

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
বাংলাদেশ রিজিওনাল কানেক্টিভিটি প্রকল্প-১
বাণিজ্য মন্ত্রণালয়
প্রবাসী কল্যাণ ভবন
৭১-৭২, ইস্কাটন গার্ডেন রোড, ঢাকা-১০০০।

স্মারক নং- ২৬.০০.০০০.০৬৬.০৭.০৪৮.২৪(১)-৬৬৬

তারিখ: ২৭ কার্তিক ১৪৩২
১২ নভেম্বর ২০২৫

বিষয়: আগ্রহব্যক্তকরণের অনুরোধ সম্বলিত বিজ্ঞপ্তি প্রকাশ প্রসঙ্গে।

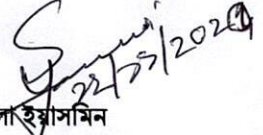
প্রাপক,

- ১। ম্যানেজার (বিজ্ঞাপন), দি ডেইলি স্টার, ৬৪-৬৫ কাজী নজরুল ইসলাম এভিনিউ, ঢাকা-১২১৫, বাংলাদেশ
- ২। ম্যানেজার (বিজ্ঞাপন), প্রথম আলো, প্রগতি বীমা ভবন, ২০-২১, কারওয়ান বাজার ঢাকা ১২১৫

উপরোক্ত বিষয়ে বাণিজ্য মন্ত্রণালয়ধীন বাংলাদেশ রিজিওনাল কানেক্টিভিটি প্রকল্পের আওতায় ব্যক্তিভিত্তিক পরামর্শকগণ নিয়োগের আগ্রহব্যক্তকরণের অনুরোধ সম্বলিত বিজ্ঞপ্তি আপনার বহল প্রচারিত পত্রিকার ভিতরের পাতায় সাদা কালো সর্বোচ্চ চার কলামের ১০.০ ইঞ্চি সাইজে আগামী ১৭/১১/২০২৫ তারিখের পূর্বে প্রকাশ করার জন্য আপনাকে বিশেষভাবে অনুরোধ করা হলো।

বিজ্ঞপ্তি প্রকাশের ৭ (সাত) দিন কার্যদিবসের মধ্যে প্রকাশিত বিজ্ঞপ্তির ২ (দুই) কপি পত্রিকাসহ বিল দাখিল করার জন্য অনুরোধ করা হলো।

সংযুক্তি: বর্ণনামোতাবেক।


শায়লা হোসাইন
প্রকল্প পরিচালক (যুগ্মসচিব)
বাংলাদেশ রিজিওনাল কানেক্টিভিটি প্রকল্প-১
বাণিজ্য মন্ত্রণালয়
ফোন: ৫৫১৩৮০২২

অনুলিপি সদয় অবগতি ও পরবর্তী ব্যবস্থা গ্রহণের জন্যঃ

- ১। যুগ্মসচিব (পরিকল্পনা), পরিকল্পনা সেল, বাণিজ্য মন্ত্রণালয়, বাংলাদেশ সচিবালয়, ঢাকা-১০০০।
- ২। মহাপরিচালক, সিপিটিইউ, আইএমই বিভাগ, পরিকল্পনা মন্ত্রণালয়, শের-ই-বাংলা নগর, ঢাকা (ওয়েব সাইটে প্রকাশের অনুরোধসহ)।
- ৩। সচিব মহোদয়ের একান্ত সচিব, বাণিজ্য মন্ত্রণালয়, বাংলাদেশ সচিবালয়, ঢাকা-১০০০।
- ৪। সহকারী প্রোগ্রামার, আইসিটি শাখা, বাণিজ্য মন্ত্রণালয়, বাংলাদেশ সচিবালয়, ঢাকা-১০০০ (ওয়েব সাইটে প্রকাশের অনুরোধসহ)।
- ৫। ডাটা ম্যানেজমেন্ট কনসালটেন্ট, বিআরসিপি-১, বাণিজ্য মন্ত্রণালয়, ঢাকা-১০০০ (ওয়েব সাইটে প্রকাশের অনুরোধসহ)।
- ৬। অফিস কপি।

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

Memo No: 26.00.0000.066.07.048.24(1)-

Date: November 12, 2025

**REQUEST FOR EXPRESSIONS OF INTEREST FOR SELECTION OF
CONSULTING FIRM (National)**

1. The Ministry of Commerce is implementing the Technical Assistance Part of IDA financed Bangladesh Regional Connectivity Project-1.
2. The Procuring Entity intends to apply a part of the IDA Credit for procuring consulting firms for the following services: Package No. SD-43: An Integrated Study to Achieve the Goals and Objectives of National Tariff Policy 2023 of Bangladesh. The required qualifications and experiences of the firm are as follows:
 - 2.1 The consulting firm must possess the legal capacity to enter into a contractual agreement with the project authority, confirming their ability to engage in business activities in accordance with local and international laws.
 - 2.2 The firm should have a minimum of 7 (seven) years of experience in providing consulting services, including at least 3 (three) years focused specifically on national and/or international trade/tariff-related research or studies for both public and private sectors. This experience should showcase a robust understanding of trade dynamics and the ability to deliver effective consulting outcomes.
 - 2.3 The consulting firm must have successfully completed at least 2 (two) study contracts related to "Trade and Tariffs" issues within the past 10 years. These projects can be for the public sector, private sector, or development partners, and should highlight the firm's capability to deliver quality research and actionable recommendations.
 - 2.4 Experience in working with tariff policy formulation and analysis will be considered a significant advantage. The firm should demonstrate knowledge of the complexities involved in tariff structures and their impact on trade and economic development consequences of various trade and tariff related policies.
 - 2.5 The firm having a proven track record in economic modeling, particularly in relation to trade and/or tariff impacts will be given a preference. This experience should include the ability to utilize quantitative techniques and analytical tools to assess the potential economic consequences of various existing trade and tariff related policies and proposed policy reforms.
 - 2.6 The firm should have experience in managing and implementing projects funded by development partners, showcasing their ability to work collaboratively in multi-stakeholder environments and adhere to donor requirements.
 - 2.7 A detailed capacity statement should be provided, outlining the firm's available training facilities, IT equipment, logistics support, transport, and office space. This will demonstrate the firm's readiness to undertake the project efficiently and effectively.
 - 2.8 The firm must submit an undertaking that it has not been blacklisted or debarred by any government organization or by the International Development Association (IDA), ensuring their compliance with ethical business practices.
 - 2.9 A comprehensive list of key professional staff, including the proposed core team for the assignment, should be provided. This list must detail the qualifications and experience of each team member, highlighting the projects or assignments they have previously worked on, their specific roles in those assignments, and the duration of their engagement. This information will help assess the expertise available for the project.
 - 2.10 Averaging Taka 1.00 (Taka one crore) crore over the past three years.
3. The Scope of Services / Terms of Reference (TOR) of the Consulting Firm for the package is available in the office of the undersigned and also at www.mincom.gov.bd and <http://brcp-1.gov.bd/>.
4. The interested consulting firm must submit the following documents with its Expression of Interest:
 - 4.1 Updated Trade License valid up to June 30, 2026, 4.2 TIN Certificate & Update Income Tax Clearance Certificate/ Evidence,
 - 4.3 VAT Registration Certificate, 4.4 Firm Registration certificate, if any, 4.5 Bank Solvency Certificate, 4.6 Audited Accounts for last 03 Years, 4.7 A written undertaking that the Firm/Institute has not been blacklisted or debarred by any Government Organization & IDA and 4.8 All supporting documents to prove that they have required qualifications and experiences.
5. The Project Implementation Unit of BRCP-1, MoC on behalf of the Ministry of Commerce invites eligible consulting firm to indicate their interest in providing the services. Interested consulting firms must provide information indicating that they are qualified to perform the services. The attention of interested Consulting firms is drawn to paragraphs 3.14 to 3.18 of The World Bank Procurement Regulations for IPF Borrowers, Procurement in Investment Project Financing, Goods, Works, Non-Consulting and Consulting Services, July 2016 ("Procurement Regulations"), setting forth the World Bank Group's policy on conflict of interest. A Consulting firm will be selected in accordance with the Quality and Cost Based Selection (QCBS) method set out in the Procurement Regulations. Further information can be obtained at the address given below during office hours between 09:00 a.m. to 5:00 p.m. Expressions of Interest (EOI) must be delivered in written form - one original & one copy in sealed envelope to the address given below in person or by mail by **2:00 p.m. on November 27, 2025**.
6. The Procuring Entity reserves the right to accept or reject any or all EOIs without assigning any reason, whatsoever.

(Shaila Tasmin)

Joint Secretary, Ministry of Commerce
and Project Director (Additional Charge),
Bangladesh Regional Connectivity Project-1 [Part-2]
Phone: +8802- 55138022
E-mail: pdbrcp1moc@gmail.com

GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH	
Ministry/Division	: Ministry of Commerce
Agency	: Ministry of Commerce
Procuring Entity Name	: Bangladesh Regional Connectivity Project-1 (BRCP-1)
Procuring Entity Code	: 2230029
Procuring Entity District	: Dhaka
Expression of Interest for	: National Consultant (Time Based).
EOI Ref. No.	: 26.00.0000.066.07.048.24(1)- ; BRCP1/MOC/SD-43
Date (dd/mm/yyyy)	: 12-10-25
KEY INFORMATION	
Procurement Sub-Method	: Selection of Individual Consultant (SIC).
FUNDING INFORMATION	
Budget and Source of Funds	: Development Budget/ IDA Fund
Development Partners	: IDA
PARTICULAR INFORMATION	
Project/Programme Code	: 2230029
Project/Programme Name	: Bangladesh Regional Connectivity Project-1 (BRCP-1)
EOI Closing Date and Time	: 27/11/2025 up to 02.00 PM
INFORMATION FOR APPLICANT	
Brief Description of the Assignment	: The Ministry of Commerce is implementing the Technical Assistance Part of IDA financed Bangladesh Regional Connectivity Project-1. The Procuring Entity intends to apply a part of the IDA Credit for procuring consulting firms for the following services. An Integrated Study to Achieve the Goals and Objectives of National Tariff Policy 2023 of Bangladesh.
Experience, Resource & Delivery Capacity Required	: <ul style="list-style-type: none"> The required qualifications and experiences of the firm are as follows: <ul style="list-style-type: none"> * The consulting firm must possess the legal capacity to enter into a contractual agreement with the project authority, confirming their ability to engage in business activities in accordance with local and international laws. * The firm should have a minimum of 7 (seven) years of experience in providing consulting services, including at least 3 (three) years focused specifically on national and/or international trade/tariff-related research or studies for both public and private sectors. This experience should showcase a robust understanding of trade dynamics and the ability to deliver effective consulting outcomes. * The consulting firm must have successfully completed at least 2 (two) study contracts related to "Trade and Tariffs" issues within the past 10 years. These projects can be for the public sector, private sector, or development partners, and should highlight the firm's capability to deliver quality research and actionable recommendations. * Experience in working with tariff policy formulation and analysis will be considered a significant advantage. The firm should demonstrate knowledge of the complexities involved in tariff structures and their impact on trade and economic development consequences of various trade and tariff related policies. * The firm having a proven track record in economic modeling, particularly in relation to trade and/or tariff impacts will be given a preference. This experience should include the ability to utilize quantitative techniques and analytical tools to assess the potential economic consequences of various existing trade and tariff related policies and proposed policy reforms. * The firm should have experience in managing and implementing projects funded by development partners, showcasing their ability to work collaboratively in multi-stakeholder environments and adhere to donor requirements. * A detailed capacity statement should be provided, outlining the firm's available training facilities, IT equipment, logistics support, transport, and office space. This will demonstrate the firm's readiness to undertake the project efficiently and effectively. * The firm must submit an undertaking that it has not been blacklisted or debarred by any government organization or by the International Development Association (IDA), ensuring their compliance with ethical business practices. * A comprehensive list of key professional staff, including the proposed core team for the assignment, should be provided. This list must detail the qualifications and experience of each team member, highlighting the projects or assignments they have previously worked on, their specific roles in those assignments, and the duration of their engagement. This information will help assess the expertise available for the project. * Average Taka 1.00 (Taka one crore) crore over the past three years.
Other Details	: <p>The Scope of Services / Terms of Reference (TOR) of the Consulting Firm for the package is available in the office of the undersigned and also at www.mincom.gov.bd and http://brcp-1.gov.bd/.</p> <p>1. The interested consulting firm must submit the following documents with its Expression of Interest: a. Updated Trade License valid up to June 30, 2026, b. TIN Certificate & Update Income Tax Clearance Certificate/ Evidence, c. VAT Registration Certificate, d. Firm Registration certificate, if any, e. Bank Solvency Certificate, f. Audited Accounts for last 03 Years, g. A written undertaking that the Firm/Institute has not been blacklisted or debarred by any Government Organization & IDA and h. All supporting documents to prove that they have required qualifications and experiences.</p> <p>2. The Project Implementation Unit of BRCP-1, MoC on behalf of the Ministry of Commerce invites eligible consulting firm to indicate their interest in providing the services. Interested consulting firms must provide information indicating that they are qualified to perform the services. The attention of interested Consulting firms is drawn to paragraphs 3.14 to 3.18 of The World Bank Procurement Regulations for IPF Borrowers, Procurement in Investment Project Financing, Goods, Works, Non-Consulting and Consulting Services, July 2016 ("Procurement Regulations"), setting forth the World Bank Group's policy on conflict of interest. A Consulting firm will be selected in accordance with the Quality and Cost Based Selection (QCBS) method set out in the Procurement Regulations. Further information can be obtained at the address given below during office hours between 09:00 a.m. to 5:00 p.m. Expressions of Interest (EOI) must be delivered in written form - one original & one copy in sealed envelope to the address given below in person or by mail by 2:00 p.m. on November 27, 2025.</p>
Association with foreign firms	: N/A
PROCURING ENTITY DETAILS	
Name of Official Inviting EOI	: Shaila Yasmin
Designation of Official Inviting EOI	: Project Director (Additional Charge) and Joint Secretary (Planning), Ministry of Commerce
Address of Official Inviting EOI	: Bangladesh Regional Connectivity Project-1, Level-12 (West side), Probashi Koliayn Bhaban, 71-72 Eskaton Garden Road, Dhaka-1000
Contact details of Official Inviting EOI	: Phone : +88 02 55138022, Email : pdbcrcp1moc@gmail.com
The procuring entity reserves the right to accept or reject all EOI without showing reason whatsoever.	

Ministry of Commerce
Bangladesh Regional Connectivity Project 1
(BRCP-1: P154580)

Modified Terms of Reference (ToR) for
An Integrated Study to Achieve the Goals and Objectives of
National Tariff Policy 2023 of Bangladesh
Package No: SD-43 (Rebidding)

1. Background and Project Description

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

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

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

This technical assistance project intends to apply a part of the IDA Credit for procuring consultancy services from qualified research/consultancy firms or institutions to conduct an “*Integrated Study to achieve the Goals and Objectives of Bangladesh's National Tariff Policy 2023*” under component 2 of this project.

1.1 Background of the Study

Rapid economic development over the last decade has enabled Bangladesh to upgrade to a lower middle-income country and meet the criteria for graduation from LDC status. Bangladesh is now set to graduate from LDC category in November 2026. The Sustainable Development Goals (SDGs) have been integrated into Bangladesh's Perspective Plan 2041, which aims for the nation to achieve upper-middle-income status by 2031 and high-income status by 2041. Achieving these goals, among others, demands increasing the competitiveness of domestic industry and expanding exports. Along with other policy instruments, Tariff Policy plays a key role in these endeavors. The countries like Bangladesh, which lack natural resources and are fully dependent on import on country's industrial and agriculture activity require a conducive tariff policy and trade facilitation initiatives to reduce the cost and time of import. While Bangladesh is in the process of implementing the Trade facilitation measures in accordance with the WTO Trade Facilitation Agreement, a conducive tariff policy will also be essential for facilitating trade to creating conducive environment for economic activities of the country. Approval of the National Tariff Policy by the Cabinet on 17 July 2023 (gazette published on August 10, 2023) is a remarkable step towards this direction.

The objectives of the National Tariff Policy, 2023 is to achieve sustainable economic growth through increasing competitiveness of domestic industry, expanding and diversifying exports, encouraging investment and generating employment.

The Tariff Policy consists of seven chapters. A summary of the chapters is provided below:

- The first chapter mentions the title, introduction and application of the National Tariff Policy 2023.
- Chapter two provides the background and the context based on which the policy is formulated.
- Chapter three sheds light on the existing tariff structure and management, mentioning relevant acts, rules and regulations used to manage related issues.
- Chapter four defines key terms and provides the scope as well as the duration of the National Tariff Policy 2023
- The fifth chapter mentions the broader objective of the policy and provides the specific missions of the same.
- Chapter six presents the guiding principles for setting tariffs. It focuses on balancing revenue generation with the promotion of domestic industries and global competitiveness.
- The final chapter outlines the mechanisms for implementing the National Tariff Policy as well as forming of a high-level monitoring and review committee to ensure the policy's effective enforcement and periodic review as well as enhancing inter-ministerial coordination and stakeholder consultations.

Key salient policy features of National Tariff Policy are:

- Tariffs imposed at the import and export stages are to be considered as indicators of the international trade flow of Bangladesh.
- Tariff will be in conformity with the commitment of Bangladesh to the WTO.
- The tariff structure will be made transparent and simplified by applying equal tariff on similar goods.

- Tariff rates will be gradually reduced to enhance the capacity of the domestic industry and for the welfare of consumers.
- User-specific tariff exemption schemes shall have to be avoided.
- Supplementary duty and Value Added Tax will be made trade neutral.
- According to the Protective Duties Act, 1950, time-bound protection shall be provided to potential industries based on research recommendations of Bangladesh Trade and Tariff Commission.
- The scheduled protection shall be provided to new product manufacturing industries and infant industries on the basis of recommendation by Bangladesh Trade and Tariff Commission.
- The industry shall be protected from unfair trade practices and sudden increase of import by applying trade remedy measures such as antidumping, countervailing and safeguard measures.
- Mixed Duty or seasonal Tariff shall be imposed on any product subject to necessity.
- Regulatory duty shall be levied only in emergency situations.
- Measures should be taken to protect the interests of MSME industry.
- The Minimum Import Value system should be abolished in line with the World Trade Organization.
- Existing export schemes such as bonded warehouses and duty drawback scheme shall be simplified to support export.

The final chapter outlines the institutional framework for implementing the National Tariff Policy. The National Board of Revenue (NBR) will take the lead in implementing the policy, with support from the Bangladesh Trade and Tariff Commission (BTTC). The NBR is tasked with developing a time-bound action plan for the policy's implementation within six months. A High-Level Committee, chaired by the Hon'ble Commerce Minister, will monitor the policy's execution as well as review the policy.

To ensure effective implementation, the BTTC is required to submit its analytical reports and recommendations to the NBR by April each year, based on industry applications. The BTTC may also provide recommendations on its own initiative. The policy emphasizes building human resource capacity within the NBR, BTTC, and other relevant organizations. It will remain in effect for five years unless reviewed earlier.

A key shift in implementing the tariff policy is the need to move away from a revenue-generation focus to one that facilitates trade and promotes industry. Tariff protection for domestic industries should be temporary, encouraging industries to become competitive. This approach requires research-based evidence, and it is expected that future tariff structures in Bangladesh will be grounded in such evidence. Policy reform is always a challenging and sometimes difficult process for stakeholders. However, Bangladesh must navigate this transition to meet the challenges of LDC graduation and achieve the goals outlined in long-term policy documents.

Conducting an integrated study is critical for translating the vision of the National Tariff Policy 2023 into actionable and effective reforms. By providing detailed, sector-specific insights, building institutional capacity, and creating mechanisms for ongoing evaluation, the study will play a pivotal role in ensuring that Bangladesh's tariff policy supports sustainable growth, industrialization, and global competitiveness in the coming years.

Under the integrated study, the following studies will be conducted as part of a cohesive package, with each individual study carried out separately as agreed upon with the World Bank, to maximize the outputs from the selected analyses. The focus areas of these studies will encompass the following critical issues:

1. Study 1: Analysis of anti-export bias in tariff regime.
2. Study 2: Identification of potential sectors for faster employment generation and tariff policy recommendation for these sectors. .
3. Study 3: Best practices in tariff policy for expansion of MSMEs.
4. Study 4: Interlinkage between tariff policy and development of service industries.
5. Study 5: Quest for conducive tariff policy for development of e-commerce and online services.
6. Study 6: Identification and assessment of tariff policy instruments to rebuild/strengthen health and agriculture-based industrialization. .
7. Study 7: Identification of products along with the assessment of their tariff structure to facilitate green growth and blue economy.
8. Study 8: Identification and assessment of policies that are interrelated with tariff regime and the extent of the interrelation. .
9. Study 9: Case study of 6 (six) selective countries (Developed, Developing, and Least Developed Countries) in terms of the approaches and evolution of tariff policies including reciprocal tariff and way forward for Bangladesh. .
10. Survey (Study 10): Conducting a survey to identify difficulties faced by the investors (both domestic and foreign investors) in order to identify the bottlenecks of the current tariff policy regime and measures to remove the bottlenecks. .

By systematically addressing these areas, the studies aim to provide valuable insights and recommendations to enhance Bangladesh's tariff policy framework, supporting sustainable economic growth and development.

2. Overall Objectives of the Studies

The overall objectives of the studies are proposed to appraise the national level committee on impact of tariff policy on export and way forward for tariff rationalization aiming at development of SMEs, employment generation, enduring green growth, expanding blue economy and developing service sector and e-commerce.

The study will encompass an analysis of anti-export bias in the current tariff policy to identify and mitigate disincentives for export-oriented industries and investment. It will further focus on sectors with high employment potential, providing tailored tariff recommendations to promote job creation. Best practices for supporting micro, small, and medium enterprises (MSMEs) will be explored to foster their expansion. The study will also investigate the interlinkages between tariff policies and the development of service industries, as well as identify conducive tariff frameworks for the growth of e-commerce and online services.

Additionally, it will assess tariff policy instruments necessary for revitalizing the health sector and enhancing agriculture-based industrialization. Attention will be given to identifying products and assessing their tariff structures to facilitate green growth and support the blue economy. The study will evaluate the interrelations between the tariff policy and other relevant policies to ensure a cohesive approach. A comparative analysis of selective countries will provide insights into successful tariff policy evolution and implementation.

Finally, a survey will be conducted to understand the challenges faced by domestic and foreign investors, identifying bottlenecks within the current tariff regime and proposing measures to address these issues effectively. Overall, the integrated study aims to create a robust and conducive tariff environment that supports sustainable economic growth, job creation, and enhanced competitiveness in the global market.

3. Scope of Studies

In the subsequent sections, detailed background and rationale of each of the studies along with specific objectives, research methodology, and expected outcomes are provided so that the consultant understands the scope of this assignment.

3.1 Study 1: Analysis of anti-export bias in tariff regime.

3.1.1 Background and Rationale of the Study

The tariff policy of Bangladesh plays a crucial role in shaping the country's trade environment and export competitiveness. Historically, many developing countries have adopted tariff structures that inadvertently favor domestic consumption over exports, creating an "anti-export bias." This bias occurs when higher tariffs are imposed on intermediate goods and raw materials essential for export-oriented industries, while finished goods face lower tariffs, leading to increased production costs for exporters and reduced global competitiveness. Addressing this issue is essential for Bangladesh to sustain export-led growth, diversify its export base, LDC graduation challenges and improve global market access.

Research by the Policy Research Institute of Bangladesh (PRI) reveals that in FY2021, Bangladesh exported 1,393 non-RMG products, with 346 items having export values of USD 1 million or more. Bangladesh holds a strong comparative advantage in 39% of these products and a moderate advantage in 27%, indicating significant potential for a diverse export basket. However, this potential has not translated into sustained export growth due to the anti-export bias embedded in government trade policies, commented on in the report. The focus on protecting import substitutes through high tariffs and para-tariffs makes domestic production more attractive than exporting.

The misconception driving this policy is that trade protection boosts import substitution, which supposedly benefits the balance of payments and GDP growth. However, this overlooks a key economic principle: investment and production decisions are driven by relative profitability based on price signals. For exports to be more profitable, factors like world prices, exchange rates, and export subsidies must create better



conditions than those available in the domestic market. When tariffs on imports exceed export subsidies, domestic prices surpass export prices, creating an anti-export bias. The greater the disparity between tariffs and subsidies, the stronger the bias, making exports less competitive.

At the product-specific level, the Ready-Made Garments (RMG) sector stands out as a significant exception in Bangladesh's trade landscape. As a 100% export-oriented industry, the RMG sector benefits from duty-free access to all imported inputs, effectively shielding it from the trade protection bias that affects many other sectors. In fact, the RMG sector enjoys certain subsidies, which creates a negative anti-export bias, where export production is made more profitable than production for the domestic market. This absence of anti-export bias has been a key driver behind the sector's extraordinary success and rapid expansion in global markets, making Bangladesh one of the largest exporters of RMG products worldwide.

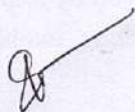
In contrast, several other important non-RMG export sectors—including shoes, leather products, jute goods, ceramics, home textiles, and light engineering products—continue to face substantial anti-export bias. These industries are subjected to higher tariffs and para-tariffs on imported inputs, which inflate production costs, making domestic production more attractive than exporting. This bias reduces their competitiveness in global markets and limits their potential for growth, innovation, and export diversification. Despite having significant export potential, these sectors remain constrained by a trade policy regime that disproportionately favors domestic market production over export expansion. Addressing this anti-export bias is critical for unlocking their full dynamism and promoting a more diversified and competitive export base for Bangladesh.

The National Tariff Policy 2023 of Bangladesh seeks to reduce this bias and promote a more export-friendly tariff regime. As part of its strategic goals, this policy aims to realign tariff structures to boost export-oriented industries, facilitate sectoral competitiveness, and encourage value-added production. This study is designed to assess the extent of anti-export bias in the existing tariff policy and provide evidence-based recommendations to help Bangladesh achieve its export growth targets and long-term economic objectives.

3.1.2 Specific Objectives

The overall objective of this study is to analyze the extent and impact of anti-export bias in Bangladesh's current tariff policy regime. Specifically, the study aims to:

- Analyze the extent and impact of anti-export bias within Bangladesh's tariff regime.
- Assess the extent and effects of anti-export bias on export competitiveness across different sectors.
- Quantify the impact of existing tariff structures on production costs, sectoral growth, and domestic and international competitiveness in different sectors.
- Identify areas where tariff rationalization can enhance export performance.
- Assess risks for domestic industries while applying the recommended tariff policies.
- Provide recommendations to rationalize tariffs for reducing anti-export bias and for fostering more export-oriented entrepreneurs.



3.1.3 Scope of the Study

- **Identification of Affected Products/Sectors:**
 - Identify products and sectors in Bangladesh's economy that are adversely impacted by the anti-export bias within the existing tariff and trade policy framework.
 - Conduct a detailed assessment to pinpoint sectors where tariff structures and protectionist policies favor domestic production over exports, leading to diminished global competitiveness.
- **Impact Assessment on Export Competitiveness:**
 - Analyze how the identified products and sectors are affected by the current trade and tariff policies in terms of their export competitiveness. It is important to consider the different tariff slabs set by NBR to the impact on exports.
 - Evaluate the extent to which high tariffs on imports of raw materials, intermediate goods, and other inputs necessary for export-oriented production create cost disadvantages for exporters, hampering their ability to compete in international markets.
 - Examine how the existing tariff regime influences sectoral growth, innovation, and employment generation in export-oriented industries. It would be useful to take the LDC graduation challenges into consideration, especially loss of ISMs, in examining the impact.
- **Policy Recommendations and Risk Assessment:**
 - Propose policy recommendations to mitigate the effects of anti-export bias and enhance the export competitiveness of affected products and sectors.
 - Recommendations should aim to foster a more balanced and export-friendly tariff policy, including potential tariff rationalization, reduction of para-tariffs, or targeted subsidies to encourage export growth.
 - Include a comprehensive risk assessment for each recommendation, highlighting potential economic, social, or political challenges associated with the proposed changes. This should consider the impact on domestic industries, fiscal implications, and the need for broader trade policy reforms to ensure smooth implementation and sustainable outcomes.

3.1.4 Methodology:

By employing a mixed-method approach that combines quantitative analysis, qualitative insights, and comparative case studies, the following methodology and approach envisage to provide a comprehensive understanding of anti-export bias in Bangladesh's tariff policy and offer actionable recommendations for trade policy reform.

Data Collection and Review

- **Secondary Data Review:**
 - Review existing literature, reports, and studies related to Bangladesh's tariff policies, trade framework, and export performance, focusing on the presence of anti-export bias in key sectors.



- Analyze trade and tariff policies of comparable countries that have successfully mitigated anti-export bias to understand best practices.

- **Policy Document Analysis:**

- Examine Bangladesh's current trade and tariff policies, including import tariffs (CD, SD, RD), export subsidies, para-tariffs, and duty structures across sectors.
- Review government regulations, fiscal policies, and trade agreements impacting tariffs.

Quantitative Data Analysis

- **Trade Data Analysis:**

- Analyze trade data (e.g., export volumes, values, tariff rates, and cost of inputs) from Bangladesh's National Board of Revenue (NBR), Export Promotion Bureau, Bangladesh Bank, Bangladesh Bureau of Statistics (BBS), World Bank, and other relevant institutions.
- Use customs and trade data to calculate effective protection rates and identify where tariff structures create an anti-export bias.

- **Competitiveness Analysis:**

- Perform comparative analysis of export competitiveness across identified sectors by evaluating cost structures, export prices, and the impact of tariffs on input costs.
- Employ Trade Competitiveness Diagnostics (TCD) to assess the impact of tariff policies on sectoral export performance.

Sectoral Analysis

- **Quantitative Analysis:**

- Perform a quantitative analysis to measure the extent of anti-export bias in the tariff regime, using established methodologies.
- Identify key sectors where anti-export bias is prevalent and assess the magnitude of its impact on production costs and competitiveness.

- **Sectoral Impact Assessment:**

- Analyze the effects of anti-export bias on specific export-oriented sectors, including ready-made garments (RMG), textiles, pharmaceuticals, agriculture-based industries, and other emerging sectors.

- **Interviews:**

- Conduct 10 semi-structured interviews with key stakeholders, including policymakers, industry experts, exporters, and trade bodies.

- **Focus Group Discussions:** Organize one focus group discussion with exporters and investors (both domestic and foreign) to identify bottlenecks caused by tariff policies and assess their views on proposed policy changes.

Case Study Approach:

- **Country Case Studies:**

- Conduct comparative case studies of countries with successful strategies to mitigate anti-export bias, particularly in sectors relevant to Bangladesh. Study their trade policy evolution, tariff structures, and export promotion measures.
- Compare Bangladesh's policies with peer countries, focusing on how these countries transitioned to more export-friendly tariff regimes.

- **Econometric Modelling:**

- Use econometric models such as the Computable General Equilibrium (CGE) model or Partial Equilibrium Model, or other relevant model, as deemed appropriate to simulate the potential impact of different tariff policy reforms on exports, domestic production, and sectoral growth.
- Run simulations to assess various scenarios, including tariff reduction, rationalization, or export subsidies, and their effects on key sectors' export competitiveness.
- Policy Recommendation Formulation

- Based on the findings from data analysis, stakeholder consultations, and case studies, develop evidence-based policy recommendations aimed at reducing anti-export bias.
- Conduct a risk analysis of proposed policy changes, considering potential social, economic, and political challenges.

3.1.5 Expected outcomes:

- **Identification of Affected Sectors:** Pinpoint key products and sectors, like leather goods and ceramics, that suffer from anti-export bias under current tariff policies.
- **Impact Analysis:** Detailed evaluation of how anti-export bias reduces export competitiveness and hampers diversification in non-RMG sectors.
- **Policy Recommendations:** Clear, evidence-based proposals to reduce anti-export bias, including tariff reforms and export-friendly policies.
- **Improved Competitiveness:** Strategies to boost the global competitiveness of non-RMG sectors by addressing production costs and input availability.
- **Best Practices:** Insights from case studies of countries that have successfully reformed trade policies to enhance exports.
- **Policy Simulation:** Simulated impact of proposed tariff reforms on key sectors, exports, and economic growth.
- **Risk Assessment:** Analysis of potential risks and mitigation strategies for implementing tariff policy changes.
- **Export Diversification:** Roadmap for reducing reliance on RMG and increasing non-RMG exports through targeted reforms.



3.1.6 Policy Recommendations:

- **Reduction of Anti-Export Tariffs:**

1. Propose a reduction in import tariffs and para-tariffs on inputs and raw materials crucial for export-oriented sectors to reduce the cost of production for exporters.
2. Introduce a more uniform tariff structure to avoid excessive protection for domestic markets that discourages exports.

- **Enhanced Export Incentives:**

1. Recommend expanding export subsidies and tax incentives for non-RMG sectors like leather, ceramics, and light engineering to boost their competitiveness.
2. Improve and streamline the duty drawback system, ensuring timely reimbursement of duties on imported inputs used in exports.

- **Sector-Specific Tariff Reforms:**

1. Identify specific sectors with export potential (e.g., shoes, jute products, agro-industries) and recommend sector-specific tariff adjustments to promote exports in those areas.
2. Suggest targeted support measures for emerging sectors like e-commerce and online services, creating a conducive environment for their growth.

- **Balanced Trade Policy Framework:**

1. Propose a balanced trade policy that reduces the bias towards import substitution while promoting a more export-oriented approach, focusing on long-term export diversification.
2. Introduce policies that reduce excessive protection of domestic industries while simultaneously fostering an export-friendly environment.

- **Tariff-Subsidy Alignment:**

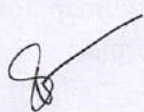
1. Recommend aligning tariffs and export subsidies in a way that encourages investment in export-oriented sectors, ensuring export profits are comparable or higher than those in the domestic market.

- **Customs and Trade Facilitation:**

1. Recommend improvements in customs procedures and logistics infrastructure to reduce export bottlenecks and increase efficiency in trade processing.

- **Learning from Global Best Practices:**

1. Suggest learning from international case studies and best practices from countries that have successfully mitigated anti-export bias and boosted their export sectors.
2. Recommend benchmarking Bangladesh's tariff policies with regional competitors to stay competitive in global markets.



- **Institutional Coordination:**

1. Propose enhanced coordination between the National Board of Revenue (NBR) and Bangladesh Trade and Tariff Commission (BTTC) for better policy implementation and monitoring of tariff impacts.
2. Advocate for regular industry consultations to ensure policies are aligned with the needs of exporters and adapted to changing global market conditions.

3.2 Study 2: Identification of potential sectors for faster employment generation and tariff policy recommendation for these sectors.

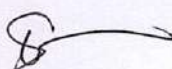
3.2.1 Background and rationale of the Study

Bangladesh has experienced significant economic growth over the past decade, driven largely by its robust export sector and domestic market. However, as the country approaches graduation from its Least Developed Country (LDC) status by 2026, it faces new challenges in maintaining and accelerating this growth. The graduation will result in the phasing out of several trade preferences and international support measures that have historically benefited Bangladesh's export competitiveness. To sustain its economic momentum, the Government of Bangladesh has prioritized the promotion of inclusive growth, with a strong focus on employment generation and sectoral diversification.

In the context of evolving global trade dynamics and the need for economic resilience, the importance of identifying sectors with high potential for generating employment cannot be overstated. Employment generation is not only a tool for improving living standards and poverty reduction, but also a key driver of sustainable economic development. Sectors that can absorb large segments of the labor force—particularly those that are unskilled or semi-skilled—are critical for ensuring broad-based growth. This is especially relevant for Bangladesh, a country with a large and youthful labor force.

However, achieving this requires a comprehensive review of Bangladesh's current trade and tariff policies. Historically, Bangladesh's tariff structure has been designed to promote domestic industries through import substitution, leading to a certain level of protectionism. While this approach has supported the growth of some domestic industries, it has also contributed to distortions in trade incentives. High tariffs on inputs and intermediate goods, along with insufficient incentives for exporters, can create an anti-export bias and hinder the development of sectors with high employment potential.

As Bangladesh shifts towards a more export-driven growth strategy, there is a need to realign its tariff policies to encourage the competitiveness of sectors that have the potential to both generate substantial employment and integrate into global value chains. Sectors such as textiles beyond ready-made garments (RMG), leather products, light engineering, agro-processing, information technology, and renewable energy could serve as engines for job creation if supported by conducive tariff policies. Additionally, emerging sectors like e-commerce and digital services hold promises for high-skill employment and export growth in the long term.



The rationale for this study is therefore twofold:

1. **Employment Generation:** As Bangladesh's population continues to grow, creating jobs that can absorb the expanding labor force is critical. The identification of sectors that have the capacity to generate large numbers of jobs, particularly in regions with high unemployment or underemployment, is essential for balanced and inclusive growth. This study will analyze the employment potential of key sectors, assess their current performance, and propose how a targeted tariff policy can boost their competitiveness and job creation capacity.
2. **Tariff Policy Reform for Competitiveness:** Bangladesh's current tariff structure, while supporting import substitution, may not be fully aligned with its need to foster export-oriented industries. A review of existing tariffs, especially in sectors with high employment potential, is necessary to ensure that the policy environment supports their growth. Reducing tariffs on essential inputs, creating incentives for exports, and addressing trade barriers will be crucial to unlocking the full potential of these sectors. This study aims to provide actionable recommendations for tariff reforms that will enhance sectoral competitiveness and employment generation.

By identifying sectors with significant employment potential and proposing tailored tariff policy reforms, the Government can create a more balanced and strategic trade policy framework that supports its broader goals of economic transformation, export diversification, and inclusive growth. Ultimately, this study will contribute to Bangladesh's long-term economic goals, helping it navigate the post-LDC transition and achieve the targets set out in its Vision 2041 and Sustainable Development Goals (SDGs).

3.2.2 Specific Objectives:

The research aims to identify priority sectors in Bangladesh with high potential for employment generation, evaluate the impact of current import tariffs on their growth and export capacity, and provide sector-specific recommendations for tariff reforms to boost competitiveness and job creation.

1. Identify key sectors with significant potential for employment growth by adjusting existing tariff and trade policies.
2. Assess the current level of protection provided to these sectors.
3. Examine how the current tariff structure influences (or affects) the growth and export potential of these sectors.
4. Propose tariff policy reforms to enhance the competitiveness and job-creating capacity of these sectors.

3.2.3 Scope of Work

The study will encompass the following activities:

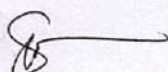
- **Sector Identification:**
 - Identify sectors with the highest potential for generating employment, focusing on both labor-intensive industries (e.g., textiles, leather, agro-processing) and emerging sectors (e.g., information technology, renewable energy, and light engineering).

- **Employment Impact Assessment:**
 - Assess the employment potential of these sectors based on factors such as labor demand, skill requirements, and market trends.
 - Analyze sectoral contributions to GDP, export potential, and regional development in terms of job creation.
- **Tariff Policy Review:**
 - Review the current tariff and trade policy regime affecting the identified sectors, examining the extent of protectionism or export incentives.
 - Identify tariff-related challenges or constraints that hinder the growth of these sectors, including high input costs, lack of access to competitive markets, or excessive protection.
- **Global Benchmarking:**
 - Study the tariff policies of countries with similar economic structures or industries to identify best practices that support employment growth through strategic tariff policies.
- **Policy Recommendations:**
 - Provide sector-specific tariff policy recommendations aimed at boosting employment while ensuring sector competitiveness.
 - Suggest potential tariff reductions, exemptions, or adjustments that could enhance productivity, increase exports, and attract investments in the identified sectors.
 - Highlight risks and mitigation strategies associated with the proposed tariff changes.

3.2.4 Methodology

The study will adopt a comprehensive and multi-pronged approach, employing both quantitative and qualitative methods to ensure a robust analysis. The methodology will include the following key components:

1. **Data Collection and Analysis:**
 - Collect and analyze quantitative data from various government agencies (such as the National Board of Revenue and Bangladesh Bureau of Statistics), industry bodies, development partners/ international agencies/ peer reviewed journals and relevant stakeholders.
 - Gather qualitative data from academic research, policy papers, and trade reports to provide contextual understanding of sectoral challenges and opportunities.
2. **Insights from Stakeholder:** 10 interviews with policymakers, economists, industry representatives, exporters, trade associations, and relevant business leaders to capture sector-specific insights on employment potential, tariff-related issues, and competitiveness challenges. 01 (one) FGD to be conducted.



3. Comparative Analysis of Global Best Practices:

- Conduct an in-depth comparative analysis of successful employment-generation strategies through tariff reforms in countries with similar economic contexts.
- Benchmark Bangladesh's tariff policies against global best practices to identify lessons and innovations that can be adapted to the local context.

4. Economic Modeling and Impact Simulation:

- Apply advanced economic models to simulate the potential impact of proposed tariff reforms on employment growth, sectoral competitiveness, and export performance.
- Run scenario-based analyses to assess the outcomes of various policy options, estimating both short- and long-term effects on job creation and sectoral development.

5. Policy Recommendations:

- Integrate findings from data analysis, stakeholder feedback, and economic modeling to formulate actionable policy recommendations.
- Assess potential risks and challenges associated with the implementation of these reforms, providing a roadmap for gradual and effective tariff policy adjustments.

3.2.5 Expected Outcomes

- A detailed understanding of sectors with high employment generation potential in Bangladesh.
- Practical and actionable recommendations for tariff policy reforms that could help foster growth, enhance employment, and improve sector competitiveness.
- Informed policy decisions that support Bangladesh's economic transformation and job creation objectives.

3.2.6 Policy Recommendations

1. **Sector-Specific Tariff Reforms:** Adjust tariffs on raw materials and intermediate goods in employment-intensive sectors like light engineering, Pharmaceuticals, agro-processing, ICT, and leather to boost growth (These sectors are for reference only).
2. **Incentives for Export-Oriented Industries:** Introduce tariff incentives and subsidies to diversify exports beyond RMG and promote sectors like footwear, ceramics, and home textiles.
3. **Balanced Protection:** Recalibrate protection for domestic industries with time-bound mechanisms, encouraging both local production and exports.
4. **Tariff Simplification:** Simplify the tariff structure to reduce complexity and improve business transparency, especially for labor- MSMEs.
5. **Value Chain Integration:** Adjust tariffs to facilitate integration into global value chains.



3.3 Study 3: Best practices in tariff policy for expansion of the MSMEs

3.3.1 Background and Rationale of the Study

Micro, Small, and Medium Enterprises (MSMEs) play a crucial role in the economic growth and development of Bangladesh. These enterprises are recognized as essential vehicles for poverty alleviation, job creation, and rapid industrialization. Given Bangladesh's dense population, MSMEs are particularly well-suited to provide significant employment opportunities with relatively low initial investments. Currently, the MSME sector comprises approximately 7.8 million enterprises, contributing around 25% to the country's Gross Domestic Product (GDP).

Globally, governments have increasingly acknowledged the importance of fostering effective and productive MSMEs as a cornerstone of sustainable economic development. To this end, many nations have implemented policies, regulations, and support systems designed to cultivate an MSME-friendly environment. These measures include fiscal incentives, infrastructure development, business support services, and streamlined administrative processes aimed at encouraging the growth of this vital sector. In alignment with international best practices, Bangladesh has also undertaken various initiatives to bolster the MSME sector. The National Industrial Policy 2022 explicitly designates the SME sector as a pivotal component of the country's industrial development strategy, aiming for balanced economic, social, and environmental sustainability. The success of the MSME sector is critical for achieving broader national objectives outlined in key policy documents, including the Eighth Five-Year Plan, the goals for LDC graduation by 2026, and the Sustainable Development Goals (SDG) 2030.

Despite these initiatives, challenges remain, particularly in the realm of taxation. While initial tax relief is recognized as a crucial incentive for encouraging entrepreneurs to launch new ventures, the SME Policy 2019's provisions for tax simplification have yet to be effectively implemented. Currently, there are no tax holiday benefits for MSMEs, which has stifled growth. A proposed tax holiday of at least 10 years is essential to nurture these enterprises, as high tax burdens are one of the most significant constraints on MSME growth. Countries with minimal tax burdens on their SMEs have demonstrated substantial economic growth, underscoring the importance of this issue.

Understanding global best practices in tariff policies that effectively support MSME expansion is essential for Bangladesh to unlock the full potential of this sector, especially in the context of its LDC graduation. This study will identify and analyze best practices in tariff policies from comparable countries that have successfully used tariffs as a tool to support MSME development and provide policy recommendations for the Government of Bangladesh to enhance the competitiveness and growth of MSMEs.

3.3.2 Specific Objectives

The objectives of this study are:

1. **Review of Global Best Practices:** Identify and analyze tariff policies from countries that have successfully promoted the growth and expansion of MSMEs.



2. **Assessment of Current Tariff Policy in Bangladesh:** Evaluate the existing tariff framework in Bangladesh to understand its impact on the growth, competitiveness, and market access of MSMEs.
3. **Identification of Policy Gaps:** Highlight key gaps in Bangladesh's current tariff policy that inhibit the expansion and competitiveness of MSMEs.
4. **Recommendations:** Provide actionable, evidence-based policy recommendations on tariff reforms that could facilitate the growth, competitiveness, and market entry of MSMEs in Bangladesh.

3.3.3 Scope of Work

The study will focus on the following key areas:

1. Identification of Global Best Practices:

- Conduct a comprehensive literature review of tariff policies in countries with successful MSME sectors.
- Analyze case studies from countries such as Vietnam, India, Brazil, Sri Lanka, Malaysia, and Thailand that have implemented effective tariff policies for MSME promotion.
- Identify specific tariff incentives, protection measures, and reforms that have contributed to MSME growth, market access, and export potential in these countries.

2. Assessment of Bangladesh's Tariff Policy for MSMEs:

- Review Bangladesh's existing tariff structure, including import tariffs, duties, and para-tariffs, to assess their impact on MSME expansion.
- Analyze how the current tariff regime affects the cost structure, competitiveness, and market access of MSMEs in key sectors such as light engineering, agro-processing, leather, and ICT.
- Evaluate the barriers MSMEs face in importing raw materials, intermediate goods, and technologies due to the existing tariff framework.

3. Identification of Tariff Policy Gaps:

- Identify the gaps and constraints in Bangladesh's tariff policy that inhibit the growth and expansion of MSMEs.
- Highlight areas where MSMEs face competitive disadvantages compared to larger industries due to tariff imbalances.

4. Protection Mechanisms in Trade Agreements:

- Assess the potential protection mechanisms for Bangladeshi MSMEs within the context of signing Preferential Trade Agreements (PTAs), Free Trade Agreements (FTAs), and Economic Partnership Agreements (EPAs).

- Provide insights into how these agreements can safeguard local industries and enhance their competitiveness in the global market.

5. Impact of Industry-Specific SROs:

- Identify industry-specific Statutory Regulatory Orders (SROs).
- Evaluate their negative impacts on the MSME sector in Bangladesh.
- Highlight areas where policy adjustments are necessary to reduce burdens on MSMEs.

6. Recommendations for Tariff Reform:

- Propose specific tariff reforms that can support the expansion and competitiveness of MSMEs, including tariff reductions on essential raw materials, intermediate goods, and capital equipment.
- Recommend time-bound, targeted protection for nascent MSMEs to ensure their survival and growth in competitive markets.
- Suggest trade facilitation measures and adjustments to duties that can promote MSME access to regional and global value chains.

3.3.4 Methodology

Data Collection:

- **Comprehensive Policy Review:** Conduct an extensive review of relevant government policies, trade regulations, and tariff schedules to establish a clear understanding of the current framework affecting MSMEs.
- **Stakeholder Consultations: Interviews and Focus Groups:** Conduct 10 in-depth interviews and focus group discussions with representatives from MSMEs in key sectors. This qualitative approach will help assess their perspectives on tariff policy, challenges they face, and suggestions for improvement. One FGD to be organized.
- **One Public Consultation with MSME Stakeholders:** Facilitate discussions with a diverse range of MSME stakeholders, including industry leaders, policymakers, and trade experts. These consultations will aim to gather valuable insights regarding the challenges and opportunities associated with existing tariff policies.
- **Benchmarking Against Best Practices:** Perform a comparative analysis of Bangladesh's tariff policies in relation to international best practices observed in successful MSME-friendly economies. This analysis will help identify specific areas where reforms and innovations can be implemented to enhance the effectiveness of tariff policies for the MSME sector.
- **Economic Modeling:** Utilize advanced economic modeling techniques to simulate the potential impact of proposed tariff reforms on MSME growth, competitiveness, and employment generation. This modeling will provide evidence-based projections, allowing for a better understanding of how adjustments in tariff policy could foster a more conducive environment for MSMEs to thrive.



3.3.5 Outcome of the Study

- **Identification of Best Practices:** A report outlining effective strategies for MSME development based on successful practices from countries like Vietnam, India, and Brazil, serving as a guide for Bangladesh's policymakers.
- **Protection Mechanisms in Trade Agreements:** An analysis detailing potential protection mechanisms for Bangladeshi MSMEs within Preferential Trade Agreements (PTAs), Free Trade Agreements (FTAs), and Economic Partnership Agreements (EPAs), highlighting how these can safeguard local industries and enhance competitiveness.
- **Evaluation of Industry-Specific SROs:** A thorough assessment of the negative impacts of industry-specific Statutory Regulatory Orders (SROs) on MSMEs, providing insights for targeted policy adjustments to reduce regulatory burdens.

3.3.6 Expected Policy Recommendations

1. **Implementation of Tariff Incentives:** Introduce targeted tariff incentives for MSMEs to lower production costs, encouraging local manufacturing and enhancing competitiveness in both domestic and international markets.
2. **Integration of Best Practices:** Adopt and adapt best practices from successful MSME policies in countries like Vietnam, India, and Brazil to foster a supportive environment that promotes growth, innovation, and sustainability within the MSME sector.
3. **Establishment of Protective Measures in Trade Agreements:** Ensure that any upcoming Preferential Trade Agreements (PTAs), Free Trade Agreements (FTAs), and Economic Partnership Agreements (EPAs) include specific protective measures for MSMEs, shielding them from undue competition and supporting their growth.
4. **Review and Reform of Industry-Specific SROs:** Conduct a thorough review of existing Statutory Regulatory Orders (SROs) that impact MSMEs, identifying and mitigating negative effects while promoting regulations that enhance operational efficiency and growth.

3.4 Study 4: Interlinkage between tariff policy and development of service industries

3.4.1 Background and Rationale of the Study

The service sector has emerged as a pivotal driver of economic growth, employment, and overall development in Bangladesh. Currently accounting for a significant portion of the country's GDP, the service industry has shown remarkable resilience and adaptability, especially during challenging economic conditions. As Bangladesh prepares for its graduation from Least Developed Country (LDC) status, the emphasis on enhancing the service sector's competitiveness becomes even more crucial. The General Agreement on Trade in Services (GATS), established during the Uruguay Round of trade negotiations, marked a significant milestone in recognizing the importance of services in global trade. This agreement laid the groundwork for countries to integrate services into their trade policies, allowing for a more structured approach to service sector development. Within this context, service industries encompass various modes of supply.


1. **Cross-border Supply (Mode 1):** This involves services being provided from the territory of one member to another without the movement of people. Examples include electronic banking, telecommunications, telemedicine, and e-commerce.
2. **Consumption Abroad (Mode 2):** This mode refers to scenarios where consumers travel to another member's territory to consume services, such as tourism or medical treatment.
3. **Commercial Presence (Mode 3):** This entails a service supplier from one member establishing a presence in another member's territory to provide services, exemplified by foreign insurance companies or hotel chains setting up domestic subsidiaries.
4. **Movement of Natural Persons (Mode 4):** This involves individuals from one member entering another member's territory to providing services for a limited duration. This category includes professionals such as accountants, doctors, teachers, and consultants, whether they are citizens or permanent residents of the member country.

Tariff policies, which are essentially taxes levied on goods and services as they cross international borders, play a vital role in shaping the competitive landscape of service industries. While tariffs can protect domestic service providers and generate government revenue, they can also create barriers that hinder growth and competitiveness. The need for a balanced approach to tariff regulation is essential, as overly protective measures may stifle innovation and limit service providers' ability to compete on a global scale. Despite the importance of the service sector, there has been limited exploration of how Bangladesh's tariff policies specifically impact service industries. This gap in research presents an opportunity to assess existing tariff structures and their implications for the growth and development of key service sectors in the country. Understanding these interlinkages will enable policymakers to craft more effective strategies to enhance service sector competitiveness, ultimately contributing to sustainable economic growth.

The rationale for this study stems from the pressing need to address the complexities of Bangladesh's service sector amid changing global dynamics. As the world becomes increasingly interconnected, service industries must adapt to evolving trade practices and competitive pressures. The implications of tariff policies on service sector growth are multifaceted; thus, a thorough analysis is required to understand these dynamics.

3.4.2 Specific Objectives

- **Identify Interlinkages:** To explore the interconnections between tariff policies and the development of selected service industries in Bangladesh.
- **Assessment of Tariff Impacts:** The study will evaluate how current tariff policies affect the growth and competitiveness of key service industries in Bangladesh.
- **Identification of Barriers:** It will identify barriers within the existing tariff framework that impede the expansion of service sectors, thereby limiting job creation and economic diversification.
- **Best Practices Analysis:** The research will examine successful tariff strategies implemented in other countries that have led to robust service sector development, providing a comparative framework for analysis.



- **Policy Recommendations:** Finally, the study aims to propose actionable recommendations that can guide policymakers in reforming tariff policies to better support the growth of the service sector, ensuring that Bangladesh remains competitive in an increasingly interconnected global market.

3.4.3 Scope of Work

To achieve the specified objectives of this study regarding the interlinkage between tariff policy and the development of selected service industries in Bangladesh, the following scope of work will be undertaken:

Service Industry Selection

- **Identification of Key Industries:** Identify and select key service industries for in-depth analysis, including but not limited to Information Technology (IT), telecommunications, healthcare, and tourism.
- **Criteria Development:** Develop criteria for selecting these industries based on factors such as current economic contributions, growth potential, and employment generation capacity.

Identification of Interlinkages

- **Literature Review:** Conduct a comprehensive review of existing literature on tariff policies and their implications for service industries. This will include analyzing theoretical frameworks and previous research findings.
- **Data Collection:** Gather qualitative and quantitative data on current tariff policies affecting the selected service industries in Bangladesh.

Assessment of Tariff Impacts

- **Current Tariff Analysis:** Analyze the current tariff structure as it relates to selected service industries, focusing on the implications for growth and competitiveness.
- **Economic Impact Evaluation:** Use economic modeling techniques to evaluate how changes in tariff policies influence the performance and competitiveness of key service sectors.
- **Case Studies:** Examine specific case studies of service industries that have been significantly impacted by tariff policies, identifying trends and outcomes.

Identification of Barriers

- **Barrier Identification:** Systematically identify barriers within the existing tariff framework that limit the expansion of service sectors.
- **Stakeholder Surveys and Interviews:** Conduct surveys and interviews with service industry representatives to collect insights into perceived barriers and challenges posed by current tariff regulations.
- **Impact Analysis:** Assess the impact of identified barriers on job creation and economic diversification within the service sector.

Best Practices Analysis

- **Comparative Analysis:** Investigate successful tariff strategies and policies implemented in other countries known for their robust service sector development (e.g., India, Vietnam, Brazil, etc.).
- **Framework Development:** Develop a comparative framework for analysis, outlining the factors contributing to successful service sector growth in these countries.
- **Lessons Learned:** Extract lessons learned from best practices to inform policy recommendations for Bangladesh.

Policy Recommendations: Based on the findings from the previous objectives, develop actionable policy recommendations aimed at reforming tariff policies to better support service sector growth.

3.4.4 Methodology

The methodology for this study will encompass a comprehensive and multi-faceted approach to ensure robust analysis and findings. The following components will be integral to the research process:

Data Collection

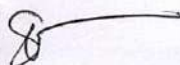
- **Quantitative Data Gathering:** Collect quantitative data from a variety of sources, including government reports, trade statistics, and industry analyses. This will involve examining current tariff schedules, economic performance metrics, employment data, and export-import ratios related to the selected service industries.
- **Qualitative Data Gathering:** Obtain qualitative data through literature reviews, policy documents, and case studies that explore the relationship between tariff policies and service sector development in Bangladesh and internationally.

Interviews and FGDs

- **Conducting Interviews:** Execute 10 in-depth interviews with a selection of stakeholders, including service providers, industry associations, and government officials. These interviews will allow for a nuanced understanding of perspectives and experiences related to current tariff policies and their implications for service industries.
- **Focus Groups:** Organize focus group discussions with industry experts and practitioners to facilitate dialogue and generate qualitative insights into tariff-related challenges and opportunities within the service sector.

Comparative Analysis

- **International Benchmarking:** Conduct a comparative analysis of Bangladesh's tariff policies relative to those of other countries that have effectively supported the growth of their service sectors, such as India, Vietnam, and Brazil or other relevant country. This analysis will involve examining tariff structures, policy frameworks, and outcomes in service sector performance.
- **Best Practices Identification:** Identify best practices in tariff policy that have led to robust service sector growth in the selected countries. This will include analyzing policy measures, regulatory frameworks, and government support mechanisms that have successfully fostered competitive service industries.



Economic Modeling

- **Model Development:** Develop economic models to simulate the impact of proposed tariff reforms on the competitiveness of the selected service industries. This will involve establishing a baseline scenario based on current tariff structures and expected market conditions.
- **Scenario Analysis:** Conduct scenario analyses to evaluate the potential effects of different tariff reform options. This will include assessing changes in domestic prices, competitiveness, and employment levels within the service sector as a result of tariff adjustments.
- **Policy Simulation:** Utilize the economic models to simulate policy scenarios that explore the effects of proposed reforms on service industry growth and overall economic performance. This will help in understanding the dynamic interplay between tariffs and service sector development.

3.4.5 Expected Outcomes of the Study

- **Comprehensive Understanding of Interlinkages:**
 - Insights into how tariff policies impact the growth of selected service industries.
 - Identification of service sectors positively or negatively affected by current tariffs.
- **Assessment of Tariff Impacts:**
 - Evaluation of current tariff structures on service industry growth.
 - Identification of barriers within the tariff framework limiting expansion.
- **Best Practices and Comparative Insights:**
 - Comparative analysis of successful tariff strategies from other countries.
 - Recommendations for adapting best practices to enhance competitiveness.
- **Actionable Policy Recommendations:**
 - Proposals for reforming tariff policies to support service sector growth.
 - Framework for sustainable development within the service sector.

3.4.6 Expected Policy Recommendations

- **Tariff Reform:**
 - Implement targeted tariff reductions for specific service sectors to enhance competitiveness and stimulate growth.
 - Introduce a tiered tariff structure that supports emerging service industries while ensuring adequate protection for established sectors.
- **Promotion of Export Services:**
 - Develop export incentives for service industries, such as tax rebates or grants, to encourage international market expansion.
 - Establish a framework for easier access to international markets for Bangladeshi service providers.



- **Regulatory Framework Enhancements:**

- Streamline regulatory processes to reduce bureaucratic hurdles for service industries, promoting a more conducive business environment.
- Foster inter-agency collaboration to ensure a cohesive approach to tariff policy affecting the service sector.

3.5 Study 5: Quest for conducive tariff policy for development of e-commerce and online-service

3.5.1 Background and Rationale of the Study


The most debated topic in electronic commerce at the present time, both among policy makers and the business community, is whether and how to collect tariffs and taxes on cross-border electronic commerce (e-commerce). So far, no national or international legislation has been put in place. At the same time, a steep increase in e-commerce during the next decade is predicted: the Organization for Economic Co-operation and Development (OECD) estimates that it may reach a value of US\$ 330 billion by 2021–2022 and US\$ 1 trillion by 2030–2035.). Hence, there is legitimate concern by Governments, especially in the developing countries, over the potential erosion of their tax base resulting from e-commerce if domestic and international rules are not modified to take account of these developments.

Cross-border electronic commerce is currently operating in a tax- and tariff-free environment. This, combined with predictions of steep increases of e-commerce during the next five years, has prompted Governments and tax authorities to discuss modifications to existing legislation that take account of these developments. One of their concerns is the potential loss in tax and tariff revenues resulting from e-commerce, which account for significant shares of government budgets in most countries. This is of particular concern to developing countries, where import duties comprise higher shares of government revenue and a shift to other revenue sources is economically less feasible.

WTO Ministerial 13 has decided to extend the moratorium (Tariff & taxes) for two more years. It is to be noted, the withdrawal of moratorium on digitally deliverable services is inevitable, if not in this WTO Ministerial, definitely in subsequent ones. For Bangladesh, Smart Bangladesh Agenda 2041 dictates significant growth of domestic market for digitally deliverable products and services. Bangladesh also aspires to become a major player in global market.

As a net importing country of digitally delivered services and products (in FY 2022-23 USD 4.38 Billion), the continuation of moratorium has certain implications for revenue loss by the government. On the other hand, continuation of moratorium may potentially hinder to grow market share of domestic companies in their own market due to competition. However, there is positive impact on consumer surplus positive role low cost of services imported by the IT related businesses.

The removal of moratorium may attract foreign investment, while domestic market is protected by tariff measures. It is also to be noted that the average tariff of developed countries is much less than that in developing countries. Thus, even withdrawal of moratorium may cause imposition of duties on items in which Bangladesh has interest, the implications are not expected to be significant. On the other hand,



withdrawal of moratorium on tariff does not mean automatically imply that Bangladesh will apply tariff on all digitally delivered services, also the developed countries. There are mechanisms for rationalization duty revenue in different forms such as fees and charges for loss and protection of domestic industries, other than tariff. This study first analyses using trade and tariff revenue data, the potential economic impact if in fact digitizable products replace physically delivered goods. Particular attention will be paid to the impact on developing countries. This is followed by an analysis of additional duties levied on imports (besides border tariffs), including domestic consumption taxes.

3.5.2 Specific Objectives

The specific objective of this study is to assess the quest for conducive tariff policy for development of e-commerce and online-service of Bangladesh and to suggest targeted policy recommendations considering domestic and multilateral discussions/decisions as stipulated under the WTO framework.

3.5.3 Scope

The scope of the studies is:

1. Assess the expedition for conducive tariff policy for development of e-commerce and online-service sector of Bangladesh.
2. Identify data on potential revenue losses from import duties on several products that have been traded physically in the past but are increasingly being imported digitally in Bangladesh.
3. Analyze how developing (such as: India, Vietnam, China, Singapore and South Korea) countries will be the main losers as far as import duties from e-commerce products are concerned.
4. How will potential revenues and taxes be affected by ecommerce? Identify the increase in digital trade substantially reduce revenues from import duties and taxation of domestic goods and services.
5. Suggest e-Commerce therefore be subject to border tariffs and taxes and how to rationalize.
6. Suggest a conducive tariff policy for development of e-commerce and online-service in Bangladesh.
7. What legislative and regulatory changes are needed for the rationalization of e-Commerce tariff and taxes need to be levied.

3.5.4 Methodology

The approach to this study will be multi-faceted and a comprehensive methodology will be followed to ensure grounded evidence and recommendations. As a part of the research process, the following need to be complied.

Data Collection

- **Secondary Data Analysis:**

Collect and analyze existing data from government reports, industry publications, international trade databases (such as WTO and UNCTAD), and relevant case studies on e-commerce and digital trade. The aim is to gather information on current tariff policies, revenue from import duties, and trends in e-commerce growth.

- **Primary Data Collection:**

Conduct interviews with key stakeholders, including government officials (National Board of Revenue, Ministry of Commerce), industry experts, e-commerce platforms, online service providers, and business associations. The focus will be on gathering insights into the challenges and opportunities faced by these stakeholders in the context of tariff policies. Organize focus group discussions with industry experts and practitioners to facilitate dialogue and generate qualitative insights on tariff-related challenges and opportunities within the service sector.

Economic Impact Analysis

- **Revenue Loss Estimation:**

Estimate the potential revenue loss from shifting physical goods trade to digital imports. This will involve calculating the impact of digital imports on duties previously collected from physical goods, utilizing trade and customs data from relevant government sources.

- **Taxation Analysis:**

Assess the impact of e-commerce on tax revenues, focusing on both corporate and consumption taxes. This will include evaluating how the shift to digital services affects the taxable base and government revenue.

Comparative Analysis

- **Best Practices Study:**

Perform a comparative analysis of tariff policies and regulatory frameworks from countries that have successfully managed the growth of e-commerce while maintaining a strong revenue base (e.g., India, China, Singapore). This will help identify effective policy measures that could be adapted for Bangladesh.

- **Case Studies:**

Examine case studies from selected countries that have implemented innovative tariff policies for e-commerce and digital services. These case studies will highlight how tariffs and taxation systems have been adapted to the digital economy and what lessons Bangladesh can learn.

Economic Modeling

- **Impact Simulations:**

Develop economic models to simulate the impact of proposed tariff changes on the e-commerce sector. This will include modeling the effects of imposing tariffs on digital imports, exploring potential shifts in consumer behavior, changes in the cost of services, and the broader economic implications for Bangladesh.

- **Revenue Scenarios:**

Create scenarios projecting future revenue collection under different tariff regimes, including potential changes to the WTO moratorium on e-commerce tariffs and their implications for the Bangladeshi economy.



Regulatory and Legislative Review

- **Legal Framework Analysis:**
Conduct a comprehensive review of Bangladesh's current laws and regulations governing e-commerce and online services, identifying gaps and areas where reforms are necessary to align with international best practices and evolving trade dynamics.
- **Regulatory Impact Assessment:**
Analyze the potential regulatory changes needed to introduce or adjust tariffs on digital products and services while balancing the need for sectoral growth and revenue collection.

3.5.5 Expected Outcomes of the Study

- **Identification of Key Tariff Challenges:** Highlight specific tariff issues that hinder the growth of e-commerce and online services in Bangladesh.
- **Revenue Impact Assessment:** Quantify potential revenue losses from digital imports and propose strategies to mitigate these losses.
- **Global Best Practices:** Provide examples of successful tariff and taxation policies from other countries to guide reforms.
- **Policy Recommendations:** Offer actionable recommendations for reforming Bangladesh's tariff structure to support e-commerce growth.
- **WTO Moratorium Insights:** Analyze the implications of the WTO moratorium on digitally delivered services for Bangladesh.
- **Legislative Guidance:** Suggest necessary legislative and regulatory changes to foster a conducive environment for e-commerce.
- **Economic Modeling:** Present models showing the potential impact of tariff reforms on sector competitiveness.
- **Sustainable Growth Roadmap:** Deliver a clear roadmap for long-term growth and competitiveness of the e-commerce sector.

3.6 Study 6: Identification and assessment of tariff policy instruments to rebuild/strengthen health and agriculture-based industrialization.

3.6.1 Background and Rationale of the Study:

In terms of economic mechanisms, the most obvious linkage between trade and health is on the consumption side. We know that health expenditures around the world have been increasing rapidly, especially in fast-growing economies. According to general principles, open trade can facilitate the access of health-care providers or patients to health products at competitive prices, and in new varieties.

Trade and health are an issue that has been extensively examined over the last 10–15 years. However, that discussion has focused largely on the issue of intellectual property rights. Trade agreements now routinely include chapters on protection of intellectual property rights. At the World Trade Organization (WTO), the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) lays down minimum standards for protection in member states. Pharmaceuticals are a product where intellectual property issues loom large from a development standpoint, because there could be a conflict between

promoting innovation on the one hand, and extending access to crucial medications on the other. Indeed, many developing countries were so concerned about this conflict in the context of the AIDS epidemic that they successfully campaigned for the 2001 Declaration on TRIPS Agreement and Public Health. Another aspect of trade and health that has received considerable attention is the trade in health services. Trade in health services can be delivered in all four modes of supply, as defined by WTO's General Agreement on Trade in Services. One of the most prevalent forms of trade in health services is by medical travel, i.e., when a patient seeks medical treatment abroad. The focus of this paper is on trade of all physical goods that enter the health sector. These goods are either those that can be used directly for diagnosis and treatment of patients or those that are necessary for testing and medical research.

Trade in health products has been flourishing in recent years as the demand for better health has been growing throughout the world. At the same time, trade in health products is hampered by substantive trade barriers. The evidence is that countries around the world still apply tariffs and nontariff measures that increase prices and limit the availability of health-related products such as pharmaceuticals, vaccines, and medical equipment. The case for liberalizing trade in these products is therefore strong. In addition, that improving trade facilitation performance, using the World Trade Organization's Trade Facilitation Agreement as a starting point, can be linked to improved handling of health-related products such as vaccines which, in turn, would boost usage. There is a growing concern about the price differences for insulin across countries and observed that the price of insulin has various determinants, one of them being open trade: the higher the level of competition between manufacturers, the lower the price of insulin. In summary, lowering trade barriers on health products can make a substantive contribution to building up health systems and lowering out-of-pocket payments of patients. Helble (2012) maps out the "universe" of health products covering 207 subheadings of the Harmonized System (HS). The list consists of products in three groups: (i) medicines, (ii) chemicals used in the production of pharmaceuticals, and (iii) hospital and laboratory inputs and equipment.

The global average tariff on agricultural products is 62 percent and is much higher than those on manufactured items. From a global perspective, high average tariffs cause demand to contract and supply to expand by drawing resources into agriculture, both leading to lower world prices.

Agriculture constitutes about a third of men's employment and 60 percent of women's employment — and the sector is highly dependent on imported inputs for livestock and crop agriculture. Bangladesh also has much higher average tariffs compared to other countries and is preparing to modernize its tariff structure ahead of its planned graduation from Least Developed Country (LDC) status in 2026. More than 90 percent of seeds used in crop agriculture in Bangladesh are imported. Animal feed is almost entirely domestically produced; however, feed producers rely heavily on imported grains, including maize, soybean oilseed, and mustard. Data from the Department of Agricultural Marketing (DAM) in Bangladesh shows that domestic wholesale and retail prices for many feed ingredients, including maize and soybean oil, have increased steadily since 2020 in line with global import prices. However, fertilizer used in crop agriculture is heavily subsidized, buffering the impact of higher global prices

Product-level customs data from the National Board of Revenue shows that the total tax rate (TTR) for key imported inputs used in animal feed is substantially higher than for crop agriculture. Imported seeds used in crop agriculture are subject to comparatively lower taxes, while the TTR for fertilizer is zero.



Among those selling their production in the market, earnings in crop agriculture tend to be substantially higher than in livestock/poultry activity. Higher tariff rates for inputs for animal producers are likely to be particularly burdensome for poultry/livestock producers, most of whom are women. As Bangladesh revises its tariff policies ahead of its graduation from a Least Developed Country, it will be important to consider the potential benefits for employment outcomes, particularly for women. Informing policy formulation with gender analysis can help to clear a path to a higher level of income for women.

3.6.2 Specific Objectives

The specific objective of this study is to assess the impact of current tariff policies on Bangladesh's health sector and agriculture-based industrialization. It aims to identify how tariffs affect the availability and affordability of medical products and agricultural inputs, and to propose a conducive tariff policy that promotes domestic production, reduces import dependency, and enhances competitiveness in these key sectors. The study will provide actionable recommendations to support sustainable growth and strengthen resilience in the health and agriculture industries.

3.6.3 Scope

The scope of the study includes:

1. **Assessment of Current Tariff Policies:** Evaluate the existing tariff structure related to the health sector and agriculture-based industries, focusing on how they impact the cost, availability, and accessibility of key inputs, equipment, and products.
2. **Analysis of Supply Chain:** Examine the effects of tariff policies on the supply chains for healthcare products and agricultural inputs, identifying areas where tariffs may be creating bottlenecks or increasing costs.
3. **Comparative Analysis:** Conduct a comparative study of successful tariff policies in other countries that have strengthened their health and agriculture sectors, drawing lessons that could be applied to Bangladesh.
4. **Identification of Barriers:** Identify tariff-related challenges that hinder domestic production in both the health and agriculture-based industrial sectors, including reliance on imports, high costs of raw materials, or lack of competitiveness.
5. **Policy Impact on Industrialization:** Assess how current tariffs are affecting the growth of agriculture-based industries and the health sector's ability to grow and modernize, with particular attention to post-pandemic recovery needs.
6. **Recommendations for Tariff Reform:** Propose actionable recommendations for revising tariff policies to rebuild and strengthen these sectors, ensuring competitiveness, affordability, and sustainability.
7. **Legislative and Regulatory Review:** Identify any necessary legislative or regulatory reforms needed to support the implementation of new tariff policies conducive to the development of these sectors.

3.6.4 Methodology

Data Collection:

- **Secondary Data Review:** Collect and analyze existing data from government reports, industry surveys, trade databases, and relevant studies on the current tariff structure impacting the health and agriculture sectors.
- **Primary Data Collection:** Conduct 10 interviews with key stakeholders, including industry experts, healthcare providers, agricultural producers, policymakers, and trade associations, to understand the challenges and opportunities within the current tariff regime. One FGD to be conducted to identify barriers created by existing tariff policies and explore potential reforms.

Stakeholder Consultations:

- Organize one public consultation with stakeholders from the health sector, agriculture-based industries, and relevant government agencies to gather insights on tariff impacts.

Comparative Policy Analysis:

- Analyze successful international examples of tariff policies that have supported the development of health and agriculture industries.
- Benchmark Bangladesh's tariff policies against those of comparable economies to identify gaps and opportunities for improvement.

Comprehensive Assessment:

- A detailed evaluation of the current tariff policies affecting the health and agriculture sectors in Bangladesh, including their impact on growth, competitiveness, and market access.

Legislative and Regulatory Review:

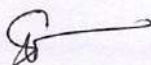
- Review existing laws and regulations affecting tariffs in the health and agriculture sectors to identify necessary legislative changes or updates.
- Analyze the institutional and regulatory capacity to implement proposed tariff reforms.

Economic Modeling:

- Develop economic models to simulate the impact of various tariff reform scenarios on the cost structure, competitiveness, and growth of the health and agriculture-based industrial sectors.
- Conduct scenario-based forecasting to evaluate the long-term effects of proposed tariff adjustments on sectoral growth, job creation, and foreign investment.

3.6.5 Expected Outcomes of the Study

- **Identification of Key Tariff Instruments:** A clear identification of tariff policy instruments that can effectively support the rebuilding and strengthening of the health sector and agriculture-based industrialization.



- **Economic Modeling Results:** Insightful economic modeling results demonstrating potential scenarios for tariff reform and their implications for sectoral growth, employment, and investment.
- **Stakeholder Insights:** A compilation of perspectives and insights from industry stakeholders, policymakers, and experts on the barriers and opportunities within the existing tariff framework.
- **Best Practices Analysis:** A comparative analysis of successful tariff policies from other countries that have fostered development in similar sectors, providing a benchmark for potential reforms in Bangladesh.
- **Actionable Policy Recommendations:** A set of targeted, actionable policy recommendations aimed at creating a conducive tariff policy framework that supports the health sector and agriculture-based industrialization.

3.7 Study 7: Identification of products along with the assessment of their tariff structure to facilitate green growth and blue economy

3.7.1 Background and Rationale of the Study:

Green economy strategies tend to focus on the sectors of energy, transport, sometimes agriculture and forestry, while the blue economy focuses on fisheries sectors and marine and coastal resources. Both incorporate strategies to address climate mitigation and adaptation. According to a 2018 World Bank report, the ocean economy contributes \$6.2 billion or three percent of GDP to Bangladesh. This economy comprises tourism and recreation, marine fisheries and aquaculture, transport, and offshore oil and gas extraction. The blue economy has diverse components, including established traditional ocean industries such as fisheries, tourism, and maritime transport, but also new and emerging activities, such as offshore renewable energy, aquaculture, seabed extractive activities, and marine biotechnology and bioprospecting.

Now, Bangladesh can create more spaces to ensure economic growth through fresh investments in marine trade and commerce. The country has so far explored only a few numbers of Blue Economy sectors such as fisheries and aquaculture, shipbuilding, ship breaking, salt generation and port facilities.

The Oceanic Economy popularly known as blue economy has emerged as a crucial development issue for optimum use of the oceans, seas and marine resources for sustainable development. Among the sustainable development goals (SDGs), SDG-14 focuses on sustainable use of the oceans, seas and marine resources for sustainable development. Ocean assets provide food and energy which are essential ingredients of human life. By overlooking the three-fourth proportion of the surface of earth, it is tough to achieve sustainable economic development by 2030. Given this, Bangladesh has adopted steps to ensure sustainable use the oceans, seas and marine resources attaining inclusive development and goal related to SDG-14.

Blue Economy has the prospect to contribute Bangladesh economy on a much higher level. Twenty six (26) potential Blue Economy sectors have been identified by the MoFA which include the fishery, maritime trade and shipping, energy, tourism, coastal protection, maritime safety and surveillance for development of blue economy in Bangladesh. Identification of products along with the assessment of their tariff structure to facilitate green growth and blue economy will enhance trade from Bangladesh.



3.7.2 Specific Objectives

The specific objective of this study is to identify and assess the current tariff policies affecting products that are crucial for the advancement of green growth and the blue economy in Bangladesh. By evaluating the existing tariff structures, the study aims to pinpoint barriers and opportunities within these frameworks and provide targeted policy recommendations that promote the sustainable development of identified products. This includes examining how adjustments to tariff policies can enhance the competitiveness of these sectors, stimulate economic growth, and align with national and global sustainability goals.

3.7.3 Scope of Work

The scope of this study will include the following key activities:

1. **Product Identification:** Identify a range of products that contribute to green growth (e.g., renewable energy technologies, eco-friendly products) and the blue economy (e.g., shipping, sustainable fisheries, marine biotechnology).
2. **Tariff Structure Assessment:** Conduct a comprehensive analysis of the current tariff structures for the identified products, focusing on both domestic and international contexts.
3. **Stakeholder Consultation:** Engage with industry experts, government agencies, and other stakeholders to gather insights on the challenges and opportunities within the existing tariff framework.
4. **Impact Analysis:** Evaluate the implications of the current tariff structures on market access, competitiveness, and the promotion of sustainable practices.
5. **Comparative Analysis:** Benchmark Bangladesh's tariff structures against those of other countries successfully promoting green growth and blue economy initiatives.
6. **Policy Recommendations:** Develop targeted policy recommendations for adjusting tariff structures to facilitate green growth and the blue economy.

3.7.4 Methodology

The methodology for this study will encompass the following steps:

1. **Data Collection:**
 - Gather quantitative and qualitative data from government reports, trade regulations, and existing tariff schedules related to products that support green growth and the blue economy.
 - Conduct 10 KIIs and 02 FGDs to collect information from industry stakeholders, environmental experts, and relevant agencies to understand the current challenges and opportunities in these sectors.
2. **Product Identification:**
 - Identify key products that significantly contribute to green growth and the blue economy in Bangladesh, such as renewable energy technologies, sustainable fisheries, and eco-friendly agricultural practices.
3. **Tariff Structure Assessment:**
 - Analyze the existing tariff structures for the identified products, including import duties, exemptions, and other relevant trade barriers.



- Evaluate the impact of current tariffs on the competitiveness of these products in both domestic and international markets.
- 4. **Comparative Analysis:** Conduct a comparative analysis of Bangladesh's tariff policies with those of other countries that have successfully promoted green growth and blue economy initiatives, identifying best practices and lessons learned.
- 5. **Economic Modeling:** Utilize economic modeling tools to simulate the potential impact of proposed tariff reforms on the growth of identified sectors. This will include assessing how changes in tariffs can influence investment, production, and employment within these industries.

3.7.5 Expected Outcomes

1. A comprehensive identification of products is essential for green growth and the blue economy.
2. An assessment of the existing tariff structures for these products and their implications.
3. Actionable recommendations for tariff adjustments to promote sustainability and economic growth.
4. Increased awareness among stakeholders regarding the importance of aligning tariff policies with green and blue economy objectives.

3.8 Study 8: Identification and assessment of policies that are interrelated with tariff regime and the extent of the interrelation.

3.8.1 Background and Rationale of the Study

National Tariff Policy generally addresses the border measures which have direct effect on imports and exports. Therefore, the National Tariff Policy will cover the policies and Acts' which influence trade flows of Bangladesh. As of today, various duties and taxes are levied on import and export under Customs Act and the policies issued under this Act have direct bearing on trade flows of Bangladesh. Besides, even though VAT and Supplementary Duty Act 2012 and Income Tax ordinance 1984 are internal tax instruments, taxes and policies applied under those acts also have bearing on trade. Accordingly, National Tariff Policy will review and address following instruments:

- a. Customs Act, 2023 and rules under this Act
- b. The Imports and Exports (Control) Act, 1950
- c. Protective Duties Act, 1950
- d. National Logistics Policy 2024
- e. Regional Trade Agreement (RTA) Policy, 2022
- f. VAT and SD Act 2012
- g. Income Tax Act, 2023
- h. Export Policy 2021-24
- i. Import Policy order 2021-24
- j. Industrial policy 2016
- k. SME policy

Assessment of impact of Tariff reforms under National Tariff Policy and its relationship with other Policies need to be identified. Border charges comprising customs duty, regulatory duty, supplementary

duty, value added tax and advance income tax levied on import are considered to be important sources of Revenue.' Therefore, in implementing the National Tariff Policy, the revenue implication will be assessed with due attention in order to avoid any abrupt shock to revenue mobilization. The revenue-GDP ratio has remained low in Bangladesh compared to countries with similar economic situation. Tax and tariff reforms towards improving tax compliance and augmenting revenue collection is expected to make important contributions in enhancing tax-GDP ratio and maintaining the fiscal/budget deficit at a reasonable level.

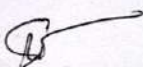
Tariff policy is one of the major instruments to achieve the goals set by 8th Five-Year Plan of the government and to meet the upcoming challenges. However, it may fall short in doing so, if the policy is implemented in isolation of other policy instruments' Therefore, other policy instruments such as Export Policy, Import Policy Order, Industrial Policy, SME Policy, Foreign Exchange Policy etc. need to be well-aligned with tariff policy. Accordingly, while formulating/implementing the tariff policy, proper attention should be given to synchronizing the tariff policy with other related trade and industrial policies.

3.8.2 Specific Objectives:

The specific objectives of this study are to identify and analyze the key policies interrelated with tariff policy in Bangladesh, assess the extent of their interrelation, and evaluate the implications of these connections on trade competitiveness, economic growth, and sectoral development. Additionally, the study aims to uncover barriers arising from policy overlaps or conflicts and provide actionable recommendations for enhancing the coherence and efficacy of tariff and related policies, ultimately facilitating optimal economic outcomes for the country.

3.8.3 Scope of the Study

1. **Alignment of Tariff Policy:** Conduct a comprehensive analysis of how Bangladesh's tariff policy can be better aligned with import and export policies, as well as other trade-related frameworks. This involves identifying inconsistencies and recommending strategies for harmonization to foster a more integrated approach to trade.
2. **Tariff as a Trade Policy Instrument:** Explore how tariff policy can be effectively employed as a strategic instrument of trade policy, rather than merely a revenue-generating tool. This will include examining ways to leverage tariffs to create an optimal balance between trade liberalization and necessary time-bound protection measures for vulnerable sectors.
3. **Enhancing Competitiveness:** Investigate methods to improve the competitiveness of the manufacturing sector, particularly through duty-free access to imported raw materials. This will involve rationalizing the tariff structure to eliminate barriers that currently hinder the growth and export potential of domestic manufacturers.
4. **Eliminating Tariff Anomalies:** Identify and analyze existing anomalies within the tariff structure that create distortions between sectors and disrupt the value chains of various industries. The study will provide actionable recommendations for reforming the tariff structure to ensure a more equitable and efficient trade environment.



5. **Sectoral Impact Assessment:** Assess the impact of current tariff policies on different sectors of the economy to understand how variations in tariffs affect overall industry performance and competitiveness. This assessment will guide recommendations aimed at sector-specific tariff adjustments.

3.8.4 Methodology

The methodology for this study will include:

- **Data Collection:** Collect quantitative and qualitative data from relevant government agencies, industry stakeholders, and academic literature. 20 KIIs and 02 FGDs to be conducted.
- **Policy Mapping:** Identify and categorize policies related to tariff policy and assess their interrelations through a policy mapping exercise.
- **Stakeholder Consultations:** One public consultation with policymakers, trade experts, and industry representatives through interviews and focus groups to gather insights on the impact of policy interrelations.
- **Comparative Analysis:** Examine best practices from other countries that have successfully aligned their tariff and related policies.
- **Impact Assessment:** Conduct an impact analysis to determine how the identified interrelations affect trade and economic outcomes.

3.8.5 Expected Outcomes

The study is expected to yield:

- A comprehensive map of policies interrelated with tariff policy in Bangladesh.
- Insight into the extent and significance of these interrelations.
- Identification of barriers and opportunities for enhancing policy coherence.
- Actionable recommendations to improve the alignment of tariff policy with related policies for better economic outcomes.

3.9 Study 9: Case study of 6 (six) selective countries (Developed, Developing, and Least Developed Countries) in terms of the approaches and evolution of tariff policies including reciprocal tariff and way forward for Bangladesh.

3.9.1 Background and Rationale of the Study

Recent decades have seen rapid growth of the world economy. This growth has been driven in part by the even faster rise in international trade. The growth in trade is in turn the result of both technological developments and concerted efforts to reduce trade barriers. Some developing countries have opened their own economies to take full advantage of the opportunities for economic development through trade, but many have not. Remaining trade barriers in industrial countries are concentrated in the agricultural products and labor-intensive manufactures in which developing countries have a comparative advantage. Further trade liberalization in these areas particularly, by both industrial and developing countries, would help the poorest escape from extreme poverty while also benefiting the industrial countries themselves.



Policies that make an economy open to trade and investment with the rest of the world are needed for sustained economic growth. The evidence of this is clear. No country in recent decades has achieved economic success, in terms of substantial increases in living standards for its people, without being open to the rest of the world. In contrast, trade opening (along with opening to foreign direct investment) has been an important element in the economic success of East Asia, where the average import tariff has fallen from 30 percent to 10 percent over the past 20 years.

There is considerable evidence that more outward-oriented countries tend consistently to grow faster than ones that are inward-looking. Indeed, one finding is that the benefits of trade liberalization can exceed the costs by more than a factor of 10. Countries that have opened their economies in recent years, including India, Vietnam, and Uganda, have experienced faster growth and more poverty reduction. On average, those developing countries that lowered tariffs sharply in the 1990s grew more quickly in the 2000s than those that did not.


Although there are benefits from improved access to other countries' markets, countries benefit most from liberalizing their own markets. The main benefits for industrial countries would come from the liberalization of their agricultural markets. Developing countries would gain about equally from liberalization of manufacturing and agriculture. The group of low-income countries, however, would gain most from agricultural liberalization in industrial countries because of the greater relative importance of agriculture in their economies.

3.9.2 Specific Objective

The specific objectives of this study are to analyze the historical evolution of tariff policies in selected countries, evaluating the effectiveness of various approaches in achieving economic growth, trade diversification, and industrial development. The study aims to identify best practices and lessons learned from these case studies that can inform tariff policy reform in Bangladesh and similar economies. Additionally, it will assess the economic impacts of tariff policies on domestic industries, consumer prices, and international competitiveness, ultimately proposing actionable recommendations for enhancing Bangladesh's tariff policies based on the findings from the case studies.

3.9.3 Scope of the Study

1. **Evolution of Tariff Policies:** This study will trace the historical development of tariff policies in selected relevant countries (such as Viet Nam, Malaysia, Thailand, India, China and other), analyzing key milestones, shifts in policy direction, and the impact of these changes on economic growth. A significant focus will be placed on how these countries have simplified their tariff structures by addressing unjustified tariff escalation, ensuring a more equitable and straightforward system for businesses.
2. **Reduction of Exemptions and Concessions:** The research will examine the approaches taken by these countries to streamline their tariff frameworks, particularly through the reduction of exemptions and concessions. This includes an analysis of the rationale behind these adjustments and their effects on overall trade efficiency, government revenue, and domestic industries.



3. **Time-Bound Protection for Emerging Industries:** The study will explore how selected countries have implemented time-bound protective measures for nascent industries, emphasizing performance-based sector-specific support. This will include evaluating the mechanisms established to safeguard these industries during their critical growth phases, particularly concerning financing and investment payback periods.
4. **Simplicity and Transparency in Tariff Policies:** This research will assess the strategies employed by these countries to enhance the simplicity and transparency of their tariff policy guidelines. The study will investigate how aligning tariff policies with broader import and export policies can create a more coherent trade framework that supports both local industries and international competitiveness.
5. **Reciprocal Tariff:** Evaluate the effect of reciprocal tariffs imposed by different countries including USA to the value chain of the main exports' items of Bangladesh. Recommend the way forward for Bangladesh to address the reciprocal tariff structure of different countries.
6. **Comparative Analysis:** The scope will also include a comparative analysis of the effectiveness of these policies across different contexts, identifying key success factors and potential pitfalls to inform future tariff policy reforms in Bangladesh.

3.9.4. Methodology

- **Qualitative Research:** Utilize qualitative research methods, including interviews, focus groups to gather perspectives from stakeholders involved in tariff policy formulation and implementation.
- **Quantitative Analysis:** Analyze relevant economic data to evaluate the impacts of tariff policies on trade flows, industrial output, and consumer prices.
- **Comparative Framework:** Develop a comparative framework to systematically analyze the differences and similarities in tariff policy approaches among the selected countries.

3.9.5. Expected Outcomes

- Comprehensive case studies detailing the approaches and evolution of tariff policies in selected countries.
- Identification of best practices and lessons learned that can be applied to tariff policy reform in Bangladesh.
- Actionable policy recommendations aimed at enhancing the effectiveness of Bangladesh's tariff policies in promoting economic growth and development.

3.10 Survey 10: Conducting a survey to identify difficulties faced by the investors (both domestic and foreign investors) in order to identify the bottlenecks of the current tariff policy regime and measures to remove the bottlenecks. .

3.10.1 Background and Rationale of the Study

In the modern world of trade compliance is one of the burning issues. In the developing countries, especially in LDCs export related compliance is a crucial issue which is closely involved with employment

generation, poverty reduction, economic growth and overall socio-economic development. Absence or deficiency of export-related compliance may cause serious relegation of exports because of non-confidence of the importing countries. Complete or inclusive export-related compliance might ensure public confidence in the reliability of activities that impact on health, welfare, security and the environment and thus significantly increase volume of exports of the respective country. It identifies competent certification bodies for the implementation of government policies and regulations. It is an essential tool for decision making and risk management of industrial organizations by which they can save time and money by selecting an accredited and hence competent supplier. Compliance provides a competitive advantage and facilitates access to export markets with the aim of one standard and one certificate which is globally recognized.

Bangladesh exports a variety of products beyond garments, but their growth is hindered by an anti-export bias in tariffs. Despite past achievements, the nation faces a unique 'state-policy dualism,' impeding progress. Without tariff reduction and the elimination of anti-export biases, export diversification remains elusive. Amid global turmoil, it is crucial to address these policy challenges to sustain Bangladesh's growth trajectory. Bangladesh added only nine items between 2006 and 2021, considering the four-digit HS code, to the export basket, which generated earnings worth \$823 million in 2021. During the same period, Vietnam added 41 new products with \$145 billion in export earnings in 2021. India and Thailand also achieved tremendous success at the same time, he added. Bangladesh has not been successful in diversifying its export basket for a long time, the country has failed to enjoy dynamic comparative advantage, and the number of products where it has revealed comparative advantage is very low, and it is growing at an escalating trend for Vietnam.

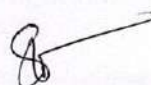
The key challenges for exporters in the post-LDC period and obstacles for export-oriented firms are the prices and availability of raw materials, customs and trade regulations including the rationalization of tariff, port facilities, tax systems, skilled labor, financing, and other issues like standard and certification, business licensing, transport, court system, and complicated legal system. High import tariffs in Bangladesh are preventing the diversification of exports. In 1990, Bangladesh had one of the highest tariff rates in the world, and even in 2023, Bangladesh maintained a very high average tariff rate. Bangladesh had more than 40% products with a tariff rate of more than 15% in 2023, which is 10.6% in India and 14.4% in Vietnam.

3.10.2 Specific Objectives

The specific objective of this study is to conduct a comprehensive survey to identify the difficulties faced by both domestic and foreign investors concerning the current tariff policy regime in Bangladesh. This involves assessing how these challenges impact investment decisions and business operations, pinpointing specific bottlenecks that deter investment, and proposing targeted measures to address these issues and enhance the overall investment climate. The study aims to gather insights that will inform policymakers about necessary reforms to create a more conducive environment for investment, ultimately fostering economic growth and development.

3.10.3 Scope

The scope of this study includes the following key areas:



1. **Investor Challenges Assessment:** Identify and analyze the specific difficulties and challenges faced by domestic and foreign investors related to the current tariff policy regime, including complexities in tariff classification, delays in customs clearance, and unpredictability in tariff rates.
2. **Bottleneck Identification:** Conduct a thorough investigation to pinpoint bottlenecks that hinder investment flow, including bureaucratic inefficiencies, lack of transparency in tariff regulations, and inconsistencies in policy implementation.
3. **Stakeholder Engagement:** Engage with a diverse range of stakeholders, including industry representatives, trade associations, government officials, and investment promotion agencies, to gather qualitative insights and firsthand experiences regarding tariff-related challenges.
4. **Comparative Analysis:** Analyze tariff policies and investment climates of other countries to identify best practices and lessons learned that can be adapted to improve Bangladesh's tariff policy regime.
5. **Recommendations for Policy Reform:** Develop actionable recommendations aimed at addressing identified bottlenecks in the tariff policy, enhancing clarity and efficiency, and fostering a more investor-friendly environment.

3.10.4 Methodology

The methodology for this study will involve the following steps:

1. **Literature Review:** Conduct a comprehensive review of existing literature, reports, and studies related to tariff policies, investment climates, and challenges faced by investors in Bangladesh. This will provide a foundational understanding of the current landscape and identify gaps in knowledge.
2. **Data Collection:**
 - **Surveys:** Develop and administer structured surveys targeting both domestic and foreign investors to gather quantitative data on their experiences, challenges, and perceptions regarding the current tariff policy regime. Sample size needs to be statistically significant. Questionnaire testing, Enumerators training needs to be done prior to the survey.
 - **Interviews:** Conduct 20 in-depth interviews with a select group of investors, industry experts, and key stakeholders to gain qualitative insights into specific bottlenecks and areas for improvement.
3. **Stakeholder Consultations:** Organize two focus group discussions and one public consultation with representatives from trade associations, government bodies, and investment promotion agencies to facilitate dialogue and gather diverse perspectives on tariff-related challenges.
4. **Comparative Analysis:** Analyze tariff policies and investment practices in other countries, focusing on successful case studies that have effectively addressed similar challenges. This analysis will help identify best practices that can be adapted for Bangladesh.
5. **Data Analysis:** Utilize statistical methods to analyze survey data, identifying trends and correlations related to investor challenges. Qualitative data from interviews and consultations will be thematically analyzed to extract key insights.
6. **Recommendations Development:** Based on the findings from the data analysis, formulate actionable recommendations aimed at addressing the identified bottlenecks in the tariff policy regime and enhancing the overall investment environment.

3.10.5 Expected Outcomes

The expected outcomes of this study include:

- A comprehensive report detailing the difficulties faced by investors regarding tariff policies.
- Identification of key bottlenecks in the current tariff regime that affect investment decisions.
- Practical recommendations for policymakers to enhance the tariff policy framework and foster a more conducive investment environment.

4. Duration of the Services:

The total duration for the comprehensive package of studies is estimated to be ten (10) months. Studies can be clustered based on similar scope to ensure timely implementation of the same.

5. Expected Deliverables from the Firm/Institution

- a) **Inception Report:** A detailed report outlining the study's objectives, methodology, timeline, and key milestones. This report should include an overview of the research approach and any initial findings or insights. It will serve as a foundational document that aligns the project team with the expectations of the project authority.
- b) **Comprehensive Research Reports:** Detailed reports for each study, including findings, analyses, and recommendations tailored to specific tariff policies and sectors. Each report should clearly outline the methodology used, data sources, and any stakeholder consultations conducted. The reports may be categorized into:
 - a. **Interim Report:** A mid-term progress report covering data collection, initial quantitative analysis, and preliminary findings.
 - b. **Draft Final Report:** A comprehensive analysis of the specific agenda of the study, including assessments, qualitative and quantitative findings, and policy recommendations.
 - c. **Final Report:** The final report incorporating feedback from relevant stakeholders, complete with policy recommendations and a detailed action plan.
- c) **Presentation of Findings:** A presentation (PowerPoint or similar format) summarizing the main findings and recommendations from each study, suitable for stakeholder meetings and policy discussions.
- d) **Policy Briefs:** Short policy briefs summarizing the key recommendations from each study, intended for distribution to relevant government departments, industry stakeholders, and other interested parties.
- e) **Validation Workshops:** Organization of four (04) workshops to present findings to government officials, industry stakeholders, and other relevant audiences.
- f) **Final Report:** Final reports that incorporate feedback from participants of the validation workshop on the draft report. This document will present the complete findings, analyses, and actionable recommendations for tariff policy development.

g) Copy of the reports:

- Inception Report: at least 05 copies
- Draft Reports: At least 05 copies of each study
- Final Reports: At least 10 copies (color) and 10 copies (black and white)
- Policy Briefs: At least 10 color copies for each study.
- Compiled summary report including recommendations of all ten reports: 10 color pieces

6. Deliverables Submission Timeframe:

The firm will submit the inception report by 2nd week of month 01. The firm will submit the detailed timeframe to submit deliverables (in the below tabled template) with the inception report.

No	Name of Studies	Deliverables Submission Timeframe						
		Comprehensive Research Reports			Presentation of the Findings	Draft Policy Brief	Validation Workshops	Submission of Final Report, Presentation and Policy Brief updated with the Outcomes of Validation Workshops
		Interim Report	Draft Final Report	Final Report				
	Cluster 01							
1	Study 1: Analysis of anti-export bias in tariff regime	WK 2	WK 10	WK 12	WK 10	WK 11	One Validation Workshop in WK 11	WK 12
2	Study 2: Identification of potential sectors for faster employment generation and tariff policy recommendation for these sectors	WK 2	WK 10	WK 12	WK 10	WK 11		WK 12
3	Study 3: Best practices in tariff policy for expansion of the MSMEs	WK 2	WK 10	WK 12	WK 10	WK 11		WK 12
	Cluster 2							
4	Study 4: Interlinkage between tariff policy	WK 13	WK 20	WK 23	WK 22	WK 22	One Validation	WK 23

No	Name of Studies	Deliverables Submission Timeframe						
		Comprehensive Research Reports			Presentation of the Findings	Draft Policy Brief	Validation Workshops	Submission of Final Report, Presentation and Policy Brief updated with the Outcomes of Validation Workshops
		Interim Report	Draft Final Report	Final Report				
	and development of service industries						Workshop in WK 22	
5	Study 5: Quest for conducive tariff policy for development of e-commerce and online-service	WK 13	WK 20	WK 23	WK 22	WK 22		WK 23
6	Study 6: Identification and assessment of tariff policy instruments to rebuild/strengthen health and agriculture-based industrialization.	WK 13	WK 20	WK 23	WK 22	WK 22		WK 23
	Cluster 3							
7	Study 7: Identification of products along with the assessment of their tariff structure to facilitate green growth and blue economy	WK 24	WK 30	WK 30	WK 31	WK 30	One Validation Workshop in WK 31	WK 32
8	Study 8: Identification and assessment of policies that are interrelated with tariff regime and the	WK 24	WK 30	WK 30	WK 31	WK 30		WK 32

No	Name of Studies	Deliverables Submission Timeframe						
		Comprehensive Research Reports			Presentation of the Findings	Draft Policy Brief	Validation Workshops	Submission of Final Report, Presentation and Policy Brief updated with the Outcomes of Validation Workshops
		Interim Report	Draft Final Report	Final Report				
	extent of the interrelation							
9	Study 9: Case study of 6 (six) selective countries (Developed, Developing, and Least Developed Countries) in terms of the approaches and evolution of tariff policies including reciprocal tariff and way forward for Bangladesh	WK 24	WK 30	WK 30	WK 31	WK 30		WK 32
	Cluster 4							
10	Survey (Study 10): Conducting a survey to identify difficulties faced by the investors (both domestic and foreign investors) in order to identify the bottlenecks of the current tariff policy regime and measures to remove the bottlenecks	WK 32	WK 38	WK 40	Wek 39	WK 38	One Validation Workshop in WK 39	WK40

7. Methodology of Study:

Each study will have specific methodology as mentioned in this ToR. However, for reference purposes, it has been summarized below:

Study	Desk Research	Quantitative/ Economic Modelling	KII	FGD	Case Study	Public Consultation	Survey
Study 1: Analysis of anti-export bias in tariff regime	Yes	Yes	10	01	Yes	No	No
Study 2: Identification of potential sectors for faster employment generation and tariff policy recommendation for these sectors	Yes	Yes	10	01	Yes	No	No
Study 3: Best practices in tariff policy for expansion of the MSMEs	Yes	Yes	10	01	Yes	01	No
Study 4: Interlinkage between tariff policy and development of service industries	Yes	Yes	10	01	Yes	No	No
Study 5: Quest for conducive tariff policy for development of e-commerce and online-service	Yes	Yes	10	01	Yes	No	No
Study 6: Identification and assessment of tariff policy instruments to rebuild/strengthen health and agriculture-based industrialization.	Yes	Yes	10	01	Yes	01	No
Study 7: Identification of products along with the assessment of their tariff structure to facilitate green growth and blue economy	Yes	Yes	10	02	Yes	No	No
Study 8: Identification and assessment of policies that are interrelated with tariff regime and the extent of the interrelation	Yes	No	20	02	Yes	01	No
Study 9: Case study of 6 (six) selective countries (Developed, Developing,	Yes	Yes	10	01	Yes	No	No

Study	Desk Research	Quantitative/ Economic Modelling	KII	FGD	Case Study	Public Consultation	Survey
and Least Developed Countries) in terms of the approaches and evolution of tariff policies including reciprocal tariff and way forward for Bangladesh							
Survey (Study 10): Conducting a survey to identify difficulties faced by the investors (both domestic and foreign investors) in order to identify the bottlenecks of the current tariff policy regime and measures to remove the bottlenecks	Yes	Yes	20	02	Yes	01	Yes

8. Key Expertise and Resource Planning of Proposed Team:

Sl No	Position	Person Month	Role	Qualification
01	Team Leader (01)	06 months	Oversee the entire research initiative, ensure alignment with objectives, and coordinate between various study teams. Attend regular meeting with the PIU for timely implementation of the assignment. Responsible for final reporting and stakeholder engagement. Must remain present in all major public engagement/validation workshops. Ensure quality of the reports and research outputs.	Education: Ph.D. in Economics or international trade from a reputed university. Work Experience: a. At least 15 years of academic/research experience with 05 years of experience in trade/export import related research. b. Demonstrated expertise in trade and tariff policies will be an added advantage. c. Publication on peer-reviewed journals on trade and tariff related issues will be an advantage d. Proven expertise in econometric/economic modelling will be an added advantage.
02	Research Coordinator (01)	10 months	Facilitate communication among research teams and coordinate activities to ensure the smooth execution of the project.	Education: Master's degree in Economics or Business. Professional Experience: At least 5 years of experience in project management and research

SI No	Position	Person Month	Role	Qualification
			<p>Manage timelines and ensure that all teams meet their deadlines and deliverables.</p> <p>Serve as a liaison between the research teams and external stakeholders, ensuring stakeholder feedback is incorporated into the research process.</p>	coordination, preferably within a research institute or academic setting.
03	Trade and Economic Analysts (03)	6 months each	<p>Analyze quantitative data related to tariff policies, employment generation, and economic impacts.</p> <p>Utilize advanced econometric modeling techniques to simulate the potential impacts of proposed tariff reforms, providing policymakers with evidence-based insights to guide decision-making.</p> <p>Collaborate with other consultants to interpret data findings and ensure alignment with study objectives.</p> <p>Prepare high-quality reports and presentations that clearly communicate complex economic concepts and data analysis results to a diverse audience, including policymakers, stakeholders, and academic institutions.</p>	<p>Education: At least Master's degree in Economics, Applied Economics, International Trade, or a related field. Ph.D. in the same fields will be an added advantage.</p> <p>Professional Experience: a. A minimum of 10 years of experience in economic analysis or research.</p> <p>a. Experience in working with tariff policy formulation and analysis will be considered a significant advantage. The experts should demonstrate knowledge of the complexities involved in tariff structures and their impact on trade and economic development consequences of various trade and tariff related policies.</p> <p>b. Proven track record (at least 05 years) of conducting rigorous econometric analysis and modeling is a must. Experience in trade and tariff related quantitative analysis will be given preference</p> <p>c. Proficiency in econometric software (e.g., STATA, R, EViews) and statistical analysis tools, with strong capabilities in data visualization and interpretation is a must</p> <p>d. At least 02 publications on peer-reviewed international journal is required.</p>



SI No	Position	Person Month	Role	Qualification
04	Survey Design and Implementation Specialist (01)	03 months	<p>Develop survey instruments tailored to gather insights from investors regarding their experiences with the tariff policy regime.</p> <p>Conduct surveys, focus groups, and interviews to collect qualitative and quantitative data.</p> <p>Analyze survey results and synthesize findings into actionable recommendations.</p>	<p>Education: Master's degree in Economics, Business, Social Sciences, Statistics, or a related field.</p> <p>Professional Experience: a. At least 10 years of experience in survey design, implementation, and data analysis, preferably within the context of economic research or policy evaluation.</p> <p>b. Proficiency in survey software (e.g., Qualtrics, SurveyMonkey) and data analysis tools (e.g., SPSS, R), with strong skills in statistical analysis and data visualization.</p> <p>c. Experience in trade and investment related survey/ quantitative research will be an added advantage.</p>
05	Research Assistants (05)	09 months each	<p>Support data collection, conduct literature reviews, and assist with administrative tasks across various studies.</p> <p>Help prepare reports and presentations based on research findings.</p>	<p>Education: Masters's degree in Economics, Business, or a related field.</p> <p>Professional Experience:</p> <p>a. At least 05 years of experience in the field of research/ academic.</p> <p>b. Experience in quantitative research is a must (at least 02 research projects).</p>
06	Non-Key Experts	To be proposed by the consultant	Support the project with relevant tasks	Each Non-key expert including the enumerators will be reviewed by the PIU during the implementation phase.

Note: Non-Key Experts will not be evaluated during Technical Proposal evaluation. Their remuneration will be included in the financial proposal which will be evaluated during Financial Proposal evaluation.

9. Payment Disbursement Schedule:

Deliverables	Percentage of Payment
Submission of Interim Reports (10 Studies)	30%

Submission of Final Draft Study Reports, Presentations and Policy Briefs (10 Studies)	50%
Submission of Final Study Reports, Presentations and Policy Briefs updated with Validation Workshop Outcomes (10 Studies)	20%
Total	100%

10. Consultant/Firms Qualifications:

Interested consulting firms are invited to submit their applications, demonstrating their qualifications and relevant experience in the following areas:

- **Legal Capacity:** The consulting firm must possess the legal capacity to enter into a contractual agreement with the project authority, confirming their ability to engage in business activities in accordance with local and international laws.
- **Experience:** The firm should have a minimum of 7 (seven) years of experience in providing consulting services, including at least 3 (three) years focused specifically on national and/or international trade/tariff-related research or studies for both public and private sectors. This experience should showcase a robust understanding of trade dynamics and the ability to deliver effective consulting outcomes.
- **Successful Project Completion:** The consulting firm must have successfully completed at least 2 (two) study contracts related to “Trade and Tariffs” issues within the past 10 years. These projects can be for the public sector, private sector, or development partners, and should highlight the firm’s capability to deliver quality research and actionable recommendations.
- **Tariff Policy Expertise:** Experience in working with tariff policy formulation and analysis will be considered a significant advantage. The firm should demonstrate knowledge of the complexities involved in tariff structures and their impact on trade and economic development consequences of various trade and tariff related policies.
- **Economic Modeling Experience:** The firm having a proven track record in economic modeling, particularly in relation to trade and/or tariff impacts will be given a preference. This experience should include the ability to utilize quantitative techniques and analytical tools to assess the potential economic consequences of various existing trade and tariff related policies and proposed policy reforms.
- **Development Partner Projects:** The firm should have experience in managing and implementing projects funded by development partners, showcasing their ability to work collaboratively in multi-stakeholder environments and adhere to donor requirements.



- **Capacity Statement:** A detailed capacity statement should be provided, outlining the firm's available training facilities, IT equipment, logistics support, transport, and office space. This will demonstrate the firm's readiness to undertake the project efficiently and effectively.
- **Ethical Standards:** The firm must submit an undertaking that it has not been blacklisted or debarred by any government organization or by the International Development Association (IDA), ensuring their compliance with ethical business practices.
- **Professional Staff:** A comprehensive list of key professional staff, including the proposed core team for the assignment, should be provided. This list must detail the qualifications and experience of each team member, highlighting the projects or assignments they have previously worked on, their specific roles in those assignments, and the duration of their engagement. This information will help assess the expertise available for the project.
- **Annual Turnover:** Averaging Taka 1.00 (Taka one crore) crore over the past three years.
- **Required Documentation: The consulting firm [in case of joint venture, all partners] must submit the following documents as part of their application/Expression of Interest:**
 - (a) Updated Trade License valid up to June 30, 2026,
 - (b) TIN Certificate & Update Income Tax Clearance Certificate/ Evidence,
 - (c) VAT Registration Certificate,
 - (d) Firm Registration certificate, if any
 - (e) Bank Solvency Certificate,
 - (f) Audited Financial Statements for the last three years, demonstrating the firm's financial stability and capacity to undertake the project,
 - (g) Evidence/supporting papers in support of their experiences, and
 - (h) Company Brochure outlining the firm's background, services, and notable achievements.

11. Selection Criteria

The selection criteria for this package will be Quality and Cost Based Selection (QCBS) Method described in the World Bank's Procurement Regulations for IPF Borrowers, July 2016, updated in November 2020.

