

Government of the People's Republic of Bangladesh  
WTO Cell, Ministry of Commerce  
Bangladesh Regional Connectivity Project-1  
Level-12 (West side), Probashi Kollayan Bhaban,  
Eskaton Garden Road, Dhaka-1000.



Memo No: 26.00.0000.066.07.032.21-697

Date: 05/09/2021

**RE-INVITATION FOR EXPRESSIONS OF INTEREST (CONSULTING FIRM)**

Name of the Service: **Consultancy/Research firm for Review of Bilateral and Regional Trade Agreements suggested by Ministry of commerce in FY 2021-22 (National).**

Name of the Project: Bangladesh Regional Connectivity Project 1, Ministry of Commerce

Credit No.: 60020; Project ID No.: 154580

Reference number: BRCP/MOC/SD-27

The Government of the People's Republic of Bangladesh has received an SDR 150 million Credit from the International Development Association (IDA) – a member of the World Bank Group – for financing the cost of the Bangladesh Regional Connectivity Project 1 (BRCP-1), being jointly implemented by the Bangladesh Land Port Authority (BLPA), National Board of Revenue (NBR) and Ministry of Commerce. The second component of this umbrella project is being implemented by the Ministry of Commerce as a separate technical assistance project.

The review of various existing bilateral and regional trade agreements with the important trading countries will provide policy feedback to the government to enhance cooperation in trade, transport and transit facilitation of Bangladesh. These will also promote policy advocacy for important issues related to export promotion, trade facilitation and opportunities and challenges of LDC graduation. Total no. of independent review/study/agreement under this assignment will be limited to approx. 20 (Twenty), whereby 10 (ten) topics have been decided and the other 10 (ten) will be decided later on.

The interested consulting firm should provide evidence of the following in their applications: The Consulting firm shall have the legal capacity to enter into the contract; The firm should have at least 10 years of general experience in providing consulting services out of which at least 02 years of experience in national and international trade related research or studies for public and private sector; The firm should have successfully completed at least three (03) study contract related to national and international trade/ trade facilitation/ export promotion within last 10 years for the public sector/private sector/development partners; Proven experience with Economic Modeling/ simulation/analysis for analyzing bilateral and regional trade agreements/policies will be an added advantages; The firm should have experience in working with development partner's funded projects. Necessary, Documents/evidence of work Experiences must be provided. Details of other qualification requirements and responsibilities are available in TOR.

The attention of interested Consultants is drawn to paragraphs 3.14 to 3.18 of the World Bank Group's Procurement Regulations for IPF Borrowers, Procurement in Investment Project Financing, Goods, Works, Non-Consulting and Consulting Services, July 2016 ("Procurement Regulations"), setting forth the World Bank Group's policy on conflict of interest. A Consultant will be selected in accordance with the Fixed-budget Based Selection (FBS) method set out in the Procurement Regulations.

Terms of Reference (TOR) will be available in the office of the undersigned and also at [www.mincom.gov.bd](http://www.mincom.gov.bd) and <http://brcp-1.gov.bd/>. Further information can be obtained at the address below during office hours (i.e. 09.00 to 17.00 hours). Expressions of interest must be delivered in a written form 2 (two) copies (One original and one copy) in sealed envelope to the address below (in person, or by mail) **by 3.00 PM on 21/09/2021.**

The authority reserves the right to accept or reject any or all EOIs without assigning any reason, whatsoever.

*05.09.21*

(Md. Mijanur Rahman)  
Project Director (Joint Secretary)  
Phone: +8802- 55138022  
E-mail: [pdbrcp1moc@gmail.com](mailto:pdbrcp1moc@gmail.com)

Replaced by same Memo & date

Government of People's Republic of Bangladesh  
Ministry of Commerce  
Office of the Project Director  
Bangladesh Regional Connectivity Project-1  
Level-12 (West side), Probashi Kollayn Bhaban, 71-72 Old Elephant Road,  
Eskaton Garden, Dhaka-1000

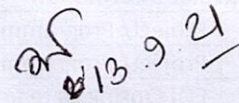
Memo No. 26.00.0000.066.07.032.21-698

Date: 05/09/2021

Re-Invitation for Expressions of Interest (REOI) for Consultancy/Research firm for Review of Bilateral and Regional Trade Agreements suggested by Ministry of commerce in FY 2021-22 (National).

General Information		
1.	Ministry/ Division	Ministry of Commerce
2.	Agency	WTO Cell, Ministry of Commerce
3.	Name of Procuring Entity	Project Director, Bangladesh Regional Connectivity Project-1
4.	Procuring Entity District	Dhaka
5.	Expression of Interest for	Consultancy/Research firm for Review of Bilateral and Regional Trade Agreements suggested by Ministry of commerce in FY 2021-22 (National).
6.	EOI Ref No.	26.00.0000.066.07.032.21-697 (BRCP/MOC/SD-27)
7.	Date (dd/mm/yyyy)	05/09/2021
Key Information		
8.	Procurement Sub-method	Fixed-budget Based Selection (FBS) (Lump Sum and Framework Contract Basis).
Funding Information		
10.	Budget and Source of Funds	Development Budget and RPA
11.	Development Partners	IDA
Particular Information		
12.	Project/ Programme Code	2230029
13.	Project/ Programme Name	Bangladesh Regional Connectivity Project-1
14.	EOI Closing Date and Time	21/09/2021 up to 03.00 PM
Information for Applicants		
15.	Brief Description of the Assignment	The review of various existing bilateral and regional trade agreements with the important trading countries will provide policy feedback to the government to enhance cooperation in trade, transport and transit facilitation of Bangladesh. These will also promote policy advocacy for important issues related to export promotion, trade facilitation and opportunities and challenges of LDC graduation. Total no. of independent review/study/agreement under this assignment will be limited to approx. 20 (Twenty), whereby 10 (ten) topics have been decided and the other 10 (ten) will be decided later on.
16.	Experience, Resource & Delivery Capacity Required	<p>The interested consulting firm should provide evidence of the following in their applications:</p> <p>The interested consulting firm should provide evidence of the following in their applications: The Consulting firm shall have the legal capacity to enter into the contract; The firm should have at least 10 years of general experience in providing consulting services out of which at least 02 years of experience in national and international trade related research or studies for public and private sector; The firm should have successfully completed at least three (03) study contract related to national and international trade/ trade facilitation/ export promotion within last 10 years for the public sector/private sector/development partners; Proven experience with Economic Modeling/ simulation/analysis for analyzing bilateral and regional trade agreements/policies will be an added advantages; The firm should have experience in working with development partner's funded projects. Necessary, Documents/evidence of work Experiences must be provided. Details of other qualification requirements and responsibilities are available in TOR.</p> <p><b>Required Documents:</b> The Company must submit the following documents: Company Registration document (Trade License/Incorporation Certificate), Up to date Tax payment certification and VAT registration certificate; Audited Financial statement (last 03 Years); Company Brochure.</p>

17.	Other Details	Expected term of contract is 12 months. The expected date of commencement is November, 2021 and completion November, 2022. The consulting firm shall submit 2 (two) copies of Expression of Interest (EOI) (One original and one copy) and one soft copy (in MS word) in sealed envelope; clearly marked "EOI for Consultancy/Research firm for Review of Bilateral and Regional Trade Agreements suggested by Ministry of commerce in FY 2021-22 (National)." to the Project Director (Joint Secretary), Bangladesh Regional Connectivity Project-1, Level-12 (West side), Probashi Kollayn Bhaban, 71-72 Old Elephant Road, Eskaton Garden, Dhaka-1000 on or before <b>21/09/2021 up to 03.00 pm</b> . Terms of Reference (TOR) will be available in the office of the undersigned and also at <a href="http://www.mincom.gov.bd">www.mincom.gov.bd</a> and <a href="http://brcp-1.gov.bd/">http://brcp-1.gov.bd/</a> .
18.	Association with foreign firms	N/A
<b>Procuring Entity Details</b>		
19.	Name of the Official Inviting EOI	Md. Mijanur Rahman
20.	Designation of the Official Inviting EOI	Project Director (Joint Secretary)
21.	Address of the Official Inviting EOI	Bangladesh Regional Connectivity Project-1, Level-12 (West side), Probashi Kollayn Bhaban, 71-72 Old Elephant Road, Eskaton Garden, Dhaka-1000
22.	Contact Details of the Official Inviting EOI	Tel. No.: +02-55138022; e-mail: pbrcp1moc@gmail.com
23.	The Procuring Entity reserves the right to accept or reject any/ all EOI's without showing reason whatsoever.	

  
**(Md. Mijanur Rahman)**  
 Project Director (Joint Secretary)  
 Bangladesh Regional Connectivity Project-1,

**Distribution (Not according to seniority):**

1. Director General, WTO Cell, Ministry of Commerce, Bangladesh Secretariat, Dhaka-1000 **(For kind information and request for wide circulation).**
2. Director General, CPTU, IME Division, Ministry of Planning, Sher-e-Banglanagar, Dhaka-1207 **(for posting in the website).**
3. Assistant Programmer (ICT Cell), Ministry of Commerce **(for posting in the website).**
4. Data Management Consultant, Bangladesh Regional Connectivity Project-1 **(for posting in the website).**
5. Notice Board.

## Terms of Reference

### Consultancy/Research firm for Review of Bilateral and Regional Trade Agreements suggested by Ministry of commerce in FY 2021-22.

#### Background

The Government of the People's Republic of Bangladesh has received an SDR 150 million Credit from the International Development Association (IDA) - a member of the World Bank Group - for financing the cost of the Bangladesh Regional Connectivity Project 1 (BRCP-1), being jointly implemented by the Bangladesh Land Port Authority (BLPA), National Board of Revenue (NBR) and Ministry of Commerce. The second component of this umbrella project is being implemented by the Ministry of Commerce as a separate technical assistance project. The overall objective of this technical assistance project is to strengthen trade related institutional capacity in order to ensure active and sustainable cooperation between multiple trade-related stakeholders and economic empowerment of women traders.

This technical assistance project consists of following three (3) components:

- Component A: Develop (pilot) programs to support female traders and entrepreneurs. This component will pilot activities to help address barriers to women becoming more integrated into regional and global supply chains and trading opportunities.
- Component B: Capacity Development Support for the National Trade and Transport Facilitation Committee. The inter-ministerial National Trade and Transport Facilitation Committee (NTTFC) has been set up to coordinate all trade and transport-related policies and activities in Bangladesh, and will also serve as the Advisory Committee for the Project.
- Component C: Improvements to Bangladesh Trade Portal and to set up a National Enquiry Point for Trade. The Bangladesh Trade Portal (BTP) was launched in March 2016. This component will support further up gradation of the BTP to expand its functionality to include information of relevance to potential Bangladesh exporters and to ensure that content is kept up to date. This component will also set up the National Enquiry Point for Trade, which will help Bangladesh to meet a key requirement of WTO Trade Facilitation Agreement.

The Ministry of Commerce intends to apply part of the IDA Credit for procuring consultancy services from qualified research/consultancy firms or institutions to conduct studies selected from the list of studies identified by Ministry of Commerce. These studies aim to develop in-depth understanding about above-mentioned three relevant areas of trade facilitation and are directly linked with the activities of three implementing agencies of the BRCP-1 umbrella project.

#### 2. Scope of Consultancy Services:

Total no. of independent review under this assignment will be limited to approx. 20 (Twenty), whereby 10 (ten) topics have been decided (mentioned below) and the other 10 (ten) will be decided later on. The following ten (10) in 2021-22 fiscal year that are critical for export promotion, trade facilitation and to face the challenges of LDC graduation.

**Review of Bangladesh's existing Bilateral trade Agreements with including one Regional Trade Agreements with the important trading countries related to trade, transit and transport, (a) India, (b) Nepal, (c) Bhutan, (d) Sri Lanka, (e) South Korea, (f) Thailand, (g) Germany, (h) Vietnam, (i) Indonesia and one regional trade agreement (j) SAFTA.**

The detail scope is given below:

Bangladesh is a rapidly growing economy and has set a Vision to become Middle-income country by 2021 and a developed country by 2041. Bangladesh has also been implementing SDGs. Currently, Bangladesh,

as an LDC, has been enjoying duty-free & quota-free (DFQF) market access in many developed and developing countries. However, Bangladesh is going to graduate from the LDC status soon – the process of graduation will start this year by fulfilling UN criteria for graduation. After graduation, Bangladesh will not be entitled to enjoy LDC-specific facilities, like DFQF market access.

Bangladesh attaches great importance to trade as an engine of growth. Importance of trade in its economy is progressively increasing and trade has been directly contributing to over-all development of the country. Trade is not only increasing business activities, it is also:

- generating employment opportunities for millions
- attracting foreign investment
- creating opportunities for international exposures of our businessmen and entrepreneurs

In the past, Bangladesh needed to adopt a controlled trade regime particularly for scarcity of foreign currency. Afterwards, Government started liberalizing its economy as well as trading system, keeping consistency with the global system under GATT. Given highest priority to trade, Government facilitates exports and at the same time encourages uninterrupted imports of food & essential items, raw materials and capital machineries. A number of short, medium and long-term policies, rules, regulations, acts and orders are in operation in Bangladesh to regulate the country's international trade. In general, different trade related activities have been carried out under the common understanding between different ministries and departments as per rules and regulations. Besides, a number of bilateral, regional and international agreements, standards and norms regulate the legal and policy regime in relation to the country's cross-border trade management, promotions and services.

Export Policy of Bangladesh acts as guiding principle for formulating export strategies to achieve export targets. Export policy for every 3 years. Export Policy 2018-21 has already been notified in Bangladesh gazette. The main objectives of Export policy are to accelerated and sustainable export growth, taking target oriented steps to raise export earnings to US\$ 51 billion by 2021, export product diversification including through new exportable product into export basket, export diversification within the product such as developing various trend/design/fashion in the same product, maintaining and expanding existing markets and penetrate into new markets, capacity building of exporters for maintaining compliance and boosting export competitiveness through various policy supports. On the other hand, the main objectives of the Import Policy are to facilitating import of capital machinery and industrial raw materials, ensuring availability of goods to the consumers at a reasonable price, ensuring growth of the indigenous industry and safeguarding consumer interests and health through proper standard and other conditions.

Bilateral trade agreements give preference to certain countries in commercial relationships, **facilitating trade and investment** between the home country and the foreign country by reducing or eliminating tariffs, import quotas, export restraints and other trade barriers. The reasons for bilateral trade relationship are to reduce trade barriers

- Tariff
- Non-tariff
- Para tariff
- Enhance Economic cooperation and integration
- Enhance productivity and competitiveness
- Attract investment and create job opportunities
- Consumer welfare (liberalization VS protection)
- Address other issues, such as intellectual property, e-commerce and government procurement.

#### Types

- Cooperation Agreement
- Preferential Trading Agreement (PTA)
- Free Trade Agreement (FTA)
- The basic characteristics of the Bangladesh bilateral trade agreements are
  - Framework agreement .... No specific commitment

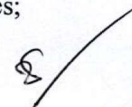
- Goodwill in nature but created opportunities to sign other agreements
- Created scope to establish formal forum for discussion on trade issues
- Trade Commission, Commerce Secretary Level meeting, JWG on Trade, Customs subgroup, LCS subgroup, Banking subgroup
- Trade facilitation measures
- Removal/reduction of NTBs
- Economic cooperation – fisheries, agriculture, power, ICT, tourism, investment, connectivity (road, rail and waterways),
- Exchange of information, participation in trade fair, exchange of trade delegation

In order to create more trade opportunities for achieving various development goals set nationally and internationally, and also to face the post-LDC situation, currently, Bangladesh has been considering to expand bilateral trade with a number of countries, such as: **India, Nepal, Bhutan, Sri Lanka, South Korea, Thailand, Germany, Vietnam, Indonesia and regional trade with SAFTA** ( detailed description is given at Annex1).

The review of various existing bilateral agreements with the important trading countries activities of different competing countries will provide policy feedback to the government for advancing the concept of cooperation in trade, transport and transit facilitation of Bangladesh. These will also promote policy advocacy for issues related to traders, and facilitate policy coherence between national development priorities and bilateral trade expansion.

Given the scenario this study has the following objectives to understand the current status of the bilateral trade scenario of Bangladesh with the **India, Nepal, Bhutan, Sri Lanka, South Korea, Thailand, Germany, Vietnam, Indonesia and regional trade with SAFTA** as well as finding from the different country perspectives and good practices , ways to create an enabling environment, particularly focus is needed on harmonizing export, import and customs related policies with different potential trade partners and standards and guidelines developed at the global levels . These review will analyze the followings:

1. Comparative analysis (quantitative using economic analysis and further validated through qualitative data) of bilateral trade agreements / policies of Bangladesh and what is the current status of the Bangladesh Bilateral Trade development , incentives and tariff structure with the India, Nepal, Bhutan, Sri Lanka, South Korea, Thailand, Germany, Vietnam, Indonesia and regional trade with SAFTA.
2. What agency is authorized for trade negotiations and under which ministry/authority and how harmonization of trade related agencies policy/regulations are taking place;
3. Review the list of trade diversification prospects of at least 10 diversified product and product wise strategy in these country's as potential export destination by using the Economic Modeling
4. What are the international good practices utilized by the different countries to facilitate better trade policy instruments with a view to expand trade and development ; Good practices should reflect applicable comprehensive policy guidelines for the promotion of trade
5. Is there any possibilities for Comprehensive Economic Partnership Agreement ( CEPA ) with these countries including the potential service and investment sector can be identified
6. Overall suggestions what kind of reform or changes can be made in the bilateral and regional trade agreements with a view to expand trade between these countries;



7. Identify the major institutional weakness for Trade Negotiation and trade management in Bangladesh including Implementation Gaps and Procedural Hindrances Identified ;
8. Review the current scenario of Tariff and Non-tariff measures in Bangladesh and its institutional framework, infrastructure facilities and legal structure to facilitate trade in bilateral and regional trade agreements
9. Identify the specific items which have the potential for exports from the country and subject to SPS/TBT measures of the importing countries;
10. Identifying the reforms in Institutional, infrastructure, legal capacity, and presenting prioritized recommendations for necessary improvement in the bilateral trade of the countries and SAFTA with a view to face the LDC Graduation Challenges.

#### 11. Timeframe of the Services:

The agreement reviews will be conducted concurrently or in phased approach depending on the decision of the client. The contract will be a framework agreement with the consultant. The duration for assignment of a single study/review/paper preparation may be on an average one to three months depending on the volume and nature of the tasks. The total reviews/studies will however be completed within 12 (twelve) months after the signing of the contract.

Each review/study of agreements will be considered as an independent and separate task and the deliverables of each of the study/review will be as follows (applicable for the ten agenda as mentioned):

Sl.No.	Report/ Deliverables	Expected date of Delivery
01	Inception Report	Within 02 weeks from contract signing
02	Literature review ,data collection and Draft Report preparation (two reports)	From Week 03-20 from contract signing
03	Presentation of the draft report findings in Minimum two Validation Workshops 1. First workshop after week 10 2. Second workshop after week 20	Within 21 weeks from contract signing.
04	Submission of the Final Reports (Minimum two reports)	Within 24 weeks of contract signing

Rest of the agenda (10 agenda) will be selected time to time and the client will communicate the scope of services of other agendas with the selected consulting firm. The consulting firm needs to start the working on the rest of the agenda within one (01) month of notification. The deliverables and the expected date of delivery for the rest of the agenda will follow similar structure & timeframe as mentioned in the above table.

#### 12. Expected deliverables from the firms/institutions:

The consultancy firm will at least submit the following reports for each of the reviews/studies to the project authority:

- a) Inception Report
- b) Draft Report
- c) Final Report

The Inception Report (IR) will contain scopes, methodologies and work plan for each of the studies/review separately and in detail. The IR must have an elaboration of study questions and objectives. This elaboration should follow the detail of analytical framework/approach, research methodologies to be

applied for each of the studies. The detail plan of quantitative and qualitative analysis and methods for data analysis will also have to be included in the inception report. The methodologies should include justification for choosing a particular method of data collection, sampling design and indicators, data sources, detail of data collection methods and a set of data collection instruments to be used in each of the studies, detail of field survey or study and limitations in study. The inception report should also contain the detail of key persons engaged in the study and their specific responsibilities, input schedule (including filed visits, if any), and workplan. It should also contain the plan for monitoring and evaluation of study progress by the research firm and the client's representatives. The work plan also needs to be detail so that the client understands how the studies will reach to final stage of report writing. The IR will be finalized after an Inception Meeting and three (03) final draft copies of the IR must be submitted to the PIU.

Draft Final Report (DFR) will contain detailed findings, qualitative and quantitative analysis on findings. The structure of DFR should at least contain executive summary of the study, introduction, literature survey, methodology of the study, findings of the study, discussion and analysis, recommendations and conclusions, references and annexures. This study will have minimum four (04) DFRs. Report should be delivered in English version. The DFRs will be finalized after Validation Workshop.

The Final Report (FR) of the study should be submitted to PIU on agreed formats before the end of the contract period. The report should at least contain executive summary introduction, literature survey, methodology, findings, discussions and analysis, lesson learned, recommendations/suggestions, conclusions, references and database in the annexure The FR should also have a discussion about the observations of the stakeholders including clients and their answers. This study will have minimum four (04) separate Final Reports. Report should be delivered in English version.

The consultant will arrange for proof reading, if required to maintain the quality. All field notes and the data set should be submitted as annexure with the final report. Follow up meetings will be held time-to-time between the contracted agency/consultant and BRCP-1, MOC. Ten (10) printed copies of each of the final reports should be submitted along with soft copies. During the implementation, any other information that is important may be added deleted during discussion periods, which may become an integral part of the TOR.

Note: All logistics and other associate costs for data collection, meetings and workshops will be borne by the consultants.

### 13. Methodology of Study

**Document Review:** The studies will have a large number of document reviews to do analysis and comparison among regulatory regimes.

**Economic Modelling/simulation/analysis:** The quantitative assessment for this assignment should be based on data driven economic modelling/forecast/simulation/analysis which will give credibility of the recommendations of this assignment. The consultants may propose relevant economic modelling frameworks with proper justification and rationale as per the ToR of this assignment.

**Questionnaire:** The questionnaire will be developed and agreed with the related implementing agency (ies). Testing of the questions will be required. The questionnaire will be used for data collection purposes through KII and FGDs. Different questionnaires need to be developed for different stakeholders.

#### **Key Informants Interviews:**

To verify data collected from beneficiaries, group or individual interviews with informants will need to be organized. Approach to selecting KII and guide is to be elaborated by the firm.

#### **Focus Group Discussion:**

The survey team can use the FGDs tool. The FGDs will complement the data generated from the survey questions and through other methods. The FGDs will be carried out in mix separate male/female groups as



appropriate and will be carried out based on an elaborated guide approved beforehand by the related implementing agency (ies). Detailed documentation of the proceedings of the FGDs will be maintained.

#### **Data Analysis and reporting**

Quantitative data should be processed in SPSS/Excel or similar data processing software (as applicable). The consultant may propose other economic modelling software as deemed necessary for this assignment. For analyzing impact of bilateral and regional trade agreements /policies, trade policy simulation tools i.e. Economic Modeling /gravity equation should be carried out by the consulting firm. The qualitative data should be analyzed by using NVIVO or other similar software. Privacy of primary data will be strictly maintained by the consultant/firm. Transcripts of all KII and FGDs need to be submitted to the PIU. Record of any large scale data collection (if any) through any instruments must be submitted to the PIU.

Consultant's proposed methodology, data collection methods and analysis frameworks will be further discussed/negotiated during the negotiation phase and finalized after the inception workshop (engaging different stakeholders and subject matter specialist) for this assignment

#### **14. Consulting Firms qualification and experiences**

The interested consulting firm should provide evidence of the following in their applications:

The Consulting firm shall have the legal capacity to enter into the contract;

- The firm should have at least 10 years of general experience in providing consulting services out of which at least 02 years of experience in national and international trade related research or studies for public and private sector;
- The firm should have successfully completed at least three (03) study contract related to national and international trade/ trade facilitation/ export promotion within last 10 years for the public sector/private sector/development partners;
- Proven experience with Economic Modeling/ simulation/analysis for analyzing bilateral and regional trade agreements/policies will be an added advantages;
- Firms with experience in conducting research on bilateral and regional trade agreements will get preference;
- The firm should have experience in working with development partner's funded projects
- The required average annual turnover of the consulting firm shall be at least Tk. 01 (One) crore in last three years;
- A capacity statement on available training facilities, IT equipment, logistics support, transport and office space;
- Undertaking that the firm has not been blacklisted or debarred by any Government Organization or by IDA;
- List of key professional staff including proposed core team for the assignment, showing qualification and experience including the projects/assignment on which they have worked, their role in the assignment/project and duration of their engagement with the assignment/project.
- **Required Documents:** The company must submit the following documents:
  - a) Company Registration, Up to date Tax payment certification and VAT registration certificate;
  - b) Audited Financial statement (last 03 Years);
  - c) Company Brochure.

#### **15. Team Composition and their Qualifications**

The proposed services under this Terms of Reference shall be carried out by using a firm (Consultant) with adequate experience in designing and delivering the expected output of the study. The firm should propose the structure and composition of its team members. It should list the main disciplines of the assignment, the key experts, technical and support staff. An indicative team structure may be as follows:

Study Team 1	Study Team 2
Team Leader (1)	
National Trade Expert/Trade Economist (1)	National Trade Expert/Trade Economist (1)
Legal Expert (1)	Legal Expert (1)
Research Associate (1)	Research Associate (1)

Position	Qualification, Experience and Responsibility
Team Leader-01 No.	<p>Team Leader (TL) must have a minimum of 15 years of general experience out of which at least 10 years' relevant prior experience with the trade related issues. He must have relevant Master's degree from a recognized university preferably in International Trade, Trade Law, Business Administration or other Trade &amp; Economics related areas. Advanced degree (PhD) in Trade or related issues will be an added advantage.</p> <p>She/he must have experience in working with trade regulating agencies and familiarity with trade environment and related international agreements. Must have experience of working with complex, multi-system environments in public sector. Experience in study/research on bilateral/ multilateral trade agreements/ trade policy/SPS &amp; TBT issues/ custom procedures/trade regulatory measures will be added advantage. The Team Leader will take the overall responsibility for the execution of the assignment in accordance with the TOR and also for the coordination of all professional inputs. She/he will be responsible to the Employer and maintain close contact with Project Director (Employer's representative) to ensure that the contract is implemented in accordance with the World Bank guidelines. The Team Leader will act as the Consultant's authorized representative for both the design and implementation supervision phase and make decisions on all matters pertaining to the consulting services.</p>
National Trade Expert/ Trade Economist - (02 No.)	<p>The incumbent must have a minimum of 15 years of general experience out of which at least 05 years' relevant experience in international trade areas. She/he must have relevant Master's degree from a recognized university preferably in International Trade, Trade Law, Business Administration/Economics and other trade related fields. She/he should have familiarity with trade policy and bilateral &amp; regional trade agreement issues in South Asia, South east Asia and other important countries. Deep understanding and experience in Government and private sectors in the field of trade laws, policy, SPS/TBT measures and standards, non-tariff barriers, cross border trading process is mandatory. She/he should have strong written and verbal skills in English knowledge and understanding of business practices of trade regulating agencies and relevant IT skills in MS Word, Excel/ Access, power points etc.</p> <p><b>Experience with Economic Modeling /simulation/analysis for analyzing bilateral and regional trade agreements/policies will be an added advantage;</b></p>
Legal Expert-02 No.	<p>The incumbent must have a minimum of 10 years of general experience out of which at least 05 years' relevant experience in trade related laws. Preference will be given at experience of working with trade regulatory agencies/trade related policies/laws and acts. She/he must have relevant Master's degree from a recognized university preferably in Law or Trade Law or International Trade or</p>

	other related areas. She/he should have strong analytical skills and understanding of trade regulating rules and regulations of Bangladesh.
Research Associate (2)	Research Associates must have 05 years of research related general experience out of which at least 02 years' relevant experience in trade related issues. Preference will be given at experience of working bilateral and multilateral trade agreements. She/he must have relevant Master's degree from a recognized university preferably in International Trade, Trade Law, Business Administration, Public Policy or other Trade & Economics related areas. She/he should have strong quantitative and analytical skills.

The Consulting firm will also propose program support staff (enumerators/field coordinators etc.) as per their work plan.

#### **16. Payment**

The payment schedule:

Each of the studies will be considered a separate and single task. The payment for a single study/review/policy paper preparation will be made in accordance with the following schedule:

- 15% after acceptance of Inception Report (that will at least include the study theme, research questions, methodology of study, study plan and budget, report structure etc.);
- 45% after acceptance of Draft Report of the study/review;
- 40% after acceptance of Final Report prepared based on recommendations on the draft report.
- All relevant taxes and VAT shall be deducted at source at the applicable rates of the Government of Bangladesh.

#### **17. Selection Criteria:**

The selection criteria for this package will be Fixed Budget Selection (FBS) Method described in the World Bank's Procurement Regulations for IPF Borrowers, July 2016. Main criteria for the selection will be relevant work experience and qualification.

#### **18. Miscellaneous**

The firm (consultant) will facilitate monitoring of studies by the employer, and World Bank officials. The project will provide to the Consulting firm all key program documents & reports such as:

- Relevant extract of Technical Assistance Project proposal (TAPP), if required;
- Sharing relevant up to date project information for a better understanding of the project;
- Providing timely feedback to the consulting firm on inception report, questionnaire, sampling, training module, draft reports etc.;
- Any logistic support such as transportation as well as office space will not be provided by the client.

## Annex 1 :

### (a) India

The bilateral Trade Agreement between Bangladesh and India was first signed in 1972 and has been renewed at regular intervals, the latest being 06 June 2015. Bangladesh and India enjoys excellent bilateral trade and economic relations. Being the second largest trading partner of Bangladesh, next to China, and being the members of SAARC, Bangladesh and India cooperate both bilaterally and multilaterally to strengthen commerce and trade. Over the period of last 7 (seven) years, bilateral trade has registered an impressive growth. Total trade between the two countries increased from USD 5.1 billion in fiscal year 2010-2011 to USD 9.5 billion in 2017-18. However, this growth was mainly driven by substantial increase of import of industrial raw materials and consumer goods into Bangladesh from India. India now ranks 2<sup>nd</sup> in the list of importing countries of Bangladesh, next to China. Being a SAARC LDC, Bangladesh enjoys duty free and quota free market access for all products except 25 tariff lines (alcohol, tobacco and drugs) to India under SAFTA. This has created immense opportunity for Bangladesh to further enhance trade with India. Despite Bangladesh's serious efforts, export to India has not increased significantly mainly due to some challenges with regard to product diversification, product standardization, infrastructure at the land port, road and shipping connectivity, Para-tariff and non-tariff barriers, which need proper attention and intervention.

#### **The main items exported from Bangladesh to India are:**

Raw jute, Jute goods, Jute yarn & twine, Cane molasses, Engineering products, Furnace oil, Frozen fish, Sacks & bags, Cement, Betel nuts, Knit & woven garments, , Cut flower, Rice bran oil, Copper wire, Agro processed Food , Soap & Toiletries, Jamdani Saree, Mosquito net, Accumulator battery etc.

**The main items imported from India into Bangladesh are:** Live animals, food stuff, vegetables, spices, mineral products, products of the chemical or allied industries, plastic and articles thereof, textiles & textiles articles, pulp of wood, articles of stone, base metals, vehicles & transport equipment, machineries etc.

#### **Total trade and Balance of Trade:**

The existing balance of trade between Bangladesh and India (in Million US Dollar):

FY	Import from India	Export to India	Balance of Trade	Total Trade
2010-2011	4586.80	512.50	-4074.30	5099.30
2011-2012	4743.30	498.42	-4244.88	5241.72
2012-2013	4740.65	563.96	-4176.69	5304.61
2013-2014	6035.48	456.63	-5578.85	6492.11
2014-2015	5827.55	527.16	-5300.39	6354.71
2015-2016	5450.70	689.62	-4761.08	6140.32
2016-2017	6146.25	672.41	-5458.12	6802.94
2017-2018	8619.40	873.27	-7746.13	9492.67
2018-19	9210.00	1040.00	-8170.00	10,250.00

\* Source: Export Promotion Bureau & Bangladesh Bank

### (b) Nepal

Bilateral trade between Bangladesh and Nepal began in 1976 under the Trade and Payment Agreement, and the Transit Agreement along with a protocol to the Transit Agreement. The Agreements are automatically renewed for every three years. Although about 3 decades have passed, bilateral trade between the two countries has not grown much and the volume of trade has remained significantly low. Total trade volume in fiscal year 2012-13 was US\$ 62.09 million.

The Fourth meeting of Nepal-Bangladesh Joint Working Group (GWG) was held on 22-23 October 2019. In that meeting Nepal felt great importance to its close bilateral relationship with Bangladesh and wants to take it to new heights by enhancing trade, transit, connectivity and investment. The meeting highlighted the enormous potentials in trade, tourism, multimodal connectivity, agriculture, hydropower etc. An MOU on agreements and operation modalities for carriage of transit cargo, agreement on regulation of motor vehicles passenger traffic (Dhaka-Kathmandu Bus Services) and MOUs related to food safety, agriculture, duty free and preferential product access to each other's market, visa procedure, investment promotion and transit facilitation were also discussed in the meeting. Bangladesh has been maintaining an excellent bilateral trade relation with Nepal. Bangladesh and Nepal both are signatories to SAFTA. Efforts are underway to strengthen trade relations between the two countries by exchanging concessional list of tariff items under SAFTA. Bangladesh's imports and exports figures with Nepal are shown below.

#### Major exports from Bangladesh to Nepal:

Jute, Pharmaceuticals, Electric accumulators, woven garments, plastic goods, knitwear, readymade garments, paper, beverages, Cotton waste, cotton knitted fabrics, Sugar confectionery and other manufactured goods etc.

#### Major Imports into Bangladesh from Nepal:

Vegetable products (lentils), prepared foodstuffs, animal food, mineral products, chemical or allied industrial products etc.

#### Bilateral trade Between Bangladesh and Nepal

(Values in million US\$)

Fiscal Years	Export to Nepal	Import from Nepal	Trade Balance
2006-07	0.85	5.98	(-) 5.13
2007-08	6.71	52.96	(-) 46.25
2008-09	8.06	68.80	(-) 60.74
2009-10	8.79	43.15	(-)34.36
2010-11	10.84	49.03	(-) 38.20
2011-12	41.58	26.16	15.42
2012-13	26.41	35.68	(-) 9.27
2013-14	13.68	21.50	-(7.82)
2014-15	25.05	12.06	- ( 12.99 )
2015-16	17.89	09.40	+( 8.49 )
2016-17	47.40	10.00	+ ( 37.40 )
2017-18	38.05	09.90	+ ( 28.05 )
2018-19	46.01	09.50	+ ( 36.51 )

Source: EPB/ Bangladesh Bank

#### (c) Bhutan

A general Trade Agreement between Bangladesh and Bhutan was signed in May 2003 for a 5-year term with provision for renewal beyond that period with its Protocol. After the expiry of this Trade Agreement, a new Agreement, with a 5-year term, was signed on 7 November, 2009 during the visit of the Hon'ble PM of Bangladesh. Bangladesh has started internal process to renew this agreement as per decision taken at the Commerce Secretary level meeting held in Thimphu during 09-10 April 2014 and renewed on 06 December 2014. The Bangladesh side attached the importance on the exchange of trade and investment related information among the business people and having cooperation among business community and especially on cooperation among the Chambers of Commerce in the two countries. The Bhutanese side

Bhutanese Highest Business organization was requested to field a business delegation to Bangladesh to explore the huge business opportunities. Bhutanese side agreed to encourage the private sector as well as the Bhutan Chamber of Commerce & Industry to take the initiative of sending a business delegation to Bangladesh, while at the same the Bangladeshi side will also look into fielding a

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business delegation to Bhutan. The Bhutanese side shared the interest of promoting Bhutan as an investment market and stressed on the need to undertake special efforts for furthering trade and bilateral investment in the interest of the private sector of both the countries. The Bhutanese side also narrated the initiative being taken to develop the industrial estates along the southern part of the country near the huge Indian market and cited the availability of clean hydropower at competitive rates besides other incentives available

**Bangladesh's export to Bhutan:** Fruit juice, breakfast cereal, Garments, Melamine, Pharmaceuticals, Toiletries, kitchenware etc. dominate the export of Bangladesh to Bhutan.

**Bangladesh imports:** Fruits, minerals & stones, spices, cereal, prepared animal fodder etc. spices from Bhutan

**BANGLADESH-BHUTAN TRADE FIGURE** (In Million US)

FY	Bangladesh Imports from Bhutan	Bangladesh Exports to Bhutan	Balance of Trade	Total Trade
2008-2009	12.16	0.61	-11.55	12.77
2009-2010	11.98	2.24	-9.74	14.22
2010-2011	18.60	3.12	-15.48	21.72
2011-2012	20.71	9.13	-11.04	29.84
2012-2013	24.67	1.82	-22.85	26.49
2013-2014 (July-March)	18.14	1.37	-9.01	10.59
2015-16	21.60	4.74	-16.86	26.34
2016-17	33.13	3.21	-29.92	36.34
2017-18	32.30	4.38	27.92	36.68
2018-19	49.90	7.50	42.40	57.40
2019-20	40.90	4.36	36.54	45.26

Source: EPB/ Bangladesh Bank

**(d) Sri Lanka**

General Trade Agreement between The Government of the People's Republic of Bangladesh and the Government of Republic of Sri Lanka was signed on 08 February 1977. A Memorandum of Understanding (MOU) between the Export Promotion Bureau (EPB) of Bangladesh and the Export Development Board (EDB) of Sri Lanka was signed on 18 April 2011 and the Economic Partnership between the two countries was also signed on 14 July 2017. Bangladesh and Sri Lanka are members of WTO and regionally they are signatories to regional trade agreement like SAPTA, SAFTA, APTA and BIMSTEC. As such to face the challenges of globalization, the two nations may act together in order to explore the potential of this region. An MOU was signed between Export Promotion Bureau, Bangladesh and Export Development Board, Sri Lanka for the mutual benefit of both the countries in trade. According to this MOU, Export Promotion Bureau provided free space to Sri Lanka for participation in the Dhaka International Trade Fair (DITF) for one time. It is observed that the economies of Sri Lanka and Bangladesh predominantly depend on agriculture. Both the countries are basically producers and exporters of primary commodities and importers of finished and industrial products.

**Major Exports** from Bangladesh to Sri Lanka are jute manufactures, woven garments, pharmaceuticals, jute yarn & twine, knitwear, textile fabrics, sacks and bags, towel, plastic goods, cotton yarn, iron chain, leather, accumulator battery and parts, coir and coir products, other engineering products and furnace oil, etc.

**Major imports** from Sri Lanka to Bangladesh are live animals, animal products, vegetable products, animal or vegetable fats and oils, prepared foodstuffs, mineral products, products of the chemical, plastic articles, rubber and articles thereof, raw hides and skin and leather, articles of wood, organic chemicals,

pulp of wood, textile & textile articles, articles of stone, glass and glassware, base metals, vehicles and optical etc.

The balance of trade position between Bangladesh and Sri Lanka from 2007-2008 to 2019-2020 is shown below : **( value in million U.S. \$)**

Year	Export	Import	Balance
2007-2008	19.32	15.27	(+) 4.05
2008-2009	18.67	18.56	(+) 0.11
2009-2010	23.74	22.76	(+) 0.98
2010-2011	34.73	27.50	(+) 7.23
2011-2012	42.59	32.40	(+)10.19
2012-2013	23.69	39.80	(-)16.11
2013-2014	26.81	66.07	(-) 39.89
2014-2015	23.92	44.10	(-) 20.18
2015-16	30.45	45.00	(-) 14.55
2016-17	42.25	49.92	(-) 7.67
2017-18	31.60	47.80	(-) 16.2
2018-19	45.55	63.10	(-) 17.55
2019-20	38.40	54.70	(-) 16.30

Source: EPB/ Bangladesh Bank

It transpires from the above table that during 2007-2008 to 2011-2012 Bangladesh enjoyed positive trade balance and 2012-13 to 2019-20 had negative balance in respect of trade with Sri Lanka.

### (e) Germany

Trade Agreement between the Government of the People's Republic of Bangladesh and the Government of the German Democratic Republic was signed on 24 July 1972. The main component of this agreement is "Both Contracting Parties shall, for the purpose of promoting and facilitating trade between the two states, grant most-favored-nation treatment in all matters concerning trade between the two states. Most-favored-nation treatment shall be applied, in particular, in respect of customs duties and other charges, and of the way in which they levied, and to the regulations and formalities governing customs clearance". Germany is the 2nd Largest Apparel importer of Bangladesh. Bangladesh and Germany are maintaining an excellent bilateral trade relationship.

Germany is the largest trading partner of Bangladesh in Europe and the second largest globally. Bangladesh currently holds the 37th place in the ranking of Germany's trading partner and its significance has been increasing over a number of years. The "Everything But Arms" policy of the European Union is granting Bangladesh duty-free access to the EU for all products, except arms and ammunition.

**Germany Export :** Car & Vehicle Parts, Pharmaceuticals, Aircraft, Helicopter & Spacecraft, Refined Petroleum, Petroleum Gas, Medical Instruments, Computers, Trucks, Gas Turbines, Electrical Transformers.

**Germany import for Bangladesh :** Apparel and clothing accessories, knitted /not knitted, leather; travel goods, handbags Footwear;, Fish , Plastics , Carpets and other textile floor covering, Ship, Ceramic products, Tobacco , Furniture; bedding, mattresses; , Tea, Engineering Products, Bicycle,TV, Jute and Jute goods, Footwear

**Bangladesh – Germany Balance of Trade (Value in Million US\$)**

FY	Export	Import	Balance
2008-9	2269.75	410.33	+1859.42
2009-10	2187.34	469.54	+1717.80
2010-11	3438.70	691.30	2747.40
2011-12	3688.98	537.80	3151.18
2012-13	3962.60	533.40	3429.20
2013-14	4720.49	593.60	4126.89
2014-15	4705.36	589.10	4116.26
2015-16	4988.08	798.00	4190.08
2016-17	5475.73	827.20	4648.53
2017-18	5890.72	988.10	4902.62
2018-19	6173.16	1096.00	5077.16
2019-20	5099.19	860.10	4239.09

Source: EPB/ Bangladesh Bank

In last 10 years Bangladesh's export to Germany increased by 2.72 times from \$2269 (FY 2008-9) million to \$6173 (FY 2018-19) million .

**(f) Thailand**

Bangladesh and Thailand signed trade agreement on 22 August 1997, MOU on account trade arrangement and formed joint chambers of commerce to promote bilateral trade between the two friendly countries. The main component of the agreement is "The Contracting Parties agree to grant each other most-favoured-nation treatment, with regard to customs duties, taxes, fiscal levies and administrative procedures to which are subject, in their respective territories, the importation, exportation, transportation and distribution of foreign goods". Thailand and Bangladesh are two important countries in the Asian continent and both countries are doing very good in terms of economic development. Bangladesh has already attained all the criteria to become a developing country. The private sectors of the two countries are working together to materialize complementarities between the two economies. These complementarities are likely to be symbiotic, combining Bangladesh's thirst for investment and Thailand's keenness to expand its markets. The momentum is most strongly felt in the private sectors of the two countries. Bangladesh and Thailand signed the Agreement on the Establishment of the Joint Commission on Cooperation on 29 January 1982 to further strengthen and promote the close cooperation between the two countries. The Joint Commission may hold a meeting once a year alternately in Thailand and Bangladesh where the delegations of both the countries would be led by the respective Ministers of Foreign Affairs. The Joint Commission is mandated to review the progress of cooperation in all areas of mutual interest, implementation of the agreements signed between the two countries, participation of two countries in regional and international cooperation and to recommend for improvement and enhancement of cooperation.



## Export from Bangladesh

Some major export items from Bangladesh to Thailand include other made textile articles, vegetable textile fibers, articles of apparel, products of animal origin, electrical & electronic equipment, fish and crustaceans, etc.

## Import from Thailand

Some major import items from Thailand to Bangladesh include cement, cereals, plastics and articles thereof, man-made staple fibers, sugar and sugar confectionary, machinery and mechanical appliances, cotton and cotton fabrics, etc.

The balance of trade position between Bangladesh and Thailand from 2007-2008 to 2019-2020 is shown below **(value in million U.S. \$)**:

Year	Export	Import	Balance
2007-2008	14.22	510.44	(-)496.22
2008-2009	22.08	574.39	(-) 552.31
2009-2010	32.57	621.59	(-) 589.02
2010-2011	24.35	885.63	(-) 861.28
2011-2012	42.23	1,215.51	(-)1173.28
2012-2013	86.89	764.47	(-)677.58
2013-2014	39.62	742.24	(-) 702.62
2014-2015	32.76	685.53	(-) 652.77
2015-16	35.15	668.94	(-) 633.79
2016-17	48.57	781.58	(-) 733.01
2017-18	38.14	1,194.24	(-) 1156.10
2018-19	44.07	957.00	(-) 912.93
2019-20	35.46	801.60	(-) 766.14

Source: EPB/ Bangladesh Bank

## (g) Indonesia

Trade Agreement between The Government of the People's Republic of Bangladesh and The Government of The Republic of Indonesia was signed on 24 January 2004, considering their mutual interest in strengthening and developing of trade ties and expanding and diversifying of commercial exchange and enhancing the level of trade cooperation based on equality, nondiscrimination and maintenance of mutual interest, superseding the Agreement between The Government of The People's Republic of Bangladesh and the Government of The Republic of Indonesia, signed at Jakarta on July 29, 1978. Bilateral trade between Bangladesh and Indonesia would increase by fivefold to around \$10 billion in next 10 years as the trade between the two countries grew by 48 per cent in 2014-2018. The bilateral trade between Indonesia and Bangladesh reached to \$1.97 billion in 2018 with a 48 per cent growth compared with that of in the year 2014. Though there are ample business opportunities of bilateral trade between the two countries of 420 million population the governments of both the countries has imitated a move to sign preferential trade

agreement considering the trade potentials. It is expected the PTA will to be signed by the middle of the 2022.

**Key Industries:** petroleum and natural gas, textiles, automotive, electrical appliances, apparel, footwear, mining, cement, medical instruments and appliances, handicrafts, chemical fertilizers, plywood, rubber, processed food, jewelry, and tourism.

**Key Agriculture Sector:** rubber and similar products, palm oil, poultry, beef, forest products, shrimp, cocoa, coffee, medicinal herbs, essential oil, fish and its similar products, and spice. .

**Major Export Items in (In million US \$):** Woven garments (6.773), Knitwear (7.024), Home Textile (0.06), Agri-Products (0.617), Leather and Leather Product (0.281), Footwear (0.072), Raw Jute (0.696), Jute goods (25.937), others (4.983)

**Major Import Items in (In million US \$):** Live Animals and Animal Products (0.152); Vegetable Products (39.094); Animal or vegetable fats oils and their cleavage products: prepared edible fats: animal or vegetable waxes (626.05); Prepared foodstuff, Tobacco and manufactured tobacco (3.861), Mineral Products (143.027); Products of the Chemical or Allied Industries (48.787); Plastics & Rubber Articles Thereof (56.864); Raw Hides and Skins, Leather and Articles Thereof; Saddlery and Harness; Travel Goods, Handbags and Similar Containers; Articles of Animal Gut (0.685); Pulp of wood or of other fibrous material; recovered (waste and scrap) paper or paperboard; paper and paperboard and articles thereof (136.052); Textiles & Textile Articles (145.734); Footwear, Headgear, Umbrellas, Sun Umbrellas, Walking Sticks, Seat-Sticks, Whips, Riding-Crops and Parts Thereof Etc (0.193); Articles of Stone, Plaster, Cement, Asbestos, Mica or Similar Materials; Ceramic Products (2.360); Base Metals & Articles of Base Metal (16.311); Machinery and mechanical appliance electrical equipment; parts thereof (7.030); Electrical machinery and equipment an parts thereof; sound recorders and reproducers television image and sound recorders (4.488); Vehicles, Aircraft, Vessels and Transport Equipment (7.644); Others (1.323). The balance of trade position between Bangladesh and Indonesia from 2008-2009 to 2019-2020 is shown below (value in million U.S. \$):

Year	Export	Import	Balance
2008-2009	22.30	508.34	(-) 486.04
2009-2010	45.58	665.40	(-) 619.82
2010-2011	29.48	842.99	(-) 813.51
2011-2012	25.24	1,228.15	(-)1202.91
2012-2013	50.82	1054.70	(-)1003.88
2013-2014	56.53	1105.49	(-) 1048.96
2014-2015	39.49	1397.46	(-) 1357.97
2015-16	43.36	1235.51	(-) 1192.15
2016-17	46.39	1149.95	(-) 1103.56
2017-18	55.08	1773.20	(-) 1718.12

2018-19	56.82	1940.00	(-) 1883.18
2019-20	51.42	1902.40	(-) 1850.98

Source: EPB/ Bangladesh Bank

### (h) Vietnam

Trade Agreement between the Government of the People's Republic of Bangladesh and the Government of the Socialist Republic of Vietnam was signed on 24 September 1996. The bilateral relationship between Vietnam and Bangladesh is excellent and both countries are looking at the same future of mutual cooperation and development, a huge potential of cooperation between the two countries in the economic field to improve and strengthen the economic relationship and people to people tie. Bangladesh and Vietnam want to work closely to double the bilateral trade volume from around \$1.0 billion to \$2.0 billion by 2021. The two countries held the second meeting of the Joint Trade Committee (JTC) in Hanoi in 2019 and discussed ways to double the bilateral trade volume. The two countries identified 11 priority areas including agricultural trade and pharmaceutical exports from Bangladesh to Vietnam. Vietnamese investment in Bangladesh's Special Economic Zones, ICT sector cooperation, bilateral cooperation in textile and garments sector, trade in Halal products, trade in software services, direct air link, promotion of trade in jute and jute goods, banking sector cooperation and tourism sector cooperation (including Buddhist tourism) are the potential area. Bangladesh may import quality rice from Vietnam in accordance to the existing MoU on rice import. Both sides recognized the high potential of tourism sector to flourish and in that respect viewed that direct air link between the two countries can hugely contribute. Bangladesh-Vietnam bilateral trade relations are still small but are growing in a positive direction. Vietnamese exports to Bangladesh mainly consist of items such as fabric, plastic products, rattan products, bamboo products, sea grass rugs, rubber, computers, electronic products, wooden products, ceramic, and porcelain, according to the website of Vietnamese Embassy. Bangladesh's exports to Vietnam, on the other hand, include pharmaceuticals, fabrics, textile raw materials, leather, fiber types, machinery, appliances and parts, electronic components, and fertilizer.

**Major Export Items (In million US\$):** Woven Garments(.44); Knitwear (.47); Home Textile (.021); Agri-Products (16.77); Frozen & Live Fish (10.92); Leather & Leather Pro. (13.77); Footwear (.001); Raw Jute (1.29); Jute goods (8.73); Others (14.06). 9.

**Major Import Items (In million US\$):** Live animals; animal products (0. 858), Vegetable products (7.574), Animal or vegetable fats and oils etc. (4.618), Prepared foodstuffs (4.503), Mineral products (208.680), Products of the chemical or allied industries (16.215), Plastics and rubber articles thereof (16.700), Raw hides and skins, leather and articles (0.119), Wood and articles of wood (1.858), Pulp of wood (3.688), Textiles and textile articles (54.564), Footwear, headgear (0.235), Articles of stone, plaster, cement, asbestos etc. (0. 452), Base metals and articles of base metal (17.007), Machinery and mechanical appliances; electrical (44.957), Vehicles, aircraft, vessels and associated transport equipment (0. 872), Miscellaneous manufactured articles (4.606).

The balance of trade position between Bangladesh and Vietnam from 2009-2010 to 2019-2020 is shown below (**value in million U.S. \$**):

Year	Export	Import	Balance
2009-2010	37.20	42.53	(-) 5.33
2010-2011	58.69	461.52	(-) 402.83
2011-2012	44.50	300.30	(-)255.80
2012-2013	38.24	349.10	(-)310.86
2013-2014	55.96	582.23	(-) 526.27
2014-2015	52.60	599.64	(-) 547.04
2015-16	65.05	387.65	(-) 322.64
2016-17	66.45	417.00	(-) 350.55
2017-18	55.67	688.00	(-) 632.33
2018-19	53.47	545.90	(-) 492.43
2019-20	48.16	555.10	(-) 506.94

Source: EPB/ Bangladesh Bank

### (i) South Korea

Agreement between the Government of the People's Republic of Bangladesh and the Government of the Republic of Korea on Trade and Economic Co-operation was signed on 01 July 1973. The main component of this agreement is "The two Contracting Parties shall promote economic co-operation in those fields which will contribute to the development of their economic and shall accord each other, in accordance with the laws and regulations of the Contracting Parties, necessary facilities no less favorable than those accorded to any third country in respect of capital investments including credit, joint ventures and other forms of economic co-operation". Bangladesh continues to suffer from negative balance of trade with Korea. The Republic of Korea has been one of the most reliable development partners of Bangladesh and has been extending significant cooperation and support to Bangladesh since the early 1970s. It is one of the major trading partners of Bangladesh. There is a steady increase in bilateral trade between the two countries which currently stands at approximately USD 1.68 billion. However, Bangladesh's exports to the ROK is only USD 352.82 million and the trade balance is consistently in favor of the Republic of Korea. With its export heavily dependent upon garment and textile, Bangladesh has to import textile and related goods from Korea. Diversification of Bangladesh export item is much needed. The Republic of Korea has expanded its duty-free, quota free (DFQF) facilities for Bangladesh. As per the latest expansion, 4802 products have been accorded zero tariff facilities. The expansion of DFQF facility covers a good number of textile and footwear items in which Bangladesh enjoys comparative advantages. Bangladesh's main **exportable item** to republic of Korea consists of Leather, Woven garments, Jute manufacturers, Pharmaceutical, Jute yarn and twine, other manufactured goods, Knitwear, Footwear ( leather & sport ), Stainless steel wares, Frozen fish, Cap, Copper wire, Raw jute. Major **Imports items** from Korea are Vegetable products, Live animals, Mineral products, plastic & Articles thereof, Textiles & Textile articles, Articles of stone, Machinery, & mechanical appliance, Vehicles, aircraft, Optical, Photographic, Footwear,

Umbrellas, etc. The balance of trade position between Bangladesh and Korea from 2009-2010 to 2019-2020 is shown below:

**(value in million U.S. \$)**

Year	Export	Import	Balance
2009-2010	140.28	837.01	(-) 696.73
2010-2011	163.68	1123.60	(-) 959.92
2011-2012	209.71	1550.71	(-)1340.99
2012-2013	250.49	1295.90	(-)1045.41
2013-2014	344.81	1198.90	(-) 854.09
2014-2015	269.03	1214.90	(-) 945.87
2015-16	280.09	1145.00	(-) 864.91
2016-17	238.23	1274.96	(-) 1036.71
2017-18	254.84	1273.80	(-) 1018.96
2018-19	370.65	1315.50	(-) 944.65
2019-20	352.82	1030.30	(-) 677.48

Source: EPB/ Bangladesh Bank

#### **(j) South Asian Free Trade Area (SAFTA):**

The Agreement on SAARC Preferential trading Arrangement (SAPTA) was signed on 11 April 1993 and entered into force on 7 December 1995, with the desire of the Member States of SAARC (Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka) to promote and sustain mutual trade and economic cooperation within the SAARC region through the exchange of concessions. The main purpose of SAPTA was to urgently promote the intraregional trade which constitutes a negligible share in the total volume of the South Asian trade. The objectives were to:

- 1) promote regional cooperation;
- 2) expand trade and investment;
- 3) strengthen intraregional economic cooperation;
- 4) promote intraregional trade;
- 5) Liberalize trade.

SAPTA is the first step towards higher levels of trade and economic cooperation in the region, and in progression the South Asian Free Trade Area (SAFTA) was signed in 2004.

- a) The SAFTA Agreement was signed on 6 January 2004 during Twelfth SAARC Summit held in Islamabad, Pakistan, and the agreement entered into force on 1 January 2006. Actually, SAPTA was envisaged primarily as the first step towards the transition to a South Asian Free Trade Area (SAFTA) with a goal to home a Customs Union, Common Market and Economic Union.
- b) The Trade Liberalization Programme (TLP) under SAFTA commenced from 1st July 2006. Since then the exports under SAFTA have been witnessing considerable upward trend; but still intra-SAARC trade flows under SAFTA are far below to its potential. Reduction in the size of Sensitive Lists is recognized as an important instrument to increase the quantum of regional trade. Under Phase-II, all the Members States reduced their Sensitive Lists by 20%, which has been effected from 1 January 2014. Consultations are going on with the stakeholders for further reducing the sensitive lists under Phase-III.
- c) Under the Phase-II of the Trade Linearization Program under SAFTA all the import tariffs have been brought down between 0-5 percent. As an LDC, Bangladesh is

enjoying 0% tariff access on all items export to India except only 25 items (i.e. alcohol, drugs, narcotics etc.) under SAFTA.

**SAARC Agreement on Trade in Services (SATIS):**

- a) The SAARC Agreement on Trade in Services was signed at the 16th SAARC Summit held in Thimphu in April 2010 with a view to expand cooperation in trade in services and further deepen the integration of the regional economies. The Agreement entered into force on 29 November 2012.

All the Member States have ratified the Agreement and exchanged initial Offer Lists and Request Lists with a view to finalizing the Schedules of Commitments. In the meantime, Bangladesh has offered 02 Services Sectors (Telecom & Tourism) and submitted its Schedule of Commitments. Bangladesh has also requested all member States to liberalize ten Services Sectors: Accounting & Auditing, Management Consulting Services, Computer related Services, Telecom Services, Financial Services, Construction & Engineering, Education Services, Audio-visual Services, Courier Services and Maritime Services. Discussion and negotiations among the member states are going on for finalizing the Schedules of Commitments. Bangladesh would be benefitted in the area of investment and trade after implementation of the Agreement.

