

The Government of the People's Republic of Bangladesh has received an SDR 150 million Credit from the International Development Association (IDA) - a member of the World Bank Group - for financing the cost of the Bangladesh Regional Connectivity Project I(BRCP-1), being jointly implemented by the Bangladesh Land Port Authority (BLPA), National Board of Revenue (NBR) and Ministry of Commerce. The second component of this umbrella project is being implemented by the Ministry of Commerce as a separate technical assistance project. The overall objective of this technical assistance project is to strengthen trade related institutional capacity in order to ensure active and sustainable cooperation between multiple trade-related stakeholders and economic empowerment of women traders.

This technical assistance project consists of following three (3) components:

- Component A: Develop (pilot) programs to support female traders and entrepreneurs. This component will pilot activities to help address barriers to women becoming more integrated into regional and global supply chains and trading opportunities.
- Component B: Capacity Development Support for the National Trade and Transport Facilitation Committee. The inter-ministerial National Trade and Transport Facilitation Committee (NTTFC) has been set up to coordinate all trade and transport-related policies and activities in Bangladesh, and will also serve as the Advisory Committee for the Project.
- Component C: Improvements to Bangladesh Trade Portal and to set up a National Enquiry Point for Trade. The Bangladesh Trade Portal (BTP) was launched in March 2016. This component will support further up gradation of the BTP to expand its functionality to include information of relevance to potential Bangladesh exporters and to ensure that content is kept up to date. This component will also set up the National Enquiry Point for Trade, which will help Bangladesh to meet a key requirement of WTO Trade Facilitation Agreement.

The Ministry of Commerce intends to apply part of the IDA Credit for procuring consultancy services from qualified research/consultancy firms or institutions/individuals to conduct three studies selected from the list of studies identified under NTTFC activities of the project (Component B). These studies aim to develop in-depth understanding about three relevant areas of trade facilitation and are directly linked with the activities of three implementing agencies of the BRCP-1 umbrella project.

2. Scope of Consultancy Services:

The project will conduct the following four studies in 2020-21/2021-22 fiscal year that are critical for export promotion and trade facilitation:

- **Study 1:; WTO Special and Differential Treatment (S & DT) and Graduation Challenges**
- **Study 2: A compiled policy and regulatory guidelines/standard operating procedures (SOP) for Cross Border Land Port Management with respect to international trade and transport formalities, procedures , documentation and related matters ;**
- **Study 3: Simplification of Trade Procedures, Custom Modernization ease of doing business for export promotion of Bangladesh to ensure policy coherence between national development priorities and international obligations on Trade facilitation Agreements**
- **Study 4 : Sanitary and Phyto-sanitary (SPS) and Technical Barrier on Trade (TBT) co-ordination and notification, certification process and infrastructure for promoting trade;**

The detail scope of the proposed studies is given below:

Study 4 : Sanitary and Phyto-sanitary (SPS) and Technical Barrier on Trade (TBT), Coordination and notification , certification process and infrastructure for promoting trade

The main objective of this research initiative is to conduct a National Diagnostic Study (NDS) in Bangladesh to reach a better understanding of the SPS and TBT situation in Bangladesh, its cost of trade implications, and to address the required capacity building action, both locally and regionally. This study intends to serve the broader objectives to promote trade and resulting economic development in the sub-region, fraught with negligible intra-regional trade. Generally speaking, SPS and TBT measures are considered as so called ‘Technical Measures’, meant for the governments’ legitimate objectives to protect human, animal, and plant health and environment, and to ensure product and consumer safety. Hence, these measures imposed by governments are there to stay and be enforced. This has implications for trade. The study intends to focus on the trade implications of these SPS/TBT measures, and attempts to find capacity building measures for better compliance and less distortion for trade flows, as per the pre-approved methodology. SPS/TBT Diagnostics Study comprises the following phases:

1. Review the current scenario of SPS/TBT measures in Bangladesh and its institutional framework, infrastructure facilities and legal structure ;
2. Identify the coordination at National, Regional and international level to ensure SPS/TBT notification compliances ;
3. Gaps comparing current national SPS legislation, local practices, and international best practices;
4. Building a robust understanding of the specific needs of the country through national diagnostic studies (NDS);

5. Based on the national diagnostic studies, identifying common issues and challenges faced by the countries in a regional diagnostic study (RDS) to facilitate development of coordinated regional responses and required capacity building actions;
6. Identify the specific items which have the potential for exports from the country and subject to SPS/TBT measures of the importing countries;
7. Conducting a gap analysis that examines and compares current national legislation, local practices, and international best practice;
8. Carrying out practical field studies in identification of standards or regulations in the SASEC countries that are impeding trade on the above identified items;
9. Identifying the reforms in Institutional ,infrastructure, legal capacity, and presenting prioritized recommendations for necessary future investments; and
10. How to strengthening the notification procedures of the SPS/TBT measures to WTO;