

Quarterly

NEWSLETTER

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Dr. Md. Jafar Uddin

Message from the Secretary Ministry of Commerce

My sincere congratulations to the colleagues at the Bangladesh Regional Connectivity Project-1 (BRCP-1) who have taken a timely initiative to publish this newsletter to keep the stakeholders informed on a variety of pertinent issues related to trade facilitation, export and import and transparency of the country's trading laws and processes. Amidst this pandemic period, I am pleased to know that the BRCP-1 project has continued their activities, following health directives and has organized several online trade related capacity building training programs and workshops which are briefly covered in this newsletter. I believe that regular publication of newsletters will further deepen the knowledge of the stakeholders, facilitate trade, and create greater appreciation of the positive initiatives that the government has taken to make Bangladesh a global hub for economic activities under the able leadership of honorable Prime Minister. I wish the BRCP-1 to continue this praiseworthy initiative and serve the readers with timely and credible information in the upcoming days.



Md. Mijanur Rahman

Message from the Project Director (Joint Secretary) Bangladesh Regional Connectivity Project 1, WTO Cell, Ministry of Commerce

This is indeed an auspicious moment for the Bangladesh Regional Connectivity Project-1 to publish its first newsletter. BRCP-1 is an umbrella project the main purpose of which is to strengthen trade related institutional capacity in order to ensure active and sustainable cooperation between multiple trade-related stakeholders and economic empowerment of women traders. It is envisaged that publication of periodic newsletters will add significant value in trade facilitation and export promotion as stakeholders will get easy access to updated and relevant information on a regular basis. The newsletter will not only highlight the activities of the BRCP-1 but also bring in expert opinions and in-depth analysis on pertinent trade related issues. Although this will be a quarterly publication for the now, a more frequent newsletter (monthly basis) will be published in the future. To make our newsletter more resourceful, we welcome suggestions, comments, and contribution from our respected readers and stakeholders. I hope this newsletter will be beneficial for the readers and add value in their lives.



Highlight of the Quarter: April-June 2020

As the pandemic continues, the Government of Bangladesh has taken initiatives to ensure public health safety, resume the economic activities, introduce incentive plans to protect industries and revive the economy.

Circulars, SROs and notices related to COVID-19 incentive packages have been compiled, updated and shared in the Bangladesh Trade Portal.

An online workshop was organized on the Bangladesh Trade Portal (BTP) engaging the relevant stakeholders who play pivotal role in keeping the BTP updated.

Two online capacity building training programs were organized on the "Trade Related Issues" and "Trade Policy and Negotiation" for relevant officials.

Two online workshops were organized and two MOUs were signed with two Women Chamber bodies.

Online Workshop and Meeting of the Focal Persons, BTP on May 19, 2020

Background

The Ministry of Commerce signed Memorandum of Understanding (MoUs) with 39 public and private sector agencies for the purpose of exchanging information in a timely manner to be published on the Bangladesh Trade Portal (BTP). The Focal Persons from each of these agencies collaborate together to ensure that all updated information related to export-import is presented in the BTP on a regular basis. In this regard, an online workshop and meeting was organized on May 19, 2020 to discuss the following issues:

Topic of Discussion

1. Seeking partners' suggestions on making the Bangladesh Trade Portal more dynamic, resourceful and user-friendly.
2. Strengthening communication and coordination between Focal Person Coordinators.

Participants

The meeting was attended by the representative from Ministry of Industries, National Board of Revenue, Bangladesh Trade and Tariff Commission, Export Promotion Bureau, WTO Cell, Ministry of Commerce, SME Foundation, and BRCP-1 resource personnel.

Discussion and Suggestions

The participants highlighted the need and importance of Bangladesh Trade Portal and discussed areas for further development. Some of the important suggestions were:

1. Real-time data and information sharing between NBR, Bangladesh Bank and Export Promotion Bureau is important to maintain an updated BTP.
2. Finding the most relevant information can be made easier through key word based searching so that the users get better services.
3. Enhance promotion of the BTP so that more and more people get aware of it.

Online Capacity Building Training on Trade Policy and Negotiation, June 27-29, 2020

The three-day long capacity building training program on “Trade Policy and Negotiation” was inaugurated by Dr. Md. Jafar Uddin, Secretary, Ministry of Commerce on June 27, 2020. Mr. Md. Obaidul Azam, Additional Secretary (Admin), Ministry of Commerce, and Mr. Md. Hafizur Rahman, Director General, WTO Cell, Ministry of Commerce attended the inaugural session as special guests. Ms. Zinat Ara, the then Project Director (Joint Secretary), BRCP-1 was the chair of the inaugural session. The training was organized for the officials of relevant ministries, departments, and agencies. In his inaugural speech, Dr. Md. Jafar Uddin, Secretary, Ministry of Commerce, emphasized the need for specialized capacity building trainings related to trade policy and negotiation for relevant officials since this is a very specialized and technical field.



Dr. Md. Jafar Uddin
Secretary
Ministry of Commerce



Mr. Md. Obaidul Azam
Additional Secretary
Ministry of Commerce



Mr. Md. Hafizur Rahman
Director General
WTO Cell
Ministry of Commerce



The first session on “[Introduction of Trade Policy and WTO Agreements](#)” was conducted by Mr. Md. Hafizur Rahman, DG, WTO Cell, Ministry of Commerce who highlighted the key components of the trade policy and discussed different aspects of the Import Policy Order and Export Policy.



The second session on “[WTO Trade in Service Agreement and Bangladesh](#)” was conducted by Mr. Md. Khalilur Rahman, Deputy Director, WTO Cell, Ministry of Commerce. Mr. Rahman discussed the four modes of services under the General Agreement on Trade in Services (GATS).



Mr. Md. Munir Chowdhury, National Trade Expert, BRCP -1 discussed the process of “[International Trade Negotiations](#)” and highlighted the core areas where specialized training are needed to better prepare the next generation of trade diplomats.



Dr. Md. Khairuzzaman Mozumder, Joint Secretary, Finance Division, Ministry of Finance presented an “[Overview of the WTO Trade Facilitation Agreement and Bangladesh](#)” where he discussed different aspects of TFA and the 38 measures of it. He also highlighted key TFA implementation challenges.



Ms. Sharifa Khan, Additional Secretary, FTA Wing, Ministry of Commerce conducted the last session on [Trade Related Intellectual Property Rights and Its Impact in Bangladesh](#) and discussed different types of IPRs, Bangladesh's legal frameworks and post-LDC graduation challenges.

In the closing ceremony, Mr. Md. Shahidul Islam, Additional Secretary (Development), Ministry of Commerce shared his thoughts on the FDI Opportunities in Bangladesh as the Chief Guest. As the special guest, Mr. Md. Hafizur Rahman, DG, WTO Cell, Ministry of Commerce shared his comments on the post-COVID-19 FDI challenges that Bangladesh has to address. Mr. Md. Munir Chowdhury, National Trade Expert, BRCP 1 also provided an introductory remark on the same. Respected participants asked pertinent questions and shared their opinions on FDI scenario, Trade Facilitation, and other issues. Among others, the participants shared ideas to organize simulations based training on trade negotiations so that they can get real-life experience of the negotiation process.

As the Chair, Ms. Zinat Ara, the then Project Director (Joint Secretary), BRCP-1 concluded the online training thanking all the guests, resource persons and participants.

Workshop on Support to Women Traders to Promote Exports and Up-gradation of Bangladesh Trade portal, Kishoreganj

Venue: Conference Room, Office of the Deputy Commissioner, Kishoreganj

Date: 14 June 2020

Background

As part of the BRCP-1's mandate, periodic workshops are organized to support the women traders in order to inform and motivate them for international trading. The workshop also provides an orientation on the Bangladesh Trade Portal and seeks inputs from women entrepreneurs on how BTP can better help them with the most relevant and necessary information.

Participants and Guests

Ensuring social distancing and following the health guidelines, the workshop was organized for the members of the Kishoreganj Women Chamber of Commerce and Industry and other women entrepreneurs of Kishoreganj.

Mr. Md. Sarwar Morshed Chowdhury, Deputy Commissioner, Kishoreganj was the Chief Guest of the workshop. Mr. Md. Abdullah Al Masod, Additional Deputy Commissioner (General), Kishoreganj, and Mr. Mojibur Rahman Belal, President, Kishoreganj Chamber of Commerce and Industry attended the program as special guests. Ms. Zinat Ara, the then Project Director (Joint Secretary), BRCP-1 was the chairperson and Ms. Fatema Zohra Akhter, President, Kishoreganj Women Chamber of Commerce and Industry was the co-chair of the workshop. The resource persons of the BRCP-1 also attended the workshop.



Summary of Opening Session

The opening session began with an initial remark by Co-Chair of the workshop which was followed by an brief speeches by Special Guests who highlighted the export potential of Kishoreganj Region and the need for women entrepreneurs to get into cross-border and international trading.

A brief overview of the Bangladesh Regional Connectivity Project-1 was presented by Mr. Md. Sirajul Islam, Financial Management Expert (Project Manager In-Charge). Mr. Md. Sarwar Morshed Chowdhury, Deputy Commissioner, Kishoreganj gave the inaugural speech and emphasized how BRCP-1 can help the women entrepreneurs to get engaged in international business.

Session on Women Entrepreneurship and Support to Women Traders in Export Trade

The session on *Women Entrepreneurship and Support to Women Traders in Export Trade* was conducted by Mr. Md. Munir Chowdhury, National Trade Expert, BRCP-1 where he highlighted some major potential areas and challenges to women entrepreneurship and women in export-oriented trade. As a part of the solution and way forward, Mr. Chowdhury shared that capacity building, networking, continued business support and creation of national and international women traders network are important. He also opined that diagnostic assessments are necessary to understand opportunity and challenges of Bangladeshi women entrepreneurs in the global value chain.

Session on Up-gradation of the Bangladesh Trade Portal

Mr. Makshudul Mondal, Focal Person Coordinator highlighted the purpose of the session was to share an *overview of the Bangladesh Trade Portal* and provide a demonstration on how to use the BTP to find most relevant information. He also shared the future development plans of the Bangladesh Trade Portal under the BRCP-1. He provided an orientation how the women entrepreneurs can use the BTP to learn more about the export trade.

MoU Signing

An MoU was signed between Bangladesh Regional Connectivity Project -1 and Kishoreganj Women Chamber of Commerce and Industry whereby BRCP-1 would provide support to establish a women trader's business support center in Kishoreganj for continued support for the women entrepreneurship development.

Online Capacity Building Training on Trade Related Issues, June 15-17, 2020

Under the BRCP-1, a three day online capacity building training was organized for the officials of relevant agencies on trade related issues from June 15-17, 2020. The training was inaugurated by Dr. Md. Jafar Uddin, Secretary, Ministry of Commerce where he remarked that it is important for the officials to be well-informed on the trade related issues so that they can play a pivotal role in enhancing Bangladesh's competitiveness. Mr. Md. Hafizur Rahman, Director General, WTO Cell, Ministry of Commerce attended the inaugural session as special guest. Ms. Zinat Ara, Project Director (Joint Secretary), BRCP-1 was the chair of the inaugural session.



Dr. Md. Jafar Uddin
Secretary
Ministry of Commerce



Mr. Md. Hafizur Rahman
Director General
WTO Cell
Ministry of Commerce



The first session on *"Trade and LDC Graduation"* was conducted by Mr. Md. Hafizur Rahman, DG, WTO Cell, Ministry of Commerce. In the session, he highlighted the opportunities and challenges that Bangladesh may face as she plans to reach LDC graduation milestone in 2024.



Mr. Md. Munir Chowdhury, National Trade Expert, BRCP -1 discussed the current status and future potential of *"Collaboration and Coordination of Cross Border Trade"*. He also shared these recommendations to strengthen the collaboration and cooperation through infrastructure development and streamlining regulatory requirements.



Mr. Md. Khalilur Rahman, Deputy Director, WTO Cell, Ministry of Commerce conducted a preliminary session on *"Introduction to the WTO & Trade Policy Review Mechanism"* where he highlighted the origin, structure, and different rounds of WTO negotiations. He also briefly discussed the trade policy review mechanism.



Ms. Sharifa Khan, Additional Secretary, FTA Wing, Ministry of Commerce conducted the last session on *Brief on FTA and RTAs* and discussed different types of Regional Trade Agreements, notable RTAs of the world, and RTAs of Bangladesh. She discussed problems of FTA negotiations in Bangladesh and its potential implication.



Mr. Makshudul Alom Mokul Mondal, Focal Person Coordinator, Bangladesh Trade Portal, BRCP-1 demonstrated an orientation on the *"Bangladesh Trade Portal"* where he shared how the BTP is helping stakeholders to find the most relevant and updated information in a convenient way.

In the closing ceremony, the participants and the resource persons had an open discussion on the upcoming challenges on Trade, COVID-19 response and recovery plan. Mr. Md Munir Chowdhury, National Trade Expert, BRCP 1 moderated the session. The participants shared their ideas on exploring new markets and introducing new products as potential solutions to the economic challenges brought about by the COVID-19 pandemic.

As the special guest, Mr. Md. Hafizur Rahman, DG, WTO Cell, Ministry of Commerce commented that challenges on trade due to the post-COVID-19 could cause sharp decline in export and would require proactive approach to mitigate the challenges.

As the Chair, Ms. Zinat Ara, the then Project Director (Joint Secretary), BRCP-1 concluded the online training thanking all the guests, resource persons and participants.

Workshop on Support to Women Traders to Promote Exports and gradation of Bangladesh Trade portal, Sherpur

Venue: Conference Room, Sherpur Pourashava, Sherpur, Sherpur

Date: 25 June 2020

Background

Women entrepreneurship development and incorporation of women traders in international trading are core components of the BRCP-1. As a part of the commitment, a workshop to provide orientation to export and the Bangladesh Trade Portal was organized on June 25 2020 for the women entrepreneurs of Sherpur.

Participants and Guests

The workshop was organized for the members of the Sherpur Women Chamber of Commerce and Industry and other women entrepreneurs of Sherpur. Social distancing and health guidelines were properly maintained to ensure safety of the participants.

Mr. Md. Hafizur Rahman, Director General, WTO Cell, Ministry of Commerce attended the workshop as the chief guest. Ms. Zinat Ara, the then Project Director (Joint Secretary), Bangladesh Regional Connectivity, Project-1, Ministry of Commerce, and Mr. Golam Mohammad Kibria, Mayor, Sherpur Pourashava were special guests. Ms. Anar Koli Mahbub, Deputy Commissioner, Sherpur was the chairperson and Ms. Monija Masud, President, Sherpur Women Chamber of Commerce and Industry was the co-chair for the program.



Summary of Opening Session

Summary of Opening Session

The opening remarks by the Co-Chair and the special guests highlighted the cross-border export potential of Sherpur and the women entrepreneurs of Sherpur where they can utilize their expertise and experience to start exporting their products to India. Mr. Md. Sirajul Islam, Financial Management Expert (Project Manager In-Charge), BRCP-1 presented a brief summary of the project and highlighted how BRCP-1 is committed to facilitating women entrepreneurship development.

In his inaugural speech, Mr. Md. Hafizur Rahman, Director General, WTO Cell, Ministry of Commerce inspired the participants to explore cross-border markets and take the advantage of "One District One Product" program. He also underscored the necessity to explore with help from the Ministry of Industries about the GI (Geographical Indication) for products of Sherpur to explore its global rights.

Session on Women Entrepreneurship and Support to Women Traders in Export Trade

Mr. Md. Munir Chowdhury, National Trade Expert, BRCP-1 attended at the interactive session where he explained the potential of women in export-oriented business and how the women entrepreneurs of Sherpur can start exploring cross-border trading with India, and other neighbouring countries. In this regard, he emphasized on the need to both forward and backward linkages and necessary support system for the women entrepreneurs. He underscored that with the advancement of digital technology and e-commerce, women entrepreneurs can do business both within national boundary and beyond through online.

Session on Up-gradation of the Bangladesh Trade Portal

Mr. Makshudul Mondal, Focal Person Coordinator, demonstrated how the women entrepreneur can start exploring the potential of international trading by using the Bangladesh Trade Portal. He highlighted that under the BRCP-1 Bangladesh Trade Portal is committed to provide one stop informational support to the queries of the women entrepreneurs in Bangladesh.

MoU Signing

An MoU was signed between Bangladesh Regional Connectivity Project -1 and Sherpur Women Chamber of Commerce and Industry. BRCP-1 will provide support to establish a dedicated women trader's business support center in Sherpur. The purpose of the business support center is to ensure continued support for the women entrepreneurship development.



Transformation of Bangladesh economy, investment opportunities, climate and strategies under the pandemic situation

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

According to the recent World Bank Report Bangladesh is considered as World's 44th largest economy and willing to be the 23rd largest economy by 2041 and its GDP now USD 680 billion (PPP) and has been maintaining steady GDP growth rate of more than seven percent over the last decade. Bangladesh also have GDP per capita USD around 2000, share of investment to GDP 30.3%, Export reaches to USD 40.5billion in FY 2018-19, FDI jumps to USD 3.88 billion in FY 2018-19 from USD 1.2 billion in FY 2010-11 and is considered as one of the attractive destination for business and investment opportunity due to presence of abundant low cost labor, investment friendly environment, diversified natural resources and strong macro-economic fundamentals. The following Table 1 & 2 shows the rapid transformation takes place and Bangladesh's long term vision to grow have been shown :

Table 1 : A COUNTRY IN RAPID TRANSFORMATION

Parameters	What we were	As of now
Literacy rate	29.23% (1981)	73.9% (2019)
Female Literacy Rate	27 % (1971)	77% (2019)
Per Capita (USD)	129.71 (1971)	1,909 (2019)
GDP Growth	4.62% (1976)	8.15 % (2019)
Export (USD)	348 Million (1972)	40.5 Billion (2018/19)
FDI (USD)	7 Million (1977)	3.88 Billion (2019)
Population under the poverty line	82% (1970)	18.5% (2019)
Foreign Exchange Reserve (USD)	7.5 Billion	32.2 Billion (2018)
Electricity Generation Capacity (MW)	3,362 (2009)	20,000 (2018)

Source : Economic Survey of Bangladesh, Finance Division

Table 2 : Vision to Grow

	VISION 2021	VISION 2041
GDP (USD)	335 Billion	2,580 Billion
GDP Growth	8%	8%
GDP Per Capita (USD)	2,000	12,600
Investment to GDP	34.4%	36.0 %
Share of Industry to GDP	34.0 %	40.0 %
FDI (USD)	9.56 Billion	153 Billion
Export Earning (USD)	60.0 Billion	350 Billion
Infrastructure Investment (USD)	100 Billion	1,150 Billion

Source : Economic Survey of Bangladesh, Finance Division

Top Reasons to Invest in Bangladesh are termed as

01. Open to inward investment in energy, ICT, textile, cloth, agribusiness, food, pharmaceutical, jute and jute goods, light engineering, ship building, plastic & ceramics, frozen food as well as an ample opportunities in service sector, such as healthcare, education, tourism, infrastructure etc.
02. Bangladesh is 3rd vegetable cultivator and 4th largest rice producers in the world and opportunities in domestic market as more than 2 million middle & affluent class, nationwide around 1.3 million retail outlets exists & 33 mega cities by 2025 as well as USD 2.2 billion domestic agro processing market which has export growth 37% per year ;
03. Demographic dividend of 118 million working age population with median age of 26.7 years ;
04. South Asia's geo-strategic gateway that one belt one road initiatives connect China, Myanmar, India and Bangladesh through overland and sea route. Gateway to India and China while connecting regional important new markets, Bhutan & Nepal, providing access to 2.71 billion consumer who are spending more than USD 8.325 trillion ;
05. Bangladesh is enjoying preferential market access in the form of GSP facilities from 38 countries, 27 from EU and 11 from other countries such as Australia, Britain, Turkey, China, etc. which leads Bangladesh to become 1st Denim exporter to EU market and 2nd largest apparel exporter worldwide after China, 1st Jute & Jute goods exporter, 8th largest exporter of the Leather products in the World & 8th largest exporter of By-cycle.
06. Infrastructure support of 100 economic zones of which 66 already selected, Padma bridge, more than 20,000 mw power generation, 28 hi-tech park etc.
07. Low cost of electricity, water, manager and workers salaries
08. Initiatives for foster competitiveness, tax holiday, tax concession, avoidance of double taxation, cash incentives, export development fund, equity entrepreneurship fund, one stop service (150 services of 34 agencies under one umbrella), 100% foreign equity is allowed, full repatriation of dividends and capital allowed ;
09. Business friendly government, stable political environment and zero tolerance towards terrorism and drugs.

Strategies under the pandemic situation are

- i) With low trade cost-inputs & final product (cheap factor of production) Bangladesh may take the opportunities to attract FDI as it's wage is half of India and less than one third of China;
- ii) According to the American Chamber of Commerce in China about 3300 individual members and 900 companies across the China are considering and moving their production companies to other countries such as South East Asia. Bangladesh may welcome the Chinese firm who would like to relocate their factories due to trade war with USA and who wants to set up factories under joint venture, green investment & merger acquisition or would like to buy recently shut down factories;
- iii) US apparel buyers are also diversifying supplies out of China. In this regard BGMEA & BKMEA have also great role to take this opportunities;
- iv) More investment may be welcomed in the energy sector (oil, gas and electricity) and export oriented FDI from the Exclusive Economic Zones may be explored .
- v) Explore product and market diversification in the less covid-19 affected countries like Eurasian Economic Communities, ASEAN countries etc.
- vi) Create congenial environment to welcome MNEs in Pharmaceutical Sectors with superior technology and encourage to establish API factories by FDI
- vii) Expand the Bilateral and Regional trade agreement initiatives and start negotiation for Free Trade Agreements (FTA) with potential countries with a view to increase the volume of trade
- viii) Expand the activities of digital commerce, cross border e-commerce, 4IR etc.
- ix) So far Bangladesh not allowed foreign investment in basic apparel, but it can reassess the present scenario and take full advantage of this opportunities;
- x) Bangladesh should also bring about reform in rules and policies so that it can reduce bureaucratic obstacles and attract investment from overseas .
- xi) Improvement of Balance of Payment (BOP) for Foreign Direct Investment (FDI).