



Government of the People's Republic of Bangladesh  
WTO Cell, Ministry of Commerce

## **Bangladesh Regional Connectivity Project-1**

Probashi Kollayan Bhaban  
Eskaton Garden, Dhaka-1000

Policy Review/Policy Study/Policy Paper Preparation  
on  
Import Policy Order 2015-18



December 2021

# **Policy Review/Policy Study/Policy Paper Preparation**

**on**

## **The Import Policy Order 2015-18**

**[Package no. BRCP-1/MOC/SD-26]**

### **Submitted to**

#### **Project Director**

Bangladesh Regional Connectivity Project-1  
WTO cell, Ministry of Commerce  
Level-12 (Westside), Probashi Kallyan Bhaban,  
Eskaton Garden, Dhaka 1000

### **Submitted by**



South Asian Network on Economic Modeling (SANEM)  
Flat K-5, House 1/B, Road 35, Gulshan 2  
Dhaka 1212, Bangladesh  
Phone: +88-02-58813075  
Email: [sanemnet@yahoo.com](mailto:sanemnet@yahoo.com)  
<http://www.sanemnet.org>

**December 2021**

## Team of Consultants

S.N	Team Members	Position in the Team
1	Dr. Bazlul Haque Khondker	Team Leader
2	Dr. Selim Raihan	Co-Team Leader, Trade Expert
3	Mahtab Uddin	Policy Analyst
4	Mohammad Golam Sarwar	Legal Expert
5	Recardo Saurav Antor Halder	Senior Research Associate
6	Sakil Ahmed	Research Associate
7	Zareen Tasnim	Research Associate
8	Afia Mubasshira Tiasha	Research Assistant

## Preface

The final report intends to respond to the requirement according to the provision of the contract agreement signed between Bangladesh Regional Connectivity Project-1 (BRCP 1) and South Asian Network on Economic Modeling (SANEM) for conducting **“Policy Review/Policy Study/Policy Paper Preparation under the Bangladesh Regional Connectivity Project 1)”** in collaboration with International Development Association (IDA), The World Bank. The objective of this technical assistance project is to review the existing government policies related to trade to strengthen cooperation in trade, transport, and transit facilities and facilitate the economic empowerment of women traders. The ongoing context and challenges are compared with the existing policies. It has also analysed the best practices of regional comparators to promote and improve trade-related activities as well as the relevance of SHE trade with the existing policies. Finally, based on the findings, the recommendation for future policy has been identified.

Consultancy services for conducting the **“Policy Review/Policy Study/Policy Paper Preparation under the Bangladesh Regional Connectivity Project 1)”** was provided by the South Asian Network on Economic Modeling (SANEM), Bangladesh. The study team consists of four senior-level experts. The major objective of the study is to depict a clear picture of the current situation state of the implementation of the policies, and challenges for upcoming LDC graduation to provide the suggestion for future policies. Furthermore, Reviewing and identifying the gaps in the existing policies were also aimed to be found out for this study.

The review of the **Import Policy 2015-18** has ascertained several areas including anti-export bias, tariffs and para tariffs, introduction to the digital payment method, enforcement status challenges of upcoming LDC graduation, harmonisation of trade-related policies, easing import-related activities for women, port management system for women, and capacity building.

We are hopeful about the policy recommendations which would be beneficial for policymakers and other stakeholders for facilitating trade-related activities for the improvement of both the export and import sectors for patronizing the industrial sector as a whole.

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

## Acknowledgements

It is indeed a great pleasure that Bangladesh Regional Connectivity Project 1 (BRCP-1), Ministry of Commerce has entrusted International Development Association (IDA), and the World Bank to carry out “**Policy Review/Policy Study/Policy Paper Preparation**”. The final report of the study has been prepared based on a validation workshop held on 21 November 2021. The studies are 1) Export Policy 2018-21 2) Import Policy Order 2015-18, 3) Industrial Policy 2016, and 4) Leather and Leather Goods Development Policy 2019.

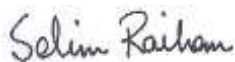
The four policy papers contain the objective, scope, and methodology for the studies, current context, and challenges, deviation from the international practices, and the relevance of the policies with the SHE trade. The consultants also described the best practices of regional countries adapted to facilitate trade-related activities. In the end, the findings from the analysis and recommendations for the upcoming policy papers are portrayed.

The authors wish to thank Md Mijanur Rahman, Project Director, Bangladesh Regional Connectivity Project 1, and Md Munir Chowdhury, National trade expert, BRCP-1 for their valuable comments and continuous support in undertaking the study.

We cordially express our indebtedness to Mr Tapan Kanti Ghosh, Secretary, Ministry of Commerce for his aspiration and guidance to conduct this study. We are also thankful to all the officials and participants who took part in the consultation meetings and workshops for helping us with their constructive criticism and valuable suggestions during the study period.

This work would not have been possible without the participation of the relevant stakeholders in the Key Informant Interviews (KIIs) as well as in the Focus Group Discussion (FGD). Thanks are also due to all respondents of interviews, FGDS, and KIIs who helped us by providing their information during the data collection period.

The contribution and support provided by everyone for the study are greatly appreciated.



**Dr. Selim Raihan**

Executive Director, SANEM

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## **List of Acronyms**

AFTA	Asia-Pacific Trade Agreement
4IR	4 <sup>th</sup> Industrial Revolution
AI	Artificial Intelligence
ASEAN	The Association of Southeast Asian Nations
BGMEA	Bangladesh Garment Manufacturers and Exporters Association
BIN	Bank Identification Number
BOP	Balance of Payment
BTA	Bangladesh Tanners Association
BWCCI	Bangladesh Women Chamber of Commerce & Industry
CPD	Centre for Policy Dialogue
DCCI	Dhaka Chamber of Commerce & Industry
ERD	Economic Relations Division
ESDO	Environment and Social Development Organization
FBCCI	Federation of Bangladesh Chambers of Commerce and Industry
FDI	Foreign Direct Investment
FGD	Focus Group Discussion
FTA	Free Trade Agreement
GDP	Gross Domestic Product
GoB	Government of Bangladesh
GVC	Global Value Chains
HIC	High-Income Country
HS	Harmonised Standards
IGM	Import General Manifest
IMF	International Monetary Fund
INSW	Indonesian National Single Window
IP	Intellectual Property
IPO	Import Policy Order
IPR	Intellectual Property Rights
IRC	Internal Revenue Code
ITC	Import Trade Control Committee
KII	Key Informant Interview
LC	Letter of Credit
LCA	Letter of Credit Authorisation
LDCs	Least Developed Country
MCCI	Metropolitan Chamber of Commerce and Industry
MoC	Ministry of Commerce
MoF	Ministry of Finance
NBR	National Bureau of Revenue
NSW	National Single Window
NTM	Non-Tariff Measure
PCB	Polychlorinated biphenyl
POP	Persistent Organic Pollutants
RAPID	Research and Policy Integration for Development



RD	Regulatory Duty
RMG	Readymade Garments
ROO	Rules of Origin
RTA	Regional Trade Agreement
SAFTA	South Asian Free Trade Area
SD	Supplementary Duty
SDG	Sustainable Development Goals
SME	Small and Medium Enterprise
SOP	Standard Operating Procedure
SPS	Sanitary and Phyto-sanitary
TCB	Trading Corporation of Bangladesh
TIN	Tax Identification Number
TRIPS	Trade-Related Aspects of Intellectual Property Rights
UK	United Kingdom
UMIC	Upper Middle Income Country
UNCTAD	United Nations Conference on Trade and Development
USA	United States of America
USD	United States Dollar
VAT	Value Added Tax
WDI	World Development Indicators
WITS	World Integrated Trade Solution
WTO	World Trade Organization

## Executive Summary

The report has been produced as an outcome of the Government of Bangladesh (GoB)'s launch of the Bangladesh Regional Connectivity Project 1 (BRCP-1) in collaboration with the International Development Association (IDA), the World Bank. Bangladesh's trade policy system has undergone several changes since its independence and the import policy order is no exception. The Ministry of Commerce (MoC) is responsible for implementing component two of the umbrella project. The primary objective of this technical assistance project is to review the existing government policies related to trade, to increase trade-related institutional capacity, to ensure active and sustainable cooperation among trade-related stakeholders, and facilitate the economic empowerment of women traders. Also, as Bangladesh is on the verge of graduating from the LDC category, reviewing the existing trade-related policies is necessary for smoother post-graduation export performance. This review has compared the import policy of Bangladesh with the import policies of Indonesia and Malaysia. The review has also considered the gender aspect of mainstreaming women traders by the existing provisions of the Import Policy Order 2015-18. For this review, SANEM has followed a mixed methodology including desk research, KIIs, and FGDs.

Formulating any policy requires extensive work and continuous assessment, consultation with relevant stakeholders, and intensive study are needed for this purpose. The elemental findings of this study have pointed out that the provisions of the current Import Policy Order 2015-18 are well thought out and crafted. Moreover, the binding nature of this policy order makes it idiosyncratic. However, challenges remain in the implementation. Some of the significant challenges to the effective function of the Import Policy Order, 2015-18 are the shortfall of inter-ministerial coordination and policy harmony. Furthermore, this policy order was formulated in 2015, several contexts are absent in the policy. The current states and bottlenecks regarding the trade-related provisions are addressed in chapter two of this study. The current policy order also does not address the present changing trade and business dynamics (COVID-19 pandemic, 4IR, LDC graduation, 8th Five-Year plan) as it was formulated back in 2015. These issues are also mentioned and discussed in chapter two of this paper. The relevance of the import policy order 2015-18, in the present changing trade scenario and the deviation of the policy provision from the regional comparators, are also analyzed.

Chapter three has discussed the relevance of the current policy in promoting and mainstreaming women entrepreneurs in international trade and global value chains. Chapter four provides the findings that are found through various KIIs and FGDs.

Based on the desk review and the findings from the KII and FGD, some specific recommendations for the upcoming import policy orders are mentioned in chapter five. Specific goals and objectives should be uttered in the future import policy orders reflecting the targets of the 8<sup>th</sup> five-year plan, 4IR, and LDC graduation. The development aspect of the import policy order should be focused more than the revenue generation aspect. Policy harmony, inter-agency coordination, easing customs procedures, capacity building, concrete mention of penalties for contravention, easing import-related activities for women, and a gradual preparation of a WTO-consistent tariff structure are some significant recommendations for the upcoming import policy.

# 1. Introduction

## 1.1 Background of this Study

Formulated by the Ministry of Commerce, the “Import Policy Order” is based on Section 3(1) of the Imports and Exports Act, 1950 (Act XXXIX of 1950) and has a legal basis for enforcement. Along with defining various terms related to industrial imports, public sector imports, and commercial imports, the act lists items prohibited for import. The policy order also clarifies the terms and conditions applicable for the import of certain products. Elaborate procedures for import and registry of trade associations are maintained through this act. While the import policy is generally adopted for three years, it remains in force until a new policy is issued.

The trade policy regime of Bangladesh has undergone several changes since the country’s inception and import policy orders are no exception to that. The outlook of the IPOs has shifted from a severe protectionist nature towards a gradual liberal nature. Import policies during 1972-1980 were severely restricted. Only a handful of commodities could be imported upon having an import license. The government tried to foster domestic industrialization and allocate foreign currency to the priority sectors, which led to the formulation of such a protective import policy order. However, as criticised by Bhuyan and Rashid (1993), the IPO during that period was complex, faced administrative problems, had a lack of inter-agency coordination, cumbersome foreign exchange budgeting process, and procedural delays (Bhuyan, A. R. et al.,1993).

Raihan and Khandoker (2013) mention that a gradual liberalisation of the import policy started in 1984. The licensing requirement was abolished and the structure of the IPOs during that period had significant changes. The IPOs before 1986 had a positive list but the IPOs after 1986 contained a negative and a restrictive list. The validity of the IPOs became longer since 1986 which was previously valid for a year. The negative and restrictive lists were integrated into a single list since the 1990s. From 1980 till date, the number of restricted items in the IPOs has drastically reduced and the tariff structure is gradually liberalised. Though the IPOs are well crafted and binding, their implementation is often challenging and the desired intentions of the IPOs are often unobserved. The latest IPO of Bangladesh was formulated in 2015. Since then, the global trade and business dynamic has shifted a lot. Future issues such as post-LDC graduation, Covid recovery, 8<sup>th</sup> five-year plan, perspective plan 2021-2041, and 4<sup>th</sup> industrial revolution, are also concerning and not addressed in the latest Import Policy Order, 2015-2018.

Against this backdrop, the Government of Bangladesh (GoB) launched the Bangladesh Regional Connectivity Project 1 (BRCP-1) in collaboration with the International Development Association (IDA), and the World Bank. The Ministry of Commerce (MoC) is responsible for implementing component two of the umbrella project. The primary objective of this technical assistance project is to review the existing government policies related to trade, to increase trade-related institutional capacity, to ensure active and sustainable cooperation among trade-related stakeholders, and facilitate the economic empowerment of women traders. Also, as Bangladesh is on the verge of graduating from the LDC category, reviewing the existing trade-related policies is necessary for smoother post-graduation export performance.

As a part of this umbrella project, we will carefully review the Import Policy Order, 15-18, and point out its impact, effectiveness, relevance with the present trade scenario, and its role in mainstreaming women entrepreneurs to formal trade. The review of this policy will also address future issues and provide recommendations to include, exclude, and alter the existing provisions of the Import Policy Order, 2015-18 to make the future import policies efficient, forward-looking, and pragmatic.

## **1.2 Objectives and Research Questions**

The broad objective of this study is to review the existing Import Policy Order, 2015-2018, and provide feedback to the government to strengthen the concept of cooperation in trade, transport, and transit facilities. The review of this policy will also provide advocacy for mainstreaming female traders, and facilitate policy coherence between national development priorities and international obligations on trade facilitation. The broad research questions of this particular policy review are as follows:

- What were the primary objectives of the Import Policy Order, 2015-2018?
- Are the objectives of the Import Policy Order, 2015-2018 in line with the present context? (LDC graduation, 8<sup>th</sup> five-year plan, graduating to Upper Middle Income Country (UMIC) category, and changing trade scenario due to Covid pandemic)?
- Are the measures to achieve the objectives, stated in the Import Policy Order, 2015-2018 consistent with the present context?
- What are the possible implementation/institutional challenges in achieving the objectives?
- Any country example that Bangladesh can follow in formulating its future import policies?
- Is the Import Policy Order, 2015-2018 gender-inclusive? Does it facilitate “She trade”?
- What could be the necessary alterations, exclusions, and inclusions of the existing provisions of the Import Policy Order, 2015-2018 to make it more coherent and forward-looking?

## **1.3 Scope of the Study**

The scope of this policy review of the Import Policy Order 2015-18 is to analyse whether the stated objectives of the policy and the tool/measures to achieve those objectives are consistent with the current global trade scenario and possible future goals (LDC graduation, UMIC graduation, 8<sup>th</sup> Five-year plan, Bangladesh perspective plan, etc.). The review will also look into the industrial policies of regional comparators (policies of some countries of South Asia, South-East Asia, UMIC groups) and suggest what provisions from those countries, Bangladesh might adopt. The study will also identify the implementation challenges of the policy, and shed light on the provisions to effectively mainstream women in the trade and global value chain. In addition to that, this study will provide some appropriate recommendations about inclusion, exclusion, revisions, alteration, and extension of the existing provisions of the policy to make it more relevant and coherent to the present context of global trade.

## **1.4 Methodology**

Given the objectives and the key research questions of this study, the research has followed mixed methodologies in presenting the deliverables. The methodology is based on two significant tasks in general.

- (i) Rigorous desk research of all relevant policy documents, literature, and secondary data, and
- (ii) Primary data collection and Analysis by conducting Key Informant Interviews (KIIs) and Focus Group Discussions (FGDs) with stakeholders relevant to the study.

### **1.4.1 Desk research**

The research team has conducted a thorough desk review of the existing and relevant documents and data sources. Documents and literature on imports, trade trends, international standards (agreements, treaties, legal status, etc.), and female participation in import businesses were reviewed. Following are some of the document list that the research team has used

- Previous import policies of Bangladesh.
- Other relevant government reports and policies
- Relevant literature.
- Bangladesh Economic Review 2020
- 8<sup>th</sup> five-year plan
- Reports and findings from UNCTAD database, WTO data, World Bank, and IMF databases.

During the desk research, the research team has,

- Inspected the relevant policy documents.
- Formulated the KII and FGD checklists based on the scanning of the stated documents.
- Analysed the current import trends and practices of various sectors of Bangladesh using the UNCTAD database, as a part of secondary data analysis. Data from other sources, such as the ITC-trade map, WITS, and IMF will also be used.
- Compared the policies with WTO standards.
- Compared Bangladesh's import and import-related policies with global comparators.

### **1.4.2 Primary data collection**

In collecting primary data, the research team has followed a qualitative approach. Social aspects that are mostly unrepresented in the quantitative data can be addressed through qualitative data, which are expected to provide in-depth information on social dimensions and characteristics. As part of the qualitative data, the team will conduct Focus Group Discussions (FGD) and Key Informant Interviews (KIIs).

### **1.4.3 Focus Group Discussion (FGD)**

For this study, the research team has carried out three FGDs comprising eight to ten participants each FGDs. The participants of the FGDs were primarily business leaders and women entrepreneurs. The FGDs were conducted via a virtual platform. FGDs helped grasp the real experience and challenges faced by the business persons involved in the trade. FGDs helped to understand the various issues of the Import Policy Order, 2015-18, such as its

relevance, bottlenecks, implementation challenges, coordination failure, and its impact on promoting and mainstreaming women entrepreneurs.

#### 1.4.4 Key Informant Interview (KII)

The KIIs will be helpful for an in-depth understanding of the policies, assessment of projects, and identifying gaps. The research team conducted the KIIs with the following stakeholders:

**Table 1 List of KIIs for the policy review**

<b>Organization/Association</b>	<b>Key informant</b>
Government officials	<ul style="list-style-type: none"> <li>• AHM Shafiquzzaman (Additional Secretary IIT, MoC)</li> <li>• Mr. Fakhru Alam (Commissioner, Chittagong Customs House, Chittagong, Bangladesh)</li> </ul>
Representatives from the business communities	<ul style="list-style-type: none"> <li>• Barrister Vidiya Amrit Khan (Director, BGMEA)</li> </ul>
Representatives from the importer's associations	<ul style="list-style-type: none"> <li>• Mr. Md. Shafiqul Islam Vorosha (Director, FBCCI, President, Bangladesh Paper Importers Association)</li> <li>• Mr. Abdul Haque (Director, FBCCI, President, Bangladesh Reconditioned Vehicles Importers &amp; Dealers Association ( BARVIDA) Managing Director, Haq's Bay Automobiles Ltd</li> </ul>
Experts on import policy	<ul style="list-style-type: none"> <li>• Dr. Abdur Razzaque (Chairman, RAPID)</li> <li>• Dr. Mustafizur Rahman (Distinguished fellow, CPD)</li> <li>• Mr. Nesar Ahmed (International Trade Expert, Sustainable Graduation Project, ERD)</li> </ul>

#### 1.5 Evaluation and Analysis

All the gathered data and information will be evaluated and analyzed at this stage. This process will include:

- Identifying the gaps in existing information through rigorous desk research.
- Exploring the potential provisions of the existing policy to mainstream women entrepreneurs.
- Analysis of primary data through FGDs and KIIs to evaluate the actual activities of the implementing organization and its actors in the present trade scenario.
- Identifying the weaknesses and implementation challenges of the existing policy from stakeholders' experiences, through FGDs and KIIs.
- Comparing international best practices with the current provision of the policy.
- Providing possible legal recommendations about changes, alterations, exclusion, and extension of the current policy through consultation with legal experts and recommendations of key informants and FDG participants.

#### 1.6 Organisation of the Study

In chapter two, of this paper, the current policy's context, challenges, general overviews, and trade-related provisions are investigated. The relevance of the import policy order 2015-18, in the present changing trade scenario and the deviation of the policy provision from the

regional comparators, are analyzed. Chapter three has discussed the relevance of the current policy in promoting and mainstreaming women entrepreneurs in international trade and global value chains. Chapter four provides the findings that are found through various KIIs and FGDs. Based upon the desk review and the findings from the KII and FGD, chapter five provides the possible recommendations and a way forward, and chapter six states the concluding remarks of this policy review.

## 2. The Import Policy Order 2015-18- context and challenges

### 2.1 Brief Overview of the Import Policy Order, 2015-18

The import policy order is formulated by the Ministry of Commerce and is legally enforceable. This policy defines various terms related to imports, clarifies the terms and conditions of imports, elaborates on terms and procedures of imports, and provides a prohibitive list of imports. There are in total 9 chapters in the import policy order 2015-18. Chapter one contains a prelude where some definitions of specific terms which are related to import are explained. General provisions for import are added in chapter two. Fees regarding import are mentioned in chapter 3 whereas miscellaneous provisions are in chapter four. Chapter five, six, seven, and eight contains general provisions for industrial import, the rules of imports by commercial importers, import by public sector importers, and the import trade control (ITC) Committee. In the ninth chapter compulsory membership of recognized chamber of commerce and industry trade association is mentioned. Since 1972 the period of validity of import policy orders has changed which is mentioned in the following Table-2. In the years 1972-73, the validity period of the policy order was 6 months (Khan, M. A., 2021). From the year 2003, the validity period has changed to 3 years although the import policy order remains in force until a new policy is issued.

**Table 2 Changes in the validity period of Import Policy orders since 1972**

<b>Period</b>	<b>Period of Validity of Import Policy Order</b>
1972-73	6 months
1978-1988	1 year
1989-1997	2 years
1998-2002	4 years
2003-2018	3 years

*Source: Compiled by Authors from various sources*

Some changes and additions of the policy order 2015-18 with 2012-15 are shown in Table-3.



**Table 3 Some changes of the policy order 2012-15 and 2015-18**

<b>Import Policy Order 2012-15<sup>1</sup></b>	<b>Change in Import Policy Order 2015-18<sup>2</sup></b>	<b>New additions</b>
<ul style="list-style-type: none"> <li>For import under cash foreign exchange, a Letter of Credit(LC) should be opened by all importers within one hundred and fifty days from the date of issue /registration of the LCA form</li> </ul>	<ul style="list-style-type: none"> <li>The time limit changed from 150 days to 180 days</li> <li>the time limit mentioned above may be extended by the Chief Controller of Import and Export up to such period as may be deemed fit;</li> </ul>	<ul style="list-style-type: none"> <li>Two new lists of prohibited goods are added in the import policy order 2015-18 which was not included in the 2012-15 import policy order.</li> <li>Horn up to the 75-decibel capacity to control sound pollution under the Sound Pollution Control Rules, 2006;</li> <li>Following chemical insecticides and industrial chemicals under the Stockholm Convention on Persistent Organic Pollutants (POPs) - aldrin, chlordane, DDT, dieldrin endrin, heptachlor, mirex, toxaphene, hexachlorobenzene, polychlorinated biphenyl (PCB).</li> </ul>

*Source: Authors' Compilation from Import Policy Order 2012-15 and Import Policy Order 2015-18*

There is a total of nine chapters in the import policy order 2015-18 which includes several provisions, a registration process, list of goods that can be imported and not. Table-4 summarizes the key points of some chapters.

**Table 4 Some significant aspects of Import Policy Order 2015-18<sup>3</sup>**

<b>Issues</b>	<b>Provisions</b>
General Provisions for Import	<ul style="list-style-type: none"> <li>the list of controlled goods that shall not be importable</li> <li>conditions for regulating the import</li> <li>the import goods' general conditions</li> <li>procedure for import, fund provision for financing the import</li> <li>The time limit for the opening of LC, Validity of shipment for goods</li> <li>The documentation process of public and private sector importers</li> <li>Violation of the requirement of LCA or LC</li> <li>Import against indent and proforma invoice</li> <li>Procedure to be followed by banks for LCA Forms</li> </ul>
Fees Regarding Imports	<ul style="list-style-type: none"> <li>Fees related to registration certificates of commercial and industrial importers</li> <li>The renewal process of registration certificates</li> </ul>

<sup>1</sup> Import Policy Order 2012-15

<sup>2</sup> Import Policy Order 2015-18

<sup>3</sup> Import Policy Order 2015-18

Issues	Provisions
	<ul style="list-style-type: none"> <li>• All registered importers, exporters, and indentors shall have to pay a 15% value-added tax (VAT) on their registration and renewal fees.</li> </ul>
Miscellaneous Provisions	<ul style="list-style-type: none"> <li>• Import on a joint basis, import by actual user</li> <li>• Types of the importer, CFR value limit as well as goods of samples and advertising materials/gifts</li> <li>• For local production and export which types of exporters can import the samples with yearly value ceilings are mentioned</li> <li>• Information regarding temporary import with conditions for re-exports</li> <li>• Applicable conditions for the import of food for human consumption</li> </ul>
General Provisions for Industrial Import	<ul style="list-style-type: none"> <li>• Specific Rules for Import in the Industrial Sector</li> <li>• Import on an ad-hoc basis by the IWT Operators, Poultry and Dairy Farms and Fish Unit</li> <li>• Import by Export-Oriented Industries</li> <li>• Sector/field-wise minimum rate of value addition for the execution of export orders</li> <li>• Which second-hand or reconditioned capital machinery should be imported</li> <li>• List of chemicals that can be imported</li> <li>• Conditions for Import of crude soya-bean oil and crude palm olein through conservation in the tank terminal</li> </ul>
The Rules of Import By Commercial Importers	<ul style="list-style-type: none"> <li>• Commercial imports shall normally be made under cash foreign exchange</li> <li>• Conditions and procedures for Import of industrial raw materials, packing materials and spares parts by commercial importers, Commercial import by Foreign Firms, Import of capital machinery for commercial purposes, Import of Prime Mover, Dump Truck, etc for infrastructure development activities,</li> <li>• Provisions mentioned for import of explosives, radio-active material, chemical fertilizer, pesticides &amp; insecticides, second-hand clothing, computer, software, etc</li> </ul>
Import by Public Sector Importers	<p>Guidelines for-</p> <ul style="list-style-type: none"> <li>• Import of goods by all Ministries and Government Departments except the Ministry of Defence</li> <li>• Import against the specific allocation of fund</li> <li>• Import under Government allocation by industrial enterprises or agencies</li> <li>• Import under cash foreign exchange</li> <li>• import of goods by public sector agencies</li> <li>• Pre-shipment Inspection of goods</li> </ul>

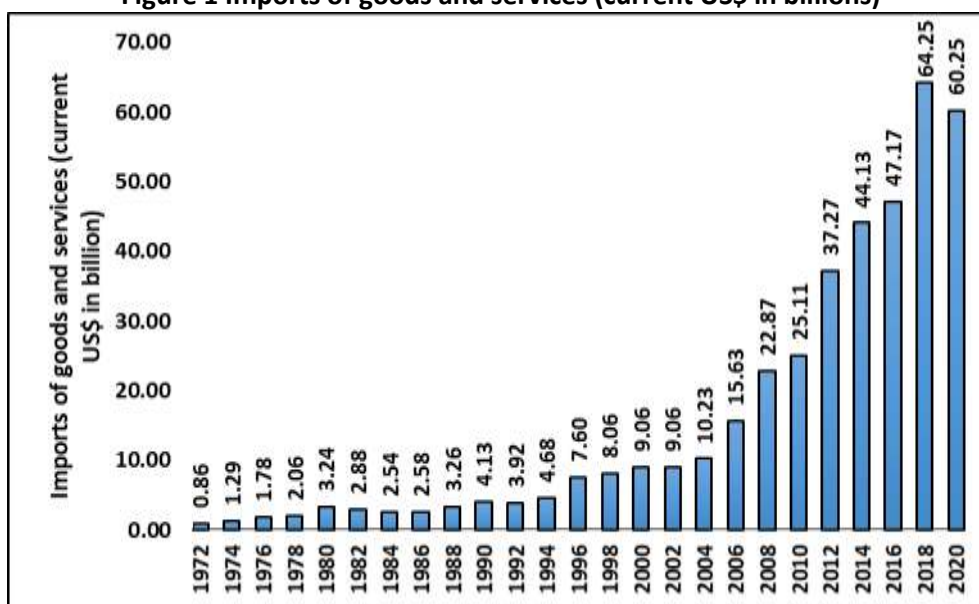
Issues	Provisions
	<ul style="list-style-type: none"> <li>• Provision for import by TCB</li> </ul>

Source: Authors' Compilation from Import Policy Order 2015-18

### 2.1.1 Import to Bangladesh<sup>4</sup>

The liberalisation of the import policies led to the progression of imports to Bangladesh. In Figure -1, the situation of imports from 1972 to 2020 is shown. After the independence of our country, in 1972 total imports were US\$ .86 billion, which rose to US\$ 7.60 billion in 1996, and increased further rapidly to US\$ 60.25 billion in 2020.

**Figure 1 Imports of goods and services (current US\$ in billions)**



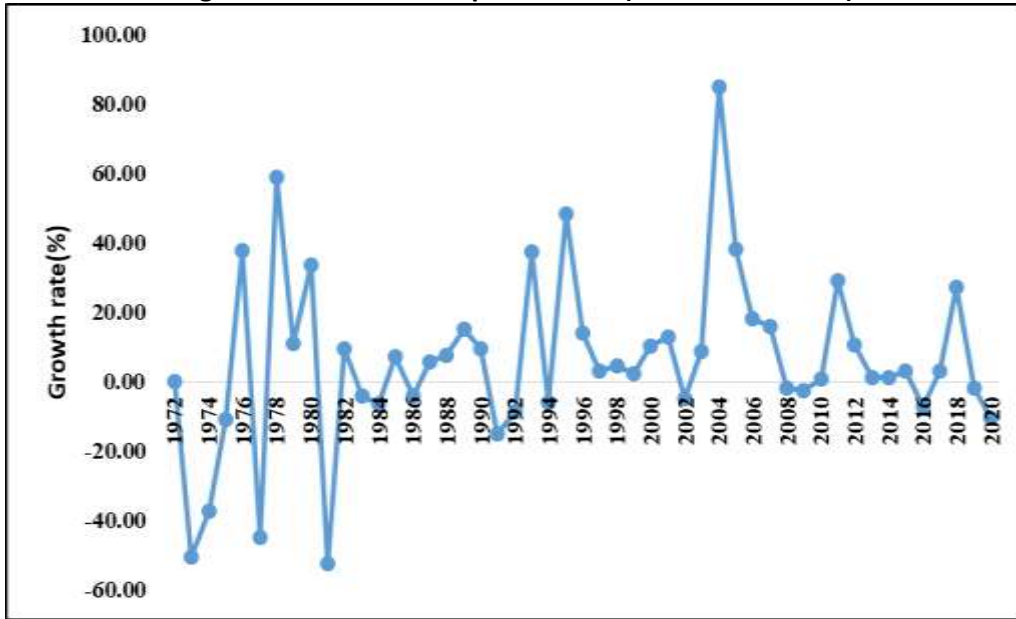
Source: WDI, World Bank

In Figure-2, the trend of the import growth (annual % growth) between the years 1972 and 2020 is plotted. During the 1990s, Imports grew at an annual average rate of 13 percent with 1995 recording a maximum of 48 percent. Since the early 1990s imports fell only once in 2002, in the aftermath of the September 11 terrorist attacks in the US that slowed down global trade and investment flows in that particular year. Also, during 2008 and 2009, imports registered negative growth. After 2011 the import growth fell and was negative in 2016. Positive growth was seen in 2017 and 2018. But in 2019 the growth of imports declined and it again experienced negative growth of 10% in 2020 due to the COVID-19 pandemic.<sup>5</sup>

<sup>4</sup> <https://data.worldbank.org/>

<sup>5</sup> <https://data.worldbank.org/>

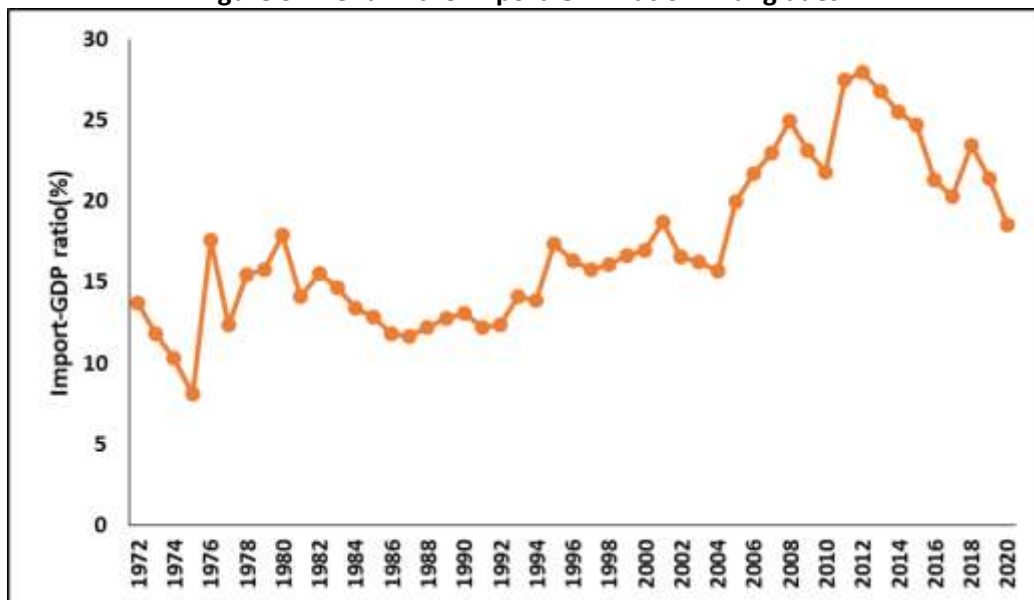
**Figure 2 Trend of the Import Growth(Annual % Growth)**



Source: WDI, World Bank

Figure-3 shows the trend in the import-GDP ratio in Bangladesh which is the share of total imports in GDP. The surge in imports also resulted in a rising import penetration ratio, defined as the share of total imports in GDP. Figure 3 shows that the import penetration ratio was only about 13 percent during early 1972, which increased to more than 27% percent by 2012. The rate gradually declined after 2012 till 2017 which slightly increased in 2018 to 23%. The rate again fell in 2019 and 2020 basically due to the COVID-19 pandemic.<sup>6</sup>

**Figure 3: Trend in the Import-GDP Ratio in Bangladesh**



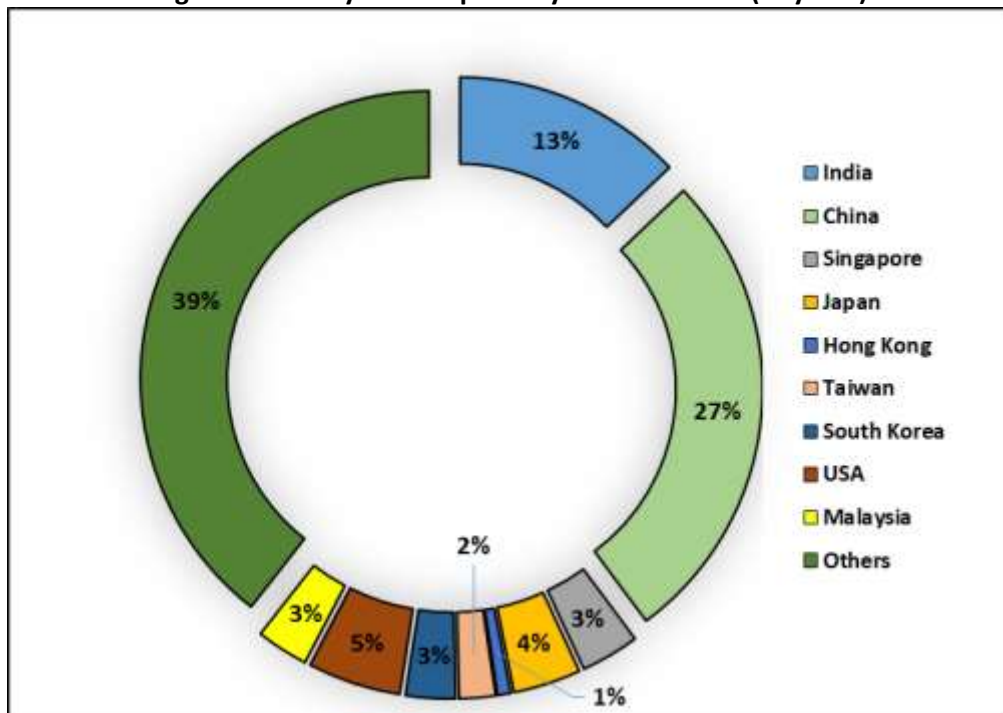
Source: WDI, World Bank

In the fiscal year, 2019-20(July-Feb) Bangladesh has imported mostly from China. The second-largest country from which Bangladesh imports most is India which is about 13% of the total

<sup>6</sup> <https://data.worldbank.org/>

import payments. Figure-4 shows the percentage of country-wise import payments in 2019-20(July-Feb).<sup>7</sup>

**Figure 4:Country-wise Import Payments 2019-20 (July-Feb)**

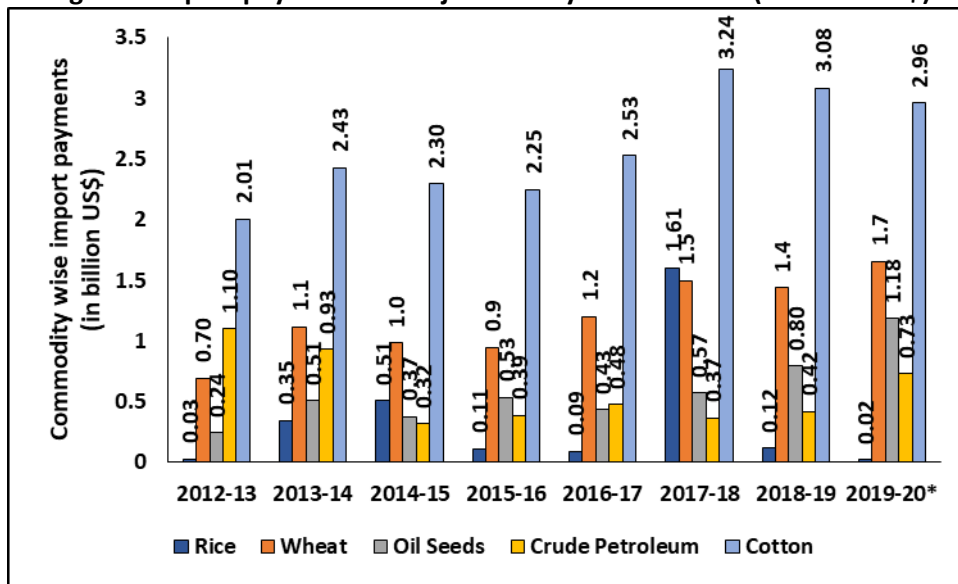


Source: Compiled by Authors from Bangladesh Economic Review 2020

The major primary commodities that are imported are cotton, crude petroleum, oil seeds wheat, and rice. Import payments of major primary commodities (in Billion US\$) from FY2012-13 to FY2019-20 have been shown in Figure-5. The import payments of rice have declined over the years. The import payments for cotton also shrunken from FY 2018-19 and it also dropped in the pandemic in FY 2019-20.

<sup>7</sup> Bangladesh Economic Review 2020

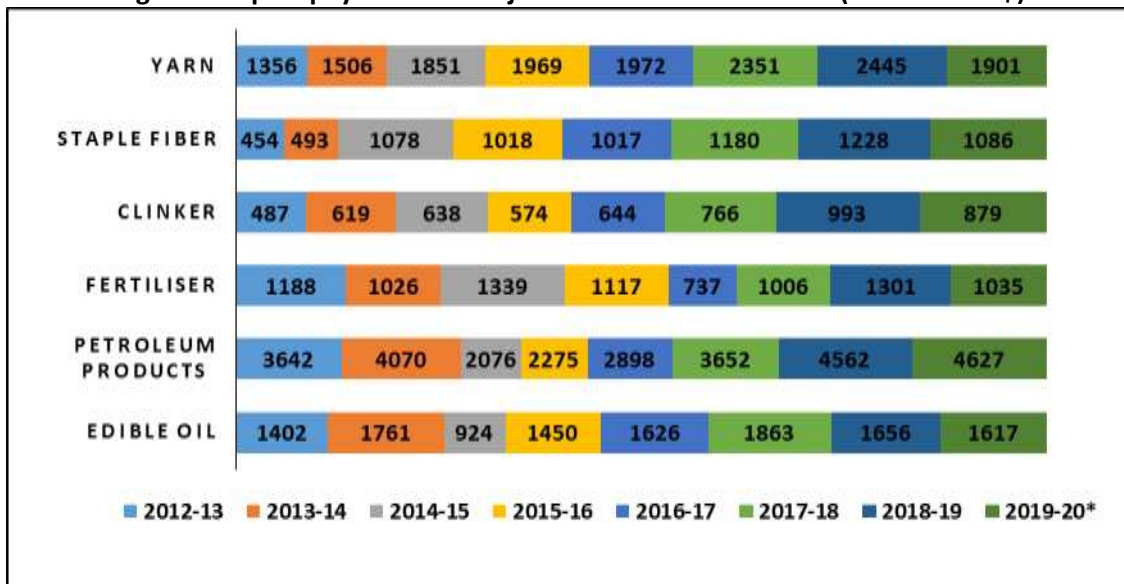
**Figure 5 Import payments of Major Primary Commodities (in billion US\$)**



Source: Compiled by Authors from Bangladesh Economic Review 2020

The major industrial commodities that Bangladesh imports are yarn, staple fibre, clinker, fertiliser, petroleum products, and edible oil. Import payments of major primary commodities (in million US\$) from FY2012-13 to FY2019-20 have been shown in Figure-6. A fall in import payments for the major commodities is seen in FY 2019-20. The pandemic is the reason for this decline in imports.

**Figure 6 Import payments of Major Industrial Commodities (in million US\$)**

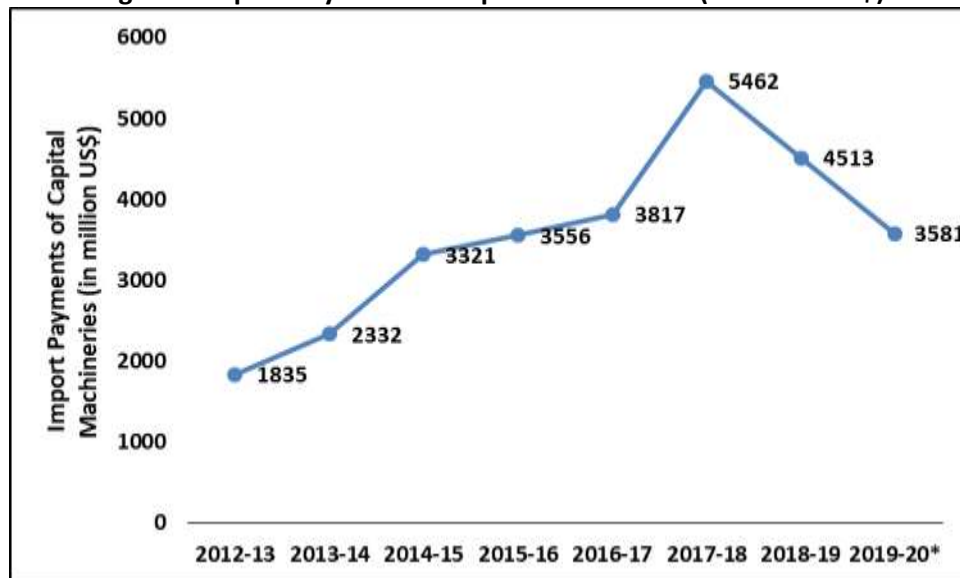


Source: Compiled by Authors from Bangladesh Economic Review 2020

Import payments of capital machineries (in million US\$) from FY2012-13 to FY2019-20 are shown in Figure-7. The high import of capital equipment represents an increase in investment in industry and infrastructure development. The trend of import payments was in rising from FY2012-13 which declined in 2018-19 and further fell in 2019-20 due to the pandemic. With

the reduction in the product demands for both local and external markets, the expansion of businesses has been sluggish.

**Figure 7 Import Payments of Capital Machineries (in million US\$)**



Source: Compiled by Authors from Bangladesh Economic Review 2020

## **2.2 Trade-Related Provisions: Current State and Bottlenecks**

### **2.2.1 Remedial measure issue**

In clause 4 (e) it is mentioned that if anyone is afflicted by any decision that concerns a ban or restriction on the import of any items, that person or institution may submit his representation to the Bangladesh Tariff Commission and the Bangladesh Tariff Commission shall properly investigate such a representation and furnish its recommendation to the Ministry of Commerce for consideration. In this case, the remedy of the aggrieved person is not clear which should be specified. Without remedy, the grievance of the concerned person or organisation may remain unaddressed.

### **2.2.2 Anti-export bias, tariffs, and para tariffs**

The import policy order of Bangladesh mostly protects the import substitutes by imposing high tariffs and para-tariffs. Infrastructure development surcharges, supplementary duties, and regulatory duties are some significant forms of para tariffs. These added taxes are mainly levied to generate revenue. However, such para tariffs, along with customs duty often create a severe protectionist import regime for the domestic industries, leading to the phenomenon of anti-export bias (Raihan et.al, 2013).

For too long, domestic consumers are paying for these higher duties when they buy imported products. Though the protectionist arguments have some merits, in promoting import-substituting domestic industries, however, the protection should be time-bound. The new import policy order should address the issue of high-tariff reduction on import substitutes, as high tariffs are a significant cause of export concentration. The domestic protection is often higher than the export incentives, which, disincentivizes the domestic industries to export. This protectionist view in the import policies of the country results in anti-export bias.

TOKARICK (2007) carried out a quantitative study and addressed the fact that import tariffs act as an export tax. The author suggests that the reduction of import tariffs is a significant way to foster export incentives (Tokarick et al. 2007). The main focus of the import policies of Bangladesh is revenue generation. The development aspects of the import policies are seldom noticed. The future import policies should prepare Bangladesh for smoother LDC graduation, and gradually phase out the discriminatory para tariffs.

### **2.2.3 Introduction to the digital payment method**

In clause 7, fund provision for financing imports is mentioned. Unless otherwise specified, the importers shall import primarily against cash foreign exchange. Digital payment might be introduced in addition to cash foreign exchange.

### **2.2.4 Enforcement status**

Enforcement status backed by Section 3(1) of the Import and Export (Control) Act 1950-The policy is binding since it has been formulated under the Import and Export (Control) Act 1950 Act. Unlike other policies, the binding nature of this policy makes it's status unique, not mere directives, which is instrumental for the proper implementation of a policy. However, the Parent Act here dates back to 1950 which deserves to be updated considering the demands of the present-day import & export context.

### **2.2.5 The objective of the policy is missing**

The objective of the Import Policy Order, 15-18 is missing. It should be outlined. Without outlining objectives, the policy cannot achieve its desired purpose. Without definite objectives, the action areas also remain unclear. If the objectives are to facilitate import or to promote export orientation or both then it is indispensable to prioritize the area of concern.

### **2.2.6 Protection of intellectual property rights**

In the case of the import of branded goods registered under any law related to intellectual property in Bangladesh. Here, the laws related to intellectual property in Bangladesh need to be specified, because there exist laws related to intellectual property in Bangladesh. Without specification, there remains confusion among the importers and other concerned bodies which may vitiate the implementation of this provision. The government may get an exemption until LDC graduation (2026) relating to intellectual property, however, as a middle-income country Bangladesh needs a robust intellectual property framework which should also be reflected in the relevant policies.

### **2.2.7 Documentation in private and public disparity**

Private sector importers require to submit several extra documents compared to the public sector importers which may discourage the private sector importers while creating an unreasonable disparity.

### **2.2.8 Import in contravention of this order**

Goods imported in violation of any provision of this order or any notification issued thereunder by the Chief Controller shall be treated to have been imported in contravention of the provisions of the Act. The consequences for contravention or violation of this order are missing. Without any specific consequences for the violation of the policy, the implementation of the policy remains questionable. Though this import policy has a binding



effect, however, without any sanction for its violation, the effective execution of the policy may be frustrated.

### **2.2.9 Issue Related to public health and environment**

Clause 15 states that, provided the banned goods mentioned in annexure -1 shall not be imported and in case of import of other goods, the rules & regulations related to public health and environment must be observed strictly. The rules and regulations related to public health and the environment encompass a wide range of laws, rules, and policies which should be specified in a separate schedule.

### **2.2.10 Import Trade Control Committee (ITC)**

Gender inclusivity or women's representation may be introduced in such committees considering the significance of guaranteeing Gender equality in trade and commerce. (SDG 5).

### **2.2.11 Few women entrepreneurs<sup>8</sup>**

Not that much priority has been given to understanding the gender impact of services involved in trade facilitation like customs and border management, logistic services, trade infrastructure, and transportation in Bangladesh. The practice of employing gender-differentiated filters on trade policies, port-level procedures, infrastructure planning, and the design of trade promotion programs is still far from adequate.

### **2.2.12 Comprehensive trade policy**

A comprehensive Trade Policy is of the essence that specifically addresses unique issues related to land port trading. Equally important is a regulatory and procedural framework (such as SOP) for better coordination among various components of the macroeconomic policies that are considered necessary to pursue and sustain strategic trade policies effectively. Various policy instruments deployed in the fiscal, monetary, and exchange rate arena ought to be better coordinated with those of the trade policy.

### **2.2.13 Yesterday's policy/dated policy<sup>9</sup>**

The policy should be a forward policy that should include the relevant objectives of the 8<sup>th</sup> five-year plan, focus the priority list for overcoming the challenges, and utilize the opportunities after LDC graduation. The Import Policy Order, 15-18 is not forward-looking and cannot be adjusted with the 8<sup>th</sup> five-year plan or LDC graduation. Moreover, LDC graduation policy space will be limited and hence, it is high time to develop a forward-looking policy to address the upcoming challenges.

### **2.2.14 The major focus is revenue earning<sup>10</sup>**

When in a policy document, both the objectives and implementation of any policy are described then, the major target of the policy becomes to ascertain revenue, which should not be the major target of any policy. Moreover, after the LDC graduation self-regulatory organizations will develop, the export lobbyist wants to reduce the regulatory duties and these unwanted consequences take place due to the tendency of revenue earning.

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<sup>8</sup> Information from FGD

<sup>9</sup> Information from KII

<sup>10</sup> Information from KII

Furthermore, the government depends a lot on import tariffs and other taxes for revenue generation. About one-third of the revenue will be generated for these taxes and tariffs this year and the reliance on imports for revenue generation severely compromises the trade policy options.

#### **2.2.15 Import of waste materials**

Despite the legal ban on the import of all kinds of waste materials, about 1.2 million tonnes of plastic waste have been shipped to Bangladesh since 2017. According to research by Environment and Social Development Organization (ESDO), it has been found out that these illegal imports of plastic waste basically from the UK and the US until 2019 (Sakib, N. S. M., 2021)

#### **2.2.16 Non-tariff measures**

Generally, when the issues of NTMs are discussed, our initial focus goes to the NTMs we face in other countries while exporting. However, the NTMs existing in Bangladesh, faced by the importers are also of great significance. An ITC study states that 91 percent of Bangladeshi exporters face burdensome NTMs and about 53 percent of the importers face NTMs while importing raw materials and consumer items in Bangladesh (Kibria, Asjadul, 2018). Document requirements, port congestion, lack of adequate testing facilities, lack of full automation in the clearance process, and delay in receiving test results, are some of the significant NTMs while importing to Bangladesh.

### ***2.3 Changing Nature of the World Trade and Relevance of the Import Policy Order, 2015-18***

#### **2.3.1 Challenges of upcoming LDC graduation**

By 2026, Bangladesh will be graduated from the LDC category. This will create noticeable changes in Bangladesh's trade and industrial perspective. The Import Policy Order 2015-18 was not tailored to the issues of Bangladesh's graduation, however, alterations of some of the mentioned provisions of IPO 2015-18 are necessary for the post-graduation period. As there are still 5 years in hand, the next import policies should have a comprehensive outlook on smoother LDC graduation. To prepare Bangladesh for the forthcoming LDC graduation, the new import policy orders now must have provisions to gradually abolish all forms of para tariffs (subsidiary duties, regulatory duties, etc.). Preparation for tariff rationalisation should also be considered. At present in non-agricultural commodities, the binding tariff rate is declared for only 3 percent of the tariff lines. After graduation, the binding tariff rates of all the tariff lines are required to declare.

Bangladesh also lacks the capacity in dealing with anti-dumping issues, countervailing, and safeguarding measures. In the post-graduation phase, these issues need to be dealt with carefully by the concerned authorities of Bangladesh. Therefore the capacity building of the responsible authorities is a must.

#### **2.3.2 FTA negotiation and export diversification**

After the LDC graduation, Bangladesh will lose preferential market access to its trading partners. To minimise the loss of export revenue due to the loss of preferential market access; and to diversify export, Bangladesh needs to form bilateral and multilateral FTAs. Reform of

tariff structure is a significant activity while negotiating for any forms of FTAs and PTAs. Along with the reforms in the tariff schedule, the country will need to work on the FDI, investment in infrastructure, and capacity-building activities. The future import policy orders should mention specific provisions focusing on FTA-related tariff schedule alterations, preferential rules of origin requirement, and mutual recognition of standard agencies. (Khan, M. A., 2021)

### **2.3.3 Attracting FDI inflow with a favourable tariff structure**

The contribution of FDI inflow to the GDP of Bangladesh is very poor which is around only 1% of the GDP. Among the countries of Asia, the FDI inflow to Bangladesh is relatively low. Despite lucrative tariff preference in machineries and raw material import for the production of industries funded by foreign investment and industries in the SEZs, Bangladesh is yet to achieve a significant amount of FDI. Unsatisfactory performance in the ease doing business index, the unfavourable investment climate of Bangladesh, bureaucratic tangles, hidden costs, delays in getting utility connections for new business, etc, are some significant bottlenecks to attracting FDIs. For stable economic growth, both domestic and foreign investment is necessary as it will create room for new employment (Haider, A. A., 2021).

### **2.3.4 The 8<sup>th</sup> five-year plan and the perspective plan (2021-2041)<sup>11</sup>**

The 8<sup>th</sup> five-year plan is already been formulated which addresses issues like job creation, GDP growth, equal opportunities for all, tackling adverse effects of climate change, Covid recovery, 4<sup>th</sup> industrial revolution, LDC graduation, etc. Also, the perspective plan 2021-2041 states that Bangladesh needs to ascend to the UMIC country status by 2031 and a HIC by 2041.

For keeping pace with the global world the future import policy order should be consistent with the 8<sup>th</sup> five-year plan and the perspective plan 2021-2041. To make the import policy order consistent with the wide-ranging goals of the 8<sup>th</sup> five-year plan and the perspective plan 2021-2041, special focus should be given to encouraging the import for re-export by value addition. Moreover, the focus on import policy order should be framed to boost industrialization for the growth of the economy. The import policy order during this time should also be tailored with a specific focus on the LDC graduation preparatory phase and, and post-graduation challenges, having WTO-consistent provisions. The new industrial policy must also address the 4IR issues.

### **2.3.5 4<sup>th</sup> Industrial revolution (4IR)**

Bangladesh should prepare the next import policy order taking special attention to the need for 4IR, as the whole world is moving towards 4IR. Since the import policy order, 2015-18 is somehow not forward-looking for the context of 4IR, provisions regarding the 4IR don't contain measures related to this. The fourth industrial revolution will be dominated by 4D printing, big data, blockchains, artificial intelligence (AI), digital technology, bio-engineering, and robotics. The future of trade in Bangladesh depends on adapting the consequences with the formulation and implementation of proper policies. The 4IR will replace the labour force with machinery which might lead to more import of machinery for keeping pace with the rest of the world in the production process thus, it might pose a serious threat to our export life-line RMG. Moreover, it could also contribute to the emergence of newer high-tech products and service industries. Regarding these cases, new policies should consider the consequences.

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<sup>11</sup> Information from KII

Future import policies should have provisions regarding tariff concessions on high-tech industrial products, products used for scientific research, and raw materials dedicated to innovation.

#### ***2.4 Deviation from the International Practices (By Comparators)***

This section will provide us a country comparison of the existing import policies and customs regulations of some comparators, with Bangladesh. During the KIIs and FGDs, the countries that were suggested by the informants to go through their existing import policies are primarily Malaysia and Indonesia. These countries have achieved remarkable economic progress during the last decade and so.

As Bangladesh is soon to graduate from the LDC status and possesses a vision to become a UMIC by 2031, this section of the study will provide an Import policy comparison of Bangladesh with industrial successes like Malaysia, and Indonesia. A summary of the import policies of the mentioned countries with the import policy order of Bangladesh is presented in a matrix form on the following page.

**Table 5 Import policy comparison (Malaysia, Indonesia, and Bangladesh), some significant aspects**

Issues	Remarks		
	Malaysia <sup>12</sup>	Indonesia <sup>13</sup>	Bangladesh <sup>14</sup>
<b>Revisions of the tariff schedule</b>	<ul style="list-style-type: none"> <li>Malaysia's tariff schedule is revised every year as a part of the annual budget procedure.</li> </ul>	<ul style="list-style-type: none"> <li>No specific time frame to change the tariff schedule</li> <li>MoF is in charge of the alteration of the tariff schedule upon consultation with the relevant ministries</li> <li>Changes are enacted through MoF regulations</li> </ul>	<ul style="list-style-type: none"> <li>In budget sessions each year, the parliament approves specific tariff schedules upon proposal by the Bangladesh Trade and Tariff Commission.</li> </ul>
<b>Domestic protection</b>	<ul style="list-style-type: none"> <li>Malaysia protects its domestic small industries from international competition by imposing TRQ,</li> <li>The highest protection is enjoyed by the automobile sector,</li> <li>The protection is enjoyed by 21 tariff lines currently at 10-digit HS code</li> </ul>	<ul style="list-style-type: none"> <li>Indonesia safeguarded the import substitute industries by raising tariffs on specific imports that compete with local production eg: electronic products, electrical and non-electrical milling machines, chemicals, cosmetics, medicines, wine and spirits, iron wire and wire nails, and some agricultural products including milk products, animal and vegetable oils, fruit juices, coffee, and tea, were also raised</li> </ul>	<ul style="list-style-type: none"> <li>Domestic protection varies across sectors,</li> <li>In Agri, products protection is enjoyed by beverage, tobacco, tea, coffee, sugar and confectionery, dairy, fruits, plants, and vegetable sector</li> <li>Manufacturing protection is provided for textiles, clothing, fish, and fishery products.</li> </ul>

<sup>12</sup> Trade Policy Review of Malaysia. (2017). The World Trade Organisation. [s366\\_e.pdf \(wto.org\)](#) (Retrieved on 6<sup>th</sup> September, 2021)

<sup>13</sup> Trade Policy Review of Indonesia. (2020). The World Trade Organisation. [s401\\_e.pdf \(wto.org\)](#) (Retrieved on 6<sup>th</sup> September, 2021)

<sup>14</sup> Trade Policy Review of Bangladesh. (2019). The World Trade Organisation. [s385\\_e.pdf \(wto.org\)](#) (Retrieved on 6<sup>th</sup> September, 2021)

Issues	Remarks		
	Malaysia <sup>12</sup>	Indonesia <sup>13</sup>	Bangladesh <sup>14</sup>
<b>Import duty exemption</b>	<ul style="list-style-type: none"> <li>Duty exemption of inputs used for the production of export items</li> </ul>	<ul style="list-style-type: none"> <li>Customs duty exclusion of goods that are used for research and scientific purposes,</li> <li>To make the particular sector competitive, some import duties are borne by the govt, import duty exemption for the establishment or modernisation of the factories</li> </ul>	<ul style="list-style-type: none"> <li>Bangladesh continues duty concession and general exemptions on several products</li> <li>Concessional duties are enforced on imports of capital machinery and spare parts by registered industrial consumers, including export-oriented industries; imports targeting exporters; and imports for a specific user or users, such as dairy and poultry, pharmaceuticals, and the leather and textile industries.</li> </ul>
<b>NTMs</b>	<ul style="list-style-type: none"> <li>Anti-dumping duties, countervailing duties, and safeguarding measures are the primary NTMs in Malaysian import policy</li> </ul>	<ul style="list-style-type: none"> <li>Anti-dumping duties, countervailing duties, and safeguarding measures are the NTMs in Indonesian import policy as well.</li> </ul>	<ul style="list-style-type: none"> <li>Anti-dumping duties, countervailing duties, and safeguarding measures are the primary NTMs incorporated in the BD Customs act</li> <li>However, any form of dumping and subsidy investigations are yet to commence</li> </ul>
<b>Customs procedure and automation</b>	<ul style="list-style-type: none"> <li>Malaysian customs clearance procedure is almost fully automated, Import declarations, duty assessments, and related documentation can be submitted electronically,</li> <li>Most of the customs documents are made paperless, still, some</li> </ul>	<ul style="list-style-type: none"> <li>Indonesian NSW is functional where import-related documents can be issued and submitted</li> <li>Submission of customs documents and applications for trade licenses, the payment of duties, synchronized</li> </ul>	<ul style="list-style-type: none"> <li>Bangladesh is trying to go on full automation in the customs clearance process to make the process simpler, paperless, and efficient</li> <li>The Customs modernisation program is ongoing</li> <li>Effective implementation of NSW and one-stop service is still a challenge</li> </ul>

Issues	Remarks		
	Malaysia <sup>12</sup>	Indonesia <sup>13</sup>	Bangladesh <sup>14</sup>
	<p>documents need to be submitted physically</p> <ul style="list-style-type: none"> <li>The Malaysian government is trying to minimise that as well</li> </ul>	<p>processing, and a final decision by Custom all done in INSW,</p> <ul style="list-style-type: none"> <li>At the regional level, Indonesia also participates in ASEAN single window</li> </ul>	
<b>Simplification of the document requirement</b>	<ul style="list-style-type: none"> <li>Easing document requirements for the issuance of landing permits for domestic charter flights,</li> <li>Lowering regulatory supply chain requirements for the processed food industry, Removal of requirements for the issuance of import and export permits for agricultural products by Malaysian Quarantine and Inspection Services, including processed food;</li> <li>Establishment of the NSW, the ASEAN Trade Repository Portal, and the Malaysian National Trade Repository portal</li> </ul>	<ul style="list-style-type: none"> <li>Documentation requirements remain unchanged and include an import declaration form, a Pro-forma invoice, a commercial invoice, a bill of lading, and a packing list.</li> <li>A certificate of origin (e.g. for tariff preferences, prohibitions, and restrictions measures), an insurance certificate, and other relevant documents may be required for certain items subject to certain conditions</li> </ul>	<ul style="list-style-type: none"> <li>Shipping agents submit their IGM, C&amp;F agent submits their bill of entry</li> <li>Along with the bill of entry, the importers also require L/C, invoice, packing list, bill of landing/airway bill/truck receipt, insurance certificate, VAT certificate, BIN, country of origin certificate, and other product specific documents (SPS, radiation certification, etc.)</li> </ul>

Issues	Remarks		
	Malaysia <sup>12</sup>	Indonesia <sup>13</sup>	Bangladesh <sup>14</sup>
<b>Rules of Origin requirement</b>	<ul style="list-style-type: none"> <li>Malaysia possesses no domestic law focusing on rules of origin for imports, and it does not maintain any non-preferential rules of origin,</li> <li>The preferential rules of origin criteria are used for imports from FTAs and RTAs,</li> <li>Wholly obtained, change of HS code and specific transformations are some criteria for determining the ROO</li> </ul>	<ul style="list-style-type: none"> <li>Indonesia does not follow non-preferential ROO criteria</li> <li>The preferential ROO criteria follow wholly obtained, substantial transformation, value addition, specific transformation, and change of HS heading,</li> <li>The ROO preferential criteria are provided for the countries in the RTAs and FTAs.</li> </ul>	<ul style="list-style-type: none"> <li>Bangladesh does not use non-preferential rules of origin (ROOs)</li> <li>The country is yet to notify WTO</li> <li>Bangladesh uses preferential ROO for SAFTA and APTA members</li> <li>The criteria for preferential ROO are wholly obtained, value addition, cumulation, and product-specific transformation</li> <li>There is also a difference in preferential ROO for LDCs and non-LDCs</li> </ul>
<b>Tariff preference</b>	<ul style="list-style-type: none"> <li>Intra- ASEAN free trade areas</li> </ul>	<ul style="list-style-type: none"> <li>Bilateral and Multi-lateral FTAs. ASEAN region, AUS/NZ, China, India, Pakistan, Rep of Korea, Chile, Japan</li> </ul>	<ul style="list-style-type: none"> <li>Under the SAFTA and the APTA, Bangladesh grants preferential tariff rates on certain goods originating in members of these RTAs</li> </ul>
<b>Additional charges affecting import</b>	<ul style="list-style-type: none"> <li>Other than the mentioned customs duties, no additional fees are required by the customs to do the customs clearance procedure</li> </ul>	<ul style="list-style-type: none"> <li>Indonesia charges a fee of USD 30 as a Customs Electronic Data Interchange fee,</li> <li>There is zero customs clearance fee</li> <li>In addition to customs duties, imports are subjected to the withholding tax, VAT, luxury-goods sales tax, and excise tax</li> </ul>	<ul style="list-style-type: none"> <li>Bangladesh continues to levy a regulatory duty (RD) on imports (including preferential imports),</li> <li>Imports are also subject to VAT, supplementary duty (SD), advance trade VAT (imports by commercial importers only), and advance income tax</li> </ul>

Source: Authors' Compilation from Different sources



**Take away:**

- The documentation process should be simplified.
- Introducing automation in the customs clearance process.
- Duty exemption of inputs should be given for the production of export items.
- Pursuing the process of lowering regulatory supply chain requirements for the processed food industry.
- Implementation of one-stop services like NSW.

### **3. The Import Policy Order and Relevance to the SHE Trades**

The provisions of the import policy order are not gender discriminatory. However, there often lies problems regarding women's business knowledge, social outlook, and structural barriers that limit women entrepreneurs to actively participating in trade and business-related activities. During the KIIs and FGDs, a handful of bottlenecks have been addressed by the women entrepreneurs which indirectly relates to the import and trading activities. However, it is to be noted, that the problems are not caused by the provisions of the import policy order 15-18. The bottlenecks are presented here so that the new import policies of Bangladesh can at least, address the issues and formulate proactive provisions to remedy the issues and make a more women-friendly business environment in the country. Three significant barriers to "She trade," that can be related to the import policy order are briefly mentioned below.

#### ***3.1 Lack of knowledge regarding business and customs requirements***

The majority of the women involved in trade-related activities find it problematic while managing the financial prospects regarding the business. They lack compatible knowledge related to the requirement of IRC, VAT and TIN certificates, association affiliation certificates, etc., while trading as well as maintaining bookkeeping, documentation, export-import readiness, profit-loss calculation, etc. Generally, women's business and financial knowledge are not at par with men's (due to multiple reasons), and customs procedures are generally complex to grasp. Knowledge regarding how to plan projects, legal procedures to start a business, how to avail special incentives, customs procedures, and knowledge of HS code, etc. are often unknown by marginal women entrepreneurs.

Lack of knowledge about such customs and business-related activities is a significant barrier for women to get connected in the global trade and value chain (Ahmad, S., 2021)

#### ***3.2 Port management system<sup>15</sup>***

The port management system, especially inland ports are not women-friendly. The absence of separate women's information desks, washrooms, waiting rooms, etc. often makes it difficult for the women traders who are engaged in import and export-related activities, to function smoothly.

#### ***3.3 Absence of training and assistance<sup>16</sup>***

Women entrepreneurs mostly face difficulties in business processes due to the absence of appropriate support staff and the lack of a women-friendly business and banking environment. The knowledge gap regarding import procedures can be minimised by appropriate training on import regulations. However, such training is seldom arranged, and the coverage is really low.

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<sup>15</sup> FGD with BWCCI

<sup>16</sup> Information from KII and FGD

#### 4. Findings of the Study<sup>17</sup>

The Import Policy Order 2015-18 is a very well-crafted policy though several issues have been unfolded with the extensive desk review through various literature, KIIs, and FGDs. Moreover, KIIs and FGDs with relevant stakeholders also helped to disclose the practical consequences and the real-time scenarios. Based on the information gathered from the KIIs and FGDs the followings issues have been found out:

**Table 6 Findings from the KIIs and FGDs**

Issues	Remarks
<b>Lack of Specific Objectives</b>	<ul style="list-style-type: none"> <li>• There is a lack of specific objectives, if the objectives are to facilitate import or promote export orientation or both then it is indispensable to prioritize the area of concern.</li> <li>• There is a lack of practice of specific methods in this policy about achieving the objectives of the policies. The well-written policy also aims to solve all the problems, which will be impossible for a country like Bangladesh.</li> <li>• Therefore, a large number of objectives should not be targeted, and one or two objectives should be targeted to fulfil which will be more practical for a country like Bangladesh. Moreover, import policies should also address the facilities for export.</li> </ul>
<b>Absence of Comprehensive Trade Policy</b>	<ul style="list-style-type: none"> <li>• In Bangladesh, there are three separate policies, which are: industrial, export, and import policy. But there is a strong nexus between these three policies and these policies can be able to influence each other very significantly. Consequently, three separate policies sometimes make things cumbersome. Instead of specific policies, a comprehensive trade policy might be of great advantage.</li> </ul>
<b>Training for Women Entrepreneurs and Bankers</b>	<ul style="list-style-type: none"> <li>• Due to a lack of literacy women and both bankers have to face hassles regarding bank loans.</li> </ul>
<b>Dated Policy</b>	<ul style="list-style-type: none"> <li>• The policy is undertaken in 2015-2018 which does not have any relevance to the current context. The context of LDC graduation and the objectives of the 8<sup>th</sup> five-year plan does not reflect in this policy. The policy should be a forward policy that should include the relevant objectives of the 8<sup>th</sup> five-year plan, focus the priority list for overcoming the challenges, and utilize the opportunities after LDC graduation.</li> </ul>
<b>Capacity Building for Women Entrepreneurs</b>	<ul style="list-style-type: none"> <li>• Due to the lack of capacity building and training programs, women entrepreneurs have to suffer a lot which also hinders their profit and increases the cost of doing business.</li> </ul>
<b>The major focus is revenue earning</b>	<ul style="list-style-type: none"> <li>• When in a policy document, both the objectives and implementation of any policy are described then, the major target of the policy becomes to ascertain revenue, which should</li> </ul>

<sup>17</sup> Information from KIIs and FGDs

Issues	Remarks
	not be the major target of any policy. Moreover, after the LDC graduation self-regulatory organizations will develop, the export lobbyist wants to reduce the regulatory duties and these unwanted consequences take place due to the tendency of revenue earning.
<b>Need to impose appropriate duties on goods and services</b>	<ul style="list-style-type: none"> <li>• After the LDC graduation, the policy space will be limited. Therefore, it is high time to develop appropriate duties on goods and services for overcoming challenges after graduation. The duty should be kept small on raw materials and capital machineries and the duty on final goods should be higher.</li> </ul>
<b>Gender Inclusion</b>	<ul style="list-style-type: none"> <li>• There are no specific guidelines for supporting women, it is not gender-audit. Should be given priority to those areas or industries where women have the tendency to work and the number of women entrepreneurs are large and should provide support to the raw materials which the women need, however, it is more important to develop gender-friendly fiscal and monetary policy rather than mentioning the opportunities for women in the policy document.</li> </ul>
<b>Well-written Policy</b>	<ul style="list-style-type: none"> <li>• The policy is well-written and nicely presented every aspect of import policy and difficult to figure out any contraventions. This is the major labyrinth of the policy that is well-written, hence the policy overlooked the previous reasons for failure and the challenges why policies failed to succeed. The Import Policy Order is also over-ambitious and not backed by practical actions.</li> </ul>
<b>Institutional Incapacity</b>	<ul style="list-style-type: none"> <li>• Institutional incapacity is a major challenge for Bangladesh. The institution will eventually decide how the country can go. It should be the first and foremost duty to strengthen the institutional capacity for assuring any policy implementation. Massive investment should be undertaken for capacity building, through assuring overtime training, division of labour, and so forth. By sending abroad institutional capacity cannot be increased, hence, a massive rate of investment in overtime training and assuring division of labour need to be undertaken.</li> </ul>
<b>Tariff and Supplementary Duties</b>	<ul style="list-style-type: none"> <li>• The progress of export and import policy cannot be denied but Bangladesh is the only country that can meet the three criteria of LDC graduation and the impacts of trade are indispensable. According to a report from WTO, the EBA utilization rate is 96% for Bangladesh. But there are also some major obstacles, from the last 20-25 years Bangladesh cannot be able to assure export diversity.</li> <li>• The policy paper of Bangladesh is classic and standard but the implementation is questionable. Need to assure the coordination and capacity to ascertain the implementation.</li> </ul>
<b>Lack of Accountability</b>	<ul style="list-style-type: none"> <li>• Lack of accountability is one of the major results of institutional incapacity. Institutional incapacity should be removed to assure</li> </ul>

Issues	Remarks
	accountability and without accountability, any policy cannot be implemented appropriately.
<b>Access to Information</b>	<ul style="list-style-type: none"> <li>In Bangladesh, Access to information is one of the major challenges to implementing any policy, as the stakeholders do not have equal access to information in every stage of trade. Therefore, with strengthening institutional capacity access to information need to be increased.</li> </ul>
<b>LDC Graduation Issue</b>	<ul style="list-style-type: none"> <li>Though the import policy is well written as Bangladesh is going to be a non-LDC country hence, for Bangladesh it is indispensable to revise some policy strategies before graduation. To overcome the challenges which Bangladesh can able to face after graduation, a revision of the import policy is highly required.</li> </ul>

Source: Authors' compilation from different sources, KIIs, FGDs.

## 5. Recommendations and Way Forwards

The policies of Bangladesh, in general, are well crafted. And the import policy order 2015-18 is of no difference. A lot of effort, consultation, and stakeholder opinion are considered while formulating the policies. This policy was formulated back in 2015<sup>18</sup>. Back in that time, it was suitable for that context.

Nowadays, several new issues and challenges have been unfolded. Moreover, the Government of Bangladesh has come up with various visions and missions for the upliftment of the country as well as the economy. Various perspectives have emerged in the present context upon which the revision of the policy has become vital. In 2026, Bangladesh will graduate from the LDCs and new challenges will be disclosed regarding trade-related activities. The whole world is moving forward with technological advancements such as 4IR that will create new challenges for Bangladesh. To keep up the pace with the global context, it is necessary to revise the policy.

With extensive desk research, meetings, and consultation with relevant stakeholders, focus group discussion, many issues have been brought up. One significant observation from our review is that the Import Policy Order, 15-18 lacks proper objective and vision, which makes it difficult to evaluate. The intended goal and the measures to achieve those goals are not explicitly mentioned in the Import Policy Order, 15-18. The policy document itself is long and complex and often creates confusion among importers<sup>19</sup>.

Moreover, it would be better if there is a comprehensive trade policy compiling the export policy, import policy, and industrial policy that would be much more advantageous for the stakeholders and business persons.

Furthermore, it has been found that the import policy order is gender inclusive. Specific provisions addressing women entrepreneurs should be included in the upcoming policy. Moreover, it would be much more beneficial for women if there is training for women entrepreneurs in banking literacy and capacity-building programs for women entrepreneurs. As half of the population of our country is women, the country cannot go forward without the active participation of women in trade-related activities.

Based on the findings which have been gathered from the KIIs and FGDs, this chapter will provide some recommendations for the upcoming import policy orders. Table 7, on the next page, provides a detailed recommendation matrix for future policies.

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<sup>18</sup> Import Policy Order 2015-18

<sup>19</sup> Discussion of FGD.

**Table 7 Recommendations for Future Import Policy Orders**

Chapter	Stated provisions in IPO 2015-18	Unchanged	Proposed Extension	New inclusion	Drop
Chapter One	<b>1. (3)</b> Provided that it shall remain in force after the expiry of such date until a new Import Policy Order is issued.	A good provision that may be continued.	N/A	N/A	N/A
	<b>2. Definitions</b>	Yes	N/A	N/A	N/A
Chapter Two	<b>3. Regulation of import</b>	Yes	N/A	N/A	N/A
	<b>4. Conditions for regulating import</b> <b>(e)</b> If anyone is aggrieved by any decision regarding a ban or restriction on the import of any item, that person or organization may submit his representation to the Bangladesh Tariff Commission and the Bangladesh Tariff Commission shall duly examine such a representation and furnish its recommendation to the Ministry of Commerce for consideration.	N/A	N/A	Setting up specific remedial measures is necessary for the aggrieved person.	N/A
	<b>5. General conditions of import of goods</b>	Yes	N/A	N/A	N/A
	<b>6. Source of finance</b>	Yes	N/A	N/A	N/A

Chapter	Stated provisions in IPO 2015-18	Unchanged	Proposed Extension	New inclusion	Drop
	<p><b>7. Fund provision for financing import.-</b> Unless otherwise specified, the importers shall import primarily against cash foreign exchange.</p>	N/A	N/A	Introduction to digital and online payments-related provisions in the future import policy order.	N/A
	<p><b>8. 13 Additional documents to be furnished by private sector importer</b> In addition to the documents mentioned in sub-paragraph (11 ), private-sector importers shall have to submit the following documents, such as:- (a) valid membership certificate from the registered local Chamber of Commerce and Industry or any Trade Association established on a Bangladesh basis, representing any special trade or business; (b) renewed Import Registration Certificate for the concerned financial year; (c) a declaration, in triplicate, that the importer has paid income-tax: or submitted an income tax return for the preceding year; (d) proof of having a Tax Identification Number (ETIN) in all cases of imports, excepting personal use;</p>	N/A	N/A	N/A	Abolishing the requirements of additional documents for private sector importers to reduce the disparity between public and private sectors.



Chapter	Stated provisions in IPO 2015-18	Unchanged	Proposed Extension	New inclusion	Drop
	<p>e ) any such document as may be required as per the Public            (Notice, or Order issued by Chief Controller, from time to time under this Order;            (f) any necessary papers or documents according to this Order;            (g) Insurance Cover Note either from Sadharan Bima Corporation or from any Bangladeshi Insurance Company and duly stamped insurance policy against this cover note, which shall have to be submitted to the Customs Authority during the release of goods</p>				

Chapter	Stated provisions in IPO 2015-18	Unchanged	Proposed Extension	New inclusion	Drop																																																				
<b>Chapter Three</b>	<p><b>9. (1)</b> The commercial and industrial importers shall be classified into the following six categories based on the ceiling value of overall annual import for the financial year 2015-16 to 2017-18 and their registration (IRC) and renewal fees shall be as follows:</p> <table border="1"> <thead> <tr> <th>Category No.</th> <th>Ceiling-value of overall annual import</th> <th>Initial registration fees</th> <th>Annual renewal fees</th> </tr> </thead> <tbody> <tr> <td>First</td> <td>Tk. 5,00,000</td> <td>Tk. 5,000</td> <td>Tk. 3,000</td> </tr> <tr> <td>Second</td> <td>Tk. 25,00,000</td> <td>Tk. 10,000</td> <td>Tk. 6,000</td> </tr> <tr> <td>Third</td> <td>Tk. 50,00,000</td> <td>Tk. 18,000</td> <td>Tk. 10,000</td> </tr> <tr> <td>Fourth</td> <td>Tk. 1,00,00,000</td> <td>Tk. 30,000</td> <td>Tk. 15,000</td> </tr> <tr> <td>Fifth</td> <td>5,00,00,000</td> <td>Tk. 45,000</td> <td>Tk. 22,000</td> </tr> <tr> <td>Sixth</td> <td>Above Tk. 5,00,00,000</td> <td>Tk. 60,000</td> <td>Tk. 30,000</td> </tr> </tbody> </table>	Category No.	Ceiling-value of overall annual import	Initial registration fees	Annual renewal fees	First	Tk. 5,00,000	Tk. 5,000	Tk. 3,000	Second	Tk. 25,00,000	Tk. 10,000	Tk. 6,000	Third	Tk. 50,00,000	Tk. 18,000	Tk. 10,000	Fourth	Tk. 1,00,00,000	Tk. 30,000	Tk. 15,000	Fifth	5,00,00,000	Tk. 45,000	Tk. 22,000	Sixth	Above Tk. 5,00,00,000	Tk. 60,000	Tk. 30,000	N/A	<p>Following the changed ceiling value of overall annual import for the upcoming financial year as well as IRC and renewal fees mentioned below:</p> <table border="1"> <thead> <tr> <th>Category No.</th> <th>Ceiling-value of overall annual import</th> <th>Initial registration fees</th> <th>Annual renewal fees</th> </tr> </thead> <tbody> <tr> <td>First</td> <td>Tk. 10,00,000</td> <td>Tk. 3,000</td> <td>Tk. 6,000</td> </tr> <tr> <td>Second</td> <td>Tk. 50,00,000</td> <td>Tk. 6,000</td> <td>Tk. 10,000</td> </tr> <tr> <td>Third</td> <td>Tk. 10,00,000</td> <td>Tk. 10,000</td> <td>Tk. 15,000</td> </tr> <tr> <td>Fourth</td> <td>Tk. 5,00,00,000</td> <td>Tk. 20,000</td> <td>Tk. 25,000</td> </tr> <tr> <td>Fifth</td> <td>Above Tk. 5,00,00,000</td> <td>Tk. 40,000</td> <td>Tk. 50,000</td> </tr> </tbody> </table>	Category No.	Ceiling-value of overall annual import	Initial registration fees	Annual renewal fees	First	Tk. 10,00,000	Tk. 3,000	Tk. 6,000	Second	Tk. 50,00,000	Tk. 6,000	Tk. 10,000	Third	Tk. 10,00,000	Tk. 10,000	Tk. 15,000	Fourth	Tk. 5,00,00,000	Tk. 20,000	Tk. 25,000	Fifth	Above Tk. 5,00,00,000	Tk. 40,000	Tk. 50,000	N/A	N/A
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	<p><b>9. (2)</b> Any importer shall, as per his wish, apply to the concerned Import Control Authority for registration as an importer of any of the aforesaid <b>six</b> categories, subject to payment of fees mentioned against the category and furnish with it the original copy of the Treasury Chalan as the proof of payment of fees along with other necessary papers.</p>	N/A	Any importer shall, as per his wish, apply to the concerned Import Control Authority for registration as an importer of any of the aforesaid <b>five</b> categories, subject to payment of fees mentioned against the category and furnish with it the original copy of the Treasury Chalan as the proof of payment of fees along with other necessary papers.	N/A	N/A																					
	<p><b>9. (18)</b> Indentors and exporters shall pay registration and renewal fees at the following rates, namely:</p> <table border="1"> <thead> <tr> <th colspan="2">Initial registration fees</th> <th>Annual renewal fees</th> </tr> </thead> <tbody> <tr> <td>Indentor</td> <td>Tk. 40,000</td> <td>Tk. 20,000</td> </tr> <tr> <td>Exporter</td> <td>Tk. 7,000</td> <td>Tk. 5,000</td> </tr> </tbody> </table>	Initial registration fees		Annual renewal fees	Indentor	Tk. 40,000	Tk. 20,000	Exporter	Tk. 7,000	Tk. 5,000	N/A	<p>Following the indentors and exporters' registration and renewal fees at the rates mentioned below, namely:</p> <table border="1"> <thead> <tr> <th colspan="2">Initial registration fees</th> <th>Annual renewal fees</th> <th>Renewal fees for five years</th> </tr> </thead> <tbody> <tr> <td>Indentor</td> <td>Tk. 10,000</td> <td>Tk. 10,000</td> <td>Tk. 50,000</td> </tr> <tr> <td>Exporter</td> <td>Tk. 5,000</td> <td>Tk. 2,000</td> <td>Tk. 10,000</td> </tr> </tbody> </table>	Initial registration fees		Annual renewal fees	Renewal fees for five years	Indentor	Tk. 10,000	Tk. 10,000	Tk. 50,000	Exporter	Tk. 5,000	Tk. 2,000	Tk. 10,000	N/A	N/A
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Chapter Four	<p><b>13. Import of samples, advertising materials, and gifts.-</b> (1) Goods of gift, advertising materials, and samples may be imported free of charge within CFR value limit without any prior permission or permit from the Chief Controller in the following cases during each financial year, namely:</p>	N/A	<p>Following the Goods of gift, advertising materials and samples may be imported free of charge within CFR value limit without any prior permission or permit from the Chief Controller in the following cases during each financial year, namely:</p> <table border="1"> <thead> <tr> <th>Types of Importers</th> <th>Goods of samples, advertising materials &amp; gifts</th> <th>CFR value limit</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>2</td> <td>3</td> </tr> </tbody> </table>	Types of Importers	Goods of samples, advertising materials & gifts	CFR value limit	1	2	3	N/A	N/A															
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	<p><b>15. Import into and Export from the Bangladesh Economic Zone (BEZ) and Export Processing Zone (EPZ).-</b>  <b>(1)</b> Import into and export from Bangladesh Economic Zone (BEZ) and Export Processing Zone (EPZ) shall remain outside the purview of this Order:  Provided that, the banned goods mentioned in Annexure -1 shall not be imported and in case of import of other goods, the rules &amp; regulations related to public health and environment must be observed strictly.</p>	N/A	N/A	Specifying and mentioning a wide range of laws, rules, and policies in a separate schedule related to the rules and regulations related to public health.	N/A
	<p><b>20. Import in contravention of this order.-</b>  Goods imported in violation of any provision of this order or any notification issued thereunder by the Chief Controller shall be treated to have been imported in contravention of the provisions of the Act.</p>	N/A	N/A	Mentioning and specifying the consequences for contravention or violation as, without any specific consequences for the violation of the policy, the implementation of the policy remains questionable.	N/A

Chapter	Stated provisions in IPO 2015-18	Unchanged	Proposed Extension	New inclusion	Drop
Chapter Five	<b>24. 18</b> Only 100% export-oriented industries units under bonded warehouse system shall be allowed to import necessary raw materials & packing materials for 4 (four) months in the revolving system against back-to-back LC against Master Export LC or confirmed contract by the buyer	N/A	Only 100% export-oriented industries units under bonded warehouse system shall be allowed to import necessary raw materials & packing materials for 6 (six) months in the revolving system against back-to-back LC against Master Export LC or confirmed contract by the buyer	N/A	N/A
Chapter Six	<b>The Rules Of Import By Commercial Importers</b>	Yes	N/A	N/A	N/A
Chapter Seven	<b>Import By Public Sector Importers</b>	Yes	N/A	N/A	N/A

Chapter	Stated provisions in IPO 2015-18	Unchanged	Proposed Extension	New inclusion	Drop
Chapter Eight	<b>28. Import Trade Control (ITC) Committee</b> 1) In case of any dispute between an importer and the Customs Authority on ITC classification or description of goods imported under the First Schedule of Customs Act., the importer may ask for adjudication by the local ITC Committee set up at Chittagong, Dhaka, Khulna, Benapole and Sylhet.	N/A	N/A	Introducing gender inclusivity or women's representation in such committees considering the significance of guaranteeing Gender equality in trade and commerce	N/A
Chapter Nine	<b>Compulsory Membership Of Recognised Chamber Of Commerce And Industry And Trade Association</b>	Yes	N/A	N/A	N/A

Source: Authors' compilation from different sources

Some way forwards that can be mentioned in the upcoming policy order are discussed in Table-8 below:

**Table 8 Further way forward**

<b>Topic</b>	<b>Stated Provision in the IPO 2015-18</b>	<b>New Inclusion</b>
<b>The objective of the policy</b>	Not mentioned	Specification of the intended goals on revenue generation, trade facilitation, and overall development of the country's trade scenario in the future import policy order aligning with the visions of the 8 <sup>th</sup> five-year plan, perspective plan 2021-2041, LDC graduation, and 4IR.
<b>Comprehensive trade policy (Policy harmonization)</b>	Not Mentioned	Constructing one single policy instead of separate policies (import, export, industry, fiscal, monetary)
<b>Customs clearance procedure and NTMs</b>	Not Mentioned	Appropriately addressing the easing of the customs clearance process and removal of various existing NTMs by a separate chapter in the upcoming new import policy order.
<b>Monitoring and evaluation of the functioning</b>	Not Mentioned	The amalgamation of monitoring and evaluation portions in the policy to address accountability.
<b>Inclusion of blockchain method</b>	Not Mentioned	The inclusion of blockchain methods in trade-related activities such as trade finance opens up various amenities such as letters of credit to open account trading and cross-border payments. <sup>20</sup>

Source: Authors' compilation from different sources

<sup>20</sup>Blockchain for supply chains and international trade. (2020b, May). [https://www.europarl.europa.eu/stoa/en/document/EPRS\\_STU\(2020\)641544](https://www.europarl.europa.eu/stoa/en/document/EPRS_STU(2020)641544)



## 6. Conclusion

In conclusion, we have provided a thorough review of the Import Policy Order, 2015-18 using a mixed methodology. From desk review, KIIs and FGDs we have pointed out some interesting issues of the Import Policy Order 2015-18, the challenges of implementation, and its relevance to the current global trade and business scenarios. This review has also compared the import policy of Bangladesh with the import policies of Indonesia and Malaysia. The review has also considered the gender aspect of mainstreaming women traders by the existing provisions of the Import Policy Order 2015-18.

Our primary findings point out that the provisions of the current Import Policy Order 2015-18 are well thought out and crafted. The binding nature of the policy order also makes it unique. However, there are no stated objectives or targets in the Import Policy Order 2015-18. Without appropriate goals, it is hard to evaluate this policy. The Import Policy Order 2015-18 is long and complex documents and the provisions for imports often seem confusing. The Import Policy Order 2015-18 was formulated back in 2015, focusing on the issues that were relevant back then. The current Import Policy Order, 2015-18 doesn't address the present changing trade and business dynamics (covid recovery, 4IR, LDC graduation, 8<sup>th</sup> Five Year Plan, Perspective plan 2021-2041). The import policy is still protectionist. High duties and the existence of several para tariffs safeguard the domestic producers and make them in-competitive and reluctant to export, creating an anti-export bias. Lack of inter-ministerial coordination and policy harmony are some of the significant challenges to the effective function of the Import Policy Order, 2015-18.

Against these findings, we have proposed some specific recommendations for the upcoming import policy orders. The future import policy orders should have specific stated goals and the objectives should reflect the targets of the 8<sup>th</sup> five-year plan, perspective plan 2021-2041, 4IR, and LDC graduation. The new import policy should focus on the gradual reduction of all forms of para tariffs. The development aspect of the import policy order should be focused more than the revenue generation aspect. Policy harmony, inter-agency coordination, easing customs procedures, capacity building, concrete mention of penalties for contravention, easing import-related activities for women, and a gradual preparation of a WTO-consistent tariff structure are some significant recommendations for the upcoming import policy.

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## Annexure

### List of KIIs for the policy review

Organization/Association	Key informant
Government officials	<ul style="list-style-type: none"> <li>• AHM Shafiquzzaman (Additional Secretary IIT, MoC)</li> <li>• Mr. Fakhru Alam (Commissioner, Chittagong Customs House, Chittagong, Bangladesh)</li> </ul>
Representatives from the business communities	<ul style="list-style-type: none"> <li>• Barrister Vidiya Amrit Khan (Director, BGMEA)</li> </ul>
Representatives from the importer's associations	<ul style="list-style-type: none"> <li>• Mr. Md. Shafiqul Islam Vorosha (Director, FBCCI, President, Bangladesh Paper Importers Association)</li> <li>• Mr. Abdul Haque (Director, FBCCI, President, Bangladesh Reconditioned Vehicles Importers &amp; Dealers Association ( BARVIDA) Managing Director, Haq's Bay Automobiles Ltd)</li> </ul>
Experts on import policy	<ul style="list-style-type: none"> <li>• Dr. Abdur Razzaque (Chairman, RAPID)</li> <li>• Dr. Mustafizur Rahman (Distinguished fellow, CPD)</li> <li>• Mr. Nesar Ahmed (International Trade Expert, Sustainable Graduation Project, ERD)</li> </ul>

## Participant list of FGD

Association	Participants
BWCCI	1. Abida Ali (Board Director, Figurina)
	2. Esrat Jahan Chowdhury (Member, Tulika)
	3. Farkhunda Jabeen Khan (Treasurer, Divine Beauty Launce)
	4. Priti Chakraborty (Board Director, Universal Medical College & Hospital Ltd)
	5. Ridma Khan (Board Director, Ambon Properties Ltd)
	6. Shahida Parven (Member, Trim Tex Bangladesh)

### Team Composition:

Name of staff	Area of expertise relevant to the assignment	Designation for this assignment	Assigned tasks or deliverables
Dr. Bazlul Haque Khondker	Economist, Institutional analysis expert, Survey expert, FGD and KII expert	Team Leader	Finalize questionnaire, FGD, and KII checklists, Evaluation, and analysis, Draft synthesizing summary, Draft short summaries Finalizing reports
Dr. Selim Raihan	Economist, Political economy and institutional analysis expert, Survey expert, FGD and KII expert	Co-Team Leader, Trade Expert	Coordinating and monitoring the team, monitoring all the activities performed by the team members, finalizing questionnaire, FGD, and KII checklists, Evaluation, and analysis, Draft synthesizing summary, and Finalizing reports.
Mahtab Uddin	Policy analysis and evaluation, Survey expert, FGD and KII expert	Policy Analyst	Monitoring all the activities performed by the team members, finalizing the questionnaire, Coordinating FGDs and KIIs, Evaluation and analysis, Draft synthesizing summary.
Mohammad Golam Sarwar	Legislative consultant, development law practitioner	Legal Expert	Analyzing the legal terms and provisions of the study, identifying the possible grounds for alterations, extensions, and exclusion of current legal provisions, and providing legal recommendations.
Recardo Saurav Antor Halder	Data analyst, Survey Experts	Senior Research Associate	Desk review, analyzing secondary data, designing questionnaires for KIIs, supervising and conducting FGDs, analyzing primary data, and drafting reports.
Sakil Ahmed	Data analyst, Survey Experts	Research Associate	Desk review, analysing secondary data, designing survey questionnaires for KIIs, supervising the survey, conducting FGDs, analysing primary data, and drafting the reports.
Zareen Tasnim	Data analyst, Survey Experts	Research Associate	Research and analysis of relevant literature, primary and secondary data, supervising and conducting KIIs and FGDs.
Afia Mubasshira Tiasha	Data collection and Supervision	Research Assistant	Desk Review, developing KII questionnaire, assisting in conducting the KIIs, conducting FGDs.



**South Asian Network on Economic Modeling**

Flat K-5, House 1/B, Road 35, Gulshan-2, Dhaka-1212, Bangladesh

Tel: +88-02-58813075, E-mail: [sanemnet@yahoo.com](mailto:sanemnet@yahoo.com), [www.sanemnet.org](http://www.sanemnet.org)