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

Conducting 03 Studies Suggested by NTTFC in FY 2020-21

Study 02

Identification of Potential Countries for Signing Free Trade Agreements

Final Report

Bangladesh Foreign Trade Institute (BFTI)
Keystone Business Support Company Ltd.

May 2022

Government of the People's Republic of Bangladesh
Ministry of Commerce
Bangladesh Regional Connectivity Project-1
Level 12 (Westside), 71-72 Eskaton Garden Road, Prabashi Kallyan Bhaban,
Dhaka-1000, Bangladesh

STUDY ON
IDENTIFICATION OF POTENTIAL COUNTRIES FOR SIGNING FREE TRADE AGREEMENTS

FINAL REPORT

SUBMITTED TO

The Project Director
Bangladesh Regional Connectivity Project (BRCP-1)
Ministry of Commerce
Bangladesh Regional Connectivity Project-1
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Preface

This Final Report intends to respond to the requirement of provision of the contract agreement signed between Bangladesh Regional Connectivity Project (BRCP)-1 and Consortium of Bangladesh Foreign Trade Institute (BFTI) And Keystone Business Support Company Ltd for conducting a study on 'Identification Of Potential Countries For Signing Free Trade Agreements' as a part of 'Conducting 03 Studies suggested by National Trade Facilitation Committee (NTFC) in FY2020-21', awarded by Bangladesh Regional Connectivity Project-1, WTO Cell, Ministry of Commerce.

The purpose of this paper is to identify the status of Bangladesh and draw comparison between Bangladesh and other regional countries in regard to implementation of FTAs, to examine the best practices and measures of regional countries, to assess the implications of FTAs for developing countries and to present the gaps between the agreement and the present situation in the implementation of the FTA. Most importantly, the objective of the study was to identify the potential countries for signing FTAs with, and the coverage of FTAs to be negotiated for the overall economic benefits of Bangladesh. The study also put forward some recommendations to strengthen Bangladesh's position to sign more effective FTA/PTA in near future.

The Final Report includes a review of existing literature and data collection instruments and data collection methods (through questionnaires, public consultation and Focus Group Discussions), data management and entry and data analysis and study findings illustrated in later chapters in the report through proper recommendations.

I would like to express my sincere thanks to the Bangladesh Foreign Trade Institute (BFTI) And Keystone Business Support Company Ltd for successfully conducting the study and submitting the report.

Md. Mijanur Rahman
Project Director
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First of all, I would like to express my profound regards and gratitude to the project director of Bangladesh Regional Connectivity Project 1 (BRCP-1), Ministry of Commerce for entrusting Bangladesh Foreign Trade Institute (BFTI) and Keystone Business Support Company Ltd to carry out the "03 Studies Suggested by NTTFC under The Bangladesh Regional Connectivity Project-1". The final report of the study has been prepared based on a validation workshop held on 18 May 2022.

The 03 studies contain objective, scope and methodology of the studies, detailed literature and background review and analysis. The consultants identified the status of Bangladesh and drew comparison between Bangladesh and other regional countries in regard to implementation of FTAs. They examined the best practices and measures of regional countries and assessed the implications of FTAs for developing countries. They also presented the gaps between the agreement and the present situation in the implementation of the FTA. Most importantly, they identified the potential countries for signing FTAs with, and the coverage of FTAs to be negotiated for the overall economic benefits of Bangladesh. Lastly, the consultants put forward some recommendations to strengthen Bangladesh's position to sign more effective FTA/PTA in near future.

I, as the Team Leader of this project, worked diligently on the reports with inputs from Md. Atiqur Rahman Khan, International Trade Expert; Dr. M. Fouzul Kabir Khan, Lead Researcher, the Statistician, Data Analyst and field surveyors of the study team from both BFTI and Keystone. It is noteworthy thanking Dr. Md. Jafar Uddin, CEO, Md. Obaidul Azam, Director and other researchers from BFTI.

I would also like to thank Md. Mijanur Rahman, Project Director, Md. Munir Chowdhury, National Trade Expert, Dr. M Shahab Uddin, Project Manager, Bangladesh Regional Connectivity Project-1 as well as other officials of the Ministry of Commerce, representatives from different trade bodies, academia and thinks tanks who provided their extended supports and gave us an opportunity to complete the study. We are thankful to all of participants of Focus Group Discussion, Key Informant Interviews, Public Consultation and Validation Workshop for their valuable cooperation and suggestions.

a.Ahmed,

Ali Ahmed
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Former Chief Executive Officer
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List of Abbreviations

AANZFTA	Australia-New Zealand Free Trade Area
ACiFTA	Australia-Chile Free Trade Agreement
ASEAN	Association of Southeast Asian Nations
AFTA	ASEAN Free Trade Area
AITIGA	ASEAN-India Trade in Goods Agreement
APTA	Asia-Pacific Trade Agreement
BB	Bangladesh Bank
BB-PTA	Bangladesh-Bhutan Preferential Trade Agreement
BCSIR	Bangladesh Council of Scientific and Industrial Research
BFTI	Bangladesh Foreign Trade Institute
BIMSTEC	Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation
BSTI	Bangladesh Standards & Testing Institution
CARIS	Centre for the Analysis of Regional Integration at Sussex
CD	Customs Duty
CEPA	Comprehensive Economic Partnership Agreement
CGE	Computable General Equilibrium
ChAFTA	China- Australia Free Trade Agreement
CIF	Cost, Insurance and Freight
CRT	Centre for Regional Trade
CTH	Change of Tariff Heading
Codex	Codex Alimentarius Commission
CTSH	Change in tariff sub-heading
CPTPP	Progressive Agreement for Trans-Pacific Partnership
CU	Customs Unions
D8 PTA	Preferential Trade Agreement among Developing Countries
DFQF	Duty-free Quota-free
DGDA	Directorate General of Drug Administration
EAEU	Eurasian Economic Union
EEA	European Economic Area
EPB	Export Promotion Bureau
EU	European Union

FTA	Free Trade Agreement
JAEPA	Japan-Australia Economic Partnership Agreement
FGD	Focus Group Discussion
GCC	Gulf Cooperation Council
GIs	Geographical Indications
HACCP	Hazard Analysis and Critical Control Point
GSTP	Global System of Trade Preferences among Developing Countries
GTAP	Global Trade Analysis Project
HSL	Highly Sensitive List
IPPC	International Plant Protection Convention
KAFTA	Korea-Australia Free Trade Agreement
KII	Key Informant Interview
LDC	Least Developed Countries
MAFTA	Malaysia-Australia Free Trade Agreement
MERCOSUR	Southern Common Market
MFN	Most favoured Nation
MNP	Movement of Natural Persons
NTBs	Non-Tariff Barriers
NTFC	National Trade Facilitation Committee
NTMs	Non-tariff Measures
OIE	World Organization for Animal Health
OCP	Operational Certificate Procedures
PSR	Product-specific Rules
PTA	Preferential Trade Agreement
RCEP	Regional Comprehensive Economic Partnership
RoO	Rules of Origin
RTA	Regional Trade Agreements
RVC	Regional Value Chain
SAFTA	South Asian Free Trade Area
SATIS	SAARC Agreement on Trade in Service
SACU	Southern African Customs Union
SL	Sensitive Lists
SOC	Schedule of Commitments
SPS	Sanitary and Phyto-Sanitary
TBT	Technical Barriers to Trade
TFA	Trade Facilitation Agreement
TAFTA	Thailand-Australia Free Trade Agreement
TICFA	Trade and Investment Cooperation Forum Agreement

TIG	Trade in Goods
TLP	Trade Liberalisation Programme
TNC	Trade Negotiating Committee
ToR	Terms of Reference
TPS-OIC	Trade Preferential System among OIC Countries
UNCTAD	United Nations Conference on Trade and Development
WTO	World Trade Organization

Table of Contents

List of Tables

List of Figure

Executive Summary

It is indeed a matter of great pride for the nation that Bangladesh is going to graduate from an LDC to a developing country by 2026. The upcoming prestigious global position of this country will lead us to some usual challenges of erosion of few trade preferences like duty-free market access to both developed and developing countries. One of the main instruments of Bangladesh for coping with graduation-related challenges is signing FTAs with countries having high trade potential. In this regard, the government of Bangladesh has broadened its development efforts to include international trade. Bangladesh has taken initiatives to sign Preferential Trade Agreements (PTAs) and Free Trade Agreements (FTAs) with several important economic partners. The main goals of trade agreements are reducing barriers to Bangladesh's exports, protecting interests to compete abroad, and enhancing the rule of law in the FTA partner country or countries.

Bangladesh Foreign Trade Institute (BFTI) has conducted a study on 'Identification of Potential Countries for Free Trade Agreements', awarded by Bangladesh Regional Connectivity Project-1, WTO Cell, Ministry of Commerce, as a part of 'Conducting 3 Studies suggested by the National Trade Facilitation Committee (NTFC)'. The study has been conducted to identify the status of Bangladesh and draw comparison between Bangladesh and other regional countries in regard to implementation of FTAs. Besides, examining the best practices and measures of regional countries, the implications of FTAs for developing countries, etc. were also identified in the study. The study found out and presented the gaps between the agreement and the present situation in the implementation of the FTA. Moreover, the study identified the potential countries for signing FTAs with, and the coverage of FTAs to be negotiated for the overall economic benefits of Bangladesh.

Chapter I presents the introduction of the study mentioning objectives, rationale of the study and methodology. The data for the study were gathered from both primary and secondary sources. The secondary sources, including relevant books, journals, database of Bangladesh Bank, Export Promotion Bureau, and WTO, were consulted to collect required data. In addition, 15 Key Informant Interviews (KII) and a Focus Group Discussions (FDG) and a public consultation were conducted to collect the primary data and opinions from the relevant stakeholders. Besides, after data compilation, tabular forms were used to present the analyses. A validation workshop was organized to validate the findings of the report.

Chapter II discusses the identification of the current status of Bangladesh in implementation of the FTA. Bangladesh, until the writing of this report, has signed one regional FTA, SAFTA and the Framework Agreement on BIMSTEC-FTA. In addition, Bangladesh is also a signatory to several PTAs like The Asia-Pacific Trade Agreement (APTA), Trade Preferential System among the Member States of the OIC (TPS-OIC), and Developing Eight (D-8) PTA. However, Bangladesh has signed only one bilateral PTA so far, and that is with Bhutan.

Chapter III presents the comparison between Bangladesh and other regional countries in implementation of the FTA. The study shows that the ASEAN has five bilateral FTAs while India belongs to three regional PTAs, eleven bilateral and three regional FTAs. Besides, Vietnam has completed four bilateral FTAs and ten regional FTAs. Moreover, Japan, Australia, and China have formulated a remarkable number of FTAs. Comparison shows that Bangladesh is well behind her regional peers in regard to signing PTAs and FTAs.

Chapter IV identifies the status, best practices and measures of regional countries in implementation of FTAs. The study shows that FTA practices of developed countries and large trading blocks are characterized by wider coverage. In selecting quality FTAs, EU-Vietnam FTA and ASEAN s FTA with the EU, China, Australia, and New Zealand were chosen. The best practices of FTAs deal with trade in goods including rules of origin, trade in services, investment. Like the chapter on the Services, the transparency provisions of the chapter on Investment require publication of any measures affecting investors and their covered investments in the internet. It likewise allows interested parties to give their comments on any new measures on investment that is under consideration.

Chapter V discusses the implication of FTAs for developing countries. The study has found that the effects of FTAs on developing countries are uneven. The estimated trade effect in some situations was large, while in others, it was small, and some countries were not benefited at all. The magnitude of the effect is influenced by a few critical elements. The study suggests that FTAs with deeper, broader coverage and faster change, unsurprisingly, has a greater impact. If the tariff advantage granted by the FTA is limited, firms are less likely to incur additional administrative costs. The smallest advantage can come from both "residual protectionism" (if the FTA fails to reduce some tariffs) and "wide liberalism" (if tariffs outside the FTA are already low).

Chapter VI identifies Non-Tariff Measures taken by potential countries for a number of sectors. The chapter would recommend for addressing product specific NTMs and would discuss the macro-level and within the country capacity constraints of different government and other relevant agencies capacity requirements that may stop NTMs turning into NTBs for Bangladeshi exporters.

Chapter VII identifies the gaps in the existing agreements and the present situation in the implementation of the FTAs. The study has identified gaps in PTA/FTAs Bangladesh already signed. The gaps identified are as follows- FTAs are mostly limited in coverage which includes trade in goods only; import tariff only (Customs Duty); lack of de minimis (tolerance) rule; positive list approach; no modalities for tariff reduction; and so on.

Chapter VIII identifies the potential countries for signing free trade agreements with, and coverage of FTAs to be negotiated that generate overall economic benefits for Bangladesh. The study conducted the analysis of indicators like trade performances, bilateral trade flow, and diplomatic relationships while selecting the potential countries. To find out potential countries for signing FTA with the study first found a list of countries with which Bangladesh currently has significant export trade and positive export growth. Then the list was shortened with fewer numbers of Countries from which Bangladesh has significant import. Then the list was shortened further including only those countries whose individual simple average MFN tariff is higher than six percent. Finally, thirty-five countries have been selected as the potential countries for signing FTAs with. Out of these countries, seven are from the Asian region, four from the African region, three from Latin America, thirteen countries are from the EU and the remaining eight are from the rest of the world. Many of these countries are members of different customs unions like the EU, EAEU, MERCOSUR, SACU etc. Finally, 15 countries and regional economic blocs (10 Countries, 5 regional blocs) have been identified considering some qualitative criteria including geographical proximity, preference erosion after LDC graduation, political understanding, opinion from stakeholders through Key Informant Interviews, Focus Group Discussion and Public consultation. The countries included in the list could get priority for feasibility studies.

Chapter IX discusses the barriers to FTA formulation. The study has investigated the macroeconomic background and the existing trade and economic linkages at the bilateral level that could accrue due to a possible FTA. The study has been conducted with the aim of examining ways and opportunities to enhance economic benefit. Based on the above, the study concludes that the present mechanism of formulating the FTAs of Bangladesh needs to be more organized and coordinated. The existing barriers for negotiating and, finally, signing FTAs are enormous. For example, the simple average tariff of Bangladesh is fourteen per cent or more, heavy dependence on import-related taxes, limited export products, provision of cash incentives and subsidies on some goods, etc., are major hindrances to the formulation of FTA in Bangladesh.

Chapter X presents the **conclusion and recommendations**. In the chapter, the study recommended 10 potential countries including USA, India, China, United Kingdom, Japan, Canada, South Korea, Singapore, Indonesia, Morocco for signing FTA. The study also recommended 5 economic blocs for signing FTA including European Union, RCEP, ASEAN Eurasian Economic Union (EAEU), MERCOSUR.

The study further recommended that the government may take steps to streamline the regulatory regime, including the rationalization of tariff structure to leverage the opportunity to sign an FTA or RTA and enter into a regional block. The study also recommends diversifying the export basket, enhancing the negotiation skills of FTA negotiators through advanced training, building, and sustaining institutional memory of the agencies related to FTA negotiation and enhancing coordination among the ministries and agencies related to FTA negotiation etc, which may strengthen Bangladesh's position to sign more effective FTA/PTA in near future.

Finally, the study mentioned signing an FTA is not an easy task for Bangladesh, but FTA is an important instrument to combat the upcoming challenges of LDC graduation. Bangladesh, therefore, needs to narrow down the trade policy gaps constraining the country from complying with the standard FTAs. In addition, preparation of the business community across sectors is also necessary. The Ministry of Commerce may work with different ministries, think- tanks, and private bodies to prepare an indicative, but comprehensive, guideline to take such preparations.

CHAPTER I: INTRODUCTION

While the World Trade Organization (WTO) plays an important role in securing market access and increasing competitiveness in the wake of globalization, free trade agreements (FTAs), once the DFQF and other LDC-related privileges are gone on graduation, have emerged as highly effective instruments for reinforcing such market access and competitiveness through increased economic cooperation among countries. FTAs have become key national trade policy instruments as well as a very dominating aspect of the international trading system. Even though Bangladesh has been successful in extending its export base and market over the previous two decades, the country's export base and market remain quite constrained. Bangladesh, on the other hand, confronts competition in the international market from countries with which the destination countries have free trade agreements.

A free trade agreement is a pact between two or more countries to reduce barriers to imports and exports among them. Under Free trade agreements, countries give each other preferential treatment in trade, such as eliminating tariffs and other barriers on goods.[1] Under a free trade policy, goods and services may be bought and sold across international borders with little or no government tariffs, quotas, subsidies or prohibitions to inhibit their exchange.[2] Through FTA countries agree on certain obligations that affect not only trade in goods and services but also protections for investors and intellectual property rights, among other topics.[3]

Undoubtedly, Free Trade Agreements (FTAs) are gaining prominence in the contemporary global trading system. Due to the failure of international trade discussions at the WTO, free trade agreements have proliferated. The WTO Ministerial Conferences in Seattle (1999) and Cancun (2003) failed. The 2005 Hong Kong Ministerial also failed to effectively initiate trade discussions. The ensuing Doha Round negotiations remain stalled. Parallel to the failures at the WTO, trading nations negotiated bilateral and regional accords and concluded FTAs with one another.

An FTA may be a simpler alternative to a complex international framework. Frequently, countries in proximity have similar interests. Such countries may share components of their culture, religion, language, history, and social and economic systems. In addition to physical proximity, EU members have a shared historical background and linguistic proximity. Nations may share other commercial interests. Japan is interested in creating an

[1] https://www.cfr.org/backgrounder/rise-bilateral-free-trade-agreements
[2] https://www.investopedia.com/terms/f/free-trade.asp
[3] https://www.trade.gov/free-trade-agreement-overview

economic relationship with Mexico so that Japanese firms may obtain access to the NAFTA market, while Mexico is interested in diversifying its trade links and decreasing its excessive dependency on the United States and the North American market. Countries are becoming more interested in regional and bilateral trade agreements for these reasons. In general, bilateral trade talks for FTAs are simpler than those for multilateral agreements.

FTAs may have the effect of extending free trade beyond what can currently be agreed upon in the multilateral trading system: if an FTA is successful, commerce in the territories covered by the FTA is liberalized, and the "zone" for free trade is enlarged. By boosting economic efficiency, trade liberalization may contribute to the economic growth of the area. Businesses from outside the area will have a better chance to trade and invest in the region as a result of the FTA's economic growth.

Nevertheless, the development of FTAs poses a significant structural challenge to the WTO framework. An FTA is a preferential trade arrangement in which each member in some manner grants concessions to other participants. In this regard, FTA is fundamentally a system that discriminates against outside parties. Articles I and III of the GATT establish non-discrimination among trade states as the most important premise of the WTO (most-favored nation treatment and national treatment respectively). The link between FTAs and the WTO is complicated. On one side, the two have a complimentary connection as FTAs may achieve trade liberalization in areas where WTO discussions have failed, such as direct investment, competition, environment, etc. Thus, FTAs may achieve partial liberalizations when trade discussions at the WTO reach a stalemate. One may argue that some liberalization is preferable than none.

On the other side, the discriminatory treatment entailed in FTAs produces an imbalance in the competitive circumstances among trading states, resulting in unjust and unequal commercial ties. This may be particularly challenging for emerging nations without FTAs that rely on international commerce and the influx of foreign money for economic growth. For underdeveloped countries negotiating FTAs with wealthier countries, equity may also be an issue. In situations when a developing country is negotiating an FTA with a developed country, the developing country may have little alternative but to accept the developed country's demands in order to maintain access to the developed country's market, which may be vital. Developing countries with weak and small economies that negotiate bilateral FTAs with developed countries or larger developing countries will not enjoy the same collective bargaining power that they may have during multilateral trade negotiations. As a result, they may be required to forego some of the multilateral protections provided by the WTO, such as special and differential treatment for developing countries.

The expansion of FTAs poses a threat to the multilateral control of the international trade system in this regard.

The WTO, which symbolizes multilateralism in international trade, must learn to live with FTAs despite the perception of discrimination and injustice since multilateral trade discussions are becoming more difficult and there are so many FTAs in effect. From the perspective of the WTO, it is essential to keep FTAs at bay while exploiting the liberalisation impact of FTAs and maybe also finding a means to mitigate any disadvantages to poor nations. In other words, one of the primary responsibilities of WTO members is to guarantee that WTO rules are adequately followed to avoid FTAs from becoming too exclusive and discriminatory against outside parties. Article XXIV of the GATT permits FTAs if certain conditions listed in that article are satisfied. Article XXIV's meaning is ambiguous and susceptible to several interpretations. Therefore, clarifications of Article XXIV's main clauses are required.

Due to inequalities in economic resources and political clout, developing nations may be at a disadvantage while negotiating free trade agreements with wealthy nations. In multilateral trade discussions, such as those in the WTO, developing nations may establish coalitions with the participation of several developing countries and present a unified front to developed countries. Developing nations may not, however, be able to depend on such a collective strategy while negotiating FTAs. Therefore, emerging nations may be susceptible to the overwhelming negotiating strength of large and strong trading partners. When negotiating FTAs with developing nations, powerful industrialized countries may use a "divide and conquer" tactic. In bilateral trade discussions, the position of developing nations is particularly precarious because developed countries might use the disparity in negotiating power between developed and developing countries to impose terms beneficial to themselves and unfavorable to developing countries.

Using multilateral FTAs in which not just two but several parties engage and in which more than one developing country is a participant may be one solution to this issue. Thus, the presence of many poor countries in the FTA may effectively prevent the imposition of stringent terms by a strong industrialized nation. This form of free trade agreement likely reflects the reality of economic operations, given that contemporary businesses operate in several nations.

A further concern for developing nations when negotiating bilateral FTAs with rich countries is that the developed country party may demand high standards on the developing country counterpart in areas such as foreign direct investment and environmental protection. Although environmental preservation is an essential objective that any nation should pursue, the environmental laws imposed on a developing nation may be excessive and prohibitively expensive. Although it is important for developed countries to ensure that their domestic industries are not disadvantaged relative to their counterparts in developing countries as a result of differences in the level of environmental protection, the developed country party should take into account the possibility that an excessively high demand for environmental protection in the developing country party may impede its economic development. On the long term, this may be detrimental to the developed country partner due to their slower economic development.

Numerous FTAs contain provisions for direct investment, and there are numerous bilateral investment agreements geared primarily at promoting direct investment. Although it is generally true that direct investment from a developed nation into a developing nation benefits the latter by providing financial resources and transferring technology and other managerial resources, the stringent requirements imposed by such provisions may interfere with the development policies of the developing nation party. In FTAs and BITs, for instance, most-favored treatment and national treatment are often stipulated. Despite the fact that these are fundamental principles of international trade, they may hinder the developing country's ability to effectively implement its development policies. For instance, a developing country may wish to promote a specific industry, such as the IT industry, in order to make it a catalyst for overall economic growth. This may violate the concept of MFN or national treatment, depending on the context.

Additionally, basic problems about FTAs between industrialized and developing nations must be examined. By removing tariffs and other non-tariff trade obstacles, FTAs have the potential to boost consumer welfare in both emerging and developed nations, ultimately contributing to a rise in GDP. However, the abolition of tariffs may also hinder the long-term growth potential of emerging nations by preventing them from protecting their local markets from international competition and promoting their own industries. This exposure will have the effect of "locking" the existing competitive structure in trade between developing and developed countries, with the latter able to export more sophisticated, high value-added manufactured products and services and the former limited to exporting primary goods and relatively cheaper, labor-intensive products, resulting in large imbalances in trade gains between the two groups.

In cases where developing countries attempt to increase their exports through FTAs, non-tariff barriers imposed by developed country partners, such as stringent SPS regulations and technical product requirements, strict rules of origin, complex licensing requirements, and visa restrictions on the admission of labour from developing countries, pose a significant obstacle. Rarely do FTAs between developed and developing countries reduce these developed country restrictions, allowing the export of goods and services from developed countries to developing countries with few or no barriers, but not those from developing countries to developed ones. Although there may be political obstacles to developed countries reducing these non-tariff barriers, developing countries must find a method to overcome them to sell their goods and services to developed country partners. An example of this attempt is the "cumulation" allowance in EU preferential schemes with regard to the rules of origin requirement.

Despite having the pros and cons FTAs have become key national trade policy instruments as well as a very dominating aspect of the international trading system of Bangladesh. Even though Bangladesh has been successful in extending its export base and market over the previous two decades, the country's export base and market remain quite constrained.

Services trade has grown dramatically in recent years all over the world. Despite its contribution to GDP, Bangladesh's services industry is less exposed to foreign commerce. Bangladesh's efforts to diversify its export products and markets could be aided by long-term agreements with potential trading partners that have yet to be fully explored. FTAs are thought to provide chances for Bangladesh to diversify and expand its exports while also improving its competitiveness. It will also be critical in attracting investment, growing the service sector, and increasing overall exports.

Signing FTAs with countries having trade potentials is one of the major tools for Bangladesh for combating the graduation- related challenges. Recently, the Hon’ble Commerce Minister has declared to achieve a target of $84 billion exports by 2024. Considering the graduation challenges, in order to achieve this target, signing FTAs with potential countries is essential. However, while deciding to sign FTAs with trade competitive countries, its impact on domestic market may be kept in mind.

Impact of graduation from Least Developed Country (LDC) status may be categorized into two: - trade and non-trade impacts. The non-trade impacts are quite negligible, but trade impact is expected to be high. The Government of Bangladesh is working to expedite export diversification. The estimated loss, calculated by UNCTAD, from the LDC graduation is expected to be 5-7 billion USD, which may, hopefully, be tackled by exploring the potentials in the emerging sectors of Bangladesh, for example, ICT, jute and jute goods, plastics, light engineering, halal products, etc.

As of now, Bangladesh is a member of two regional FTAs, three regional PTAs and one bilateral PTA. The government of Bangladesh has already conducted feasibility studies for bilateral and regional trade agreements, free trade agreement and comprehensive economic partnership agreement with 23 countries.

Bangladesh may arrange to offset the duty loss. These may be in the form of attracting inbound investment in goods and services sector. Since the openness of Bangladesh’s service sector is very limited (currently hospitality and telecommunication sector) and export basket is limited, the Ministry of Commerce often faces challenges to select strategy to design attractive and profitable areas of investment, especially in the form of FDIs.

The study will find out the current status of FTAs of Bangladesh, existing gaps, best practices of other developing countries, supply side capacity and identify potential countries for Bangladesh for signing FTAs with.

1.1 Objectives of the study

The objectives of the study are given below -

i. To identify the current status of Bangladesh in implementation of the Free Trade Agreement (FTA);
ii. To present comparison between Bangladesh and other regional countries in implementation of FTA;
iii. To identify status, best practices, and measures of regional countries in implementation of FTA;
iv. To present the implications of FTAs for developing countries.
v. To identify the gaps in the existing agreements of other countries with Bangladesh, and the present implementation situation of those FTAs; and
vi. To identify the potential countries for signing free trade agreements with, and coverage of FTAs to be negotiated aiming at generating overall economic benefits for Bangladesh.

1.2 Scope of the study

The broad objective of the study was to identify the status of FTA of Bangladesh, trade policy gaps constraining the country complying with the standard FTAs and to identify the potential countries for FTA formulation assessing the best practices. While identifying the current status of Bangladesh in implementation of the Free Trade Agreement (FTA), progress of all RTAs and FTAs Bangladesh so far has entered into are reviewed. Government initiatives from policy perspectives regarding FTA/RTA are also reviewed. While drawing comparison of the FTA status of Bangladesh with other regional countries, FTA status of 2 economic blocs namely ASEAN, EU and 5 countries namely Vietnam, China, Japan, Australia and India were studied. 4 FTAs including EU-Vietnam FTA, ASEAN-China FTA, ASEAN India FTA and ASEAN-Australia-New Zealand FTA were assessed to identify status, best practices, and measures of regional countries in implementation of FTA. To present the implications of FTAs for developing countries literatures from both global and Bangladesh perspectives were observed. In this regard, the tariff provisions, Non-tariff barriers, supply side constraints, technology transfer and fiscal impact of FTA were taken into account. The study also identified Non-tariff measures taken by potential sectors in some selected sectors. While identifying gaps of existing agreements, coverage of FTA, rules of origin, product listing approach were considered. To identify the potential countries for FTA both quantitative and qualitative criteria as prescribed by FTA policy guideline 2010 and RTA policy 2022 were used. Stakeholders' observations were also taken into account while identifying the potential countries for signing FTA.

1.3 Rationale of the Study

The main goal of trade agreements is to reduce barriers to Bangladesh's exports, protect her legitimate interests, enable the country to compete abroad with her products and services, and ensure as far as practicable a fair compliance with the rule of law in the FTA partner country or countries.

Bangladesh is transforming, or, in fact, has, technically speaking, already transformed from an LDC to a Developing Country, and will lose Duty-Free Access to the countries of destination of her exports. The Ministry of Commerce, Government of Bangladesh, keenly aware as it is of this impending shock, so to say, has re-doubled its efforts to take all possible measures to make it as tolerable as possible, and to forge ahead with our remarkable speed in economic and social development. Bangladesh has, therefore, taken steps to sign Preferential Trade Agreements (PTAs) and Free Trade Agreements (FTAs) with a number of commercially significant countries.

Concluding FTAs with potential partner countries might not be easy task to do. To achieve maximum benefit from FTA and RTA Proper identification of potential countries for signing FTAs with is the necessary first step for that purpose. In addition, it is necessary to assess the best practices of concluding FTAs, identifying gaps in the existing FTAs. This study intends to identify potential FTA partners, examining some best practices and identifying gaps in the existing FTAs of Bangladesh.

1.4 Approach and Methodology

1.4.1 Approach

As part of the approach to accomplish the objectives of the study, the existing literature was reviewed for secondary data, and different types of consultations with both the public and private stakeholders were conducted for primary data. All the data were analyzed and this report was prepared with necessary recommendations to the policy makers of the government.

A five-stage process for the study containing the following steps was followed in conducting the critically important policy study:

- **Identify objectives and tasks:** First, it was identified what was intended to do and what were the tasks to be performed.
- **Identify stakeholders:** The relevant stakeholders as well as their respective level of engagement, control and contribution concerning the objectives defined above were identified.
- **Data collection:** Necessary data has been collected for the study.
- **Data analysis:** The collected data were statistically analyzed so as to extract necessary conclusions towards the achievement of the objectives of the study.
- **Reporting:** Finally, this report is prepared and submitted to the appropriate authorities.

1.4.2 Methodology

In order to identify the current status of FTA, best practices and potential countries for signing FTA, 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 desktop review of all relevant rules/regulations/policies, research/study reports, official reports, policy documents, newspaper reports, etc.;
2. 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; and
3. Data Analysis.

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 number 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 Fifteen (15) 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: Video conference interviews, email interviews and face-to-face Interviews. The KIIs were conducted both in Dhaka.

(g) **Focus group discussions (FGD):** An FGD relevant to the study was organized targeting mainly the people concerned with the subject matter of the study. The participants in the FGD were 22 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 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) **Validation workshop:** A validation workshop took place to present major findings of the study and receive feedback from the concerned authorities was organized for finalizing the study report.

1.5 Limitations

Due to the COVID-19 situation, it was difficult to undertake field visits physically for data collection and observation purposes. Similarly, it was also difficult to conduct FGD, KIIs, and PC through in-person attendance.

CHAPTER II: IDENTIFICATION OF CURRENT STATUS OF BANGLADESH IN IMPLEMENTATION OF THE FTA

As a result of its transformation from Least Developed Country to Developing Country, Bangladesh will lose duty-free access to both developed and developing countries. As part of these efforts, Bangladesh has taken steps to sign Preferential Trade Agreements (PTAs) and Free Trade Agreements (FTAs) with a number of commercially significant countries. The signing of the Preferential Trade Agreement (PTA) with Bhutan has progressed. Despite the fact that Bangladesh has yet to sign a free trade agreement (FTA), the country has conducted feasibility studies with countries such as Malaysia, Sri Lanka, the United States, Thailand, Japan, Lebanon, Morocco, Canada, the Association of Southeast Asian Nations (ASEAN), and the Eurasian Economic Union (EAEU), among others.

2.1 Current status of Regional Trade Agreements (RTAs) and Bilateral Trade Agreements of Bangladesh:

Bangladesh current status of regional and bilateral trade agreements are discussed below -

2.1.1 South Asian Free Trade Area (SAFTA)

The agreement was signed on 06 January 2004 at 12 SAARC Summit. The member countries of this regional agreement are Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan & Sri Lanka. The Agreement provides scope for maintaining of sensitive lists, which are not subject to tariff reduction program. Bangladesh, India and Nepal maintain different sensitive lists for LDCs and Non-LDCs.

South Asian Free Trade Area (SAFTA) agreement, which went into effect on July 1, 2006 is an agreement of eight countries of South Asia including Afghanistan, Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka with the vision of increasing economic cooperation and integration. The sensitive lists and Trade Liberalization Program (TLP) activities of SAFTA are still ongoing. All member states lowered their sensitive list by 20% as part of the Trade Liberalization Program (TLP) Phase-II, which took effect on January 1, 2012. Bangladesh, as a Least Developed Country (LDC), has duty-free access to India for all products except 25. Sensitive lists of Bangladesh include 1,031 products for non-LDCs and 1,022 products for LDCs. Pakistan, India, Bhutan, and the Maldives recommended at a special meeting of the SAFTA Committee of Experts (COE) convened in Islamabad, Pakistan on July 4, 2015, that the number of products on the sensitive list be decreased to 100 by 2020. Afghanistan recommended in this context that their sensitive list be reduced to 235 by 2030. Concerned COE continues to negotiate to gradually remove/reduce such hurdles. Trade in this region may greatly rise if such impediments are removed through this negotiation and phase-III is executed.

SAFTA Sensitive list (SL):

Member Stat	Number of Products in Original SL	Number of Products in Revised SL (Phase-II in 2012)
Afghanistan	1072	858
Bangladesh	1233 (LDCs); 1241 (NLDCs)	987 (LDCs); 993 (NLDCs)
Bhutan	150	156
India	480 (LDCs); 868 (NLDCs)	25 (LDCs); 614 (NLDCs)
Maldives	681	154
Nepal	1257 (LDCs); 1295 (NLDCs)	998 (LDCs); 1036 (NLDCs)
Pakistan	1169	936
Sri Lanka	1042	837 (LDCs); 963 (NLDCs)

Source: SAARC Website

Rules of Origin of SAFTA:

- General Rule: Single Country Content
  - ✓ LDCs- 30% Value addition (VA) plus Change of Tariff Heading (CTH) criteria
  - ✓ Non LDCs- 45% Value addition (VA) plus Change of Tariff Heading(CTH) criteria
- SAARC Cumulation
  - ✓ LDCs- 40% Value addition (VA) plus Change of Tariff Heading (CTH) criteria
  - ✓ Non LDCs- 60% Value addition (VA) plus Change of Tariff Heading (CTH) criteria
  - ✓ Requirement of 20% VA in the exporting country
- For Sri Lanka
  - ✓ 35% Value addition (VA) plus Change of Tariff Heading (CTH) criteria and
  - ✓ 55% regional Value addition (VA) plus Change of Tariff Heading (CTH) criteria in SAARC Cumulation

The last meeting was held in Pakistan in 2015. At present, the activities of TLP Phase III are underway for further reduction of the number of items from the sensitive lists of the member countries.

Under SAFTA Bangladesh is the second-highest exporting country after India. All member countries of SAFTA have submitted notification with a view to removing Para tariff and non-Tariff barriers within the SAFTA region. If such barriers are removed through this negotiation and phase III is be implemented in future, then trade in this region will significantly increase.

2.1.2 SAARC Agreement on Trade in Services (SATIS)

The Sixteenth SAARC Summit, held in Thimphu on the 28th and 29th of April 2010, saw the signing of the SAARC Agreement on Trade in Services (SATIS). Service offer and request lists have been sent among the member countries. All member states have accepted the agreement and exchanged service offer and request lists in order to complete commitment schedules. In the meantime, Bangladesh has submitted commitment schedules for two service industries (telecom and tourism). Bangladesh has also demanded that eleven service sectors be liberalized by all member states. The member states are currently debating and negotiating the finalization of the Schedules of Commitments. Bangladesh might be benefited from the agreement's implementation in terms of investment and commerce. Afghanistan, Bangladesh, India, Nepal, and Bhutan have prepared their primary offer list, according to the 11th Expert Group conference held in Islamabad, Pakistan on July 5, 2015. The successful execution of this agreement will boost trade in service of Bangladesh.

Service offer and request lists have been sent among the member countries. All member states have accepted the agreement and exchanged service offer and request lists in order to complete commitment schedules. In the meantime, Bangladesh has submitted commitment schedules for two service industries (telecom and tourism). Bangladesh has also demanded that eleven service sectors be liberalized by all member states. The member states are currently debating and negotiating the finalization of the Schedules of Commitments. Bangladesh might be benefited from the agreement's implementation in terms of investment and commerce.

At the Sixteenth SAARC Summit, The Leaders expressed the hope that this will open up new vistas of trade cooperation and further deepen the integration of the regional economies. The Leaders called for an early conclusion of negotiations on the schedules of specific commitments under the Agreement.

So far, eleven Meetings of the Expert Group on SATIS have been held. The Eleventh Meeting of the Expert Group held in Islamabad on 5 July 2015 noted that only Afghanistan, Bangladesh, Bhutan, India and Nepal are ready with their Final Offer Lists and are ready for tabling of these Final Offers. Subsequently, Maldives and Sri Lanka also informed that they are also ready with their Final Offer Lists under SATIS. This confirmation is still awaited from Pakistan.

Once confirmation from all Member States has been received, these Lists would be forwarded to the SAARC Secretariat by all Member States for circulation among all Member States in one go. These Final Offer Lists would be examined by the Member States and subsequently tabled during the Twelfth Meeting of the Expert Group now to be held in New Delhi in 2017.

With the financial and technical assistance of ADB, a Study on Development of Institutional Framework for Data Collection on Trade in Services, including Capacity Building has been conducted as recommended by the Second Meeting of Heads of SAARC Statistical Organizations (Dhaka, 17 April 2008) and the Thirteenth Meeting of Committee on Economic Cooperation (Dhaka, 24-25 November 2007).

The last meeting was held in Pakistan in 2015. According to the 11th Expert Group meeting held in Islamabad, Pakistan on 5 July 2015 Afghanistan, Bangladesh, India, Nepal and Bhutan have prepared their primary offer list. All member states except Pakistan have sent their schedule of commitment to the SAARC Secretariat. Successful implementation of this agreement will increase the trade of Bangladesh in the service sector.

2.1.3 Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC)

Bangladesh, India, Myanmar, Sri Lanka, Thailand, Nepal, and Bhutan are members of the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), a regional organization. This economic group, originally known as BIST-EC (Bangladesh, India, Sri Lanka, and Thailand Economic Cooperation), was established in 1997. The alliance was renamed BIMST-EC in the same year as a result of Myanmar's membership (Bangladesh, India, Myanmar, Sri Lanka and Thailand Economic Cooperation). Nepal and Bhutan joined the alliance in 2004, and it was called BIMSTEC.

The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), which brings together 1.5 billion people, or 21 percent of the world's population, and a combined GDP of more than US$ 2.5 trillion.

At a summit in Bangkok in June 1997, BIST-EC (Bangladesh, India, Sri Lanka, Thailand - Economic Cooperation) was established. Myanmar was inducted in December 1997, and the name of the organization was changed to BIMST-EC. In February of 2004, Nepal and Bhutan were added to the group. At the 1st Summit Meeting held in Bangkok in July 2004, the group's name was changed to BIMSTEC (Bay of Bengal Initiative for Multisectoral Technical and Economic Cooperation).

Through Summits, Ministerial Meetings, Senior Officials Meetings, and Expert Group Meetings, as well as the Bangkok-based BIMSTEC Working Group (BWG), BIMSTEC arranges intergovernmental relations. There have been two BIMSTEC Summit meetings (Bangkok July 2004, New Delhi November 2008), thirteen Foreign Ministerial meetings (the thirteenth MM was held in Nay Pyi Taw in January 2011), and fifteen Special Meetings. From 1 to 4 March 2014, Myanmar will hold the 3rd BIMSTEC Summit, 14th Ministerial Meeting, 16th SOM, and 2nd Preparatory meetings in Nay Pyi Taw. The Chairmanship of BIMSTEC alternates among member states (alphabetically). Myanmar has been the group's chair since December 2009, succeeding India (Aug 2006-Dec 2009). Nepal has decided to assume the presidency after the third summit.

The BIMSTEC Permanent Secretariat will be formed in Dhaka, with Sri Lanka nominating the first Secretary General. India will contribute 32% of the cost of the Secretariat, demonstrating its commitment to the BIMSTEC project.

This agreement addresses fourteen sectors/sub-sectors, including I trade and investment, (ii) technology, (iii) energy, (iv) transportation and communication, (v) tourism, (vi) fisheries, (vii) agriculture, (viii) cultural cooperation, (ix) environment and disaster management, (x) public health, (xi) people-to-people contact, (xii) poverty alleviation, (xiii) counterterrorism and transnational crime, and (xiv) Climate Change.

Transport and Communications (India): The 12th Ministerial Meeting accepted the BIMSTEC Transport Infrastructure and Logistics Study (BTILS) performed by ADB in 2007. (Dec 2009). The Report was completed in December of 2013. In June 2013 the ADB organised an Inception Workshop on BTILS upgrading and the first meeting of the Expert Group on Road Development in Yangon.

Tourism (India): A BIMSTEC Information Centre was opened in New Delhi in July 2007. In September 2013 in New Delhi, the Ministry of Tourism convened a conference on the BIMSTEC Information Centre and contribution to the Tourism Fund (1st JWG on Tourism). In February 2005, the 1st Round Table and Workshop of Tourism Ministers was conducted in Kolkata; in August 2006, Nepal hosted the 2nd Meeting in Kathmandu; and Bangladesh will host the next meeting.

Counterterrorism and Transnational Crime (CTTC): BIMSTEC cooperation under CTTC has been divided into 4 sub-groups, each with a lead shepherd: Intelligence Sharing (Sri Lanka); Combating Financing of Terrorism (Thailand); Legal and Law Enforcement Issues (India); and Prevention of Illicit Trafficking in Narcotics Drugs, Psychotropic Substances and Precursors (India) (Myanmar).

In January 2013, the L&T Division of the Ministry of Foreign Affairs convened the 5th Sub-group on Legal & Law Enforcement Issues in New Delhi, where the draught Convention on Mutual Legal Assistance in Criminal Matters was finalized. India adopted the 'BIMSTEC Convention on Combating International Terrorism, Transnational Organized Crime, and Illicit Drug Trafficking' in December 2009.

Environment and Disaster Management: In June 2011, the Ministry of Earth Sciences, in collaboration with the Ministry of Economic Affairs, hosted a workshop titled "Seasonal Prediction and Application to Society." India will create the BIMSTEC Weather and Climate Centre under the NOIDA National Weather Forecasting Centre. At the 10th Ministerial conference held in New Delhi in August 2008, the MOA for the formation of the Centre was completed and is likely to be signed at the 3rd Summit.

Investment & Trade (Bangladesh): In February of 2004, a Framework Agreement for the BIMSTEC Free Trade Area was signed in Phuket, Thailand. The parties are obligated to negotiate FTAs for goods, services, and investments under the Framework Agreement. At the 18th Trade Negotiating Committee (TNC) meeting in Phuket in June 2009, an agreement on Trade in Goods and other aspects pertaining to Rules of Origin, Operational Certification Procedures and agreement on Customs Cooperation was finalized. The nineteenth TNC was held in Bangkok in February 2011. India has swapped tariff preference schedules with other member nations.

Bangkok hosted the sixth edition of the BIMSTEC Business and Economic Forum in February 2011. In November 2008, India held a Business Summit gathering in conjunction with CII, FICCI, and ASSOCHAM. India organizes an annual BIMSTEC Integration Seminar in the Northeast (Shillong 2013, Imphal 2014). To promote business travel among BIMSTEC member nations, the Expert Group on the BIMSTEC Visa Scheme has conducted three sessions.

Cultural Cooperation (Bhutan): During the 3rd Summit, members are scheduled to sign an MOU establishing the BIMSTEC Cultural Industries Commission (BCIC) and the BIMSTEC Cultural Industries Observatory (BCIO). In 2006, India hosted the first Expert Group Meeting BCIC&O in New Delhi. In May of 2006, the inaugural BIMSTEC Ministerial Conference on Culture was held in Paro, Bhutan.

Energy (Myanmar): In June 2012, Bangkok hosted the BIMSTEC Regional Workshop and Study Visit on Bio-Fuels Production and Utilization. In January 2013, the Ministry of Power conducted the fourth meeting of the Task Force on Power Exchange in New Delhi, where the draught language of the MOU on Grid Interconnection was debated. The Energy Ministers met in New Delhi in October 2005 and Bangkok, Thailand, on March 4 and 5, 2010.

In addition, India hosted the Task Force Meeting in Bengaluru in February 2011 and the SOM in New Delhi in February 2011 to discuss the operationalization of the BIMSTEC

Energy Centre (MOA signed during 13th MM). Bangalore's Central Power Research Institute has granted land for the Centre on its grounds.

Agriculture (Myanmar): In November 2010, Sri Lanka held the third summit on Agriculture in Kandy. Previously, at the 2nd Expert Group Meeting held in New Delhi in April 2008, nine priority areas (along with lead countries) were finalized; India will lead in Prevention and control of transboundary animal diseases (India); Affiliation of Universities/Research Institutions (India); Development of agricultural biotechnology including biosafety (India); and Development of Seeds (India) (India).

Plan of Poverty Alleviation (Nepal) was approved during the 2nd Ministerial Meeting held in Kathmandu, Nepal in January 2012.

Sri Lanka held the third meeting on the formation of the BIMSTEC Technology Transfer Exchange Facility on May 9-10, 2011 in Colombo. At the meeting, the draught Concept Paper was discussed. Thailand held a training workshop on Advanced Aquatic Plants Tissue Culture in Bangkok in August of 2013.

Public Health (Thailand): The Department of AYUSH, in conjunction with the Ministry of External Affairs, conducted two workshops on IPR concerns and regulatory challenges in traditional medicines in New Delhi in October 2011. Since 2005, India has awarded 30 AYUSH scholarships for undergraduate, graduate, and doctoral studies in the domains of traditional medicine in India. Thailand hosted the second conference of the Network of National Centers of Coordination in Traditional Medicine in Nonthaburi in August 2010; the Indian candidate is the Institute of PG Teaching and Research in Ayurveda (IPGTRA) in Jamnagar.

Individual-to-Individual Contact (Thailand): India gives 1,440 (Civilian), 274 (Defense), and 18 places in NDC & DSSC under the ITEC initiative to BIMSTEC nations, of which roughly 1,200 are used. India has established the BIMSTEC Network of Think Tanks, with RIS serving as its nodal body. The RIS convened a two-day gathering of think tanks on February 12 and 13, 2010.

Climate Change (Bangladesh): Bangladesh will shortly disseminate a concept paper about cooperation in this field.

The BIMSTEC Trade Negotiating Committee (TNC) was established to conduct negotiations on the following agreements: (i) Agreement on Trade in Goods, (ii) Agreement on Trade in Services, (iii) Agreement on Investment, (iv) Agreement on Cooperation and Mutual Assistance in Customs Matters, (v) Protocol to amend the Framework Agreement on the BIMSTEC Free Trade Area, and (vi) Agreement on Dispute Settlement Procedures and Mechanism.

The 21st TNC meeting was held in Dhaka, Bangladesh on 18-19 November 2018. The meeting made significant progress in finalizing the draft texts of three important agreements relating to BIMSTEC FTA, namely Agreement on Trade in Goods, Agreement on Cooperation and Mutual Assistance in Customs Matters, and Agreement on Dispute Settlement Procedures and Mechanisms. The Meeting also made progress on developing texts of three other agreements relating to Investment, Services and Trade Facilitation. Later, the 20th meeting of Working Group on Rules of Origin was held in Dhaka of Bangladesh on 10-11 January 2022. In addition, the 5th BIMSTEC Summit was held in Colombo of Sri Lanka on 30 March 2022.

2.1.4 Asia-Pacific Trade Agreement (APTA)

The seven countries of the Asia-Pacific area, namely Bangladesh, India, Laos, South Korea, Sri Lanka, the Philippines, and Thailand, adopted the Bangkok Agreement in 1975 as a result of ESCAP initiatives. The Agreement's goal is to increase intra-regional commerce by exchanging tariff concessions among member countries. Philippines and Thailand are among the APTA members who have yet to ratify the agreement. As a result of China's participation in 2001, this accord has gained new momentum. Following China's entry into the deal, the third round of negotiations began, and the pact was renamed Asia-Pacific Trade Agreement (APTA).

APTA was signed in 1975, formerly known as the Bangkok Agreement and renamed on 2 November 2005. It is the longest-standing preferential trade agreement between Asia-Pacific nations. The APTA encompasses a market of 2,921,2 million people with a gross domestic product (GDP) of $14,615.86 billion in Fiscal Year (FY) 2015-2016. The primary objective of APTA is to expedite economic development among the seven participating states by opting for trade and investment liberalization measures that will contribute to intra-regional trade and economic strengthening via the coverage of merchandise goods and services, synchronized investment regime, and free flow of technology transfer, thereby placing all Participating States in an equally advantageous position. Its objective is to foster economic growth and collaboration by adopting trade liberalization policies. The United Nations Economic and Social Commission for Asia and the Pacific, which functions as the APTA Secretariat, is accessible to all members. APTA members are presently engaging in the Fourth Round of Tariff Concessions, which is anticipated to finish in October 2009.

Bangladesh (original member, 1975), China (acquired membership in 2001), India (original member, 1975), Republic of Korea (original member, 1975), Lao People's Democratic Republic (original member, 1975), Sri Lanka (original member, 1975), and Mongolia (acquired membership in 2013, full membership in 2020) are APTA members.

The Third Round, which went into effect on September 1, 2006, resulted in tariff cuts on over 4,000 products. Initiated in October 2007, the Fourth Round was supposed to be finished by the Third Ministerial Council in October 2009. This Round seeks to expand the scope of preferences to at least 50 percent of each member's tariff lines and 20 to 25 percent of bilateral trade value. It also seeks to give at least a 50% reduction in tariffs (on average). To expand economic cooperation and integration, the Fourth Round of talks is stretching into sectors outside the conventional tariff reductions. Members of APTA are actively negotiating three framework agreements on trade facilitation, services trade, and investments. APTA members also share information on non-tariff measures.

The Ministerial Council of APTA is the ultimate authority for making decisions. In addition to supervising and coordinating the execution of the Agreement, it offers overarching policy guidance for the future negotiation agenda of the Agreement. The Council meets at least once every two years, with the First Session conducted in Beijing, China on 2 November 2005 and the Second Session held in Goa, India on 26 October 2007. The Third Session will be place in Seoul, Republic of Korea, on October 22, 2009. In contrast, the APTA is managed by a Standing Committee. Each Participating State appoints a national focus point and a secondary focal point to handle this responsibility. The Trade and Investment Division of UNESCAP serves as the Secretariat for APTA.

Tariff Reductions: Results of 4th Round:

(No. of Products)

Concession Offering Country	General Concessions as of Fourth round	Special Concession	Special Concession for Bangladesh	Special Concession for Lao
Bangladesh	598	4		
China	2191	181		
India	3142	48		
Lao PDR	999	-		
Republic of Korea	2797		951	943
Sri Lanka	568	75		
Total	10295	308	951	943

Source: APTA Website

Members have tariff preferences on a significant number of products as part of these trade negotiations. This agreement was signed as a new agreement during the first APTA Ministerial conference in November 2005. On October 26, 2007, the second APTA

Ministerial Meeting was held in Goa, India. As a result of this meeting's decision, the fourth round of negotiations has begun.

Tariff preferences have evolved deeper and broader as a result of this agreement, as have several other concerns, such as non-tariff obstacles, trade facilitation, the service sector, and investment. On December 15, 2009, Framework Agreements on Trade Facilitation and Framework Agreement on Investment were signed. In addition, on August 24, 2011, the Framework Agreement on Promotion and Liberalization of Trade in Services was signed.

Mongolia became a member of the APTA in September 2020. During the Ministerial meeting held on the 13 January 2017 in Bangkok, the APTA member states were given tariff preference by Bangladesh on 598 products where margin of preference was from 10 to 70 percent and LDC members were given additional preference on 4 products from 20 to 50 percent. Besides, it was also decided in the meeting that Member states will give tariff concession of at least 33%. Moreover, it was also discussed that member states will complete Rules of Origin procedures within 1 July 2017. Besides, through Standing Committee meetings, discussion on the draft terms of reference for the fifth round of negotiation on trade in goods is ongoing.

APTA Rules of Origin: APTA RoO has a minimum local value addition content requirement of-

- 45% value addition for developing country members, and
- 35% value addition for least developed country members. Value addition is measured as percentage of FOB value.

2.1.5 Trade Preferential System among OIC Countries (TPS-OIC)

The Framework Agreement on Trade Preferential System Among Organisation of the Islamic Conference Member States (TPS-OIC) establishes the main principles for creating a trade preferential system among OIC members.

Principal characteristics of the Agreement include the Most Favored Nation concept, equitable treatment of member nations, and preferential treatment for Least Developed members. Tariffs, paratariffs, and non-tariff concessions are included in the preferences.

The objectives are to enhance intra-OIC commerce via the exchange of trade preferences among OIC Member States. The TPS-OIC intends to provide preferential tariff concessions on specified items among the participating OIC nations.

The TPS-OIC will become operational after at least ten OIC Member States have accepted the Protocol on the Preferential Tariff Scheme (PRETAS) and the TPS-OIC Rules of Origin (TPS-OIC RoO).

The TPS-OIC Framework Agreement and PRETAS Framework Agreement entered into effect in September 2002 and February 5, 2010, respectively. To far, 25 OIC Member States have ratified the Framework Agreement of the TPS-OIC, whereas 12 OIC Member States have ratified.

Recent ratifications of the TPS-OIC RoO by Saudi Arabia, Somalia, and Syria bring the total to nine (9) Member States. Malaysia, Jordan, Oman, Qatar, Turkey, and the UAE are the other Member States that have ratified TPS-OIC RoO.

The establishment of TPS-OIC will allow the countries to get preferential tariff treatment for certain items on the markets of participating countries and to acquire a competitive advantage over comparable products from non-participating nations.

Bangladesh signed the concerned Rules of Origin on 25 February 2011 and ratified it on 23 June 2011 under the Framework Agreement on Trade Preferential System among OIC Members (TPS-OIC). Furthermore, in February 2012, Bangladesh delivered an offer list of 476 products. Following the signature of this agreement, Bangladesh will be able to enhance exports to other member nations by exploiting the 30% priority provided under the Rules of Origin as an LDC.

2.1.6 Preferential Trade Agreement among Developing Countries (D-8 PTA)

On June 15, 1997, in Istanbul, Turkey, eight emerging OIC countries agreed to join a regional bloc aiming at trade and economic cooperation. Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan, and Turkey, or D-8, are the members of the regional bloc. On May 13, 2006, the D-8 Member States signed a Preferential Trade Agreement (PTA), which went into effect on August 25, 2011, after being ratified by four countries: Turkey, Malaysia, Iran, and Nigeria. The preferential trade agreement was ratified in 2017 by Bangladesh. Except for Egypt, all member governments have accepted the pact to date, including Bangladesh. As a result, the ratifying member countries will grant Bangladesh first priority.

D-8, often known as Developing-8, is an association of Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan, and Turkey for development cooperation.

The foundation of D-8 was formally declared in the Istanbul Declaration of State and Government Heads on June 15, 1997.

D-8 went into effect on August 25, 2011, after being ratified by four countries: Turkey, Malaysia, Iran, and Nigeria. The preferential trade agreement was ratified in 2017 by Bangladesh. Except for Egypt, all member governments have accepted the pact to date, including Bangladesh. As a result, the ratifying member countries will grant Bangladesh first priority.

The aims of the D-8 Organization for Economic Cooperation are to strengthen the position of member nations in the global economy, diversify and create new possibilities in trade connections, increase involvement in international decision-making, and raise living standards.

D-8 is a worldwide organization, not a regional one, as its membership makeup demonstrates. Organization for Economic Cooperation (D-8) is a forum that has no negative influence on the bilateral and multilateral obligations of its member nations, which are a result of their participation in other international or regional organizations.

During a Seminar on "Cooperation in Development" held in Istanbul in October 1996, Prof. Dr. Necmettin Erbakan, the then-Prime Minister of the Republic of Turkey, proposed cooperation among important Muslim developing nations. The organisation envisioned collaboration between Southeast Asian and African nations. The Seminar was attended by delegates from Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, and Pakistan. This conference was the first step toward the establishment of D-8, and it was only after a series of preparatory meetings that D-8 was formally established and began its activities with the Istanbul Declaration issued at the conclusion of the 15 June 1997 summit of heads of state and government in Istanbul.

According to the first Summit Declaration (Istanbul, 1997), the primary objective of D-8 is socioeconomic development in accordance with the following principles: Peace rather than conflict, Dialogue rather than confrontation, Cooperation rather than exploitation, Justice rather than double standards, Equality rather than discrimination, and Democracy rather than repression.

Thus, the D-8 aims are to strengthen the positions of developing nations in the global economy, diversify and create new possibilities in trade connections, increase involvement in international decision-making, and offer a higher quality of life.

Similarly, D-8 is a forum that has no negative influence on the bilateral and multilateral obligations of its members, which result from their participation in other regional or global organizations.

The following three quotes from the D-8 fifth Summit Declaration (Bali, 2006) indicate some implementation of the fundamental goals: The nations collaborate to address the issue of economic inequality between them. Countries reiterate their commitment to expand cooperation in the area of energy to develop alternative and renewable energy resources. They also highlight the significance of D-8 in contributing to the economic growth of its member nations and ensuring that it encourages global commerce.

The cooperation areas of D-8 are Agriculture & Food Security (Fertilizers, Animal Feed, Seed Security, Trade Standards & Issues, Marine & Fisheries); Trade, Transportation (Civil Aviation, Shipping); Industrial Cooperation (Automotive, Energy, Food Industry, Technology Cooperation, Chemical and Petrochemicals, Cement, Iron-steel, Textile, Standardization and Accreditation, SMEs, Electronics, ICT, Machinery, Ceramic and Glass, Pharmaceuticals and Medical Equipment); and Agriculture & Environment Travel, Other (Health, status of legal documents).

The 6th meeting of the Supervisory Committee formed under D-8 PTA was held virtually on 26 January 2021. Besides, on 16 November 2021 the 5th round of Expert Meeting on Trade Facilitation Strategy was held virtually where a draft Trade Facilitation Strategy Paper has been finalized. The 10th D-8 Summit was held virtually on 8th April 2021.

2.1.7 Signing of Bangladesh-Bhutan Preferential Trade Agreement (BB-PTA)

Bhutan was the first country to acknowledge Bangladesh as a sovereign and independent country. Bhutan, as a result, has a special place in our hearts. In 2010, Bangladesh offered duty-free market access to 18 Bhutanese products while Bhutan granted duty-free market access to 90 Bangladeshi items in a one-of-a-kind agreement. Both Prime Ministers agreed to allow duty-free access to an additional 16 Bhutanese and 10 Bangladeshis commodities during the visit of Honb'le Prime Minister of Bhutan H.E. Lyonchhen Dr. Lotay Tshering from 12-15 April 2019 at the invitation of Honb'le Prime Minister of Bangladesh H.E. Sheikh Hasina. Following the meeting of the two Prime Ministers, both parties expedited the process. On the 22nd and 23rd of August 2019, the Trade Negotiating Committee (TNC) for the Bangladesh-Bhutan Preferential Trade Agreement (BB-PTA) met in Thimphu for the first time. After multiple meetings, the parties agreed on a PTA plan. On December 6, 2020, the final PTA was signed between both countries. The Bangladesh-Bhutan Preferential Trade Agreement (PTA) is the first bilateral PTA between Bangladesh and Bhutan, and it marks the beginning of the PTA.

2.1.8 Comprehensive Economic Partnership Agreement (CEPA) with India

Bangladesh and India inked a bilateral trade agreement in 1972, which was later reaffirmed with certain revisions in 2015. This arrangement, however, is purely for the sake of convenience. As a member of SAFTA and APTA, Bangladesh, on the other hand, benefits from duty-free trade in India. During the bilateral meeting of Commerce Ministers of Bangladesh and India held on 26th September 2018, in Dhaka, both the Ministers agreed that a Comprehensive Economic Partnership Agreement (CEPA), covering Trade in Goods, Trade in Services and Investment, would provide a sound basis for substantial enhancement of trade and commercial partnership and directed their officials to undertake a Joint Study on the prospects of entering into a bilateral CEPA. This was also preceded by a bilateral Commerce Secretary Level Meeting between Bangladesh and India, held on

February 07-08, 2018, where trade augmentation and economic cooperation between the two countries was discussed extensively.

The Government of India and the Government of Bangladesh during a high-level meeting held between the Commerce Secretaries of both the countries on 15th and 16th January, 2020, decided to undertake a Joint Feasibility Study to find out whether a CEPA will be mutually beneficial for both the countries.

With a view to assess the feasibility of a CEPA in Trade in Goods, Trade in Services and Investment between India and Bangladesh, the study initially looked into the rationale for having a new institutional mechanism in the form of a Trade Agreement.

Despite existing institutional mechanisms, trade and economic relations between India and Bangladesh have not reached the full potential. Thus, there was a need to integrate both the economies and enhance trade linkages, by way of creating a new institutional mechanism in the form of a CEPA that could include Trade in Goods, Trade in Services and Investment between India and Bangladesh; to enable creation of Regional Value Chains (RVCs); Trade Augmentation and Employment Generation, hence the need to study its feasibility arose.

Integrating both the economies through these dimensions would not only enhance trade but also lead to improved backward and forward linkages which in turn will result in overall economic growth and development on both the sides.

The study finds that there exists an enormous potential between both the countries in Trade in Goods, Trade in Services and Investment. However, several tariff, non-tariff and other barriers prevent potential to be fully harnessed.

2.1.9 Trade and Investment Cooperation Forum Agreement (TICFA)

Bangladesh and the United States signed the Trade and Investment Co-operation Forum Agreement (TICFA) on November 25, 2013, to discuss trade and investment concerns, and it went into effect on January 30, 2014. As a result of the TICFA agreement, the two countries now have a venue for frequent discussions. On March 5, 2020, Dhaka hosted the fifth meeting of the Trade and Investment Co-operation Forum Agreement (TICFA) between Bangladesh and the United States. The discussion focused on providing technical help to Bangladesh in the implementation of the Trade Facilitation Agreement (TFA), as well as US investment and technology transfer in Bangladesh and preferential market access for Bangladeshi products and services in the US. The US is asked to take immediate and meaningful action in this regard.

The Trade and Investment Co-operation Forum Agreement (TICFA) between Bangladesh and the United States was signed on November 25, 2013, and entered into effect on January 30, 2014. Because of the TICFA agreement, the two nations now have a forum for regular dialogue.

Experts, political parties are expressing their opinions and attempting to establish a connection between the current situation and the signing of TICFA. Some critics assert that the present administration signed TICFA to gain the favour of the United States. On the market there now arguments and counterarguments for and against it. Let's first attempt to comprehend the TICFA. There are sixteen (16) paragraphs in the agreement's preamble, starting with the goal to promote the friendship between Bangladesh and the United States via collaboration in developing commerce and boosting economic ties. In this era of globalization and a free market economy, countries are signing bilateral, regional, and even multilateral trade agreements that include goods, services, free movement of people, trade, investment, and services in order to share each party's strengths with the other in order to make the most of all opportunities. There is no wrong in Bangladesh desiring a stronger economic relationship with the United States, since they are the greatest market for our exports and have the potential to be the largest investors here, as well as moving industries for mutual gain.

The fifth meeting of the United States-Bangladesh Trade and Investment Cooperation Forum Agreement (TICFA) Council was held in Dhaka, Bangladesh, on March 5, 2020.
During the discussion, the United States and Bangladesh discussed market access for U.S. agricultural goods and financial services, in addition to the significance of preserving international labour standards. The United States expressed worry about the speed of changes meant to ensure workers' rights and safety standards, and asked Bangladesh to strengthen engagement with corporate and civic sector partners in its ready-made garment industry.

The United States and Bangladesh have declared their goal to increase trade and investment possibilities and to facilitate the current flow of products and services. Participants discussed the necessary improvements to the Bangladeshi investment climate, such as effective protection of intellectual property rights; clear regulation and monitoring of the trade in pharmaceuticals and medical devices; commitment to enable the digital economy; support for investors' right to fair and prompt dispute resolution and arbitration; enforcement of obligations and notifications under WTO agreements; and government transparency.

2.2 Feasibility Studies for PTA / FTA /CEPA

The government adopted policy for executing bilateral agreements on free and preferential trade with different countries. Bilateral Free Trade Agreements and Preferential Trade Agreements were either being signed or finalized to meet the challenges in global trade following the country's transition from LDC status. PTA negotiations with Nepal were at the final stage. Significant progress has also been made in formal talks aimed at signing a bilateral PTA with Indonesia. A joint study aimed at conducting a free trade agreement with Sri Lanka is at the final stage. In addition, feasibility studies have been completed to assess trade potentials for signing of FTA/PTA with different countries, such as Malaysia, Vietnam, Thailand, Japan, Eurasian Economic Commission. Bangladesh's feasibility of signing trade agreements with China, Myanmar, Nigeria, Mali, Macedonia, Mauritius, Jordan, USA, Iraq and Lebanon. Besides, Bangladesh Foreign Trade Institute and Centre for Regional Trade (CRT), India conducted a joint feasibility study on the proposed Comprehensive Economic Partnership Agreement between Bangladesh and India.

2.3 Free Trade Agreement (FTA) Policy Guideline 2010

In the 2010 guidelines, the FTAs were mainly focused on matters related to goods and services trade. The Government of Bangladesh has prepared a policy guideline to explore bilateral FTAs with prospective countries with a view to make deeper trade integration for export diversification and enhancement of Bangladesh's exports and competitiveness.
The objectives set forth in the policy guidelines of FTA are three-fold: a) identification of potential countries for FTAs; b) coverage of FTAs; and c) procedures to be followed for initiating negotiations.

The priorities for FTA negotiations are: a) economic strength, growth potential and demand for partner countries; b) geographical proximity; c) diplomatic relationship; d) market access condition for Bangladesh; e) willingness of the partner country; f) scope for manpower exports in the partner countries; g) consideration to elevate bilateral cooperation to strategic level; and h) future prospect of cooperation.

The guideline has provided a broader framework for identification of prospective countries taking into account different strengths of these markets in terms of trade in goods, services and investment. The guideline provides broader indication about possible markets for Bangladeshi products in Asia, South America, Africa, countries with increasing demand for manpower, member countries of the Commonwealth of Independent States (CIS), least developed countries (LDCs) and developed countries. Government should set priority criteria for taking preparation about prospective markets, which is not reflected in the policy guideline. In terms of coverage of FTAs, primary focus has been put forward on trade in goods and services. It may also cover investment depending on sectoral needs. Within the negotiation of trade in goods, a number of issues are to be taken into account which include tariffs, effective mechanism for removal of nontariff barriers (NTBs), rules of origin, customs cooperation, safeguard measures, dispute settlement mechanism and institutional mechanism to oversee the implementation of the agreements. In case of trade in services, major focus should be put in place on movement of natural persons.

The policy guideline for FTAs puts focus on issues related to preparatory and negotiation phases for an FTA. Broadly, it is a policy guideline for Bangladesh putting emphasis mainly on 'offensive interests. The policy guideline discusses about major export interests of Bangladesh in prospective markets ('offensive interest'), but it mentions relatively less about export interest of partner countries in Bangladesh (which could be 'defensive interest' of Bangladesh). Bangladesh could initiate discussion for an FTA if it does the baseline exercises of the counterpart. Such issues are less discussed in the policy framework

2.4 Regional Trade Agreement (RTA) Policy 2022

Regional Trade Agreements (RTA) defined in the WTO as reciprocal preferential trade agreements between two or more partners, have allowed countries to negotiate rules and commitments that go beyond what was possible multilaterally.[4] The government has planned to frame a new guideline for preferential and free trade agreements to get prepared for the post-graduation period. Bangladesh is set to graduate from the least-developed country status by 2026. Bangladesh is switching to a new set of policy guidelines titled 'Regional Trade Agreement (RTA) Policy 2022' as the existing FTA regime is deemed obsolete for helping Bangladesh tackle post-graduation trade challenges.

The switch over trading instruments as the Free Trade Agreement Policy Guidelines 2010 is seen "not time-befitting". In the FTA Policy guidelines 2010, the FTAs are mainly focused on goods and services. The new policy on trade agreement will incorporate other components such as investment, trade facilitation, technology, environment-related issues, intellectual-property rights etc. Regional Trade Agreements include Preferential Trade Agreements (PTA), Free Trade Agreements (FTA) and Comprehensive Economic Partnership Agreements (CEPA). Thereby, through formulating RTA policy, Government also broadened the scope of the policy guideline.

2.5 FTA/PTA template

The government has planned to frame a new guideline for preferential and free trade agreements to get prepared for the post-graduation period. Bangladesh is set to graduate from the least-developed country status by 2026. The Bangladesh Trade and Tariff

[4] Regionalism: friends or rivals? -accessed from WTO Website

Commission would prepare a template for the upcoming PTAs and FTAs. The government is focusing on FTA or PTA with the major trade partners to continue the duty-free market access after graduation. The global trade pattern has changed in the last one decade and developed countries focus on emerging issues while signing FTAs or PTAs.

CHAPTER III: COMPARISON BETWEEN BANGLADESH AND OTHER REGIONAL COUNTRIES IN IMPLEMENTATION OF FTAs

Regional Trade Agreements (RTAs) in the World Trade Organization (WTO) are taken to mean any reciprocal trade agreement between two or more partners, not necessarily belonging to the same region.

Bangladesh has only one regional FTA Agreement on South Asian Free Trade Area (SAFTA) which is currently in operation. SAFTA covers only trade in goods. This Agreement among the SAARC member states was signed in 2004 and came into force in 2006. Besides, a framework agreement on BIMSTEC Free Trade area (BIMSTEC- FTA) was concluded on 8 February 2004. This agreement covers trade in goods, trade in services and investment. The agreement is yet to come into force as the detailed agreements under this FTA are not signed yet. SAARC Agreement on Trade in Services (SATIS) among SARRC member states was signed in 2010 and entered into force in 2012. This agreement is not yet operational as the members yet to finalize their offer lists. Besides, Bangladesh is member of several preferential trade agreements (partial scope agreements) like Asia Pacific Trade Agreement, Trade Preferential System among OIC Countries (TPS-OIC) and Developing-8 PTA.

The PTA with Bhutan is the first such bilateral preferential trade agreement Bangladesh signed with any country since its independence in 1971. The signing was held on December 6, 2020. Some 100 Bangladeshi products will get duty-free access to Bhutan. These include baby clothes and clothing accessories, men's trousers and shorts, jackets and blazers, jute and jute goods, leather and leather goods, dry cell battery, fan, watch, potato, condensed milk, cement, toothbrush, plywood, particle board, mineral and carbonated water, green tea, orange juice, pineapple juice, and guava juice. Meanwhile, 34 Bhutanese products that will get duty-free access to the Bangladeshi market include orange, apple, ginger, fruit juice, milk, natural honey, wheat or meslin flour, homogenized preparations of jams, fruit jellies, marmalades, food preparations of soybeans, mineral water, wheat bran, quartzite, cement clinker, limestone, wooden particle boards, and wooden furniture. Both countries will be able to increase the number of items gradually through consultation.

The comparison of the FTA status of Bangladesh and other regional countries is shown in below table. It is found that the EU has 46 bilateral FTA, ASEAN has 5 bilateral FTA. On the other hand, India belongs has 03 regional PTA, 11 bilateral FTA and 3 regional FTA. Besides, Japan, Australia, China has conducted a remarkable number of FTAs.
All other countries mostly emphasized on bilateral FTA, but they are member of multilateral agreement of WTO. For example, Vietnam has completed 04 bilateral FTAs

and 10 regional FTAs. Besides, Vietnam has FTA with Eurasian Economic Union (EAEU) and EU. On the other hand, some countries have created FTA with some regional blocks. For example, New Zealand, China, Hongkong China, Japan, India signed FTA with ASEAN. On the other hand, some countries also try to engage with mega trade block like Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), Regional Comprehensive Economic partnership (RCEP). Unfortunately, Bangladesh is still lag behind to create FTA/PTA with individual country of regional block.

Table 1: Comparison of FTA Status of Bangladesh & Other Regional Countries

Country/Regional Agreement	No of PTA		No of FTA	
	Bilateral PTA	Regional PTA	Bilateral FTA	Regional FTA
Bangladesh	**-01** 1.Bagladesh-Bhutan PTA (In force)]	**03** 1. APTA 2. D8-PTA 3. SAPTA 4. Global System of Trade Preferences among Developing Countries (GSTP)	-	**01** 1. SAFTA (In force)
ASEAN	-	-	**05** 1. ASEAN-New Zealand 2. ASEAN-China 3. ASEAN-Hongkong China 4. ASEAN-Japan 5. ASEAN-India	-
EU	-	-	**46** 1. EU - Albania 2. EU - Algeria 3. EU - Andorra 4. EU - Armenia 5. EU - Bosnia and Herzegovina 6. EU - Cameroon 7. EU - Canada 8. EU - CARIFORUM States 9. EU - Central America 10. EU - Chile 11. EU - Colombia and Peru 12. EU - Côte d'Ivoire 13. EU-Eastern & Southern Africa States 14. EU - Egypt 15. EU - Faroe Islands	

Country/Regional Agreement	No of PTA		No of FTA	
	Bilateral PTA	Regional PTA	Bilateral FTA	Regional FTA
			16. EU - Georgia 17. EU - Ghana 18. EU - Iceland 19. EU - Israel 20. EU - Japan 21. EU - Jordan 22. EU - Korea, Republic of 23. EU - Lebanon 24. EU - Mexico 25. EU - Moldova, Republic 26. EU - Montenegro 27. EU - Morocco 28. EU - North Macedonia 29. EU - Norway 30. EU–Overseas Countries & Territories (OCT) 31. EU - Pacific States 32. EU - Palestine 33. EU - SADC 34. EU - San Marino 35. EU - Serbia 36. EU - Singapore 37. EU - South Africa 38. EU-Switzerland - Liechtenstein 39. EU - Syria 40. EU - Tunisia 41. EU - Turkey 42. EU - Ukraine 43. EU - UK 44. EU - Viet Nam 45. EU Treaty	

Country/Regional Agreement	No of PTA		No of FTA	
	Bilateral PTA	**Regional PTA**	**Bilateral FTA**	**Regional FTA**
			46. European Economic Area (EEA)	
Vietnam		**01** 1. GSTP	**04** 1. Chile - Viet Nam 2. Japan- Viet Nam 3. Korea, Republic of - Viet Nam 4. UK- Viet Nam	**10** 1. ASEAN - Australia - New Zealand 2. ASEAN - China 3. ASEAN - Hong Kong, China 4. ASEAN - India 5. ASEAN - Japan 6. ASEAN - Korea, Republic of 7. ASEAN Free Trade Area (AFTA) 8. Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) 9. Eurasian Economic Union (EAEU)-Viet Nam 10. EU - Viet Nam
India		**03** 1. Asia Pacific Trade Agreement (APTA) 2. South Asian Preferential Trade Arrangement (SAPTA)	**11** 1. Chile - India 2. India - Afghanistan 3. India - Bhutan 4. India - Japan	**03** 1. ASEAN - India 2. South Asian Free Trade Agreement (SAFTA)

Country/Regional Agreement	No of PTA		No of FTA	
	Bilateral PTA	**Regional PTA**	**Bilateral FTA**	**Regional FTA**
		3. Global System of Trade Preferences among Developing Countries (GSTP)	5. India - Malaysia 6. India - Mauritius 7. India - Nepal 8. India - Singapore 9. India - Sri Lanka 10. India - Thailand 11. Korea, Republic - India	3. Southern Common Market (MERCOSUR) - India
China			**14** 1. Australia - China 2. Chile - China 3. China - Costa Rica 4. China - Georgia 5. China - Hong Kong, China 6. China - Korea, Republic of 7. China - Macao, China 8. China - Mauritius 9. China - New Zealand 10. China - Singapore 11. Iceland - China 12. Pakistan - China 13. Peru - China 14. Switzerland - China	**02** 1. ASEAN - China FTA EIA 2. Asia Pacific Trade Agreement (APTA)
Japan			**14** 1. Japan-Mongolia 2. Japan-Australia 3. Japan-Peru 4. Japan-India 5. Japan-Viet Nam 6. Japan-Switzerland	**02** 1. EU 2. ASEAN

Country/Regional Agreement	No of PTA		No of FTA	
	Bilateral PTA	Regional PTA	Bilateral FTA	Regional FTA
			7. Japan-Philippines 8. Japan-Brunei Darussalam 9. Japan-Indonesia 10. Japan-Thailand 11. Japan-Chile 12. Japan-Malaysia 13. Japan-Mexico 14. Japan-Singapore	
Australia			**07** 1. Japan-Australia Economic Partnership Agreement (JAEPA) 2. China- Australia Free Trade Agreement (ChAFTA) 3. Korea-Australia Free Trade Agreement (KAFTA) 4. Malaysia-Australia Free Trade Agreement (MAFTA) 5. Australia-New Zealand Free Trade Area (AANZFTA) 6. Australia-Chile Free Trade Agreement (ACiFTA) 7. Thailand-Australia Free Trade Agreement (TAFTA)	**02** 1. Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) 2. The Agreement Establishing the Association of Southeast Asian Nations (ASEAN)

Source: WTO Database

CHAPTER IV: IDENTIFICATION OF STATUS, BEST PRACTICES AND MEASURES OF REGIONAL COUNTRIES IN IMPLEMENTATION OF FTAS

4.1 Best Practices

Best practices is defined as the "processes and activities that have been shown in practice to be the most effective, efficient, democratic or whatever other goal intended by the processes and activities." From that angle it will be hard to define best practice for Free Trade Agreements since any sort of practice having good effects for one partner, may not come good to the others. Yet, in this chapter best practices of FTAs is defined in terms of comprehensiveness of the agreement-i.e. to the extent the agreement has elements in it to make free trade between/among the FTA member countries. It is known from the FTA practices of developed countries and large trading blocks that their FTA practice is characterized by wider coverage. In selecting quality FTAs, EU-Vietnam FTA and ASEAN s FTA with EU, China, Australia and New Zealand were chosen.

4.1.1 EU-Vietnam Free Trade Agreement

Vietnam is the EU's second largest trading partner in the ASEAN after Singapore, with trade in goods worth €45.5 billion in 2019 and trade in services of some €4 billion (2018). The EU's main exports to Vietnam are high-tech products, including electrical machinery and equipment, aircrafts, vehicles, and pharmaceutical products. Vietnam's main exports to the EU are electronic products, footwear, textiles, and clothing, as well as coffee, rice, seafood, and furniture.

EU-Vietnam FTA is one of the much-talked FTAs over the last decade. The FTA is an outcome of 7 years long negotiation since the announcement of initiation of negotiation in June 2012, having feasibility study prior to that. The Agreement was signed on 30 June 2019 and entered into force on 1 August 2020.

Trade in Goods

For products originated from Vietnam, EU committed to eliminate tariffs from 85.6 percent of its tariff lines as soon as the agreement gets entry into force (EIF), Within 7 (seven years of the EIF, the percentage would reach 99.7 percent and the remaining 0.3 percent would be subject to Tariff Rate Quota (where in quota tariff will be zero)

On the other hand, for the products originated from EU, 48.5% of total tariff lines were made zero-rated by Vietnam, on the date of EIF of the agreement, the percentage would reach 91.7 percent in Seven years, which would continue to reach 98.3 percent in ten years. For the remaining 1 percent of tariff lines, Vietnam would reduce tariff over a period no longer than ten years or apply Tariff Rate Quota in line with Vietnam's commitment under WTO.

However, the definition of customs duty in the agreement implies that tariff elimination or reduction as mentioned above, would cover all duties and charges on importation except, internal taxes which are applied equally on domestic and imported goods, trade remedy duties like anti-dumping, countervailing, safeguards, any special duty imposed as per the requirement of WTO Agreement on Agriculture or Dispute Settlement Unit and the administrative charges.

With a view to enhancing trade in goods, EVFTA includes issues like Non-Tariff Barriers (NTBs), Technical Barriers to Trade (TBT), Sanitary and Phyto-Sanitary Standards (SPS) Customs and Trade Facilitation issues.

The SPS chapter focuses on securing progress, based in respect of the WTO SPS Agreement and other standards developed by international standard bodies; Codex Alimentarius on food safety, the World Organization for Animal Health (OIE) on animal health, the International Plant Protection Convention (IPPC) on plant health. It thus provides a framework and system to facilitate trade and to make the WTO SPS requirements more operational when 'applied on the ground. The trade agreement contains provisions to address technical barriers, going beyond the obligations of the WTO TBT Agreement. The aim is to ensure that technical regulations, standards, and conformity assessment procedures are non-discriminatory and do not create unnecessary obstacles to trade. The TBT Agreement strongly encourages members to base their measures on international standards to facilitate trade. Through its transparency provisions, it also aims to create a predictable trading environment.

Rules of Origin

The rules of origin included in the FTA with Vietnam follow the EU approach. A single set of product-specific rules (PSR) for both EU and Vietnam have been agreed and will apply without discrimination or any differential treatment to all producers in both countries who wish to benefit from the preferential treatment. Most of the basic agricultural products have to be wholly obtained in Vietnam or in the EU. The PSR for agricultural and processed agricultural products mostly require the change of tariff classification (also referred to as change of tariff heading (CTH)) but often provide for weight limitations (between 20% and 60%) in relation to non-originating content of raw agricultural materials (i.e., dairy, sugar, cereals etc.). The PSR for other products mostly require the change of tariff classification or alternatively a limitation in value of non-originating materials between 50% and 70%. Some products benefit from rules expressed in specific manufacturing operations. The PSR for textiles and garments require double transformation (from fibre to fabric or from yarn to garment). Printed fabrics benefit from the so called 'printing rule'. Vehicles have to comply with the value limit of 45% of non-originating materials and vehicle parts with the value limit of 50% of non-originating materials.

The Agreement allows for bilateral cumulation. It means, for example, that EU textile producers may supply Vietnamese garment producers with fabrics originating in the EU. The FTA provides cumulation with South Korea in relation to fabrics used for producing garments after complying with certain administrative requirements. Vietnam will also benefit from cumulation with ASEAN countries with which the EU has an FTA in force for two fishery products: squid and octopus. A review clause foresees the possibility of agreeing to extended cumulation for more products and/or more countries with which both parties have an FTA in the future. This has to be requested by one of the parties and will require consensus from both sides.

Trade in Services and Investment

The FTA will offer new opportunities for investors as the Parties further liberalized its services markets by offering access beyond their WTO commitments. This would include investments in many services sectors- Vietnam's liberalization include Business services Postal services, Social services, Higher education, Environmental services, Distribution services, Computer services etc.

Table 2: Summary analysis of selected issues of EU Vietnam FTA

Sub-issue	Findings
Tariff	▪ For products originated from Vietnam, EU committed to eliminate tariffs from 85.6 percent of its tariff lines as soon as the agreement gets entry into force (EIF), Within 7 (seven years of the EIF, the percentage would reach 99.7 percent and the remaining 0.3 percent would be subject to Tariff Rate Quota (where in quota tariff will be zero). ▪ On the other hand, for the products originated from EU, 48.5% of total tariff lines were made zero-rated by Vietnam, on the date of EIF of the agreement, the percentage would reach 91.7 percent in Seven years, which would continue to reach 98.3 percent in ten years. For the remaining 1 percent of tariff lines, Vietnam would reduce tariff over a period no longer than ten years or apply Tariff Rate Quota in line with Vietnam's commitment under WTO.

Sub-issue	Findings
	▪ However, the definition of customs duty in the agreement implies that tariff elimination or reduction as mentioned above, would cover all duties and charges on importation except, internal taxes which are applied equally on domestic and imported goods, trade remedy duties like anti-dumping, countervailing, safeguards, any special duty imposed as per the requirement of WTO Agreement on Agriculture or Dispute Settlement Unit and the administrative charges.
Sanitary and Phytosanitary Measure (SPS)	▪ Specifically reaffirms or incorporates WTO SPS Agreement ▪ Transparency obligations (SPS)
Technical Barriers to Trade (TBT)	▪ Specifically reaffirms or incorporates WTO TBT Agreement ▪ Transparency obligations (TBT) ▪ Harmonization/alignment of TBT measures at the bilateral/regional level
Safeguard Mechanisms	▪ Specifically reaffirms or incorporates WTO Safeguard Agreement ▪ Exclusion of an RTA party in global safeguard action ▪ RTA-specific safeguard measures permitted in the transition period or shortly thereafter ▪ RTA-specific safeguard measures always permitted
Anti-Dumping measures	▪ Specifically reaffirms or incorporates WTO Agreement on Anti-Dumping ▪ Dispute Settlement not applicable (Anti-Dumping measures)
Countervailing measures	▪ Specifically reaffirms or incorporates WTO Agreement on Subsidies and Countervailing measures ▪ Dispute Settlement not applicable (Countervailing measures)
Trade in services	Trade in Services chapter follows a positive list approach EU's Commitment: Higher level of Commitment than commitment made under General Agreement on Trade in services. Vietnam has committed to substantially improve the access for EU companies to a broad range of services sectors, including: ▪ Business Services ▪ Environmental Services ▪ Postal and Courier Services ▪ Banking

Sub-issue	Findings
	▪ Insurance ▪ Maritime Transport
Investment	Investment section also follows positive list approach Vietnam has committed to open up to investments in manufacturing in key sectors: ▪ Food products and beverages ▪ Fertilizers and nitrogen composites ▪ Tyres and tubes ▪ Gloves and plastic products ▪ Ceramics ▪ Construction materials
Intellectual Property Rights	The Agreement covers the following sub issues Specifically reaffirms or incorporates WTO TRIPS Agreement ▪ Copyrights and Neighboring Rights ▪ Patent ▪ Trademarks. ▪ Industrial Designs ▪ Layout-Designs (Topographies) of integrated Circuits ▪ Geographical Indications (GIs); and ▪ Enforcement
Other issues	The Agreement also covers Movement of Natural person, Balance of Payment Electronic Commerce, State-owned Enterprise, Subsidies, Government Procurement, General Exception, Security Exception, Dispute settlement, Competition, Environment, Labor, SMEs etc.,

4.2. Best Practice by ASEAN in signing FTAs with selected countries

The Association for Southeast Asian Nations (ASEAN) FTA was signed on 28 January 1992 in Singapore among six members, namely, Brunei, Indonesia, Malaysia, Philippines, Singapore, and Thailand. Vietnam joined in 1995, Laos and Myanmar in 1997 and Cambodia in 1999. ASEAN members are free to impose tariffs on goods entering from outside ASEAN based on their respective national schedules.

4.2.1 ASEAN- China FTA (ACFTA)

China and ASEAN signed the Framework Agreement on China-ASEAN Comprehensive Economic Cooperation at the sixth China-ASEAN Summit in November 2002. On 29-November 2004, Agreement on Trade in Goods of the China-ASEAN FTA was signed which entered into force in 01 January 2005. On 14 January

2007, the two parties signed the Agreement on Trade in Services, which entered effect in 1st day of July of the same year. In August 2009, the two parties signed the Agreement on Investment, which was effective from February 2010. As per online information of the Ministry of Commerce of Republic of China, The establishment of China-ASEAN free trade area enhances the close economic and trade relations between the two parties, and also contributes to the economic development of Asia and the world at large5.

The program for import duty reduction and elimination under the ACFTA began in July 2005. Since then, duties have been progressively reduced or eliminated. Prior to the implementation of the ACFTA, ASEAN and China also undertook to eliminate import duties for agricultural and selected manufactured products under the Early Harvest Program (EHP) from 2004-2006. As such, the duties on most products have already been eliminated. Trade in Goods (TIG) Agreement also provides for the subsequent liberalization of products in Sensitive Track and the elimination of non-tariff barriers. In the beginning of 2012, ASEAN-6 (Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore, and Thailand) and China have commenced tariff reduction on products in the Sensitive List. ASEAN-6 and China were committed to reduce the tariff rates placed on Sensitive Lists (SL) to 20% on 1 January 2012 and to 0-5% by 2018. For Highly Sensitive List (HSL), duties were to be reduced to 50% in 2015 with no further tariff reduction commitments thereof. As per information, the FTA reduced tariffs on more than 7,000 product categories or 90 percent of imports to zero by 2010, although initially only applicable to Indonesia, Malaysia, Singapore, Brunei, the Philippines, Singapore, and Thailand. The remaining ASEAN members (Myanmar, Laos, Vietnam, and Cambodia, followed suit in 2015.

Rules of Origin(RoO)

In order to enjoy the preferential tariff concession under the ACFTA, the products exported by ASEAN or China must comply with the Rules of Origin (RoO). The current origin criteria imposed under the ACFTA is General RoO 40% Regional Value Content (RVC) and limited application of Product Specific Rules (PSR). The formula for the 40% ACFTA content is calculated as follows:

$$RVC = \frac{\text{Value of Non-ACFTA Material} - \text{Value of Materials of Undetermined Origin}}{\text{FOB Price}} \times 100\,\% < 60\%$$

The ACFTA content = 100% - Non-ACFTA Materials = at least 40%

5 Ministry of Commerce, Republic of China viewed at http://fta.mofcom.gov.cn/topic/chinaasean.shtml

Apart from the General RoO, ASEAN and China have also adopted Product Specific Rules (PSR) for textiles and apparel; plastic products; footwear products; iron and steel products; preserved fish and canned products; palm oil and ice cream; and jewelry products. ASEAN and Chinese exporters/manufacturers have the flexibility of choosing the most convenient rule in meeting the origin criteria of the products i.e, either the general Rule or PSR. To obtain the Certificate of Origin Form E, exporters are also required to fulfill the conditions for the issuance and verification of the Form E. Further improvement on Operational Certificate Procedures (OCP) was carried out to simplify the rules and trading procedures under the ACFTA.

Trade In Services

In addition to Trade in Goods Agreement, ASEAN and China also signed Trade in Services Agreement (ACTISA) on 14 January 2007 (entered into force 01 July 2007) for the expansion of trade in services with improved market access and national treatment in sectors/subsectors where commitments have been made. The Agreement excludes services liberalization pertaining to government procurement and government related services. A Protocol to amend the ASEAN-China Trade in Services Agreement was signed on 16 November 2011. The Protocol entered into force on 1 January 2012.

Investment

The ASEAN-China Investment Agreement was signed on 15 August 2009 and entered into force on 1 January 2010. It aims to create a favorable environment for the investors and their investments from ASEAN and China, and therefore stipulates key protection elements that will provide fair and equitable treatment to investors, non-discriminatory treatment on nationalization or expropriation and compensation for losses. It has provisions that allow transfers and repatriation of profits to be made freely and in freely usable currency as well as a provision on investor-state dispute settlement that provides investors recourse to arbitration. The Agreement covers protection elements with a review mechanism to discuss the liberalization elements at a later date. The review is for the purpose of improving the transparency of investment rules and progressively liberalizing the investment regimes of ASEAN and China. The review in Investment Agreement under the Upgrading ACFTA for promotion and facilitation of investment signed on 22 November 2015.

4.2.2 ASEAN-India FTA

A Framework Agreement on Comprehensive Economic Cooperation between ASEAN and India was signed at the 2nd ASEAN-India Summit in 2003. The Framework

Agreement laid the foundation for the establishment of an ASEAN-India Free Trade Area (FTA), which includes FTA in goods, services and investment.

Trade in Goods

The signing of the ASEAN-India Trade in Goods Agreement (AITIGA) on 13 August 2009 in Bangkok paves the way for the creation of one of the world's largest free trade areas. The AITIGA entered into force on 1 January 2010.

As detailed in Annex I of the AITIGA the Parties will reduce and/or eliminate their tariffs under a Normal Track (divided into Normal Tracks 1 and 2), Sensitive Track, Special Products and Highly Sensitive List.

The Rules of Origin are covered by Article 7 and Annex 2 of the AITIGA. Products imported by a Party which are consigned directly shall be deemed to be originating and eligible for preferential tariff treatment if they conform to the origin requirements under any one of the following:

a) Products which are wholly obtained or produced in the exporting Party; or
b) For products not wholly produced or obtained in the exporting Party, a product shall be deemed to be originating if: the ASEAN-India Free Trade Area (AIFTA) content is not less than 35% of the FOB value; and the non-originating materials have undergone at least a change in tariff sub-heading (CTSH) level of the Harmonized System, provided that the final process of the manufacture is performed within the territory of the exporting Party.

Hence, the formula for the 35% AIFTA content is calculated as follows:

Direct Method

$$\frac{\text{AIFTA Material Cost} + \text{Direct Labour Cost} + \text{Direct Overhead Cost} + \text{Other Cost} + \text{Profit}}{\text{FOB Price}} \times 100\ \% \geq 35\%$$

Indirect Method

$$\frac{\text{Value of Imported Non-AIFTA Materials, Parts or Produce} + \text{Value of Undetermined Origin Materials, Parts or Produce}}{\text{FOB Price}} \times 100\ \% \leq 65\%$$

The value of the non-originating materials shall be the Cost, Insurance and Freight (CIF) value at the time of importation of the materials, parts or produce; or the earliest ascertained price paid for the materials, parts or produce of undetermined origin in the territory of the Party where the working or processing takes place.

Trade in Services

The ASEAN-India Trade in Services Agreement (AITISA) was signed on 13 November 2014 at the sidelines of the 25th ASEAN Summit in Nay Pyi Taw, Myanmar. The AITISA entered into force on 1 July 2015 for six ASEAN Member States, namely Brunei Darussalam, Malaysia, Myanmar, Singapore, Thailand, and Viet Nam, as well as India. The agreement has also entered into force for Lao PDR and Philippines on 15 September 2015 and 6 December 2016, respectively.

The Trade in Service Chapter follows a positive list approach. India has one Schedule of Commitments (SOC) with 8 ASEAN Member States and a separate SOC for Indonesia and the Philippines.

The AITISA contains provisions on transparency, domestic regulations, recognition, market access, national treatment, and dispute settlement. India's offers cover professional services, medical and dental, computer related services, communication, construction, financial, healthcare, tourism and transport services.

Investment

The ASEAN-India Investment Agreement (AIIA) was signed on 12 November 2014 in Nay Pyi Taw, Myanmar and entered into force on 1 July 2015 for six ASEAN Member States, namely Brunei Darussalam, Malaysia, Myanmar, Singapore, Thailand, and Viet Nam, as well as India. The agreement has also entered into force for the Philippines on 17 March 2016. The ASEAN-India Investment Agreement stipulates protection of investment to ensure fair and equitable treatment for investors, non-discriminatory treatment in expropriation or nationalization as well as fair compensation.

4.2.3. ASEAN -Australia New- Zealand FTA

The ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) is a comprehensive and single-undertaking economic agreement that opens up and creates new a platform of a more liberal, facilitative and transparent market access and investment regimes among the signatories to the Agreement. Through the AANZFTA: Economic Ministers of ASEAN, Australia and New Zealand signed the AANZFTA Agreement on 27 February 2009 in Thailand. It is ASEAN's first comprehensive FTA negotiations with Dialogue Partners covering all sectors like trade in goods; investment; trade in services; financial services; telecommunications; electronic commerce; movement of natural persons; intellectual property; competition policy; and economic cooperation. The ASEAN-Australia-New Zealand Free Trade Area Agreement has come into force on 1 January 2010. As per information available at WTO RTA database, different members implemented the Agreement in different times. For example, the implementation date was-01 January 2010 for Australia, Brunei Darussalam, Malaysia, Myanmar, New Zealand, the Philippines, Singapore, and Viet Nam; 12 Mach 2010 for Thailand; 01 January 2011 for Lao PDR; 04 January 2011 for Cambodia; 10 January 2012 for Indonesia.

Trade in Goods

Chapter 2 of the Agreement provides for progressive liberalization of tariffs from the entry into force of the AANZFTA Agreement. It aims to eliminate on at least 90 per cent of products traded in the region within a specified timeline. Australia and New Zealand committed to achieve 100 per cent elimination of tariffs by 2020.

As per the provision of the Rules of Origin Chapter, a good shall be treated as an originating good if it is either: (a) wholly produced or obtained in a Party (b) not wholly produced or obtained in a Party provided that the good has satisfied the requirements Product Specific Rules or (c) produced in a Party exclusively from originating materials from one or more of the Parties, Product Specific Rules) provides a choice of rule between a regional value content based rule of origin, a change in tariff classification based rule of origin, a specific process of production, or a combination of any of these, a Party shall permit the producer or exporter of the good to decide which rule to use in determining if the good is an originating good.

Trade in Services

The Chapter on Trade in Services of the Agreement further improves on the commitments and obligations on services trade. Under the AANZFTA, Australia and New Zealand made GATS-plus and commercially meaningful commitments in a number of services sectors.

Australia opened up new opportunities for ASEAN service providers in the following sectors/subsectors: legal services, nursing and midwifery, services to mining, communication services, educational services, environmental services, financial services, and transport services.

Similarly, New Zealand created new opportunities in legal services, engineering services, veterinary services, construction services, educational services, environmental services and financial services.

As a key outcome, services commitments of the AANZFTA Parties/signatories on various services sectors have significantly improved enabling service providers to enjoy greater market access and benefit from improved national treatment commitments as specified in the Parties' schedules of specific services commitments.

Recognizing the critical role of financial services and telecommunications sectors in the integration process, the AANZFTA also has a specific Annex on Financial Services, and an Annex on Telecommunication Services, where Parties undertook additional commitments. To facilitate movement of natural persons engaged in trade and investment, the AANZFTA has a Chapter on Movement of Natural Persons (MNP). This Chapter sets out the obligations and commitments on the temporary movement of natural persons including business visitors, installers and servicers, executives of businesses, headquartered in a Party, establishing a branch or subsidiary, or other commercial presence in another Party, intra-corporate transferees, contractual service suppliers, Commitments on MNP who services suppliers (Mode 4) are included in the schedules of MNP commitments. The schedules of MNP commitments specify the conditions and limitations governing those commitments including the length of stay for each category of natural persons included in the schedules.

Investment

In order to provide a greater level of certainty for investors and their investments, the Chapter on Investment of the AANZFTA accords a wide range of protection that includes:

- Fair and equitable treatment, and full protection and security
- Non-discriminatory treatment in relation to compensation for losses arising from armed conflict, civil strife or state of emergency
- Provisions that freely allow transfers relating to covered investments
- Non-discriminatory expropriation of investments that is done only for public purpose and carried out with due process of law, and receives prompt, adequate and effective compensation
- The Chapter provides for an investor-state dispute settlement (ISDS) that provides investors recourse to a choice of procedures for settling any investment related issues.
- Like the Chapter on Services, the transparency provisions of the Chapter on Investment require publication of any measures affecting investors and their covered investments in the internet. It likewise allows interested parties to give their comments on any new measures on investment that is under consideration.

CHAPTER V: IMPLICATIONS OF FTAs FOR DEVELOPING COUNTRIES

The effects of free trade agreements on emerging countries are uneven. The estimated trade effect in some situations was large, while in others, it was small, and some partners were judged to have benefited nothing. The magnitude of the effect is influenced by a few critical elements. The FTA's unique characteristics are one of the most important aspects. How broad and deep are FTA provisions, and how much – and how quickly – do they signify policy change?

Deeper, broader, and faster change, unsurprisingly, has a greater impact. If the tariff advantage granted by the FTA is limited, firms are less likely to incur additional administrative costs. And a ‘small' advantage can come from both ‘residual protectionism' (if the FTA fails to reduce some tariffs) and 'wide liberalism' (if tariffs outside the FTA are already low). Another factor is the broader 'trade-related' environment, as well as the FTA's fine print (for example, on rules of origin (RoO).

If the FTA removes a substantial number of trade barriers compared to those that remain unaffected, the FTA's impact will be stronger. The ability of an economy to raise supply of products for which the FTA has increased demand is the most important element. Because it is determined by a wide range of circumstances, many of which fall outside the scope of an FTA, this ‘supply-response' is only briefly discussed in the literature (and, hence, of the impact assessments). They encompass not only government policies, but also the country's physical and institutional infrastructure, human resources, and all other factors that influence an economy's short-term flexibility. Because supply capacity is so important, there is scant evidence that FTAs may boost investment, knowledge transfer, and business upgrading.

Provisions in the FTA text; the relative importance and direction of trade-related policies outside the FTA's ambit; and the parties' broader supply-side characteristics (i.e., what goods and services they can produce efficiently, and how quickly they can shift resources (manpower and capital) into sectors where the FTA increases demand and out of those where it reduces demand for domestic goods and services) are all factors that influence the scale of trade effects. If the FTA text removes more trade barriers than fewer, if the barriers removed are not offset by other trade-related policies that are unaffected by the agreement, and if the economies are sufficiently flexible to respond to the new opportunities created, the trade effects are expected to be greater.

5.1 Literature on Global Context

5.1.1 Tariff provisions of FTA

The extent to which an FTA genuinely changes a country's tariff policy is a significant factor. Smaller, postponed tariff cuts, according to studies, lower the trade effect directly, and the smaller the tariff cut, the less likely enterprises are to bother with any additional red tape required to utilise FTA benefits.

Even under a single FTA, the extent of tariff reductions will range between products because they are usually subject to varied levels of pre-FTA protection. As a result, decision-makers formulating an opinion on the possible scale of FTA impact can't draw any more detailed 'generic lessons' from the research. The impact is determined by a variety of scenarios. Is it true that numerous high-tariff goods are being liberalised, and that tariffs are being eliminated reasonably quickly? Or are tariffs already low (making the FTA simply a minor improvement in market access)? Or are high-tariff commodities exempt from liberalisation or end-loaded over a long period of time?

In evaluated research, there are numerous examples of cases where these difficulties have had a significant impact on the FTA's impact. The following examples of these concerns are included because they provide a clear, concrete illustration of the breadth of findings found in the literature more broadly.

According to Bergstrand et al., (2011) EU FTAs had a "significant impact on trade where initial duties were high and these levies were eliminated fast and considerably across all types of goods." However, 'few effects were discovered when tariffs were already low,' and FTAs 'with extensive phasing-in provisions are found to have minimal effects,' though this could change as implementation progresses.

The FTA between Korea and Chile was determined to have not reduced duties on several of Chile's "important export products." However, in cases where "tariffs were abolished soon after the FTA came into force," such as automobiles, cellphones, and televisions, "exports soared sharply straight after the agreement became operational" (Cheong and Cho, 2009 p. 22). According to the same source, the ASEAN agreement "classified over 200 products as ultrasensitive" and excluded them from the FTA.

In some circumstances, Takahashi and Urata (2009) noted 'the small tariff preference' as a contributory reason explaining low utilisation rates (Takahashi and Urata, 2009) Another Japanese firm-level survey (Hirastuka et al., 2009) verified this finding.

When partner nations lower tariffs slowly, the consequences of the Euro–Med accords are found to be smaller (Péridy and Roux, 2012 .

According to a study of the Canada–Chile Free Commerce Agreement, trade rose quickest in two categories: items with tariff cuts of ten or more percentage points and goods with lesser tariff cuts (Canadian Ministry of Foreign Affairs and International Trade, 2013).

5.1.2 Non-Tariff barriers affecting FTA

Tariff reduction schedules under the FTA are not administered in isolation from a slew of other measures that affect market access in practice. The broader trade environment will influence the impact of FTAs. Péridy and Roux (2012 [S; OR;]) found that "removal of tariffs does not entail removal of trade protection," and that "total protection remains strong" in Euro-Med signatories.

Some of these rules, such as the RoO, can be found in the FTA text's technical appendices. FTA clearance will be limited by rules that companies cannot meet without investing and/or moving their global value chain (which may or may not be commercially viable). Other components of the regulatory framework, such as various non-tariff trade obstacles, may not even be referred to as "trade policy."

Given the wide spectrum of "non-tariff obstacles" and the wide disparities in their relative importance among nations, the literature fails to define a list of major ones. Some measures (such as licensing requirements, quotas, and product standards) were problematic, according to Hoekman and Zarrouk (2009 : but they emphasize that the list of constraints is much longer and includes many regulatory and administrative measures captured in the World Bank's Logistics Performance Index and Doing Business database.

The general conclusion from the literature is that the smaller the tariff reduction inside an FTA, the less probable it is for enterprises to see non-tariff barriers as commercially advantageous. This is in accordance with findings on the use of non-reciprocal tariff preferences, such as the mid-term study of the EU's Generalized System of Preferences by the Centre for the Analysis of Regional Integration at Sussex (CARIS, 2010: Section 3.2.1).

5.1.3 Supply-side Constraints affecting FTA

The ability of the economies of the two countries to adjust to new opportunities was highlighted in a study of the Canada–Chile Free Trade Agreement. It concluded that products that were not traded before to the FTA contributed for 90% of the net increase in value of Canadian exports to Chile and over 76% of the net rise in imports (Canadian Ministry of Foreign Affairs and International Trade, 2013). Unless an FTA includes indirect supply-increasing impacts (such as increased investment), binding trade constraints may persist in the form of limits on how far and how rapidly a partner can boost production.

None of the research that identified minor trade effects attempted to quantify the role of 'supply-side restrictions' in this finding (i.e. the weak capacity of a signatory state to shift resources into the production of goods and services for which the FTA created new demand). Many of the extremely wide range of limitations fall outside the scope of an FTA trade analysis, therefore those studies that did analyse the supply side only did so in passing. They did, however, present examples of supply side constraints in the specific cases analysed, which may provide policymakers with some direction.

A study of the Australia–Thailand Free Trade Agreement expanded on the small overall effects discovered, stating that the "impact has been strongly concentrated in a few product sectors."(Athukorala and Kohpaiboon, 2011). This is due to 'commodity-specific, supply-side characteristics' that influence preference use, according to the report.

Focusing on the Maghreb, also known as Northwest Africa (and the clothing industry in particular), Hunt (2005) claims that these countries "face major difficulties in generating the increased domestic employment and rising incomes that optimistic proponents of liberalisation thought would result from FTA implementation combined with implementation of associated domestic policy reforms"

Supply-side restrictions encompass not only government policies, but also the country's physical and institutional infrastructure, human resources, and any other factor that influence an economy's short-term flexibility.

5.1.4 Technology transfer and Investment effects in consequence of FTAs

According to certain research works, there is a positive impact on technology transfer and investment between or among FTA participants. Using a specially- built theoretical model, Bustos (2011) investigates the influence of Mercosur on technology upgrading by Argentinian enterprises. It is discovered that companies producing goods for which Brazil's tariffs have been decreased the most invest in technology the fastest.

The influence of NAFTA on total factor productivity in Mexican manufacturing businesses is examined by López-Córdova et al. (2003). Despite the fact that separating NAFTA's contribution from other related events "proves rather challenging," they conclude that "the evidence strongly suggests that the greater integration of the Mexican economy to North America and the world economy at large had a significant impact on productivity performance".

Using panel data for 40 countries in Sub-Saharan Africa, Göransson and Khaled (2013) assess the impact of SACU on FDI from 1996 to 2011. They argue that SACU's openness channel has had a favourable and indirect impact on FDI inflows to member nations.

Bae and Keum (2013) look at how Korea's free trade agreements with Chile, Singapore, ASEAN, and EFTA have affected outbound and inbound FDI. They conclude that they have enhanced Korea's outbound FDI to both rich and developing nations, but only in the case of FTAs with higher-income countries have they had a major impact on inward FDI.

Jackson (2007) wonders if the FTA between Mexico and Japan has increased FDI. It finds that FDI has increased, but it is wary of the significance of the FTA in this development. Other factors like the regulatory environment, fiscal policy, and physical infrastructure are instead highlighted.

According to a tangentially -oriented study (Carvajal), the US–Chile FTA has improved the financial reporting quality of Chilean enterprises. The quality of financial reporting improves for companies that are more involved in US product markets.

The relationship between FTAs and FDI is complicated, according to one study. According to Hirastuka et al. (2009) Japanese enterprises use FTAs to which Japan is not a party more than those to which it has signed. They are able to do so because they have foreign affiliates in signatory countries.

Despite the fact that these sources tend to back up the notion that FTAs boost investment, policymakers should keep in mind that the number of research directly addressing the topic is minimal. Unlike trade creation and diversion (which have extensive theoretical literature), these are concerns for which empirical evidence is the only way to determine how far FTA expectations are realised in practice.

5.2 Fiscal Impact of FTA

FTAs have a significant budgetary impact since trade taxes are a substantial source of revenue in many impoverished governments because they are among the easiest to collect when administrations are weak. Tovias and al-Khouri (2004) express concern about the prospective fiscal impact of Jordan's FTA with the EU, but their paper was prepared before any such impact would have occurred, therefore it can only be considered a projection. According to a background paper of IMF (2005), Trade tax revenue typically constitutes between one-quarter and one-third of total tax revenue in low- and middle-income countries, and only a negligible share in high income countries. Trade liberalization has been associated with a marked decline in trade tax revenue relative to GDP, in both developing and developed countries, and in all regions. However, using a panel of 125 countries over 20 years, Baunsgaard and Keen (2005) find that low-income countries typically recover at most 30 cents for each dollar of lost trade tax revenue, even over the longer-term. For middle-income countries, recovery is noticeably more complete, and perhaps as high as one dollar for each dollar lost. For high-income countries, and unsurprisingly, revenue recovery is hardly an issue, reflecting the fact that tariffs are for them instruments of protection rather than revenue recovery.[6]

Trade liberalization, on the other hand, promotes the expansion of economic activities in partner countries. Any economy that is expanding maintains an upward tendency in the business cycle, which is characterized by a growth in production and employment, which leads to an increase in household and business incomes and spending. Although not all people and businesses see a gain in income, their increased confidence in the future encourages them to make larger purchases and investments during an expansion.

Increases in output during an economic expansion are mostly the result of increased consumer and company purchases of durable goods and machinery and equipment. The demand for goods and services is fueled by consumer and business confidence. Businesses add to their inventories as demand develops to ensure that they can keep up with new purchase orders. Beyond the rise in actual sales, the choice to expand inventory often has an extra impact on production volume.

5.3 Literature on Bangladesh Context

Review of Empirical Research on the PTA Experience in Bangladesh Empirical data has revealed a wide range of impacts or welfare gains for Bangladesh as a result of its participation in various trading arrangements. The varied approaches used in these empirical studies are thought to have resulted in inconclusive results. There have been three techniques employed in general: i gravity model, (ii) partial equilibrium model, and (iii) general equilibrium model.

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[6] Dealing with the Revenue Consequences of Trade Reform (Background Paper for Review of Fund Work on Trade), IMF, 2005

Gravity models attempt to explain bilateral trade flows using a collection of explanatory factors that attempt to forecast the influence of the agreement on bilateral trade flows. For the examination of any RTA, gravity models have been routinely employed to anticipate the influence of the agreements on bilateral trade flows. The studies that employ the gravity model include Srinivasan and Canonero (1995), Sengupta and Banik (1997), Hassan (2001), Coulibaly (2004), Hirantha (2004), Tumbarello (2006), Rahman (2003), Rahman et al (2006) and Rodriguez-Delgado (2007).

The results of these researches were mixed. According to research by Srinivasan and Canonero (1995) and Sengupta and Banik (1997), the impact of a South Asian Free Trade Agreement on trade flows would be minor for India but much larger for smaller countries.

According to Sengupta and Banik (1997), official intra-SAARC trade would expand by 30%, while illegal trade would increase by 60% if it became part of official trade. Coulibaly (2004) found net export creation, and Tumbarello (2006) and Hirantha (2004) found net trade creation from SAPTA.

Hassan (2001) discovered a net trade diversion effect from SAPTA, but Rahman (2003) discovered that the dummy variable for South Asia was small, indicating that regional integration is unlikely to result in considerable trade expansion in this region.

Rahman et al (2006) used an augmented gravity model to identify trade creation and trade diversion effects originating from SAPTA. It was found that there was significant intra-bloc export creation in SAPTA; however, at the same time there was evidence of net export diversion in SAPTA. It also appeared that Bangladesh, India and Pakistan were expected to gain from joining the RTA, while Nepal, Maldives and Sri Lanka were negatively affected. Rodríguez-Delgado (2007) evaluated the SAFTA within the global structure of overlapping regional trade agreements using a modified gravity equation. It examined the effects of the Trade Liberalization Program (TLP), which started in 2006. The study predicted that SAFTA would have a minor effect on regional trade flows. The gravity model simulation suggested that SAFTA TLP would influence regional trade flows mainly by increasing India's exports, and imports from Bangladesh and Nepal. It should, however, be pointed out that studies based on the gravity model to estimate the welfare gains from regional trading arrangements (RTAs) are methodologically flawed. First, the left-hand side of the gravity equation is the bilateral trade, not the welfare. But, the concepts of 'trade creation' and 'trade diversion' directly relate to the welfare of the country in question. Furthermore, gravity models are partial equilibrium analysis; therefore, they fail to take into consideration the inter-sectoral and inter-regional linkage effects. Therefore, gravity models cannot estimate the welfare effects of any RTA, and hence not capable of estimating the trade creation and trade diversion impacts of RTAs.

The major partial equilibrium studies on RTA in South Asia are by Govindan (1994), DeRosa and Govindan (1995), Pursell (2004), World Bank (2006) and Raihan (2011). The advantage with these models is that they are generally based on disaggregated data and are also flexible enough which facilitates sector-specific study. However, the major problem with these models is that they ignore general-equilibrium interactions, and thus cannot capture the inter-sectoral effects on the economy. A partial equilibrium model for food sector, used by Govindan (1994), showed the effect of preferential liberalization within the region on intraregional trade in food. Typically, the exercise involves estimating a bilateral trade-flow equation with bilateral trade (imports, exports or total trade at the aggregate or sector level) as the dependent variable and country characteristics such as the gross domestic products, population, land area, distance, the commonality of language or cultural ties and the existence of preferential trade arrangements as independent variables. Once estimated, the equation can, then, be used to predict the impact of a union between country pairs that did not have such a union during the sample period. The study found that such preferential liberalization would generate welfare gains through increased trade in food within the region. The analysis by DeRosa and Govindan (1995), however, showed that the welfare gains were much higher when the member countries also go for unilateral liberalization on a non-discriminatory basis. A partial equilibrium analysis on the cement industry by Pursell (2004) suggested that the preferential liberalization of cement industry between India and Bangladesh would lead to substantial gains through increased competition within the regional market.

With a view to exploring the potentials of India-Bangladesh bilateral FTA, World Bank (2006) provided a comparative assessment between Bangladesh and India with respect to a few industries like cement, light bulbs, sugar, and RMGs. The partial equilibrium simulation results suggested that in the case of cement, lights bulbs and sugar the likely effects of an FTA between Bangladesh and India seemed to be an expansion of Indian exports to Bangladesh, but no exports from Bangladesh to India. This was mainly because Indian export prices for these products were substantially lower than ex-factory before-tax prices of the same or similar products in Bangladesh. The simulations for RMGs predicted increased Bangladeshi exports to India, but also increased RMG exports from India to Bangladesh. The study found that an FTA would bring large welfare gain for consumers in Bangladesh provided there was adequate expansion of infrastructure and administrative capacity. FTA to Bangladesh could be wiped out if it had the effect of keeping out cheaper import at Customs borders. The study however cautioned that the benefits of such ts, i.e., from East Asia, and such trade diversion costs could be huge. The study suggested that the only way to minimize the trade diversion costs would be through further unilateral liberalization. Raihan (2011) applied the WITS/SMART partial equilibrium model to explore the trade effects of SAFTA on the member countries. The study showed that under a full implementation of SAFTA, some of the South Asian countries would be able to increase their exports within the region quite substantially. India would appear to be the largest gainer as her exports to this region would increase by US$ 858 million. For Pakistan, Bangladesh and Nepal the rises in exports would be US$ 169 million, US$ 122 million and US$ 90 million respectively. Sri Lanka's exports to the region would rise, but because of the India-Sri Lanka bilateral FTA its exports to the Indian market would rise in small amount. The study also showed that except for Maldives and Sri Lanka, for all other countries the rise in their exports to India would constitute major shares of the rise in their total exports to the region. Raihan (2011) however showed that much of the potential of the rise in exports among the South Asian countries would be restricted by the presence of stringent sensitive list under SAFTA. The studies based on computable general equilibrium (CGE) models predicted the effects of the trading arrangement on all variables including production, consumption, trade flows in all sectors of the economy as also on welfare. The studies that apply the CGE model to SAFTA analysis are Pigato et al. (1997), Bandara and Yu (2003) and Raihan and Razzaque (2007). All these three studies employed the Global Trade Analysis Project (GTAP) database and model, though they differ in detail due to the evolution of the GTAP data itself. Pigato et al (1997) found that SAFTA would produce benefits for member nations though unilateral trade liberalization would yield larger gains. The study by Bandara and Yu (2003) found that, in terms of real income, SAFTA would lead to gains for India and Sri Lanka, while Bangladesh would lose. The authors also endorse the view that South Asian countries might gain much more from unilateral trade liberalization and multilateral liberalization than from SAFTA. Raihan and Razzaque (2007) also used the GTAP model in explaining the welfare effects of SAFTA. The main contribution of their paper was to decompose the welfare effects of SAFTA (as calculated from the GTAP simulation results) into trade creation and trade diversion effects for individual South Asian countries. It appeared that Bangladesh would incur a net welfare loss from the SAFTA scenario. Though, for Bangladesh there was a positive trade creation effect, the negative trade diversion effect would be large enough to offset the positive gain. However, all other South Asian countries would gain from SAFTA. The gain for India would be the largest. Raihan and Razzaque (2007) also explored the possible reasons for the large trade diversion effects for Bangladesh. From the GTAP simulation results it appeared that under SAFTA, imports from China and other low cost sources (all over the world) would decline while that from India would increase significantly, which indicated, as far as the imports into

Bangladesh were concerned, a replacement of low lost cost import sources by a high cost source.

Hossain (2013) examined the impacts of BIMSTEC FTA on its member countries. GTAP model and database was used to evaluate the effects. Simulations results suggest that a complete removal of import tariffs among the member countries generate significant welfare gains for its members. The results also imply that some of the BIMSTEC member countries experience some adverse impact in case of terms of trade, industry output, balance of trade etc. However, the most encouraging fact is the opportunities of employment generation after full implementation of BIMSTEC FTA. Rahman and Kim (2016), also using the GTAP model, showed that the BIMSTEC FTA could promote the growth for the region, and argued that a large part of BIMSTEC's trade remained unrealised and the trade transaction cost was one of the major trading barriers prohibiting the growth of BIMSTEC intraregional trade.

CHAPTER VI: NON-TARIFF MEASURES TAKEN BY POTENTIAL COUNTRIES

Bangladesh Foreign Trade Institute conducted a study on Analysis of product and market specific NTMs for the selected sectors. The study has shown that the measures and standards applied by the importing countries are mostly imposed followed by the international standards and as per international codes of conducts of international agencies like Codex, OIE and IPPC.

The study has also suggested that though the measures set by the importing countries are legit and applied across for all exporting nations, mainly due to within-the-country capacity of Bangladesh, the legit NTMs turn out to be NTBs for Bangladeshi exporters. As per ITC (2017) 23, among the countries of SAARC and ASEAN that have been taken into consideration by the ITC survey, Bangladesh exporters face the greatest number of NTMs due to burdensome regulations and requirements of the importing countries. However, there exist some standards, measures and requirements from the buyers, which are not always mandatory as per the respective government requirements. These standards are popularly known as private standards and exporters need to fulfill the buyers' requirements as a normal course of business. However, these requirements not only raise the cost but also require adequate compliance capacity, which depends not only on individual exporting entity, but also on overall capacity of the exporting country with sufficient facilities, like testing, certification, etc.

The NTMs and their adverse effects faced by some selected sectors/products (Potato, Jute, Shrimp, Leather footwear and Plastics) have been mentioned hereafter along with recommendations. The recommendations are to address product specific NTMs by enhancement of capacity of government and private agencies associated with export and thereby stop NTMs turning into NTBs for Bangladeshi exporters.

6.1 Potato

Observations suggest that the major NTMs/NTBs faced by the export of potato involves SPS issues. Grading and sorting of potatoes are other major issues that are to be considered while exporting potato and sometimes create burden for the exporters.

At Buyer's End:

- Though the packaging requirements are mostly based on buyer's necessities, random change in packaging requirements and buyers'-specific packaging is and additional cost incurring issue for the exporters. Negotiation for maintaining uniform packaging system could save a lot of money for the exporters.

- Stringent requirement for grading and sorting potatoes on the basis of size and color can also be negotiated as they pose difficulty in exporting potatoes. However, since the issues solely depend on buyers' preferences, the ultimate solution is to develop the capacity of fulfilling buyers' needs and requirements.

- Considering the demand of Potatoes in Russia, the issue of formal banking channel need to be addressed.

Within-the-Country:

- Lack of cold storage system at the port, insufficient cool-chain transportation and inadequate logistics create problems for potato exporters by reducing the shelf-life of sorted and graded potato. This issue needs to be addressed in order to facilitate export of not only potato, but also other agricultural items.
- Proper capacity-building and training on potato sorting and grading is necessary in order to ensure export of good-quality potato, as the buyers are strict in regarding size, color and quality. Cool-chain system is also necessary for maintaining the color of the potatoes.
- GAP and contract farming is a major issue in exporting potatoes, which Bangladesh lacks. This will also ensure production of quality potato and proper method of collection and packaging, which will address many of the NTMs imposed by the buyers.
- There are allegations against the authorities responsible for testing and issuing certificates relating to potato exports. This not only creates problem in attaining buyers' confidence, but also increases cost of export. The issue needs to be examined and addresses properly, if there is any real anomaly.

6.2 Jute

Despite being the third-largest export sector of Bangladesh, jute and jute products are yet to untap the export potential. A study has found that export of Jute Bag to India faces around 11 types of TBT measures, mostly relating to labelling and certification requirements (Financial Express, 2016). Bangladesh faces higher number of NTMs while exporting to South Asian market and for the case of Jute bags. Certification requirement has been found to be the major trade affecting NTM.

At Buyers' End:

- The Made in Bangladesh seal, which has been made mandatory by the Office of the Jute Commissioner of India, has been affecting trade of the product. It should also be mentioned that some buyers specify that they do not want the label as the bags are used to pack Indian products and could create misconception among Indian buyers. This issue could be addressed through bi-lateral negotiations, which may facilitate the export of jute bags from Bangladesh.

- Obtaining the mandatory registration from the DGDA India during the time of opening LC is, in many cases, quite time consuming and delays the export consignment. Getting timely approval also sometimes involve illegal payments. Additional payments are also required at ports as well for clearing consignments despite having proper certification and other required approvals. These issues can also be taken up in the bi-lateral forum as India is the major buyer of Bangladeshi jute and jute products.

Within-the-Country Capacity:

- Export of Jute and Jute products are subject to certification requirements. Some of the parameters tested before exporting the products include Phyto-sanitary certificate, fumigation certificate, food grade quality etc. Though some of the parameters are tested in the Bangladeshi institutes, most of them require to be tested by third-party certification bodies, raising the cost of compliance. Enhancing the in-house capacities of testing the parameters, food-grade quality and other necessary tests is a must if the country needs to improve the overall quality and volume of jute sectors' export. The DAE also needs to have enhanced capacity, well equipped labs with skilled technical manpower so that quality and timely delivery of certification can be provided.

6.3 Shrimp

The European Union is the major buyer for Bangladeshi Shrimp. After the ban on shrimp export to the EU, Bangladesh has been able to enhance its capacity of ensuring high quality and proper health certification of shrimp that is required to export in EU. However, there are some additional and new types of requirements that are now coming up on the way of exporting.

- Bangladesh needs to set its capacity to pro**vide traceability certification.** Though traceability certification is not mandatory at present, it will become important in near future.
- The requirement of pre-inspection for exporting to USA can be negotiated upon building confidence of buyers.
- The small-scale shrimp producers lack the capacity of maintaining healthy production chain. An organised platform is necessary to make them trained and aware of the residual antimicrobials and other substances and the good and healthy production system.
- Meeting the labelling requirements with detailed product information (product composition, chemicals used, nutrition fact) is sometimes time and cost consuming as the facilities in Bangladesh is not adequate (ITC, 2017). This also needs to be addressed so that the exporters can get all the information easily from the certification bodies.
- Training and awareness on receiving Hazard Analysis and Critical Control Point (HACCP) and their compliance requirement is a must in order to address the NTMs for exporting**.**
- At present the compliance with HACCP is costly and time consuming in Bangladesh and the information and the process are not well known to exporters. This needs attention of the proper agencies.

6.4 Leather Footwear

Despite the slow growth of the export of overall leather sector, Footwear has shown positive trend. The volume is not yet satisfactory and may be increased if some issues are addressed. Image crisis and non-compliance in various social and environmental indicators are some of the issues that tend to pose burden in terms of exporting.

- The burden of cost of pre-shipment inspection by third-party is put on buyers, raising their cost of business. The issue may be negotiated with the buyers.
- The chemical tests conducted by the BUET or Leather Technology Institute, University of Dhaka are not recognized by the buyers as the institutes are not solely testing agencies. Accredited agencies and solely testing labs with capacities of testing the chemical parameters are necessary in order to capture the growing demand of leather footwear all over the world.
- Certifications other than chemical testing are done in third-party agencies due to non- capacity of Bangladeshi certifying agencies. Capacity of BSTI, BCSIR etc. needs to be upgraded for conducting the technical quality parameter tests.
- Environmental and social compliances across the supply chain, from production of finished leather to production of footwear, needs to be improved in order to get the international compliance certification that is necessary to face the NTMs imposed by the international markets and brand buyers.

6.5 Plastics

Plastic products, especially scraps are items that are subject to various NTMs and NTBs as many countries discourage influx of these products into their markets due to environmental concerns. As a result the standards set for these products and the NTMs associated to those are higher.

At Buyers' End:

- The Indian method of pricing on the basis of weight other than the product quality should be given a revisit as exporters cannot get their desired price in this system.
- The requirement of additional documents (15 copies of each document) for Bangladeshi exporters is another burden. Bangladesh may take up the issue in a bilateral forum.
- For the case of China, the process of sample testing from China is a time consuming process which raises the time and cost of the export consignment. This issue may also be addressed if the exports of plastic products are to be facilitated.
- The Middle Eastern countries impose many trade restrictive measures that may be considered as NTBs for the Bangladeshi exporters. The frequent change in their requirement is a major issue where the Bangladeshi exporters lack the capacity to keep track of and comply with. This concern should be put up in the negotiation forum.
- Negotiations may also be done in order to remove the NTB of getting approval of the product label from the designated embassies which also require additional costs.
- The requirement of testing of each article is also a new burden given to the exporters by the Middle Eastern buyers, which could also be negotiated.

Within-the-Country Capacity:

Bangladeshi labs and certifying agencies do not have the capacity to test the parameters required for exporting plastic products. Labs and agencies like BSTI, BSCIR must build up their technical capacities for testing the required parameters. Moreover, they would need international recognition and accreditation in order to be accepted by the international buyers. For example the agencies need the capacities for testing Colorfastness, sensorial examination, specific migration of metals, metal releases from plastic, volatile organic substances, Total Bisphenol etc.

CHAPTER VII: IDENTIFICATION OF GAPS IN THE EXISTING AGREEMENTS AND PRESENT SITUATION IN IMPLEMENTATION OF THE FTAs

Though SAFTA, as the name suggests, is a Free Trade Agreement, it had its root from SAARC Preferential Trading Arrangement and has some major shortcomings, if compared with the good practices of FTAs, as seen in previous chapter. SAFTA agreement defines tariff as follows.

"Tariffs mean customs duties included in the national tariff schedules of the Contracting States"

However, it is observed that good FTA's defines the coverage of tariffs more specifically. For example, under EU-Vietnam FTA, for the purpose of Elimination of Customs duty, customs duty is defined as follows-

"customs duty" means any duty or charge of any kind imposed on or in connection with the importation of a good, including any form of surtax or surcharge imposed on or in connection with such importation, and does not include any:

(i) charge equivalent to an internal tax imposed in accordance with Article 2.4 (National Treatment);

(ii) duty imposed in accordance with Chapter 3 (Trade Remedies);

(iii) duties applied in accordance with Articles VI, XVI and XIX of GATT 1994, the Anti-Dumping Agreement, the SCM Agreement, the Safeguards Agreement, Article 5 of the Agreement on Agriculture, and the DSU; and (iv) fee or other charge imposed in accordance with Article 2.18 (Administrative Fees, Other Charges and Formalities on Imports and Exports);"

So, in good practice, there is no possibility of imposing trade restrictive para tariffs. But SAFTA keeps negotiation on para tariffs separate from the negotiation of tariffs. The negotiation on para-tariffs has yet to see the sunlight.

The definition of Tariff in other agreements implies that Tariff covers all taxes and charges those have equivalent effects of customs duty. This implies that para-tariffs like supplementary duty and regulatory duty falls within the definition of tariff. This is justified in a sense that para tariffs reduce the value of negotiated outcomes. But Bangladesh's existing FTA, SAFTA does not include any reduction program of para-tariffs. The heavy dependence (Table-3) on import related taxes may make it difficult for Bangladesh to follow the best practice of FTAs.

Table 3: Illustration of Dependence of Bangladesh on Tax Collected at Import Level

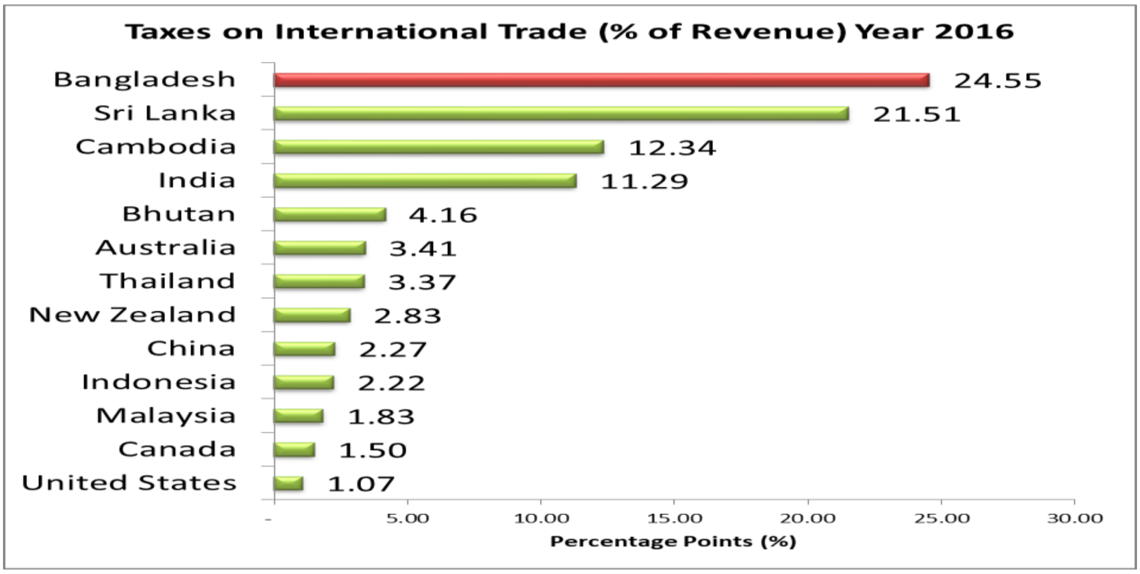
Particulars	**Fiscal year**					
	2015-16	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-2021p)**
	Crore BDT					
Import duty	18,016.58	21,069.19	24,502.12	24,277.40	23,643.58	24,280.47
VAT (Imports Level)	20,583.86	25,561.09	29,367.76	29,367.76	29,932.28	30,084.81
Supplementary Duty (import Level)	6,560.20	7,628.89	7,912.23	7,912.23	6,975.30	6,766.35
Total Tax Revenue at Import Level	45,160.64	54,259.17	61,782.11	61,557.39	60,551.16	61,131.63
Total tax Revenue	153,621.34	171,656.44	206,407.25	223,899.90	217,794.60	197,583.43
	Share in Total Tax Revenue (%)					
Import duty	11.73%	12.27%	11.87%	10.84%	10.86%	12.29%
VAT (Imports Level)	13.40%	14.89%	14.23%	13.12%	13.74%	15.23%
Supplementary Duty (import Level)	4.27%	4.44%	3.83%	3.53%	3.20%	3.42%
Total Tax collected at import level	29.40%	31.61%	29.93%	27.49%	27.80%	30.94%

Source: Calculation Based on Bangladesh Economic Revenue 2021

Bangladesh heavily depends on import related taxes. It is observed from the table that about 30 percent of tax revenue is represented by import related taxes. This places a burden for the policymakers in negotiating an FTA specially in the cases where there is a possibility of high revenue loss.

As per Article XXIV of WTO, FTA members have to substantially eliminate tariffs from all trade. But Bangladesh's FTAs, SAFTA Bangladesh maintains very large sensitive/negative list. Secondly, under SAFTA, for the products under trade liberalization programme, tariffs are reduced to 0 to 5 percent. This implies freer trade, not free trade. Many countries in the South Asian region including Bangladesh are heavily dependent on trade related taxes. A comparison of World Development Indicator prepared by World Bank (taxes on international trade (percentage) of revenue) shows that the share of trade taxes in revenue is the highest in Bangladesh amongst many neighboring countries as well as many countries who practices standard form of FTAs.

Figure 1: Comparison of share of trade taxes in revenue in selected countries.



Source: World Development Indicators World bank

Others operational preferential trade agreements are Asia Pacific Trade Agreement and Bangladesh-Bhutan PTA. These agreements are Partial Scope Agreements where the product coverage is too small.

Currently, Bangladesh does not have any operational FTA with commitments in investment, trade related intellectual property rights, government procurement, labor, environment etc. For Trade in Services, Bangladesh has SAARC agreement on trade in services, but it is not operational.

As an LDC, Bangladesh enjoys few flexibilities from some WTO Agreements. Bangladesh provides her exporters with cash incentives in exportation of many goods. But it might not be possible after the graduation from LDC status. This issue is not only a challenge of LDC graduation of Bangladesh, but also a challenge of signing FTAs. Because, under any reciprocal agreement, it might not be possible to provide such subsidy.

From the above discussion, it appears that their exists gaps between the best practices and the existing agreements in issues like investments, service sector, trade related intellectual property rights etc. Such issues can not be included in the existing agreements since they are not covered in the agreements.

It finds that South Asian Preferential Trade Agreement (SAPTA), Global System of Trade Preferences among Developing Countries (GSTP) regional not working actively. Besides, Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) is not in force. Moreover, Trade Preferential System among OIC Countries (TPS-OIC) and Preferential Trade Agreement among Developing Countries (D-8 PTA) are Limited product coverage including Positive List Approach. Asia-Pacific Trade Agreement (APTA) also deals with Positive List Approach and No modalities for tariff reduction (No set principle). Bangladesh-Bhutan Preferential Trade Agreement (BB-PTA) has started in 2020 but limited coverage. Except SAFTA deals with trade with trade in good with limitation Substantial (Traded goods) Coverage is limited, Lack of De Minimis (Tolerance) Rule and different para tariff Negotiation. Overall, the RTA situation is not favorable, each country to try to formulate bilateral FTA/PTA.

Table 4: Gaps between the Agreement and Present Situation in Implementation of FTA

Sl.	Agreements	Gaps
Regional FTA		
1	South Asian Free Trade Area (SAFTA)	▪ Mostly deals Trade in Goods ▪ Import tariff only (Customs Duty). ▪ Substantial (Traded goods) Coverage is limited. ▪ Lack of De Minimis (Tolerance) Rule in the Rules of Origin ▪ Rules of Origin is mainly General Rules based with relatively small list of Product Specific Rules ▪ Different PARA tariff Negotiation
2	Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC)	▪ Not in force
Regional PTA		
3	Asia-Pacific Trade Agreement (APTA)	▪ Positive List Approach ▪ No modalities for tariff reduction (No set principle) ▪ Rules of Origin is General Rules based
4	Trade Preferential System among OIC Countries (TPS-OIC)	▪ Limited product coverage ▪ Positive List Approach ▪ Rules of Origin is General Rules based
5	Preferential Trade Agreement among Developing Countries (D-8 PTA)	▪ Limited product coverage ▪ Positive List Approach ▪ Rules of Origin is General Rules based
6	South Asian Preferential Trade Agreement (SAPTA)	Not working actively

Sl.	Agreements	Gaps
7	Global System of Trade Preferences among Developing Countries (GSTP)	Not working actively
Bilateral PTA		
9	Bangladesh-Bhutan Preferential Trade Agreement (BB-PTA)	Limited product coverage

CHAPTER VIII: IDENTIFICATION OF POTENTIAL COUNTRIES FOR SIGNING FREE TRADE AGREEMENTS WITH, AND COVERAGE OF FTAs TO BE NEGOTIATED THAT GENERATES OVERALL ECONOMIC BENEFITS OF BANGLADESH

8.1 Introduction

For Identification of potential countries for signing free trade agreements with, both quantitative and qualitative analyses were carried out. Qualitative analysis includes indicators like trade performances, bilateral trade, and diplomatic relationships etc. The countries included in the list could get priority for feasibility studies in the near future.
Besides, the government of Bangladesh has already conducted feasibility studies for bilateral and regional trade agreements, free trade agreement and comprehensive economic partnership agreement relating to 23 countries.

The Government of Bangladesh has prepared a policy guideline of FTA 2010 to explore bilateral FTAs with prospective countries with a view to make deeper trade integration for export diversification and enhancement of Bangladesh's exports and competitiveness. The policy guidelines of FTA are three-fold: a) identification of potential countries for FTAs; b) coverage of FTAs; and c) procedures to be followed for initiating negotiations. The priorities for FTA negotiations are: a) economic strength, growth potential and demand for partner countries; b) geographical proximity; c) diplomatic relationship; d) market access condition for Bangladesh; e) willingness of the partner country; f) scope for manpower exports in the partner countries; g) consideration to elevate bilateral cooperation to strategic level; and h) future prospect of cooperation.

8.2 Methodology

An FTA can be viewed as welfare enhancing if such FTA contributes enhance economic activity, enhance export and increase efficiency in domestic industries through increased competition and ensuring availability of raw materials and intermediate goods at lower price. So, bilateral export, import and initial tariff of countries were assessed with due attention. It was observed that on an average[7], there were only 4 countries where Bangladesh exports exceed US$ 2 billion, namely (USA, Germany, United Kingdom and Spain). Including those countries, a number of 11 countries were found where Bangladesh's exports exceed US$ 1 billion (additional countries were France, Italy, Poland, Japan, Netherlands, Canada and India. Thus, Among the top 11 export destinations six countries were EU countries. From FTA perspective, all of these countries have to be considered as a

[7] Of FY 2018-19 to FY 2020-21

single country- EU. The upshot of this analysis is the fact that in order to find potential FTA partners, the volume of export and import as a criteria cannot be set too high.

Article 4.1 of Regional Trade Agreement (RTA) Policy 2022 of Bangladesh includes 9 criteria for identifying and prioritizing potential partners. While selecting criteria for identifying the potential countries, FTA policy guideline 2010 and later RTA Policy 2022 was consulted. Prior to evaluation for identifying potential FTA countries, consultations took place with various stakeholders. The Key Informant Interviews (KII) and Focus Group Discussion were held to identify potential countries for FTAs (Table 6 to Table-9). The criteria were as follows- export opportunity, import scenario and investment potentiality, market size, demand for garments, plastics products, Potentials for Service Export etc. Initially, a number of 92 countries have been considered with which Bangladesh has bilateral export of more than 4 million US dollars, (Average 3 years' Export Value from FY 2018-19 to FY 2020-21). Bangladesh's import with these countries was calculated in order to assess the extent to which Bangladesh's imports match the partner country's exports. Initially, a number of 50 countries have been considered with each of which Bangladesh had an import of more than 40 million US dollars, but less than 2500 million USD, in FY 2020-21.

Then out of 50 countries, 35 were selected which maintain a simple average MFN tariff of more than 6 percent on imports from Bangladesh. Keeping in mind the likely LDC graduation in 2026, Bangladesh may consider some of those countries potentially providing GSP/DFQF facilities.

The selection process of countries is summarized as follows: -

SL.no.	Criteria	No of Countries	Remarks
1	Bangladesh's total annual export is greater than 4 million US$.	92	**Annex 1**
2	Bangladesh's annual import is greater than 40 million but less than 2500 million US$	50	**Annex 2**
3	Simple Average Tariff is higher than 6 percent	35	**Annex 3**
4	Selection of individual countries and Customs Union[8] from 35 countries (of step 3) and selection of additional countries considering geographical proximity, preference erosion after LDC graduation, FGD, stakeholders' recommendations etc.	10 individual Countries and 5 CUs/RTAs	**Table 10**

[8] All members of selected CUs are not included in the list of 35 countries. Yet, CUs are selected on the basis of Bangladesh's export performance , export-import potentials and investment potentials.

Finally, some qualitative criteria have been used to identify the potential countries for signing FTAs. A number of 10 countries and 4 Customs Unions/regional trade blocs were selected considering geographical proximity, preference erosion after LDC graduation, expanding market access to Latin America, Africa, Russian block. Opinions of stakeholders from FGD, Public consultation and Validation workshop etc were also considered in identifying the potential countries and blocs.

8.3 Findings

Through a 3-step process, a total number of 35 countries have been identified as potential countries. Out of these 35 countries, 12 have been identified from within EU, 4 from the African region, 3 from Latin America, 7 from the Asian region and 9 from the rest of the world. Many of these countries are members of different Customs unions like European Union, Eurasian Economic Union (EAEU), Southern Common Market (MERCOSUR), The Southern African Customs Union (SACU) etc.

Table 5: Identified 35 potential countries for signing of FTA

Sr. No	COUNTRY	Customs Union	GSP/ Non GSP	Region
1.	Argentina	MERCOSUR[9]	Non GSP	Latin America
2.	Austria	EU[10]	GSP	EU
3.	Belgium	EU	GSP	European block
4.	Brazil	MERCOSUR	Non GSP	Latin America
5.	Belarus	AEAU[11]	Non GSP	Russian block
6.	Canada		GSP	USMCA
7.	Czech Republic	EU	Non GSP	European
8.	Germany	EU	GSP	European
9.	Denmark	EU	GSP	European
10.	Egypt	COMESA[12]	Non GSP	Africa
11.	Spain	EU	GSP	European
12.	Finland	EU	GSP	European
13.	France	EU	GSP	European
14.	UK		GSP	European
15.	Greece	EU	GSP	European

[9] Members include Argentina; Brazil; Paraguay; Uruguay

[10] Members of European Union [EU] include Austria; Belgium; Bulgaria; Croatia; Cyprus; Czech Republic; Denmark; Estonia; Finland; France; Germany; Greece; Hungary; Ireland; Italy; Latvia; Lithuania; Luxembourg; Malta; Netherlands; Poland; Portugal; Romania; Slovak Republic; Slovenia; Spain; ad Sweden

[11] Members of Eurasian Economic Union (EAEU) include Armenia; Belarus; Kazakhstan; Kyrgyz Republic; Russian Federation

[12] Members of Common Market for Eastern and Southern Africa (COMESA) include Angola; Burundi; Comoros; Democratic Republic of the Congo; Egypt; Eritrea; Eswatini; Ethiopia; Kenya; Lesotho; Malawi; Mauritius; Rwanda; Sudan; Tanzania; Uganda; Zambia; and Zimbabwe

Sr. No	COUNTRY	Customs Union	GSP/ Non GSP	Region
16.	Indonesia		Non GSP	Asian
17.	Italy	EU	GSP	European
18.	Jordan		Non GSP	Arab country/ Asian
19.	Japan		GSP	Asia
20.	South Korea		Non GSP	Asia
21.	Sri lanka		Non GSP	Asia
22.	Morocco		Non GSP	Africa
23.	Nigeria	ECOWAS[13]~~,~~	Non GSP	Africa
24.	Netherlands	EU	GSP	European
25.	New Zealand		GSP	Australasia
26.	Philippines		Non GSP	Asia
27.	Poland	EU	GSP	European
28.	Russia	EAEU	Non GSP	Russia
29.	Sweden	EU	GSP	European
30.	Turkey	CU with EU	GSP	European
31.	Ukraine		Non GSP	East Europe
32.	USA		Non GSP	USMCA(Formerly NAFTA)
33.	Uruguay	MERCOSUR	DFQF	Latin America
34.	Vietnam		Non GSP	Asian
35.	South Africa	SACU[14]	Non GSP	African

Bangladesh may negotiate for FTA/ PTA with respective Customs union for concluding FTA/PTA with potential partners, who are members of any Customs union. Detailed information is provided in **Annex 3**.

8.3.1 Findings from Key Informant Interview (KII)

As part of the study, 15 Key informant interviews were conducted involving relevant stakeholders including representatives from trade bodies, think tanks, Ministries, Universities etc. The list of Key Informants is provided in annex 4. An open-ended questionnaire was used to collect the opinion, perceptions of the stakeholders. A copy of the questionnaire is provided in Annex 8.

[13] Members of Economic Community of West African States (ECOWAS) include Benin; Burkina Faso; Cabo Verde; Côte d'Ivoire; Ghana; Guinea; Guinea-Bissau; Liberia; Mali; Niger; Nigeria; Senegal; Sierra Leone; The Gambia; and Togo
[14] Members of Southern Common Market (MERCOSUR) - Southern African Customs Union (SACU) include Argentina; Brazil; Paraguay; Uruguay; Botswana; Lesotho; Namibia; South Africa; and Eswatini

Table 6: Findings from KII [Single Country]

SL No	Potential Countries	Description
1.	India	As many as 47% of the respondents preferred India for signing FTA. Respondents considered import opportunity, export and investment potentials in case of trade with India. They also emphasized on eliminating non-tariff barriers while negotiating with India.
2.	China	Same as India, 47% of the respondents preferred China for signing FTA. They considered China because it is the largest import source of Bangladesh, and is currently the largest economy in the world and it contributes a very large portion of world export and import. So they also emphasized on the potential opportunity for expanding export market and entering into global supply chain.
3.	USA	Similarly, as India and China, 47% of the respondents preferred USA as a potential country for signing FTA with. They considered USA as a country from which we may learn best practices, which will prepare the country for negotiating with other countries of the world.
4.	UK	A large number (33%) of the respondents preferred UK as the potential country for FTA. Existing export volume (3rd largest export destination), a large number of Bangladeshi diaspora was the key aspects while choosing UK as the potential country.
5.	Japan	As many as 40% of the respondents preferred Japan as the potential country for FTA. Technology transfer and investment were the key aspects of consideration while selecting the country.
6.	Canada	Many other respondents (13%) selected Canada as the potential country. Export potential and opportunity for entering into greater North American Market were the key considerations while choosing Canada.

Table 7: Findings from KII [Regional Block]

SL No	Potential Blocs	Description
1.	EU	Most of the total respondents (73%) preferred EU for signing FTA. As EU is the largest export destination of Bangladesh, sustaining the market is the prime concern for the respondents. In addition, opportunity for free trade with 28 member countries by one FTA is also considered. However, some respondents said that as we have trade preference in EU until 2029 we could give less priority to EU while considering for FTA.
2.	RCEP	So many of the total respondents (60%) preferred RCEP for signing FTA. Respondents preferred the 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.
3.	ASEAN	A significant number (47%) of the respondents preferred ASEAN for signing FTA. Respondents considered Volume of intra-regional trade of ASEAN, geographic proximity for choosing ASEAN. Some of the respondents added that If we prioritize RCEP then we would have free trade access to ASEAN countries also. Therefore, a separate endeavor to sign FTA with ASEAN will not be necessary.
4.	GCC	Quite a good number (33%) of the total respondents preferred Gulf Cooperation Council for signing FTA. The respondents considered potential for labor export and attracting investment while choosing GCC as the potential trade bloc for FTA.
5	AFCFTA	Many (27%) of the respondents chose African Continental Free Trade Area as the potential bloc for signing FTA. They considered opportunity for diversifying export to African market.
6.	EAEU	Many other, 20% of total, respondents chose Eurasian Economic Union. The respondents considered the expansion of export market to emerging economies of Eurasian economic bloc through FTA.

8.3.2 Findings from Focus Group Discussion

As part of the study, a Focused Group Discussion (FGD) was conducted involving relevant stakeholders including representatives from trade bodies, think tanks, Ministries, Universities etc. The list of Participants of the FGD is provided in annex 4. A structured template was used to collect the opinion, perceptions of the stakeholders. A copy of the template is provided in Annex 8.

Table 8: Findings from FGD (Bilateral Agreement)

SL No	Top 7 Countries	Rationale
1st	Japan	• 6th largest market in the world • Huge demand for garments, plastics products • Scope for market diversification • Prospects for Japanese investment in Bangladesh • Supply of industrial Machineries
2nd	India	• Huge market • Geographical proximity • Trade gap is not big concern, that not make any problem in balance of payment • Willingness
3rd	China	• Large market • Gateway to RCEP market • Economic strength and growth prospects and potential demand
4th	Indonesia	• Large market potentials • Having significant trade volume • Willingness for potential partner • Halal food demand • Huge market for garments product
5th	Turkey	• Market size • Willingness to sign FTA • Common Member of D-8 and TPS OIC • Duty Free and Quota Free (DFQF) facilities
6th	Singapore	• Willingness • DFQF • Possibilities of greater integration
7th	USA	• Huge service export opportunity • Potential for future market • Large market size

Table 9: Findings from FGD (Regional Agreement)

S.L.	Regional Blocs	Rationale for FTA
1.	RCEP	• Big Market • Opportunity for both export and import • Opportunity for attracting investment
2.	ASEAN	• Big Market • Vibrant Intraregional trade • Opportunity for Regional Integration
3.	EU	• Largest Export Destination • Scope for Diversification • Opportunity for FDI
4.	Eurasian Economic Union	• New Market • Scope for Product diversification • Common Customs Union
5.	African Union	• Big market • Export potentials
6.	Gulf Cooperation Council (GCC)	• Potentials for Service Export • Potentials for Investment
7.	MERCOSUR	• Opportunity for market diversification • Fifth largest economy in the world • Willingness to sign FTA

8.3.3 Findings from Public Consultation

A public consultation was organized to gather opinion of the stakeholders on the draft findings of the report. The comments of the stakeholders were reflected in the relevant chapters of the report. The list of participants in the public consultation is provided in the Annex 6.

8.3.4 Findings from Validation Workshop

A validation workshop was organized to gather opinion of the stakeholders on the findings of the report. The comments of the stakeholders were reflected in the relevant chapters of the report. Relevant extracts of the record notes of the proceedings of the validation workshop are attached at Annex 10.

8.3.5 Identifying 15 Countries/Regional Blocs for Signing FTA

Finally, 10 countries and 5 regional blocs were identified through incorporating findings of statistical calculation, consulting qualitative criteria set in RTA Policy 2022 and inputs of stakeholders in KII, FGD, Public consultation and Validation workshop. The list of the countries and regional blocs and discussion on the selection of the countries and regional blocs are given below-

Table 10: Fifteen Countries/Regional Blocs for signing FTA

Sr.	Country	Provider Duty Free	Region/ Customs Union/ RTA	Goods-Export volume (FY 20-21, mill USD)	Goods-Import Volume (FY 20-21, mill USD)	Other criteria
Potential Countries						
1.	USA	Non GSP	USMCA (Formerly NAFTA)	6,974.01	2,268.19	Largest Export Market as Single Country Trade in Services and Investment potential
2.	India	DFQF	SAFTA, APTA SATIS	1,279.66	8,593.12	Withdrawal of Duty Free Facility Geographical Proximity Political understanding Willingness
3.	China	DFQF	APTA	680.65	12,929.30	Withdrawal of Duty Free Facility Geographical Proximity Willingness Investment Opportunity
4.	UK	GSP	European	3,751.27	359.87	Considering GSP Withdraw by 2029 Export Potential of large market
5.	Japan	GSP		1,183.64	2,001.18	Considering GSP Withdraw Export Potential of large market Potentials for Technology Transfer and Investment Willingness
6.	Canada	GSP	USMCA	1,164.01	998.84	Considering GSP Withdraw Export Potential of large market
7.	South Korea	Non GSP	Asia	398.67	1,126.60	Potentials for Investment , Technology transfer
8.	Singapore	GSP	ASEAN	116.57	2,468.03	Considering GSP Withdraw Export potential Investment, Trade in Services
9.	Indonesia	Non GSP	ASEAN	68.22	1,845.54	Export potential in RMG, halal food sector Willingness for signing FTA
10	Morocco	Non GSP	African	34.47	214.28	Export Potential of large market Gateway to African Market
Regional Blocs						
11	EU	GSP	Customs union	16,090.05	2,570.73	Considering GSP Withdraw Largest Export Market

Sr.	Country	Provider Duty Free	Region/ Customs Union/ RTA	Goods-Export volume (FY 20-21, mill USD)	Goods-Import Volume (FY 20-21, mill USD)	Other criteria
12	RCEP		RTA	3,901.16	22,043.53	Export Potential of large market Potentials for Investment, Trade in services
13	ASEAN		RTA	699.85	7515.05	Export Potential of large market Regional Proximity Investment, Trade in services
14	EAEU	Non GSP	Customs Union	677.05	619.84	Export Potential of large market Export, & Tariff Rate
15	MERCOSUR	Non GSP	Customs union	118.57	2,444.24	Export Potential of large market (30 crore consumers with $3.4 trillion GDP) Willingness Gateway to Latin American market

In year 2021 major country-wise Net FDI Inflows in Bangladesh were: USA.: USD 585.88 million or 20.2%, People's Republic of China: USD 407.88 million or 14.1%, Singapore: USD 298.69 million or 10.3%, U.K.: USD 296.01 million or 10.2%, Korea, Republic of: USD 154.47 million or 5.3%, accounted 60 percent towards the contribution of total FDI inflows (net). It is observed that out of 15 countries, 7 countries have FDI in Bangladesh. Among the remaining 5 regional blocs, FDI inflows are found from ASEAN and EU.

In recent years, companies from the developing world have increasingly invested abroad, seeking business opportunities outside their own home countries. Bangladesh is walking very carefully for investing abroad. But in September 2015, the government amended the 1947 Act by adding a "conditional provision" that permits outbound investment for export-related enterprises. Here it can be mentioned that some Bangladeshi bank branches and exchange houses operated their business in abroad. By the dint of amendment outward foreign direct investments (OFDIs) by Bangladeshi firms has increased significantly. Now such investments by Bangladeshi firms have gone to more than 20 host countries. Unfortunately, out of 15 countries only UK receives FDI from Bangladesh.

Table 11: Investment scenario between Bangladesh and Fifteen Countries/Regional Blocs for signing FTA in the Year 2021

(value in million USD)

Sr.	Country	FDI Inflow	FDI Outflow
1.	USA	585.88	-
2.	India	101.14	-
3.	China	407.88	-
4.	UK	296.01	48.29
5.	Japan	91.05	-
6.	Canada	6.86	-
7.	South Korea	154.47	-
8.	Singapore	298.69	-
9.	Indonesia	NA	-
10.	Morocco	NA	-
11.	EU	254.75	-
12.	RCEP	NA	-
13.	ASEAN	357.73	-
14.	EAEU	NA	-
15.	MERCOSUR	NA	-

Source: FIED Management Cell, Statistics Department, Bangladesh Bank

Potential Countries for Signing FTA

1.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.[15] 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. [16]

[15] Export Promotion Bureau, Bangladesh FY2021-22

[16] Import Payment provisional data from Bangladesh Bank FY2021-22

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.[17]

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 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.

2.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.[18]

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.

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[17] Foreign Direct Investment Data from Bangladesh Bank, December 2021

[18] Joint Feasibility Study on CEPA between Bangladesh and India, 2022

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 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.

3.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.[19] 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.[20] So Bangladesh can emphasize on the potential opportunity for expanding export market and entering into global supply chain.

[19] https://unctad.org/news/china-rise-trade-titan

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

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.

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.

4.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.

5.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.[21]Considering this context, Japan can be identified as the potential country for signing FTA.

6.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 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,

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

around 1 lakh Bangladeshi-origin people are living there and the number is increasing. [22]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. [23]

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.

7.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.

8.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 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

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[22] https://www.bdhcottawa.ca/bilateral-relations/bangladesh-diaspora-in-canada
[23] https://www.bdhcottawa.ca/bilateral-relations/trade-relations

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.

9.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.[24]

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.

10. 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.[25] Morocco experiences 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

[24] https://www.worldbank.org/en/country/indonesia/overview
[25] https://www.worldbank.org/en/country/morocco/overview

with Bangladesh. Very recently, the country has initiated a process to sign Bilateral Investment Protection and Promotion Agreement with Bangladesh.

Potential Regional Blocs:

11. 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.[26] 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.

12. 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.

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

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.

13. 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%).[27]

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

[27] https://research.hktdc.com/en/article/Mzk5MzcxNjEz

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.

14. 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.[28] 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.[29]

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 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.

15. 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

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[28] 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/

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

agreement (FTA) with the Mercosur having a great opportunity to explore new areas of trade and investment.

8.4 The Potential Benefits from Signing an FTA/PTA

(a) It may appear unintelligible, at first thought, as to how a free trade agreement signed with one country or more, under which imports from that or those countries would be allowed in the signing country free of Customs and other duties, charges and levies, may benefit the country signing that agreement. Because revenue earned as Customs and other duties and taxes and other charges are generally done away with, that is, the imports become duty-free. It is a huge loss to the country, at present 30% of our revenues are earned from Customs duties. If VAT at the import stage, supplementary duties, Regulatory duty and some other charges are added, total amount would be substantially higher. Free Trade Agreement means none of these duties and taxes would be collected on imports. It should be a loss instead of being a benefit or gain! Let us now go a little deeper into the whole matter.

(b) Bangladesh, we are aware, is scheduled to graduate from the status of a least developed country (LDC) to that of a Developing Country in 2026. We, as an LDC, have been enjoying different kinds of concessions from the international communities and organizations, such as DFQF (duty-free and quota-free) exports to developed countries and to those of the developing countries willing and able to offer us the facilities. We also have been getting grants and concessionary loans from international organizations like the World Bank, IFC, ADB and the like. The EU, under its EBA rules, allow its EBA rules, without duty and quota, etc. All these facilities will be eroded once we graduate to the status of a Developing country status. We have, in fact, already achieved that status. Nevertheless, the World body, the EU and others have agreed to continue it until 2026, three years beyond that period.

(c) Now, what happens after that fateful year of 2026, or some further, but short, extended period? The answer is simple: we will be able to export to other countries of the world, as before, but on payment of applicable duties in those countries at the import stage. It means we will lose our competitiveness in all the countries to the extent of the duties and taxes charged on imports in those countries. In the backdrop of this, if we can sign FTA with any country, our goods will be exported there without duties and taxes, as before. However, certain other issues should also be considered along with signing FTAs.

(d) FTA is a two-way traffic, i., e., while, after an FTA is signed, we may export duty-free, and we have to allow the same facilities to our FTA partner, which means that country will export duty-free as we would be allowed to do. It will increase internal competition in our country with the producers of similar goods. The local competitors have, of necessity, to improve their efficiency to remain in the market. The consumers will be benefited as a result. Therefore, duty-free market for our products will expand as we may sign more and more FTAs. The results may be summed up as follows:

(1) Markets for our goods and services will expand creating increased competition in the domestic market will lead to enhanced competitiveness leading to increase in efficiency and reduction in prices and efficient use of the factors of production;

(2) There would be re-allocation of resources leading to efficiency and consumer benefits.

(3) Investors may feel tempted to come and invest in a larger market creating new jobs and bringing newer technologies.

(4) There will be an over-all expansion of economy creating more revenues thus offsetting the loss of that on imports.

(5) It has been empirically found all over the developed world that larger markets through reduction of, or doing away with import duties, has, without exception, led to economic and social well-being in a country doing so.

(6) There would take place another changes in the economic structure of the country. There would take place what, in trade terms, called trade creation and trade diversion. Trade creation would happen by adding newer and newer countries to the list of FTA, and diversion would happen in case of some countries not joining it by losing its traditional trade with its partners who may join other countries through FTAs.

(7) Finally, inefficient producers, who may not change with the changed times and technology, will find themselves marginalized and, finally, out of the market altogether. Some of them may switch over to other forms of business while the remainders may be extinct as business entities if they do not adapt to new realities of improved efficiency and competitiveness. In general, the latter case comes into reality, leading to an enhancement of welfare.

The above picture of FTA is rather a very simplified version of what might happen. Quite a few studies have already been conducted by some Trade Economists, some relating to specific circumstances to Bangladesh and its neighboring countries. Results arrived at by different researchers are varied and different. In fact, many assumptions are made for such research and the outcomes are dependent on those. If not all these assumptions are found, the outcome of the research or research are also likely to be different from what was found in the research. The points of view presented in this short write-up is rather indicative, and not an immutable proof as it is dependent on different variables.

Although the list of potential countries enlisted here in this paper as having potential for our FTAs is a theoretical exercise almost in a vacuum. Because no FTA negotiation is possible, or at least likely, if that other country does not agree to arrive at an FTA with us.

This, at best, is an exercise in probability. These probabilities may be transformed into possibilities once both the sides agree to, and actually sit down for, the actual negotiation. Even a prolonged and serious discussions may finally not produce the desired results. But we must continue with the efforts, especially with the larger markets like the EU, China, India and others.

CHAPTER IX: BARRIERS OF FTA FORMULATION

Form the discussion in the previous chapter it is evident that there is a long way to go. And to reach the goal there are several factors which need to be overcome for initiating and concluding FTAs. As FTA is considered as one of the major instruments for compensation of expected export loss, so the factors hindering the ways of a successful completion of FTA are needed to be minimized. Considering all this, the barriers for formulating and concluding FTAs are identified as follows-

i. Conservative FTA Policy- Existing FTA Policy Guideline 2010 is considered conservative. Conservativeness of the guidelines is one of the major barriers.
ii. High average tariff- The average tariff of Bangladesh is above 14%, so while initiating, or trying to conclude an FTA, different stakeholders raise their concern in this regard.
iii. Dependence on import level taxes- Bangladesh heavily depends on import- related taxes. It is observed that about 30 percent of tax revenue comes from import- related taxes. This places a burden on the policymakers to go for an FTA where the possibility of revenue loss is high. The revenue earning authority of the government, an integral part of the government itself, in fact, raises serious objections to any potential loss of revenue, especially when it tends to come through a willful act like the signing of an FTA. While tax revenue needs to be greatly enhanced, the burden should be shifted from import-related taxes to the other kinds like direct tax and VAT, etc.
iv. Shallow coverage- of existing FTAs of Bangladesh is a major impediment for yielding maximum benefits. Current FTAs do not include commitments in investment, trade related intellectual property rights, government procurement, labour, environment etc. FTAs, as they are understood in relation to the WTO, do not, in fact, exist in the trade world of Bangladesh. SAFTA was chiseled out after years of hard labour by the experts of the SAARC countries, but that is applicable only conditionally and, where applicable, only up to an extent, and not fully. Although the concerned Ministry of the government has been trying to sign as many FTAs as possible, conservative stances of the potential partners and foot-dragging by many other important ones in our own government clearly stand in the way. Therefore, we have, first, to resolve the problems at the home front and, second, approach some other countries willing to sign FTAs with us.
v. Limited export products- notably, apparel constitutes more than 80 per cent of the country's total export. According to the experts, it is nearly impossible to foresee any export benefit in signing FTAs with developing countries with this narrow export basket. Any assessment of impact of FTAs with developing countries will obviously show the minimal export benefit.

vi. Providing cash incentive- Bangladesh provides cash incentives on the export of several goods. This issue is not only a challenge of LDC graduation of Bangladesh, but also a challenge on concluding FTAs.

vii. Subsidy is considered incentive for export. Under any reciprocal agreement, it may not be possible to provide subsidy.

viii. Less inclusive- Engagement of business communities in the process of initiating and concluding FTA is minimum. Inclusiveness of all stakeholders related to international trade may pave the way for minimizing gaps. The lead Ministry, i.e., the Ministry of Commerce, includes representatives from relevant ministries and some representatives from the business leaders. However, the problem is that while a representative from the NBR is generally there, but he is a junior officer and does not effectively participate in the discussions. We believe, more representatives from the NBR, and fromn higher and properly informed circles as well as more informed business representatives should be there in FTA negotiations. There must also be more of preparatory meetings at home with all the members on a delegation before they are engaged, whether at home or abroad, in FTA negotiations.

ix. Selecting potential countries- In many cases it happens that while Bangladesh consider FTA is beneficial for its economy, but other parties may not be equally interested to sign agreements because it may not be beneficial for them. It is very difficult to find out win-win situation for both the parties. This is what leads us to strongly recommend that the Commerce Ministry must undertake a lot more of homework before engaging, or trying to engage, in trade negotiations with an aim for signing an FTA. This includes, first, identifying countries willing to sign an FTA with us and then start a negotiation for that purpose in mind.

x. Overall mindset- regarding FTA there exists a fear in the mind of different stakeholders. Revenue department fears revenue loss, manufacturers feel seriously concerned about losing their protected market if an FTA is signed. They have to be re-assured. All kinds of stakeholders have to be educated about the effects of an FTA well before it comes.

CHAPTER X: CONCLUSION & RECOMMENDATIONS

In **conclusion**, the study has investigated the existing trade and economic linkages at the bilateral level that could accrue due to a possible FTA. The study has been conducted with the aim of examining ways and opportunities to enhance economic benefit. Based on the above, the study concludes that the present mechanism of formulating the FTAs of Bangladesh is not well positioned. The existing barriers for negotiating and, finally, signing FTAs are enormous. For example, the simple average tariff of Bangladesh is fourteen per cent or more, heavy dependence on import-related taxes, traditional FTA policy guidelines, limited export products, provision of cash incentives and subsidies on some goods, etc., are major hindrances to the formulation of FTA in Bangladesh.

All the 35 countries identified are potential to conclude FTA but most of the countries are engaged with different Customs Unions (CU). For example, Brazil, Russia, European Countries (EU) belong to different CU, and it might take time to formulate FTA with them. All of these Customs Unions may not be important-if considered as a whole. European Union is Bangladesh's major export destination. In FY 2020-21, 27 EU Countries holds 45.06% of Bangladesh's total export of goods. Even if EU allows a three-year transition period for Bangladesh for its smooth graduation from LDC status in 2026, duty free access under EU GSP scheme may disappear after 2029. If Bangladesh does not have duty free access in EU, it appears that no FTA will be good enough to overcome the challenge of export, especially in a circumstance when some competitor countries like Vietnam would have market access through FTA and Sri Lanka having GSP+. Concluding FTA with EU generally takes a long time. So, it is the high time to start FTA discussion with EU as soon as possible. However, for other potential countries involved in different Customs Union, Bangladesh may go slow and prioritize other bilateral FTA considering the difficulties and lingering process of FTA negotiation with CUs.

In selecting countries for bilateral FTAs, bilateral exports as well as import tariff were considered with due respect. It is assumed that higher the initial tariff imposed on by a country on its imports from Bangladesh, there will be greater scope of reduction of domestic price of products imported from Bangladesh as a result of tariff liberalization, which would increase the import demand for Bangladeshi products in those countries. Moreover, those countries have some exports to Bangladesh which would make them interested to conclude FTA with Bangladesh. Yet, as Bangladesh heavily depends on revenue generated from imports some countries, in spite of having export potential may be considered with less priority.

Recommended Potential Countries and Economic Blocs for Signing FTA

In this regard, several 10 countries and 5 regional blocs are selected to conclude FTA on priority basis, considering their importance in Bangladesh's global trade and possible loss of tariff preference after possible graduation from LDC status. Existing tariff faced by Bangladeshi export products as well as contemporary economic situation is also taken into account. India and China were selected considering existing trade volume, political understanding, and opinion of the stakeholders. China is the largest trading partner of Bangladesh followed by India. Feasibility study on Comprehensive Economic Partnership Agreement (CEPA) with India is being conducted. Bangladesh is discussing a free trade agreement (FTA) with China to boost exports to its massive market. In this regard, Morocco is considered due to limited export and import, high import tariff rate, populous country and considering the country as a gateway for African market.

The list of countries with which Bangladesh government can start discussion on priority basis for signing FTA are following below-

Top 10 Countries for signing FTA

1. USA
2. India
3. China
4. United Kingdom
5. Japan
6. Canada
7. South Korea
8. Singapore
9. Indonesia
10. Morocco

Plus 5 economic blocs for signing FTA

1. European Union
2. RCEP
3. ASEAN
4. Eurasian Economic Union (EAEU)
5. MERCOSUR

Other Recommendations

FTA/PTA with a potential country will boost economic growth by ensuring product diversification, increased investment, technology transfer, enhanced competitiveness, compliance implementation etc. This will lead to industrialization and creating job opportunities. To overcome the stated impediments, the government of Bangladesh may consider various measures for the effectiveness for FTA/PTA formulation. Of them, the most important ones are as follows:

i. The government may take necessary steps to streamline the regulatory regime, including the rationalization of tariff structure and reduction of high tariff rates.
ii. Along with bilateral agreements, Bangladesh government should focus on signing Regional Trade Agreements.
iii. In order to continue the export growth and overcome the trade- related challenges, all the Government agencies and private sector should work together.
iv. Offensive and defensive interests in RTA negotiations should be planned strategically to ensure a win-win situation.
v. Apart from tariff reforms, other associated sectors should go through reform process.
vi. Standard features of FTAs need to be incorporated in the potential agreements. A provision of Mutual recognition among FTA signing countries is very important. Potential agreements should also include technological transfer and environmental consideration.
vii. Bangladesh must diversify its export basket to leverage the potentials of FTA.
viii. Enhancing negotiation skills of FTA negotiators through advanced training.
ix. Research capacity to collect and analyse FTA -related data needs to be enhanced.
x. Institutional memory of the agencies related to FTA negotiations needs to be built and sustained.
xi. Enhancing coordination among the ministries and agencies related to FTA negotiations.

Signing FTAs is not an easy task for Bangladesh but signing those is inevitable to combat the upcoming challenges of LDC graduation to compensate for the loss of DFQF privileges enjoyed as an LDC by enlarging the size of markets by PTAs and FTAs. In signing FTAs, Bangladesh may encounter situations where the FTA partners may insist on Bangladesh's following standard practices. The best thing for Bangladesh, therefore, is to narrow down the trade policy gaps constraining compliance with the standard FTAs. Sectoral preparation is also necessary. The Ministry of Commerce had better work with different ministries, think tanks, private bodies, and the like to prepare an indicative guideline (with timeline) to take such preparations.

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Annex 1 : List of 92 countries (Bangladesh's export is more than 4 million USD in average 3 years)

(Values are in Million USD)

Sr	Country	Export Value (FY 2018-19)	Export Value (FY 2019-20)	Growth (19-20)	Customs Union/RTA	GSP	Export Value (FY 2020-21)	Growth 20-21	Total Export Value (3 years)	Average Export Value (3 years)	Import Value FY 20-21	Average Tariff (%)	Average Tariff (%)	Average Tariff (%)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1.	UAE	340.84	294.91	-13.47%	GCC	Non GSP	495.85	68.14%	1,131.60	377.20	1,325.89	4.6		
2.	AFGHANISTAN	6.26	5.77	-7.93%	SAFTA	Non GSP	8.64	49.90%	20.67	6.89	20.68			
3.	ARGENTINA	20.43	13.86	-32.16%		Non GSP	6.85	-50.53%	41.14	13.71	623.83	30.6	35	35
4.	AUSTRIA	44.40	41.18	-7.25%	EU	GSP	51.17	24.25%	136.74	45.58	71.74	7.24	11.72	11.37
5.	AUSTRALIA	804.63	678.19	-15.71%		GSP	834.05	22.98%	2,316.87	772.29	750.27	3.78	4.64	4.67
6.	BELGIUM	946.93	723.43	-23.60%	EU	GSP	704.98	-2.55%	2,375.34	791.78	158.34	8.91	11.69	11.49
7.	BAHRAIN	7.66	9.26	20.94%	GCC	Non GSP	7.01	-24.28%	23.93	7.98	17.84	17.09	22.22	20
8.	BRAZIL	175.44	120.26	-31.45%	MERCOSUR	Non GSP	88.02	-26.81%	383.71	127.90	1,738.20	28.95	35	35
9.	BHUTAN	7.56	4.36	-42.41%	SAFTA	Non GSP	6.89	58.16%	18.81	6.27	38.82	22.1		
10.	BELARUS	3.79	4.56	20.41%	Euroasia	Non GSP	5.74	25.86%	14.09	4.70	158.34	10.59	13.23	13.56
11.	CANADA	1,339.80	1,000.49	-25.33%		GSP	1,164.01	16.34%	3,504.29	1,168.10	998.84	6.78	17.1	16.11
12.	SWITZERLAND	106.87	81.10	-24.11%	EU	GSP	83.53	3.00%	271.50	90.50	372.82	5.3		

Sr	Country	Export Value (FY 2018-19)	Export Value (FY 2019-20)	Growth (19-20)	Customs Union/RTA	GSP	Export Value (FY 2020-21)	Growth 20-21	Total Export Value (3 years)	Average Export Value (3 years)	Import Value FY 20-21	Average Tariff (%)	Average Tariff (%)	Average Tariff (%)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
13.	COTE D'IVOIRE	15.04	17.24	14.63%		Non GSP	22.45	30.23%	54.73	18.24				
14.	CHILE	120.28	108.15	-10.08%		Non GSP	87.70	-18.91%	316.14	105.38		6		
15.	CHINA	831.20	600.11	-27.80%		DFQF	680.66	13.42%	2,111.97	703.99	12,929.30	6.71	6.94	6.74
16.	COLOMBIA	47.78	37.38	-21.77%		Non GSP	35.23	-5.76%	120.38	40.13		13	15	15
17.	CYPRUS	5.94	6.13	3.32%	EU	GSP	5.67	-7.52%	17.74	5.91	1.16	10.26	12	12
18.	CZECH REPUBLIC	503.38	195.76	-61.11%		Non GSP	230.84	17.92%	929.99	310.00	35.78	7.58	11.7	11.27
19.	GERMANY	6,173.16	5,099.19	-17.40%	EU	GSP	5,953.51	16.75%	17,225.87	5,741.96	796.83	7.23	11.73	11.34
20.	DENMARK	731.43	649.75	-11.17%	EU	GSP	861.78	32.63%	2,242.96	747.65	95.95	8.39	11.69	11.44
21.	DOMINICAN REPUBLIC	4.93	5.17	4.97%		Non GSP	5.93	14.71%	16.04	5.35	2.10	7.6		
22.	ALGERIA	6.00	5.90	-1.60%		Non GSP	5.99	1.41%	17.89	5.96		18.9		
23.	EGYPT	35.53	28.37	-20.16%		Non GSP	51.71	82.29%	115.60	38.53	94.82	19		
24.	SPAIN	2,554.82	2,189.03	-14.32%	EU	GSP	2,343.99	7.08%	7,087.84	2,362.61	163.24	8.04	11.76	11.38
25.	ETHIOPIA	14.24	13.53	-4.98%		Non GSP	14.32	5.88%	42.08	14.03				
26.	FINLAND	39.50	34.71	-12.12%	EU	GSP	34.32	-1.13%	108.54	36.18	73.82	8.87	11.75	11.36
27.	FRANCE	2,217.56	1,703.58	-23.18%	EU	GSP	1,962.14	15.18%	5,883.28	1,961.09	193.78	6.97	11.68	11.37

Sr	Country	Export Value (FY 2018-19)	Export Value (FY 2019-20)	Growth (19-20)	Customs Union/RTA	GSP	Export Value (FY 2020-21)	Growth 20-21	Total Export Value (3 years)	Average Export Value (3 years)	Import Value FY 20-21	Average Tariff (%)	Average Tariff (%)	Average Tariff (%)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
28.	UNITED KINGDOM	4,169.31	3,453.88	-17.16%		GSP	3,751.27	8.61%	11,374.46	3,791.49	359.88	8.13	11.7	11.4
29.	GHANA	4.33	3.34	-22.77%		Non GSP	5.54	65.87%	13.21	4.40		18.65	20	20
30.	GREECE	51.78	42.47	-17.98%	EU	GSP	44.19	4.06%	138.44	46.15	59.90	8.44	11.77	11.82
31.	HONG KONG	193.93	139.68	-27.97%		Non GSP	147.68	5.73%	481.29	160.43	291.17	0	0	0
32.	CROATIA	19.08	15.57	-18.36%		Non GSP	15.97	2.54%	50.62	16.87				
33.	HUNGARY	11.70	18.93	61.84%		GSP	90.35	377.29%	120.98	40.33	19.27	9.28	11.91	11.84
34.	INDONESIA	56.82	51.42	-9.51%	ASEAN	Non GSP	68.22	32.68%	176.46	58.82	1,845.54	14.3	24.76	23.64
35.	IRELAND	193.13	151.25	-21.69%	EU	GSP	156.19	3.27%	500.57	166.86	24.06	8.83	11.72	11.47
36.	INDIA	1,248.05	1,096.38	-12.15%		Non GSP	1,279.67	16.72%	3,624.10	1,208.03	8,593.52	13.77	19.81	20
37.	IRAN, ISLAMIC REPUBLIC OF	17.71	17.81	0.56%		Non GSP	18.44	3.58%	53.95	17.98	0.30	9.46		
38.	ITALY	1,643.12	1,282.81	-21.93%	EU	GSP	1,308.62	2.01%	4,234.55	1,411.52	436.95	7.81	11.7	11.43
39.	JORDAN	9.77	10.61	8.54%		Non GSP	21.24	100.25%	41.61	13.87	41.31	16.67	19.64	20
40.	JAPAN	1,365.74	1,200.78	-12.08%		GSP	1,183.64	-1.43%	3,750.16	1,250.05	2,001.18	6.85	9.21	9.14
41.	KENYA	16.10	15.38	-4.48%		Non GSP	20.29	31.92%	51.77	17.26	4.51	27.71	35	35.15

Sr	Country	Export Value (FY 2018-19)	Export Value (FY 2019-20)	Growth (19-20)	Customs Union/RTA	GSP	Export Value (FY 2020-21)	Growth 20-21	Total Export Value (3 years)	Average Export Value (3 years)	Import Value FY 20-21	Average Tariff (%)	Average Tariff (%)	Average Tariff (%)
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**
42.	CAMBODIA	9.35	10.47	11.93%		Non GSP	14.97	43.03%	34.78	11.59				
43.	KOREA, REPUBLIC OF	370.65	352.82	-4.81%		Non GSP	398.67	13.00%	1,122.13	374.04	1,126.60	10.52	12.57	12.6
44.	KUWAIT	33.62	23.53	-30.03%	GCC	Non GSP	28.21	19.92%	85.37	28.46	27.53	4.64	5	5
45.	KAZAKHSTAN	3.86	3.32	-13.94%		Non GSP	5.47	64.50%	12.65	4.22	14.25	9.6	12.04	11.85
46.	LEBANON	10.61	7.30	-31.14%		Non GSP	5.12	-29.86%	23.03	7.68	3.78	8.61	5	5
47.	SRI LANKA	45.55	38.40	-15.70%	SAFTA	Non GSP	47.32	23.23%	131.28	43.76	117.72	9.3		
48.	LITHUANIA	5.68	3.62	-36.24%		Non GSP	3.28	-9.39%	12.59	4.20		8.33	11.93	11.93
49.	MOROCCO	27.54	23.77	-13.70%		Non GSP	34.47	45.00%	85.78	28.59	214.30	21.61	24.8	24.43
50.	MYANMAR	32.54	28.31	-13.01%	ASEAN	Non GSP	31.40	10.94%	92.26	30.75	97.06	6.5		
51.	MALTA	12.59	6.47	-48.62%		Non GSP	0.77	-88.09%	19.83	6.61	3.69			
52.	MAURITIUS	5.34	6.29	17.83%		Non GSP	13.84	120.04%	25.46	8.49		1.41	0	0
53.	MALDIVES	6.38	5.14	-19.52%	SAFTA	Non GSP	6.02	17.18%	17.54	5.85	2.95	8.99	0	0
54.	MEXICO	219.90	178.99	-18.60%		Non GSP	172.85	-3.43%	571.73	190.58	24.77	7.1		
55.	MALAYSIA	277.23	236.37	-14.74%	ASEAN	Non GSP	306.57	29.70%	820.17	273.39	1,573.49	2.17	0.19	0.28
56.	NIGERIA	5.47	5.15	-5.91%		Non GSP	8.23	59.90%	18.86	6.29	714.66	12.1		

Sr	Country	Export Value (FY 2018-19)	Export Value (FY 2019-20)	Growth (19-20)	Customs Union/RTA	GSP	Export Value (FY 2020-21)	Growth 20-21	Total Export Value (3 years)	Average Export Value (3 years)	Import Value FY 20-21	Average Tariff (%)	Average Tariff (%)	Average Tariff (%)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
57.	NETHERLANDS	1,278.69	1,098.68	-14.08%		GSP	1,277.44	16.27%	3,654.81	1,218.27	197.00	7.63	11.74	11.36
58.	NORWAY	101.41	68.20	-32.75%		GSP	83.18	21.97%	252.78	84.26	24.22	4.21	7.81	8.12
59.	NEPAL	38.05	46.01	20.93%	SAFTA	Non GSP	68.66	49.23%	152.71	50.90	4.81	12.2		
60.	NEW ZEALAND	91.79	82.07	-10.59%		GSP	104.30	27.08%	278.16	92.72	225.11	6.44	9.7	9.84
61.	OMAN	29.72	24.76	-16.67%		Non GSP	28.02	13.16%	82.50	27.50	132.82	4.75	5	5
62.	PANAMA	17.69	15.76	-10.89%		Non GSP	16.15	2.45%	49.60	16.53	0.62	9.92	10.65	9.59
63.	PERU	62.26	60.30	-3.15%		Non GSP	47.09	-21.90%	169.65	56.55	24.12	9.38	11	11
64.	PHILIPPINES	74.04	78.47	5.99%	ASEAN	Non GSP	74.52	-5.04%	227.03	75.68	49.72	12.34	14.68	14.95
65.	PAKISTAN	56.41	50.54	-10.40%		Non GSP	82.71	63.66%	189.66	63.22	502.66	16.08	20	19.61
66.	POLAND	1,273.09	1,164.25	-8.55%		GSP	1,503.64	29.15%	3,940.97	1,313.66	49.92	7.11	11.72	11.28
67.	PORTUGAL	106.55	81.84	-23.19%		GSP	75.98	-7.16%	264.36	88.12	12.31	8.75	11.83	11.63
68.	QATAR	47.12	35.30	-25.09%	GCC	Non GSP	51.04	44.61%	133.46	44.49	1,021.02	4.49	5	5
69.	ROMANIA	22.72	17.49	-23.00%		GSP	22.58	29.09%	62.79	20.93	27.39	10.21	11.7	11.33
70.	Serbia	17.71	10.73	-39.39%		Non GSP	12.88	20.00%	41.33	13.78		7.4		
71.	RUSSIAN FEDERATION	548.26	487.29	-11.12%	Euroasia	Non GSP	665.32	36.53%	1,700.87	566.96	481.88	9.91	12.93	14.37

Sr	Country	Export Value (FY 2018-19)	Export Value (FY 2019-20)	Growth (19-20)	Customs Union/RTA	GSP	Export Value (FY 2020-21)	Growth 20-21	Total Export Value (3 years)	Average Export Value (3 years)	Import Value FY 20-21	Average Tariff (%)	Average Tariff (%)	Average Tariff (%)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
72.	SAUDI ARABIA	249.73	262.88	5.26%	GCC	Non GSP	261.12	-0.67%	773.73	257.91	979.50	5.6		
73.	SUDAN	11.41	17.00	49.00%		Non GSP	43.40	155.28 %	71.82	23.94	6.38			
74.	SWEDEN	696.04	584.39	- 16.04%	EU	GSP	656.12	12.27%	1,936.55	645.52	91.33	8.38	11.74	11.29
75.	SINGAPORE	149.38	95.10	- 36.34%		Non GSP	116.57	22.58%	361.06	120.35	2,468.03	0	0	0
76.	SLOVENIA	63.40	61.10	-3.63%		Non GSP	74.35	21.70%	198.85	66.28		8.59	11.67	11.33
77.	SLOVAKIA	82.65	66.82	- 19.16%		Non GSP	79.37	18.79%	228.84	76.28	3.55			
78.	SOMALIA	17.38	12.91	- 25.73%		Non GSP	17.39	34.70%	47.69	15.90				
79.	TOGO	0.80	0.39	- 52.06%		Non GSP	39.00	0%	40.19	13.40	765.44	10.2		
80.	THAILAND	44.07	35.46	- 19.55%	ASEAN	Non GSP	0.89	-97.49%	80.41	26.80	46.58			
81.	TUNISIA	5.16	7.32	41.87%		Non GSP	6.66	-8.99%	19.13	6.38	52.73			
82.	TURKEY	404.45	453.46	12.12%	CU	GSP	499.79	10.22%	1,357.70	452.57	371.76	8.52	11.74	11.42
83.	TAIWAN,	63.80	60.63	-4.96%		Non GSP	67.43	11.21%	191.85	63.95				
84.	TANZANIA,	4.38	2.91	- 33.62%		Non GSP	5.23	79.74%	12.52	4.17	7.78	22.63	25	25.42
85.	UKRAINE	22.69	19.96	- 12.03%		Non GSP	26.85	34.52%	69.50	23.17	320.98	9.29	11.33	11.32
86.	UGANDA	4.62	3.77	- 18.39%		Non GSP	4.47	18.58%	12.85	4.28	3.90	22.95	25	25

Sr	Country	Export Value (FY 2018-19)	Export Value (FY 2019-20)	Growth (19-20)	Customs Union/RTA	GSP	Export Value (FY 2020-21)	Growth 20-21	Total Export Value (3 years)	Average Export Value (3 years)	Import Value FY 20-21	Average Tariff (%)	Average Tariff (%)	Average Tariff (%)
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**
87.	USA	6,876.29	5,832.39	-15.18%		Non GSP	6,974.01	19.57%	19,682.69	6,560.90	2,125.97	6.11	13.17	10.23
88.	URUGUAY	16.32	20.68	26.70%		DFQF	20.33	-1.67%	57.32	19.11	35.48	19.65	20	20
89.	UZBEKISTAN	18.96	19.16	1.07%		Non GSP	23.82	24.30%	61.95	20.65	21.42	14.71	10	17.69
90.	VIET NAM	53.47	48.16	-9.93%	ASEAN	Non GSP	61.29	27.26%	162.92	54.31	678.62	15.82	19.77	19.71
91.	YEMEN	3.83	2.72	-28.88%		Non GSP	6.93	154.59%	13.48	4.49				
92.	SOUTH AFRICA	116.68	90.20	-22.70%		Non GSP	110.40	22.40%	317.28	105.76	134.02	19.2		

Annex 2: List of Potential 50 Countries (Bangladesh's import is more than 40 million USD but less than 2500 million USD in FY2020-21)

(Values are in Million USD)

Sr. No	Country	Export value (FY 18-19)	Export value (Fy 19-20)	Growth (19-20)	Customs Union/RTA	GSP	Export Value (FY 20-21)	Growth 20-21	Total Export Value (3 years)	Average Export (3 years)	Import Value (FY 20-21)	Average Tariff BD (%)	Average Tariff 61 (%)	Average Tariff 62 (%)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1	UAE	340.84	294.91	-13.47%	GCC	Non GSP	495.85	68.14%	1,131.60	377.20	1,325.89	4.6		
2	Argentina	20.43	13.86	-32.16%		Non GSP	6.85	-50.53%	41.14	13.71	623.83	30.6	35	35
3	Austria	44.40	41.18	-7.25%	EU	GSP	51.17	24.25%	136.74	45.58	71.74	7.24	11.72	11.37
4	Australia	804.63	678.19	-15.71%		GSP	834.05	22.98%	2,316.87	772.29	750.27	3.78	4.64	4.67
5	Belgium	946.93	723.43	-23.60%	EU	GSP	704.98	-2.55%	2,375.34	791.78	158.34	8.91	11.69	11.49
6	Brazil	175.44	120.26	-31.45%	MERCOSUR	Non GSP	88.02	-26.81%	383.71	127.90	1,738.20	28.95	35	35
7	Bhutan	7.56	4.36	-42.41%	SAFTA	Non GSP	6.89	58.16%	18.81	6.27	38.82	22.1		
8	Belarus	3.79	4.56	20.41%	Euroasia	Non GSP	5.74	25.86%	14.09	4.70	158.34	10.59	13.23	13.56
9	Canada	1,339.80	1,000.49	-25.33%		GSP	1,164.01	16.34%	3,504.29	1,168.10	998.84	6.78	17.1	16.11
10	Switzerland	106.87	81.10	-24.11%	EU	GSP	83.53	3.00%	271.50	90.50	372.82	5.3		

Sr. No	Country	Export value (FY 18-19)	Export value (Fy 19-20)	Growth (19-20)	Customs Union/RTA	GSP	Export Value (FY 20-21)	Growth 20-21	Total Export Value (3 years)	Average Export (3 years)	Import Value (FY 20-21)	Average Tariff BD (%)	Average Tariff 61 (%)	Average Tariff 62 (%)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
11	Czech Republic	503.38	195.76	-61.11%		Non GSP	230.84	17.92%	929.99	310.00	35.78	7.58	11.7	11.27
12	Germany	6,173.16	5,099.19	-17.40%	EU	GSP	5,953.51	16.75%	17,225.87	5,741.96	796.83	7.23	11.73	11.34
13	Denmark	731.43	649.75	-11.17%	EU	GSP	861.78	32.63%	2,242.96	747.65	95.95	8.39	11.69	11.44
14	Egypt	35.53	28.37	-20.16%		Non GSP	51.71	82.29%	115.60	38.53	94.82	19		
15	Spain	2,554.82	2,189.03	-14.32%	EU	GSP	2,343.99	7.08%	7,087.84	2,362.61	163.24	8.04	11.76	11.38
16	Finland	39.50	34.71	-12.12%	EU	GSP	34.32	-1.13%	108.54	36.18	73.82	8.87	11.75	11.36
17	France	2,217.56	1,703.58	-23.18%	EU	GSP	1,962.14	15.18%	5,883.28	1,961.09	193.78	6.97	11.68	11.37
18	UK	4,169.31	3,453.88	-17.16%		GSP	3,751.27	8.61%	11,374.46	3,791.49	359.88	8.13	11.7	11.4
19	Greece	51.78	42.47	-17.98%	EU	GSP	44.19	4.06%	138.44	46.15	59.90	8.44	11.77	11.82
20	Hong Kong	193.93	139.68	-27.97%		Non GSP	147.68	5.73%	481.29	160.43	291.17	0	0	0
21	Indonesia	56.82	51.42	-9.51%	ASEAN	Non GSP	68.22	32.68%	176.46	58.82	1,845.54	14.3	24.76	23.64
22	Italy	1,643.12	1,282.81	-21.93%	EU	GSP	1,308.62	2.01%	4,234.55	1,411.52	436.95	7.81	11.7	11.43
23	Jordan	9.77	10.61	8.54%		Non GSP	21.24	100.25%	41.61	13.87	41.31	16.67	19.64	20
24	Japan	1,365.74	1,200.78	-12.08%		GSP	1,183.64	-1.43%	3,750.16	1,250.05	2,001.18	6.85	9.21	9.14

Sr. No	Country	Export value (FY 18-19)	Export value (Fy 19-20)	Growth (19-20)	Customs Union/RTA	GSP	Export Value (FY 20-21)	Growth 20-21	Total Export Value (3 years)	Average Export (3 years)	Import Value (FY 20-21)	Average Tariff BD (%)	Average Tariff 61 (%)	Average Tariff 62 (%)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
25	Korea, Republic of	370.65	352.82	-4.81%		Non GSP	398.67	13.00%	1,122.13	374.04	1,126.60	10.52	12.57	12.6
26	Sri lanka	45.55	38.40	-15.70%	SAFTA	Non GSP	47.32	23.23%	131.28	43.76	117.72	9.3		
27	Morocco	27.54	23.77	-13.70%		Non GSP	34.47	45.00%	85.78	28.59	214.30	21.61	24.8	24.43
28	Myanmar	32.54	28.31	-13.01%	ASEAN	Non GSP	31.40	10.94%	92.26	30.75	97.06	6.5		
29	Malaysia	277.23	236.37	-14.74%	ASEAN	Non GSP	306.57	29.70%	820.17	273.39	1,573.49	2.17	0.19	0.28
30	Nigeria	5.47	5.15	-5.91%		Non GSP	8.23	59.90%	18.86	6.29	714.66	12.1		
31	Netherlands	1,278.69	1,098.68	-14.08%		GSP	1,277.44	16.27%	3,654.81	1,218.27	197.00	7.63	11.74	11.36
32	New Zealand	91.79	82.07	-10.59%		GSP	104.30	27.08%	278.16	92.72	225.11	6.44	9.7	9.84
33	Oman	29.72	24.76	-16.67%		Non GSP	28.02	13.16%	82.50	27.50	132.82	4.75	5	5
34	Philippines	74.04	78.47	5.99%	ASEAN	Non GSP	74.52	-5.04%	227.03	75.68	49.72	12.34	14.68	14.95
35	Pakistan	56.41	50.54	-10.40%		Non GSP	82.71	63.66%	189.66	63.22	502.66	16.08	20	19.61
36	Poland	1,273.09	1,164.25	-8.55%		GSP	1,503.64	29.15%	3,940.97	1,313.66	49.92	7.11	11.72	11.28
37	Qatar	47.12	35.30	-25.09%	GCC	Non GSP	51.04	44.61%	133.46	44.49	1,021.02	4.49	5	5

Sr. No	Country	Export value (FY 18-19)	Export value (Fy 19-20)	Growth (19-20)	Customs Union/RTA	GSP	Export Value (FY 20-21)	Growth 20-21	Total Export Value (3 years)	Average Export (3 years)	Import Value (FY 20-21)	Average Tariff BD (%)	Average Tariff 61 (%)	Average Tariff 62 (%)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
38	Russian Federation	548.26	487.29	-11.12%	Euroasia	Non GSP	665.32	36.53%	1,700.87	566.96	481.88	9.91	12.93	14.37
39	Saudi Arabia	249.73	262.88	5.26%	GCC	Non GSP	261.12	-0.67%	773.73	257.91	979.50	5.6		
40	Sweden	696.04	584.39	-16.04%	EU	GSP	656.12	12.27%	1,936.55	645.52	91.33	8.38	11.74	11.29
41	Singapore	149.38	95.10	-36.34%		Non GSP	116.57	22.58%	361.06	120.35	2,468.03	0	0	0
42	Togo	0.80	0.39	-52.06%	ASEAN	Non GSP	39.00	10027.67%	40.19	13.40	765.44	10.2		
43	Thailand	44.07	35.46	-19.55%		Non GSP	0.89	-97.49%	80.41	26.80	46.58			
44	Tunisia	5.16	7.32	41.87%		Non GSP	6.66	-8.99%	19.13	6.38	52.73			
45	Turkey	404.45	453.46	12.12%	CU	GSP	499.79	10.22%	1,357.70	452.57	371.76	8.52	11.74	11.42
46	Ukraine	22.69	19.96	-12.03%		Non GSP	26.85	34.52%	69.50	23.17	320.98	9.29	11.33	11.32
47	USA	6,876.29	5,832.39	-15.18%		Non GSP	6,974.01	19.57%	19,682.69	6,560.90	2,125.97	6.11	13.17	10.23
48	Uruguay	16.32	20.68	26.70%		DFQF	20.33	-1.67%	57.32	19.11	35.48	19.65	20	20
49	Viet nam	53.47	48.16	-9.93%	ASEAN	Non GSP	61.29	27.26%	162.92	54.31	678.62	15.82	19.77	19.71
50	South Africa	116.68	90.20	-22.70%		Non GSP	110.40	22.40%	317.28	105.76	134.02	19.2		

Annex 3: List of potential 35 Countries identified for signing FTA (Average MFN tariff is higher than 6%)

(Values are in Million USD)

Sr. No	COUNTRY	Export Value (FY 18-19)	Export Value (FY 19-20)	Growth % (FY 19-20)	Export value (FY 20-21)	Growth % (FY 20-21)	Customs Union/RTA	GSP/ Non GSP	Total Export (3 years)	Average Export Value (3 years)	Import (FY 20-21)	Average Tariff in BD (%)	Average HS 61 (%)	Average HS 62 (%)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1	ARGENTINA	20.43	13.86	-32.16%	6.85	-50.53%	MERCOSUR	Non GSP	41.14	13.71	623.83	30.6	35	35
2	AUSTRIA	44.40	41.18	-7.25%	51.17	24.25%	EU	GSP	136.74	45.58	71.74	7.24	11.72	11.37
3	BELGIUM	946.93	723.43	-23.60%	704.98	-2.55%	EU	GSP	2,375.34	791.78	158.34	8.91	11.69	11.49
4	BRAZIL	175.44	120.26	-31.45%	88.02	-26.81%	MERCOSUR	Non GSP	383.71	127.90	1,738.20	28.95	35	35
5	BELARUS	3.79	4.56	20.41%	5.74	25.86%	EUROASIA	Non GSP	14.09	4.70	158.34	10.59	13.23	13.56
6	CANADA	1,339.80	1,000.49	-25.33%	1,164.01	16.34%		GSP	3,504.29	1,168.10	998.84	6.78	17.1	16.11
7	CZECH REPUBLIC	503.38	195.76	-61.11%	230.84	17.92%	EU	Non GSP	929.99	310.00	35.78	7.58	11.7	11.27
8	GERMANY	6,173.16	5,099.19	-17.40%	5,953.51	16.75%	EU	GSP	17,225.87	5,741.96	796.83	7.23	11.73	11.34
9	DENMARK	731.43	649.75	-11.17%	861.78	32.63%	EU	GSP	2,242.96	747.65	95.95	8.39	11.69	11.44
10	EGYPT	35.53	28.37	-20.16%	51.71	82.29%	COMESA	Non GSP	115.60	38.53	94.82	19		
11	SPAIN	2,554.82	2,189.03	-14.32%	2,343.99	7.08%	EU	GSP	7,087.84	2,362.61	163.24	8.04	11.76	11.38
12	FINLAND	39.50	34.71	-12.12%	34.32	-1.13%	EU	GSP	108.54	36.18	73.82	8.87	11.75	11.36

Sr. No	COUNTRY	Export Value (FY 18-19)	Export Value (FY 19-20)	Growth % (FY 19-20)	Export value (FY 20-21)	Growth % (FY 20-21)	Customs Union/RTA	GSP/ Non GSP	Total Export (3 years)	Average Export Value (3 years)	Import (FY 20-21)	Average Tariff in BD (%)	Average HS 61 (%)	Average HS 62 (%)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
13	FRANCE	2,217.56	1,703.58	-23.18%	1,962.14	15.18%	EU	GSP	5,883.28	1,961.09	193.78	6.97	11.68	11.37
14	UNITED KINGDOM	4,169.31	3,453.88	-17.16%	3,751.27	8.61%		GSP	11,374.46	3,791.49	359.88	8.13	11.7	11.4
15	GREECE	51.78	42.47	-17.98%	44.19	4.06%	EU	GSP	138.44	46.15	59.90	8.44	11.77	11.82
16	INDONESIA	56.82	51.42	-9.51%	68.22	32.68%	ASEAN	Non GSP	176.46	58.82	1,845.54	14.3	24.76	23.64
17	ITALY	1,643.12	1,282.81	-21.93%	1,308.62	2.01%	EU	GSP	4,234.55	1,411.52	436.95	7.81	11.7	11.43
18	JORDAN	9.77	10.61	8.54%	21.24	100.25%		Non GSP	41.61	13.87	41.31	16.67	19.64	20
19	JAPAN	1,365.74	1,200.78	-12.08%	1,183.64	-1.43%		GSP	3,750.16	1,250.05	2,001.18	6.85	9.21	9.14
20	KOREA	370.65	352.82	-4.81%	398.67	13.00%	APTA	Non GSP	1,122.13	374.04	1,126.60	10.52	12.57	12.6
21	SRI LANKA	45.55	38.40	-15.70%	47.32	23.23%	SAFTA	Non GSP	131.28	43.76	117.72	9.3		
22	MOROCCO	27.54	23.77	-13.70%	34.47	45.00%		Non GSP	85.78	28.59	214.30	21.61	24.8	24.43
23	NIGERIA	5.47	5.15	-5.91%	8.23	59.90%	ECOWAS, D8 PTA	Non GSP	18.86	6.29	714.66	12.1		
24	NETHERLANDS	1,278.69	1,098.68	-14.08%	1,277.44	16.27%	EU	GSP	3,654.81	1,218.27	197.00	7.63	11.74	11.36
25	NEW ZEALAND	91.79	82.07	-10.59%	104.30	27.08%		GSP	278.16	92.72	225.11	6.44	9.7	9.84

Sr. No	COUNTRY	Export Value (FY 18-19)	Export Value (FY 19-20)	Growth % (FY 19-20)	Export value (FY 20-21)	Growth % (FY 20-21)	Customs Union/RTA	GSP/ Non GSP	Total Export (3 years)	Average Export Value (3 years)	Import (FY 20-21)	Average Tariff in BD (%)	Average HS 61 (%)	Average HS 62 (%)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
26	PHILIPPINES	74.04	78.47	5.99%	74.52	-5.04%	ASEAN	Non GSP	227.03	75.68	49.72	12.34	14.68	14.95
27	POLAND	1,273.09	1,164.25	-8.55%	1,503.64	29.15%	EU	GSP	3,940.97	1,313.66	49.92	7.11	11.72	11.28
28	RUSSIA	548.26	487.29	-11.12%	665.32	36.53%	EUROASIA	Non GSP	1,700.87	566.96	481.88	9.91	12.93	14.37
29	SWEDEN	696.04	584.39	-16.04%	656.12	12.27%	EU	GSP	1,936.55	645.52	91.33	8.38	11.74	11.29
30	TURKEY	404.45	453.46	12.12%	499.79	10.22%	CU	GSP	1,357.70	452.57	371.76	8.52	11.74	11.42
31	UKRAINE	22.69	19.96	-12.03%	26.85	34.52%		Non GSP	69.50	23.17	320.98	9.29	11.33	11.32
32	USA	6,876.29	5,832.39	-15.18%	6,974.01	19.57%		Non GSP	19,682.69	6,560.90	2,125.97	6.11	13.17	10.23
33	URUGUAY	16.32	20.68	26.70%	20.33	-1.67%	MERCOSUR	DFQF	57.32	19.11	35.48	19.65	20	20
34	VIET NAM	53.47	48.16	-9.93%	61.29	27.26%	ASEAN	Non GSP	162.92	54.31	678.62	15.82	19.77	19.71
35	SOUTH AFRICA	116.68	90.20	-22.70%	110.40	22.40%	SACU	Non GSP	317.28	105.76	134.02	19.2		

Annex- 4: Participants of Key Informant Interviews

Study 2: Identification of Potential Countries for Signing Free Trade Agreements

SL No	Name	Designation	Institution
1	Mr. Mahtab Uddin	Lecturer	Department of Economics, University of Dhaka
2	Mr. Manjur Ahmed	Advisor	Federation of Bangladesh Chambers of Commerce & Industries (FBCCI)
3	Mr. Md. Abdus Samad Al Azad	Joint Secretary	FTA Wing, Ministry of Commerce
4	Mrs. Kumkum Sultana	Deputy Director	Export Promotion Bureau
5	Mr. Enamul Hafiz Latifee	Research Fellow	Bangladesh Association of Software and Information Services (BASIS)
6	Mr. Fazlee Shamim Ehsan	Vice President	Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA)
7	Mr. S. M. Sumaya Zabeen	Assistant Chief	International Trade Division, Bangladesh Trade and Tariff Commission (BTTC)
8	Mr. Narayan Chandra Dey	Secretary	Bangladesh Plastic Goods Manufacturers & Exporters Association (BPGMEA)
9	Mr. Md. Monjurul Islam	Advisor	Bangladesh Fruits, Vegetables & Allied Products Exporters' Association (BFVAPEA)
10	Mr. Md. Joynal Abdin	Secretary	Dhaka Chamber of Commerce & Industries (DCCI)
11	Mr. Md. Abu Eusuf	Professor	Department of Development Studies , University of Dhaka
12	Dr. Monerul Islam	Associate professor	Department of International Business, University of Dhaka
13	Mr. MS. Siddiqui	Legal Economist	Freelance
14	Dr. Md. Rayhanul Islam	Deputy Director	Bangladesh Bank
15	Mr. Abdur Rahman	Deputy Chief	MCCI

Annex-5: Participants for Focus Group Discussion

Study 2: Identification of Potential Countries for Signing Free Trade Agreements

Bangladesh Regional Connectivity Project-1

Organized by: Bangladesh Foreign Trade Institute (BFTI)

December 22, 2021; 11.00 AM

Venue: Conference Room, BFTI

Sl No.	Participants	Designation	Organization
1.	Mr. Md. Ariful Haque	Director	Bangladesh Investment Development Authority (BIDA)
2.	Ms. Nazmun Nahar	Assistant Commissioner (Customs, Excise & VAT)	National Board Of Revenue (NBR)
3.	SM. Sumaiya Zabeen	Assistant Chief	Bangladesh Trade and Tariff Commission
4.	Mr. Md. Firuj Uddin Ahmed	Deputy Secretary	FTA Wing, Ministry of Commerce
5.	Ms. Kumkum Sultana	Deputy Director	Export Promotion Bureau (EPB)
6.	Md. Mijanur Rahman	Project Director (Joint Secretary)	BRCP-1
7.	Mr. Md. Munir Chowdhury	National Trade Expert	BRCP-1
8.	Mr. Abu Sayed	Deputy Manager	SME Foundation
9.	Mr. Manzur Ahmed	Advisor	Federation Of Bangladesh Chambers Of Commerce And Industry
10	Mr. M. Abdur Rahman	Deputy Chief	Metropolitan Chamber of Commerce and Industry (MCCI)
11	Mr. Sayeed Bin Kamal Chowdhury	Research Associate	Chittagong Chamber of Commerce & Industry (CCCI)

12.	Mr. Enamul Hafiz Latifee	Joint Secretary (Research Fellow)	Bangladesh Association of Software and Information Services (BASIS)
13.	Mr. Md. Jalal Ahmed,	Assistant General Manager	Leather goods & Footwear Manufacturers & Exporters Association of Bangladesh (LFMEAB)
14.	Mr. S Ahmed Mazumdar	Senior Vice Chairman	Bangladesh Jute Goods Exporters' Association (BJGEA)
15.	KSM Mostafizur Rahman	Director	Bangladesh Association Of Pharmaceutical Industries (BAPI)
16.	Mr. Naryan Chandra Ray	Secretary	Bangladesh Plastic Goods Manufacturers & Exporters Association (BPGMEA)
17.	Krishibid Md. Manzurul Islam	Advisor	Bangladesh Fruits, Vegetables & Allied Product Exporters Association (BFVAPEA)
18.	Mr. Zaidi Sattar	Chairman	Policy Research Institute of Bangladesh (PRI)
19.	Ms. Parveen S. Huda	Professor	Brac Business School BRAC University

Annex 6: Participants for Public Consultation

Study 2: Identification of Potential Countries for Signing Free Trade Agreements

Bangladesh Regional Connectivity Project-1

Organized by: Bangladesh Foreign Trade Institute (BFTI)

31 January, 2021; 11.00 AM

Venue: Conference Room, BFTI

1. Dr. Md Jafar Uddin, CEO, BFTI
2. Mr. Obaidul Azam, Director, BFTI
3. Mr. Noor Md. Mahbubul, Additional Secretary, FTA Wing, MoC
4. Mr. Md Ariful Hoque, Director, BIDA
5. Mr. Sayeed Bin Kamal Chowdhury, RA, CCCI
6. Mr. Mamun Askari_Deputy Chief, BTTC
7. Mr. Ardhendu Shekhar Roy
8. Mr. Mostofa Jamal Haider, Deputy Secretary, Export Wing, Ministry of Commerce
9. Mr. Md. Mijanur Rahman, PD, BRCP-1
10. Md. Shahidullah, Senior Deputy Secretary, Bangladesh Plastic Goods Manufacturers & Exporters Association (BPGMEA)
11. Mr. Md. Munir Chowdhury, National Trade Expert, BRCP1
12. Mr. Ajay B. Saha, General Manager, ICC Bangladesh
13. Ms. S M Sumaiya Zabeen, Asst. Chief, BTTC
14. Mr. Faruk Hossain, Asst. Joint Secretary, BKMEA
15. Mr. M. Abdur Rahman, MCCI
16. Mr. Shafqat Choudhury, Research Associate, PRI
17. Dr. Md. Matiur Rahman, DS, Finance Division
18. Mr. Asif Ayub, MCCI
19. Ms. Mohsena Hossain, Assistant Director(CS), BFTI
20. Md. Saifur Rahman, SRF, BFTI
21. Mr. Saian Sadat, RM, BFTI
22. Mr. Rashedul Kabir, RA, BFTI
23. Mr. Ifratara Begum, FBCCI (Physical)
24. Ms. Nazmur Nahar, 2nd Secretary, NBR (Physical)
25. Mr. Ali Ahmed, Team Leader, 03 Studies
26. Mr. Atiqur Rahman, International Trade Expert, 03 Studies
27. Mr. Md. Ahsanul Islam, Deputy Director, BFTI
28. Md. Julfikar Islam, Research Associate, BFTI
29. Mr. Harunnur Rashid, Research Associate, BFTI
30. Ms. Farhana Rifat, Research Associate, BFTI
31. Ms. Kazi Sadia, Research Associate, BFTI

32. Mr. Farhan Masuk, Senior Research Officer, BFTI
33. Ms. Mahin Afrose, Senior Research Officer, BFTI
34. Mr. Shafiqul Islam, Administration officer, BFTI
35. Ms. Mursana Afroze Mithi, Executive Officer

Annex 7: TOR of the Study 2

Study 2: Identification of potential countries for signing free trade agreements

In the wake of globalization, while World Trade Organization (WTO) plays an important role in securing market access and increasing competitiveness, free trade agreements (FTA) have become very effective instruments in reinforcing such market access and competitiveness through enhanced economic cooperation among the countries. FTAs have become prominent features of the international trading system and an important national trade policy instruments. Though Bangladesh has been successful in expanding its export in last two decades, its export base and export market continue to be very limited. Rather Bangladesh faces stiff competition in the international market with the countries having FTAs with them.

In recent years trade in services has expanded significantly throughout the world. However, service sector of Bangladesh is less exposed to international trade despite its contribution to the GDP. Bangladesh's efforts to diversify export products and markets may be aptly supported by long term arrangements with its prospective trading partners, which have not been adequately explored so far. It is believed that FTAs will open opportunities for Bangladesh to diversify and increase its exports and enhance competitiveness. It will also play a vital role to attract investment, develop service sector and increase overall export.

Given that Bangladesh is set to graduate from Least Developed Country (LDC) status by 2024, it will face a number of challenges and difficulties in the trade sector. A major challenge will be to address the elimination of preferential market access to different countries. In this context, Bangladesh considers redesigning its trade strategies considering the post-graduation reality by diversifying export basket of goods and services, expanding existing markets and exploring new ones and taking initiatives to promote trade through Free Trade Agreements (FTAs). The policymakers have identified Bilateral Free Trade Agreements (BFTA) as a crucial instrument to deal with the post-LDC challenges.

The country has been negotiating with some of its trading partners to sign BFTA for the last couple of years. More than a dozen of BFTAs are now under consideration and negotiation. But there is little progress in the negotiations. The reasons behind slow negotiation may be as follows:

- Tariff reduction or elimination of the country's high and less-predictable tariff regime;
- Changing pattern of FTAs globally;
- Partial focus on non-tariff measures (NTMs);and
- Heavy reliance on ready-made garment (RMG) industry.

The Ministry of Commerce has therefore decided to examine the potential for signing FTAs with some selected countries. This review will be done in phases. This phase will include examining the potential for signing FTAs with 3-4 countries, such as Indonesia, Malaysia, Brazil and China. This review will also examine whether the FTAs will bring any benefit for Bangladeshi women entrepreneurs.

Bangladesh has very limited options to strike free trade agreements (FTAs) with most of its potential trading partners. These preferential agreements are vital for Bangladesh to remain competitive in the international market. In fact, FTAs have now become instrumental in the global trading system as the prospects of multilateral trading systems under the WTO are decreasing gradually. Although there are more than 200 such deals worldwide, so far Bangladesh has not signed any bilateral free trade agreement with any of its trading partners even though a series of initiatives have been taken in this area. An FTA Policy Guidelines 2010 was prepared by Bangladesh Tariff Commission which got approval from the Prime Minister Office in 2012. In 2017, it was announced that the country's maiden BFTA would be signed with Sri Lanka which, to-date, still remains 'proposed'. Similarly, discussions on signing BFTA with Malaysia, Turkey, Bhutan, Nigeria, Mali, Macedonia, Myanmar and Mauritius are also there. At the policy level, Bangladesh thus needs to form a national free trade agreement committee composing of government ministries and agencies as well as private sector representatives and think tanks. This high powered policy body is expected to promote, formulate and guide country and region-specific bilateral and regional free trade agreements for the country.

Bangladesh enjoys duty free market access in 38 countries. DF market access will continue until 2027 in EU and other countries until in 2024. The industries will face high duties after the graduation which would reduce its competitiveness. FTAs will be one of the instrumental tools after graduations from the LDCs when Bangladesh will lose most of its preferential market access. A comprehensive approach would be needed in selecting FTA partners and approaches.

The MOC has therefore planned to conduct this study with the following objectives:

a) Implications of FTAs on Developing Countries ;
b) Identification of current status of Bangladesh in implementation of the FTA;
c) Identification of gaps between the agreement and present 'situation in implementation of the FTA;
d) Identification of status and best practices of regional countries in implementation of FTA , i.e. EU-Vietnam Free Trade Agreement (good practice), ASEAN signed FTAs within China, India, Australia and New Zealand and the measures they are taking to advance the implementation process;
e) Comparison between Bangladesh and other regional countries in implementation of FTA (SAFTA BIMSTEC) ;
f) Identification of potential countries for signing free trade agreements and Coverage of FTAs to be negotiated that generates overall economic benefits of Bangladesh;

- **Study 3: Review and Reforming the Bangladesh Land Port Authority Act 2001.**

Trade-related policies, rules and regulations to support trade facilitation and border management in Bangladesh are implemented by different ministries and departments of the government. 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, Bangladesh Land Port Authority ,trade bodies, research organizations, academia, and relevant agencies play important roles.

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

Major Activities and Services Provided by BLPA

- Formulating policy for development, management expansion, operation and maintenance of all land ports;
- Engaging operators for receiving, maintaining and dispatching cargoes at land ports;
- Preparing schedule of tariffs, tolls, rates and fees chargeable to the port users having prior approval of the government;
- Executing contracts with any person to fulfill the objectives of the Act.
- Exchanging opinions and communicating with the related countries with the land ports and developing infrastructures as well as extending trade through co-operation of the organizations concerned to national and international trades for developing and running the port activities smoothly
- Providing services to passengers by means of facilitating passenger movement, removal of obstacles and construction of passenger terminals is among the major responsibilities of the land port authority;
- Bringing every service including immigration, customs, banking and easier ticketing during car travels under one umbrella is also under the prerogative of the land port authority;

Annex 8: KII Questionnaire

কে আই আই (KII) প্রশ্নাবলী

স্টাডি ২ এর জন্য প্রশ্নাবলী

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার

ডব্লিউটিও সেল, বাণিজ্য মন্ত্রণালয়

বাংলাদেশ রিজিওনাল কানেক্টিভিটি প্রজেক্ট-১

৩টি স্টাডি, এনটিটিএফসি কর্তৃক নির্ধারিত

স্টাডি ২: *মুক্ত বাণিজ্য চুক্তি স্বাক্ষরের জন্য সম্ভাব্য দেশগুলির শনাক্তকরণ"*

প্রথম অংশ: সাধারণ পরিচিতিমূলক তথ্য

উত্তরদাতার নাম:……………………………………………………………………

প্রতিষ্ঠানের নাম :……………………………………………………………………

ঠিকানা: ……………………………………………………………………

যোগাযোগ মোবাইল নাম্বার:……………………… ইমেইল আইডি:……………………………..

মূল মন্ত্রণালয়/ বিভাগ:……………………………………………………………………

দ্বিতীয় অংশ:: নির্দিষ্ট প্রশ্ন

১। বিশ্বব্যাপী এফটিএ-এর বর্তমান প্রধান প্রবণতা ও বৈশিষ্ট্যসমূহ কী কী?

২। বাংলাদেশের এফটিএ স্বাক্ষর বিষয়ে অগ্রগতির বর্তমান অবস্থা ব্যাখ্যা করুন?

৩। বাংলাদেশের ভবিষ্যৎ এফটিএ আলোচনার জন্য নিম্নলিখিত বিষয়গুলোর ক্ষেত্রে বাংলাদেশের প্রধান বিকল্প কি হওয়া উচিৎ? **("১" সবচেয়ে গুরুত্বপূর্ণ এবং "৪" সবচেয়ে কম তাৎপর্যপূর্ণ)**

কৌশলগত বিষয়	র‍্যাঙ্কিং (১ থেকে ৪)	যৌক্তিকতা
আঞ্চলিক এফটিএ		
দ্বিপাক্ষিক এফটিএ		
বহুপাক্ষিক এফটিএ		

৪। এফটিএ বাস্তবায়নে সম্ভাব্য অংশীদার দেশগুলো নিম্নলিখিত কোন বিষয়গুলোকে বেশি গুরুত্ব দিয়ে থাকে**? ("১" সবচেয়ে গুরুত্বপূর্ণ এবং "৪" সবচেয়ে কম তাৎপর্যপূর্ণ)**

কৌশলগত বিষয়	র‍্যাঙ্কিং (১ থেকে ৪)	যৌক্তিকতা
পণ্য বাণিজ্য		
সেবা বাণিজ্য		
বিনিয়োগ		
মেধাস্বত্ত্ব আইনের প্রয়োগ		
পরিবেশ, সামাজিক ও পণ্যের মান সম্পর্কিত কমপ্লায়েন্স		
অন্যান্য (যদি থাকে উল্লেখ করুন)		

৫। একটি দেশের সঙ্গে এফটিএ বিবেচনার ক্ষেত্রে কোন কোন বিষয়কে প্রাধান্য দেয়া উচিত ? বিষয়গুলোর মধ্যে "১" সবচেয়ে গুরুত্বপূর্ণ এবং "৪" সবচেয়ে কম তাৎপর্যপূর্ণ।

কৌশলগত বিষয়	র‍্যাঙ্কিং (১ থেকে ৪)	যৌক্তিকতা
অংশীদার দেশের অর্থনৈতিক সক্ষমতা ও প্রবৃদ্ধি		
কূটনৈতিক সম্পর্ক		

ভৌগোলিক নৈকট্য ও সহজে পণ্য পরিবহনের সুযোগ		
রাজস্ব আহরণ (শুল্ক)		
বাজারে প্রবেশের শর্ত ও সুযোগ		
জনশক্তি রপ্তানির সম্ভাবনা		
সহযোগিতার ভবিষ্যৎ পরিণতি		
অংশীদার দেশের ইচ্ছা		
সংবেদনশীল খাতগুলোকে সুরক্ষিত রাখা		
সামগ্রিক অর্থনৈতিক লাভ		
অন্যান্য (অনুগ্রহ করে উল্লেখ করুন)		
১.		
২.		

০৬। আপনার মতে, বর্তমানে কোন কোন দেশ বা আঞ্চলিক বাণিজ্য ব্লক এর সাথে বাংলাদেশের এফটিএ স্বাক্ষর এর ব্যাপারে বিবেচনা করা উচিৎ? কেন?

আঞ্চলিক ব্লক:

ক্রমিক নং	সম্ভাব্য আঞ্চলিক ব্লক	যৌক্তিকতা
১.	ASEAN	
২.	EU	
৩.	MERCOSUR	
অন্যান্য		
৪.		
৫.		

দেশ:

ক্রমিক নং	সম্ভাব্য দেশ	যৌক্তিকতা

১.	মালয়েশিয়া	
২.	চীন	
৩.	শ্রীলংকা	
৪.	নাইজেরিয়া	
৫.	যুক্তরাজ্য	
৬.	জাপান	
অন্যান্য		
৭.		
৮.		
৯.		

০৭। ভারত ও আসিয়ানের মধ্যে এবং ভিয়েতনাম ও ইউরোপীয় ইউনিয়নের মধ্যে এফটিএ চুক্তি স্বাক্ষরিত হয়েছে। এসব এফটিএ চুক্তি স্বাক্ষরের মাধ্যমে ভারত ও ভিয়েতনাম কী কী সুবিধা পেয়েছে?

০৮। বিভিন্ন দেশের সাথে বাংলাদেশের দ্বিপাক্ষিক এফটিএ স্বাক্ষরের লক্ষ্যে বাণিজ্য মন্ত্রণালয় কর্তৃক প্রণীত এফটিএ পলিসি গাইডলাইনস্-২০১০ গত ২৩ ডিসেম্বর ২০১০ অনুমোদিত হয়েছে। উক্ত পলিসি গাইডলাইনস্ এর ভিত্তিতে বিভিন্ন দেশের সাথে এফটিএ স্বাক্ষরের সম্ভাব্যতা যাচাই করা হচ্ছে। উক্ত পলিসি গাইডলাইনসে কী কী সংযোজন/সংশোধন আনা প্রয়োজন?

০৯। একটি স্ট্যান্ডার্ড এফটিএ নেগোসিয়েশন টেমপ্লেট কেমন হওয়া উচিত? কী কী বিষয় বিবেচনা করা উচিত?

১০। এফটিএ নেগোশিয়েসন এর ক্ষেত্রে বাংলাদেশের চ্যালেঞ্জগুলো কী কী?

১১। বাংলাদেশের এফটিএ নেগোশিয়েশন দলে কোন মন্ত্রণালয়/সংস্থা/বিশেষজ্ঞদের অন্তর্ভুক্ত করা উচিত?

১২। এফটিএ নেগোশিয়েসন প্রক্রিয়ায় আন্তঃসংস্থা/ মন্ত্রণালয়/বিভাগসমূহের সমন্বয়ের চ্যালেঞ্জগুলো কী কী?

মূল তথ্যদাতার স্বাক্ষর এবং তারিখ

তথ্যসংগ্রহকারীর নাম এবং তারিখ

Annex 9 : Template for Focus Group Discussion

FGD on Identification of Potential Countries for Signing Free Trade Agreements (FTAs)

Bangladesh Foreign Trade Institute

Group-1 for Identifying Potentials Countries for FTA

S.L.	Counties	Rationale for FTA	Priority (1 to 7)
01.	Nepal		
02.	Indonesia		
03.	Sri Lanka		
04.	South Korea		
05.	Japan		
06.	USA		
07.	Canada		
08.	China		
09.	Turkey		
10.	India		
11.	South Africa		
12.	Morocco		
13.	Other (Specify):		
14.	Other (Specify):		
15.	Other (Specify):		
16.	Other (Specify):		

Group 2 for Identification of Potentials Blocs for FTA

S.L.	Bloc	Rationale for FTA	Priorities (1...5)
01.	EU		
02.	Eurasian Economic Union (e.g., Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia, Cuba (observer), Moldova (observer), Uzbekistan		
03.	Mercosur		
04.	Gulf Cooperation Council (GCC)		
05.	ASEAN (Association of Southeast Asian Nations)		
05.	Other (Specify):		
06.	Other (Specify):		
07.	Other (Specify):		
08.	Other (Specify):		

Annex 10: Proceedings of Validation Workshop

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
বাংলাদেশ রিজিওনাল কানেক্টিভিটি প্রকল্প-১
বাণিজ্য মন্ত্রণালয়
লেভেল-১২ (পশ্চিম পার্শ্ব) প্রবাসী কল্যাণ ভবন
৭১-৭২, ইস্কাটন গার্ডেন, ঢাকা-১০০০।

স্মারক নং- ২৬.০০.০০০০.০৬৬.০৭.০২৬.২০-৬৩০ তারিখঃ ০৫-০৬-২০২২খ্রি:

বিষয়ঃ বাণিজ্য মন্ত্রণালয় বাস্তবায়নাধীন বাংলাদেশ রিজিওনাল কানেক্টিভিটি প্রকল্প-১ এর আওতায় "Conducting 03 Studies suggested by NTFC in FY 2021-22" এর Draft Report চূড়ান্তকরণের লক্ষ্যে Validation Workshop -এর প্রতিবেদন প্রেরণ প্রসঙ্গে।

সূত্র: অত্র দপ্তরের স্মারক নং- ২৬.০০.০০০০.০৬৬.০৭.০২৬.২০-২৭১; তারিখ: ১২/০৫/২০২২ইং।

উপর্যুক্ত বিষয় ও সূত্রের প্রেক্ষিতে সম্মানের সাথে জানানো যাচ্ছে যে, বাণিজ্য মন্ত্রণালয়াধীন বাংলাদেশ রিজিওনাল কানেক্টিভিটি প্রকল্প-১ এর আওতায় দেশীয় ও আর্ন্তজাতিক ব্যবসা-বাণিজ্য সম্প্রসারণের নিমিত্তে নিম্নেবর্ণিত ০৩টি বিষয়ে BFTI কর্তৃক দাখিলকৃত Draft Report এর উপর গত ১৮ মে, ২০২২ তারিখ বুধবার, একটি কর্মশালা অনুষ্ঠিত হয়। উক্ত কর্মশালার প্রতিবেদন সদয় অবগতি ও প্রয়োজনীয় ব্যবস্থা গ্রহণের জন্য এতদসংগে প্রেরণ করা হলো।

Study 1: Comparative Analysis of Trade Policies of Bangladesh and its competing countries, particularly China, Indonesia, Malaysia, Sri Lanka, Thailand, and Vietnam;

Study 2: Identification of Potential Countries for Signing Free Trade Agreements;

Study 3: Review and Reforming the Bangladesh Land Port Authority Act 2001.

সংযুক্ত: বর্ণনামতে।

(মো: মিজানুর রহমান)
প্রকল্প পরিচালক (যুগ্মসচিব)
বাংলাদেশ রিজিওনাল কানেক্টিভিটি প্রকল্প-১
মোবাইল: ০১৭১১-২৮১৭১৩
ইমেইল: pdbrcp1moc@gmail.com

বিতরণ (জ্যেষ্ঠতার ভিত্তিতে নয়):

১. গভর্নর, বাংলাদেশ ব্যাংক, মতিঝিল, ঢাকা।
২. চেয়ারম্যান (সিনিয়র সচিব), জাতীয় রাজস্ব বোর্ড, সেগুনবাগিচা, ঢাকা।
৩. সিনিয়র সচিব, অর্থ বিভাগ, অর্থ মন্ত্রণালয়, বাংলাদেশ সচিবালয়, ঢাকা।
৪. সচিব, নৌ-পরিবহন মন্ত্রণালয়, বাংলাদেশ সচিবালয়, ঢাকা।
৫. চেয়ারম্যান, বাংলাদেশ ট্রেড এন্ড ট্যারিফ কমিশন, সেগুনবাগিচা, ঢাকা।
৬. সচিব, শিল্প মন্ত্রণালয়, শিল্প ভবন, মতিঝিল, ঢাকা।
৭. নির্বাহী চেয়ারম্যান, বাংলাদেশ বিনিয়োগ উন্নয়ন কর্তৃপক্ষ, শেরে-বাংলানগর, আগারগাও, ঢাকা।
৮. চেয়ারপার্সন, বাংলাদেশ প্রতিযোগিতা কমিশন, ৩৭/৩/এ, ইস্কাটন গার্ডেন রোড, রেডক্রিসেন্ট বোরাক টাওয়ার (লেভেল-৬), রমনা, ঢাকা-১০০০।
৯. সচিব, আইন ও বিচার বিভাগ, বাংলাদেশ সচিবালয়, ঢাকা।
১০. প্রধান নির্বাহি কর্মকর্তা, বাংলাদেশ ফরেন ট্রেড ইনস্টিটিউট, টিসিবি ভবন, ১ কাওরান বাজার, ঢাকা।
১১. মহাপরিচালক, বাংলাদেশ স্ট্যান্ডার্ড এন্ড টেস্টিং ইন্সটিটিউট (বিএসটিআই), তেজগাও শিল্প এলাকা, ঢাকা।
১২. অতিরিক্ত সচিব (এফটিএ), বাণিজ্য মন্ত্রণালয়, বাংলাদেশ সচিবালয়, ঢাকা।
১৩. অতিরিক্ত সচিব (রপ্তানী), বাণিজ্য মন্ত্রণালয়, বাংলাদেশ সচিবালয়, ঢাকা।
১৪. মহাপরিচালক, কৃষি সম্প্রসারণ অধিদপ্তর, খামারবাড়ী, ফার্মগেট, ঢাকা-১২১৫।

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১৫. প্রধান নিয়ন্ত্রক, আমদানী ও রপ্তানি প্রধান নিয়ন্ত্রকের দপ্তর, জাতীয় ক্রীড়া পরিষদ ভবন, ১৬ তলা, ৬২/৩ পুরানা পল্টন, ঢাকা।
১৬. নিবন্ধক, যৌথমূলধন কোম্পানি ও ফার্মসমূহের পরিদপ্তর, টিসিবি ভবন, ১ কাওরান বাজার, ঢাকা।
১৭. চেয়ারম্যান, বাংলাদেশ স্থলবন্দর কর্তৃপক্ষ, টিসিবি ভবন, কারওয়ান বাজার, ঢাকা।
১৮. ব্যবস্থাপনা পরিচালক, এস এম ই ফাউন্ডেশন, ই-৫, সি/১ পশ্চিম আগারগাঁও, শের-ই-বাংলানগর এডমিনিষ্ট্রাটিভ এরিয়া, ঢাকা।
১৯. সিইও এবং ব্যবস্থাপনা পরিচালক, সোনালী ব্যাংক লিমিটেড, প্রধান কার্যালয় সোনালী ব্যাংক লিমিটেড, ৩৫-৪২, ৪৪ মতিঝিল বাণিজ্যিক এলাকা, ঢাকা।
২০. ব্যবস্থাপনা পরিচালক ও প্রধান নির্বাহী কর্মকর্তা, অগ্রণী ব্যাংক লিমিটেড, প্রধান কার্যালয় অগ্রণী ব্যাংক লিমিটেড, ৯/ডি দিলকুশা বাণিজ্যিক এলাকা, ঢাকা।
২১. প্রকল্প পরিচালক (অতিরিক্ত সচিব), Export Competitiveness for Jobs (EC4J), হাউজ# ১১৬, কাজী নজরুল ইসলাম এভিনিউ, ঢাকা।
২২. জনাব মোঃ মুনীর চৌধুরী, ন্যাশনাল ট্রেড এক্সপার্ট, বাংলাদেশ রিজিওনাল কানেক্টিভিটি প্রকল্প-১, বাণিজ্য মন্ত্রণালয়, ঢাকা।

বেসরকারী প্রতিষ্ঠান (জ্যেষ্ঠতার ভিত্তিতে নয়):

১. সভাপতি, এফবিসিসিআই, ৬০ মতিঝিল, সি/এ, ঢাকা-১০০০ ঢাকা।
২. সভাপতি, বাংলাদেশ উইমেন চেম্বার অব কমার্স এন্ড ইন্ডাষ্ট্রি, রোড: ২৩/সি, ফ্রন্ট রোড, গুলশান-১, ঢাকা-১২১২।
৩. প্রেসিডেন্ট, বিকেএমইএ, বিকেএমইএ টাওয়ার (১৩ তলা), ১৩/এ সোনারগাঁও রোড, বাংলামোটর, ঢাকা।
৪. প্রেসিডেন্ট, বাংলাদেশ পোষাক প্রস্তুতকারক ও রপ্তানিকারক সমিতি (বিজিএমইএ), সেক্টর-১৭, উত্তরা, ঢাকা।
৫. প্রেসিডেন্ট, বাংলাদেশ ইন্টারন্যাশনাল চেম্বার অব কমার্স (আইসিসি), সুবাস্তু টাওয়ার, ৬৯/১ পান্থপাথ, ঢাকা।
৬. সভাপতি, ঢাকা চেম্বার অব কমার্স এন্ড ইন্ডাষ্ট্রি, ডিসিসিআই বিল্ডিং, ৬৫-৬৬, মতিঝিল সি/এ, ঢাকা।
৭. প্রেসিডেন্ট, লেদার গুডস এন্ড ফুটওয়্যার ম্যানুফ্যাকচারার্স অ্যান্ড এক্সপোর্টার্স অ্যাসোসিয়েশন অব বাংলাদেশ, বনানী, ঢাকা।
৮. প্রেসিডেন্ট, মেট্রোপলিটন চেম্বার অফ কমার্স এবং ইন্ডাস্ট্রি, চেম্বার বিল্ডিং, মতিঝিল, ঢাকা।
৯. প্রেসিডেন্ট, বাংলাদেশ অ্যাসোসিয়েশন অব সফটওয়্যার এন্ড ইনফরমেশন সার্ভিস (বেসিস),বিডিবিএল ভবন, (লেভেল ৫-পশ্চিম),১২ কাওরান বাজার, ঢাকা।
১০. সভাপতি, বাংলাদেশ প্লাস্টিক গুডস ম্যানুফ্যাকচারার্স অ্যান্ড এক্সপোর্টার্স অ্যাসোসিয়েশন, পুরানা পল্টন, ঢাকা।
১১. সভাপতি, বাংলাদেশ ফ্রুটস ভেজিটেবলস এন্ড এলাইড প্রোডাক্টস এক্সপোর্টারস এসোসিয়েশন, ২৮/১/সি, মতিঝিল, ঢাকা।
১২. চেয়ারম্যান, বাংলাদেশ জুট গুডস এক্সপোর্টার্স এসোসিয়েশন (বিজেজিইএ) এ অ্যান্ড এ টাওয়ার, আরামবাগ মতিঝিল, ঢাকা।
১৩. প্রেসিডেন্ট, বাংলাদেশ টেক্সটাইল মিলস এসোসিয়েশন, কাওরান বাজার, ঢাকা।
১৪. প্রেসিডেন্ট, চট্টগ্রাম চেম্বার অফ কমার্স এবং ইন্ডাস্ট্রি, আগ্রাবাদ, চট্টগ্রাম।
১৫. প্রেসিডেন্ট, বাংলাদেশ চেম্বার অব ইন্ডাস্ট্রি, দিলকুশা, ঢাকা।
১৬. প্রেসিডেন্ট, বাংলাদেশ এসোসিয়েশন অব ফার্মাসিটিক্যালস ইন্ডাষ্ট্রি, তেজগাঁও, গুলশান লিংক রোড, ঢাকা।
১৭. প্রেসিডেন্ট, বাংলাদেশ এগ্রো-প্রসেসিং এসোসিয়েশন, সোবহানবাগ, ধানমন্ডি, ঢাকা।
১৮. প্রেসিডেন্ট, এক্সপোর্টার্স এসোসিয়েশন অব বাংলাদেশ, খিলগাঁও চৌধুরীপাড়া, ঢাকা।
১৯. প্রেসিডেন্ট, ই-কমার্স এসোসিয়েশন অব বাংলাদেশ, হাউজ#-২৯, রোড# ০৬, ঢাকা।
২০. প্রেসিডেন্ট, বাংলাদেশ ফুড স্টাফ ইমপোর্টার্স এন্ড সাপ্লাইয়ার্স এসোসিয়েশন, গুলশান-১, ঢাকা।
২১. প্রেসিডেন্ট, এসোসিয়েশন অব ট্রাভেল এজেন্টস অব বাংলাদেশ, সাত্তারা সেন্টার, নয়া পল্টন , ঢাকা।
২২. সভাপতি, বাংলাদেশ জেমস স্টোন মার্চেন্টস অ্যাসোসিয়েশন, বাড়ি # ২জি/১ (নিচতলা), রোড # ০১, শ্যামলী, ঢাকা।
২৩. চেয়ারম্যান, বাংলাদেশ বাস ট্রাক মালিক সমিতি, হাজী আহসান উল্লাহ কমপ্লেক্স ২৫৭/ক বাগবাড়ী, মিরপুর রোড, ঢাকা।
২৪. সভাপতি, ভারত-বাংলাদেশ চেম্বার অফ কমার্স অ্যান্ড ইন্ডাস্ট্রি (আইবিসিসিআই), রূপায়ন সেন্টার (১৬ তলা), ৭২, মহাখালী সিএ, ঢাকা।
২৫. সভাপতি, বাংলাদেশ ফ্রেইট ফরওয়ার্ডার্স অ্যাসোসিয়েশন (বাফফা), আতাতুর্ক টাওয়ার (৮ম তলা), ২২ কামাল আতাতুর্ক এভিনিউ, বনানী, ঢাকা।
২৬. সভাপতি, Essential Commodity Importers Association, সি/এ পবিত্র ভান্ডার, ৭ ফরাশগঞ্জ, শামবাজার, ঢাকা।
২৭. সভাপতি, বাংলাদেশ ভিয়েতনাম চেম্বার অফ কমার্স অ্যান্ড ইন্ডাস্ট্রি, (বিভিসিসিআই), নভো টাওয়্যার, ১৩ তলা, ২৭০ তেজগাঁও শিল্প এলাকা, ঢাকা।
২৮. সভাপতি, ইন্দোনেশিয়া বাংলাদেশ চেম্বার অফ কমার্স অ্যান্ড ইন্ডাস্ট্রি (IBCCI), হাউজ#২৫, রোড#৪, ব্লক#এফ, বনানী, ঢাকা।
২৯. সভাপতি, বাংলাদেশ-মালয়েশিয়া চেম্বার অফ কমার্স অ্যান্ড ইন্ডাস্ট্রি (BMCCI), হাউস # ৩/এ, রোড # ১৩৬, গুলশান-১, ঢাকা।
৩০. সভাপতি, বাংলাদেশ থাই চেম্বার অফ কমার্স অ্যান্ড ইন্ডাস্ট্রি (বিটিসিসিআই), কনকর্ড টাওয়ার, ১১৩ কাজী নজরুল ইসলাম এভিনিউ, ঢাকা।
৩১. সভাপতি, ঢাকা কাস্টম এজেন্ট অ্যাসোসিয়েশন (DCAA), ঠিকানা: ৩/সি নিউ বেইলি রোড, রমনা, ঢাকা।
৩২. চেয়ারম্যান ও সিইও, প্রাণ আরএফএল গ্রুপ, প্রাণ আরএফএল সেন্টার, বীর উত্তম রফিকুল ইসলাম, সড়ক, ১০৫/জিএ, মধ্য বাড্ডা লিংক রো, ডি, ঢাকা।

৩৩. ব্যবস্থাপনা পরিচালক, টি কে গ্রুপ অফ ইন্ডাস্ট্রিজ, প্রধান কার্যালয় টি কে গ্রুপ অফ ইন্ডাস্ট্রিজ, টি কে ভবন (২য় তলা), ১৩, কাওরান বাজার, ঢাকা।
৩৪. চেয়ারম্যান ও ব্যবস্থাপনা পরিচালক, সিটি গ্রুপ, প্রধান কার্যালয় সিটি গ্রুপ, সিটি হাউস, রোড # ৫১, গুলশান -০২, ঢাকা।
৩৫. চেয়ারম্যান ও ব্যবস্থাপনা পরিচালক, মেঘনা গ্রুপ অফ ইন্ডাস্ট্রিজ, প্রধান কার্যালয় মেঘনা গ্রুপ অফ ইন্ডাস্ট্রিজ, ফ্রেশ ভিলা, হাউস # ১৫, রোড # ৩৪, গুলশান-১, ঢাকা।
৩৬. ব্যবস্থাপনা পরিচালক, ওয়ালটন গ্রুপ, প্রধান কার্যালয়, ওয়ালটন গ্রুপ, ব্লক-আই, সাবরিনা সোবহান রোড, পিও-খিলক্ষেত, পিএস-ভাতারা, বসুন্ধরা আর/এ, ঢাকা।
৩৭. মহাব্যবস্থাপক (যুগ্মসচিব অবসর), বাংলাবান্ধা ল্যান্ড পোর্ট লিমিটেড, ৩/৩-এ, পূর্ব রামপুরা, ঢাকা।

Think Tank & Academia (জ্যেষ্ঠতার ভিত্তিতে নয়):

১. চেয়ারপারসন এবং সিইও, কীস্টোন বিজনেস কোম্পানি লিমিটেড, বিল্ডিং-২, হাউস ৫/এ, বেইলি হাইটস, গুলশান-২, ঢাকা।
২. মহাপরিচালক, বাংলাদেশ ইনস্টিটিউট অফ ডেভেলপমেন্ট স্টাডিজ (BIDS), শহীদ শাহাবুদ্দিন সড়ক, শের-ই-বাংলা নগর, ঢাকা।
৩. এক্সিকিউটিভ ডিরেক্টর, সাউথ এশিয়ান নেটওয়ার্ক অন ইকোনমিক মডেলিং (সানেম), ফ্ল্যাট কে-৫, হাউস ১/বি, রোড-৩৫, গুলশান-২, ঢাকা।
৪. নির্বাহী পরিচালক, পলিসি রিসার্চ ইনস্টিটিউট অব বাংলাদেশ (পিআরআই), হাউস-১৬ (৪র্থ তলা), রোড ১০/এ, ব্লক এইচ বনানী, ঢাকা।
৫. ডিন, বিজনেস স্টাডিজ অনুষদ, ডিনের অফিস, বিজনেস স্টাডিজ অনুষদ, ঢাকা বিশ্ববিদ্যালয়।
৬. ডিন, ব্র্যাক বিজনেস স্কুল, ব্র্যাক বিশ্ববিদ্যালয়, ৬৬ মহাখালী, ঢাকা।

অনুলিপি: সদয় অবগতি জন্য (জ্যেষ্ঠতার ভিত্তিতে নয়):

১। সিনিয়র সচিব মহোদয়ের একান্ত সচিব, বাণিজ্য মন্ত্রণালয়, বাংলাদেশ সচিবালয়, ঢাকা-১০০০।
২। অফিস কপি।

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 Proceedings

on

Study 1: Comparative Analysis of Trade Policies of Bangladesh and its competing countries, particularly China, Indonesia, Malaysia, Sri Lanka, Thailand, and Vietnam;

Study 2: Identification of Potential Countries for Signing Free Trade Agreements;

Study 3: Review and Reforming the Bangladesh Land Port Authority Act 2001.

Initiated by: Bangladesh Regional Connectivity Project-1 (BRCP-1)
Ministry of Commerce
Organized by: Bangladesh Foreign Trade Institute (BFTI)
Date: May 18, 2022
Venue: CIRDAP International Conference Centre (1st Floor), Chameli House, 17 Topkhana Road, Dhaka.
Time: 10:30 AM

Introduction:

Bangladesh Foreign Trade Institute (BFTI) in association with Keystone Business Support Company Ltd jointly organized a Validation Workshop on three studies namely

'(i) Comparative Analysis of Trade Policies of Bangladesh and its competing countries, particularly China, Indonesia, Malaysia, Sri Lanka, Thailand, and Vietnam;
(ii) Identification of Potential Countries for Signing Free Trade Agreements and
(iii) Review and Reforming the Bangladesh Land Port Authority Act 2001 '

suggested by NTTFC in FY 2020-21 under Bangladesh Regional Connectivity Project-1, Ministry of Commerce on May 18, 2022, at 10:30 AM in CIRDAP International Conference Centre, Dhaka. Dr. Md. Jafar Uddin. CEO, BFTI was present 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 Cell, Ministry of Commerce was present as a special guest, Mr. Md. Munir Chowdhury, National Trade Expert, BRCP-1 was present as Guest of Honour and Mr. Md. Mijanur Rahman, Joint Secretary, Ministry of Commerce and Project Director presided over the Validation Workshop as the Chairperson.

Mr. Mohammad Jahangeer Kobir (Joint Secretary), Member (Traffic), Bangladesh Land Port Authority, Ms. Nusrat Jabeen Banu (NDC), Additional Secretary, Export Wing, Ministry of Commerce, Mr. Md. Abdus Samad Al Azad, Joint Secretary, FTA Wing, Ministry of Commerce, and Mr. Manzur Ahmed, Trade and Tariff Policy Advisor, Federation of Bangladesh Chambers of Commerce and Industries (FBCCI) joined the validation workshop as panellists.

Summary of the welcoming session:

1. ***Mr. Md. Obaidul Azam, Director, BFTI*** welcomed the guests and shared the background of the studies, including the process on how data was collected and the draft report was produced in consultation with relevant stakeholders. He also remarked that post-LDC graduation scenario and aspiration of a developed country was taken into consideration as policy recommendations were proposed in the studies.
2. ***Mr. Md. Munir Chowdhury, National Trade Expert, BRCP-1*** remarked that BRCP-1 is a unique project which is primarily working on conducting trade related studies and providing trade related trainings to relevant stakeholders, including women entrepreneurs. BFTI and Keystone Business Support Company Ltd. was awarded with the contract to conduct the 3 studies as per ToR developed in consultation with relevant stakeholders. He thanked the team of experts for preparing the draft report and expressed the expectation to receive research driven recommendations to facilitate trade and commerce in this country.
3. ***Mr. Md. Hafizur Rahman, Director General, WTO Cell, Ministry of Commerce*** in his speech as the special guest remarked that these three studies are very important, especially knowing what other countries like Viet Nam is doing to facilitate their export-oriented growth. Other countries such as China are also important to take learning opportunities from for further amendment and adjustment in the policies of Bangladesh. The future challenges such as LDC graduation have also be taken into account as we conduct different studies as well as develop policy suggestions.
4. ***Mr. Md. Mijanur Rahman, PD (Joint Secretary), BRCP-1, Ministry of Commerce*** expressed his expectations that the reports will be useful to the policy making of the country and was look forward to evaluating the suggestions and findings of the studies in consultations with the participants of the workshop.
5. ***Dr. Md. Jafar Uddin. CEO, BFTI*** thanked BRCP-1 and the personnel working at the project and WTO cell as they have trusted BFTI to conduct these studies. He remarked that BFTI is a leading trade-related policy research-oriented think-tank in Bangladesh. He also remarked that it is important for Bangladesh to maximize the benefits which are being enjoyed currently and explore potential areas of cooperation in trade and commerce by inking FTA and PTA with potential trade partner. He expressed his optimism that these studies will facilitate the process of making substantial progress in these regards. He thanked all the participants for joining the validation workshop.

After the welcoming session, representatives from BFTI and Keystone Business Support Company Ltd. Gave technical presentations on three studies and the panellists and participants shared their comments, suggestions, and recommendations on the same which are summarized below:

Recommendations for Study-2

Mr. Md. Abdus Samad Al Azad, Joint Secretary, FTA Wing, Ministry of Commerce:

- The study should justify and articulate the sentence "*Bangladesh, on the other hand, confronts intense competition in the international market from countries with which the destination countries have free trade agreements*" in the introduction chapter. As Bangladesh is moving from the PTA regime to the FTA and RTA regime, the study should focus on the FTA and RTA regime and its Mechanism of the same.
- The study should include different potential country selection criteria considering quantitative, qualitative and out of the box criteria as follows -
    - Preference to be given to the neighbouring countries and regional blocs
    - Countries with regional proximity and connectivity to lessen trade cost
    - Geo-political importance, bilateral cooperation, and welfare
    - Gateway for market access
    - Economic strength
    - Countries to which DFQF market access lost after 2026 or 2029
    - Bilateral export should be greater than 2 billion US$.
    - The Average Tariff should be 6% in consideration of CD, regulatory duties, supplementary duties, and tax incidence.
    - Export opportunity
    - Import scenario
    - Capacity support availability
    - Standardization criteria
    - Market size
    - Capacity in different areas i.e., Export
    - Offensive and defensive interest
    - country selection criteria analysis should include a weighted average measure for selecting the country.
- The study should elaborate on willingness, cooperation, trade volume, technical cooperation, investment, trade in goods, and trade in services for better understanding and justify the report.
- The study should review and justify chapters 6 to 9 and give more emphasis on specific country selecting criteria for better understanding.

- The study should paraphrase the sentence "Bangladesh should be engaged where Bangladesh will be benefited" as "Bangladesh should be engaged where Bangladesh will be mutually benefited"
- The study should review and justify how and why the top 12 countries are selected for FTA signing, especially why Morocco should be included in the list as a standalone country.
- European countries should not be considered as individual countries and should be clustered as EU.
- Singapore can be an important, since tariff is not a major concern, clash of interest is not there, technical cooperation opportunity there, TFA implementation support, Capacity building, access to ASEAN market etc.
- Issue of Tax incidence needs to be taken into consideration.
- The study should review FTA policy guidelines and target for recommendations.

Mr. Md. Hafizur Rahman, Director General (Additional Secretary), WTO Cell, Ministry of Commerce:

- The study should review and justify the methodology of the study.
- More realistic criteria for selecting the potential FTA countries should be incorporated.
- Blocs should be incorporated in the recommendation.
  The study should review the FDI chapter and make it more comprehensive.

Mr. Manzur Ahmed, Trade and Tariff Policy Advisor, Federation of Bangladesh Chambers of Commerce and Industries (FBCCI):

- Major trade blocs (e.g. RCEP) should be given priority which will give Bangladesh greater access
- ii) Identify major trade partners which are not part of major trade blocs to go forward with FTA
- iii) EU-Viet Nam FTA can be used as a baseline for further assessment of potential BD-EU FTA and also to push forward an FTA with the same. Similarly, Eurasian countries can be considered as well.
- Service trade and investment should also become a priority.
- Tariff rationalization needs to be continued as a part of facilitating FTA.

Mr. Md. Munir Chowdhury, National Trade Expert, BRCP-1

- Executive summary should include chapter wise summary as well.
- Benefit and implication of FTA may be elaborated.
- EU and Viet Nam and ASEAN experiences should be highlighted.
- FTA related important issues such as Rules of Origin, NTBs, Mutually Recognized Agreement (MRA), reduced duty, rationalization of tariff, product identification etc. should be added.
- Conclusion of the report needs to be added

Overall Recommendations from the Participants

S A Ahamad Majumdar, Senior Vice President, BJGEA

In regards to selecting the FTA countries, priority should be given to countries in which we already sizable export. Necessary prioritization should be given for jute products in the export policy.

Parvin S Huda, BRAC University School of Business

The university should include international trade in their curriculum.

Mohammad Abdus Sobhan, Director, Viet Nam BD chamber:

Reexport should be a priority for the country. Finding new export products (such as Vannamei shrimp) is important.

Enamul Hafiz Latifee, Research Fellow, BASIS:

Proofreading and editing of the reports are required. Service sector should be prioritized in the FTA. Cross-border (e-payment is important) international payment gateway is important.

Dr. Mohammad Yunus, Senior Research Fellow, BIDS:

some recommendations seem inconsistent (such as all site testing facilities). Criteria for FTA needs to be more comprehensive. Export focus and commodity focus criteria is important. Issue of mutually recognized testing facilities may be taken into consideration as well.

Md. Anisur Rahman, BLPA:

Legislative structure of BLPA needs to be more detailed.

Md. Anisur Rahman Mollick, Senior Executive Director, Walton Hi-Tech Ind. PLC:

Railway connectivity can also become part of BLPA. NTB related issues need to be considered for bilateral and multilateral negotiations.

Tamim, Chittagong Chamber:

Bangladesh should focus on low hanging fruits; Dispute settlements issues should be one of the priorities of the FTA.

Md. Jalal Uddin, Assistant General Manager, LFMEAB:

While some general recommendations are given in study 1, recommendations on effective tools and measures should also be shared. Logistics and supply chain are important.