

FBCCI HANDBOOK 2023

Pre and Post-Graduation Smooth Transition System 2023-2026 & BEYOND

**THE FEDERATION OF BANGLADESH
CHAMBERS OF COMMERCE & INDUSTRY**



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The Federation of Bangladesh Chambers of Commerce & Industry

PREFACE

The Federation of Bangladesh Chambers of Commerce & Industry (FBCCI) is extremely pleased to publish this FBCCI HANDBOOK-2023 on “Pre and Post-Graduation Smooth Transition System 2023-2026 & Beyond” after the 1st publication on December 16, 2022 the FBCCI HANDBOOK-2022 on “Sustainable Development 2021-2026 & Beyond”.

FBCCI comprising around five hundred sectorial & CMSMEs associations, regional chambers, women chambers, bilateral country chambers representing the entire business community of the country is honour bound and dedicated to carry forward, expedite, facilitate, and enable sustainable economic development, the implementation of National SDG Agenda 2030, Vision 2041, Delta Plan- 2100 and Smooth Transition Strategy for graduation from LDC status, in the context of post covid-19 scenario and growing geopolitical concerns.

FBCCI, in consultation with wide range of stakeholders grouped together in more than eighty thematic standing committees covering various aspects and sectors of socio-economic development, has been relentlessly working with the government in the areas of policy advocacy to promote and enable sustainable and green business development environment in Bangladesh. Besides, it is also engaged in expediting trade facilitation and providing strategic policy support for negotiations at home and abroad in close coordination with the government.

FBCCI highly appreciates the constitution of the National Committee, headed by the Principal Secretary of the Honourable Prime Minister and several thematic sub-committees under it, towards meeting, among others, the challenges of Bangladesh’s graduation from LDC status in 2026.

We highly appreciate the public-private teamwork and partnership opportunities extended to FBCCI, the apex private sector stakeholder, as a member of the National Committee and the sub-committees for sharing the concerns and suggestions of the private sector in the formulation of the respective policy documents.

FBCCI deems it extremely expedient to publish Annual Thematic Policy Handbooks to expedite and implement action programs for sustainable economic development by the respective line Ministries and Agencies of the Government according to Rules of Allocation of Business (RAB) within a time bound action matrix on PPP basis in partnership with private sector stakeholders including FBCCI and in Cooperation with UN Bodies and Development Partners.

The methodology adopted for the preparation of the Annual Handbook-2023 are:-

- * Interaction with the experts from public and private sector stakeholders on the reports of FBCCI standing committees and member bodies along with the recommendations of the respective thematic PMO sub-committees;
- * Review of the concerned research and study reports prepared by WTO, OECD, European Union, UNCTAD, ITC, UNESCO, UNIDO, World Bank Group, Asian Development Bank, and other Development and donor agencies.

FBCCI, highly appreciates and extends its sincere thanks to all valued contributors, who made the formulation of the FBCCI HANDBOOK-2023 on “Pre and Post-Graduation Smooth Transition System” possible.

Mahbubul Alam
President FBCCI

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Pre and Post-Graduation Smooth Transition System

1. Background: Angola, Bangladesh, Myanmar and Solomon Islands represent original LDC members (joined in 1995). Lao PDR, Nepal and Vanuatu are among the group of recently acceded members that underwent the accession process under Article XII of the Marrakesh Agreement Establishing the WTO and undertook higher levels of commitments than the original LDC members.

Bhutan, Sao Tomé and Príncipe, and Timor-Leste have observer status at the WTO, as they are at various stages of their accession process. Kiribati and Tuvalu do not have a status with the WTO.

At present, WTO rules contain no explicit provisions regarding the graduation of LDCs. Upon graduation, LDCs would normally be required to align their participation as for other developing country members.

LDC graduation and implications under WTO rules: After leaving the category, graduating countries would normally lose access to all trade-related support measures and flexibilities granted to them, unless they request a waiver which must be approved by the whole membership. The main trade-related challenges in LDC graduation may stem from a loss of preferences and reduced flexibility in the implementation of WTO rules.

At the end of the Uruguay Round, WTO members agreed to 17 Agreements under the Marrakesh Agreement Establishing the WTO. The most recent multilateral agreement, the Agreement on Trade Facilitation, was added to the WTO rulebook in 2017.

WTO LDC members benefit from special and differential treatment (S&D) provisions in WTO Agreements and Decisions, which take into account their particular needs and interests. These S&D provisions can be classified into five types:

1. Provisions aimed at increasing the trade opportunities of LDCs
2. Provisions under which WTO members should safeguard the interests of LDCs
3. Flexibility of commitments, action, and use of policy instruments
4. Transitional time periods
5. Technical assistance

The LDCs were also exempt from undertaking reduction commitments under three pillars as specified in Article 15.2 of the Agreement on Agriculture namely market access, domestic support and export competition. S&D provisions for LDCs are contained in other Agreements and Understandings for increasing their trade capacity and safeguarding their interests include:-

1. Agreement on the Application of Sanitary and Phytosanitary Measures (SPS);
2. Agreement on Technical Barriers to Trade (TBT);
3. Agreement on Import Licensing Procedures;
4. Understanding on Rules and Procedures Governing the Settlement of Disputes;
5. Trade Policy Review Mechanism;
6. Understanding on the Balance-of-Payments Provisions of the GATT 1994; and
7. Subsidies and Countervailing Agreement.

TRIPS Waiver for LDC:

Article 66.1 of the TRIPS Agreement initially allowed LDC members an 11-year transition period, until 2006. This transition period has been extended three times in response to specific requests from the LDC Group. In its decision of 29 November 2005, the TRIPS Council extended the period until 1 July 2013, and on 11 June 2013, it extended it again until 1 July 2021. Most recently, on 29 June 2021, the Council extended it further until 1 July 2034 — or when a particular country ceases to be in the least developed category if that happens before 2034.

For pharmaceuticals, the 2001 Doha Ministerial Declaration on TRIPS and Public Health had already instructed the TRIPS Council to extend the period for them to comply with provisions on pharmaceuticals until 2016. In November 2015, the TRIPS Council agreed to further extend exemptions on pharmaceutical patent and undisclosed information protection for least-developed countries until 1 January 2033 or until such date when they cease to be a least-developed country member, whichever date is earlier.

Mailbox:

DECISION OF THE COUNCIL FOR TRIPS OF 6 NOVEMBER 2015 on TRIPS Article 70 (8) & (9) Mailbox: The obligations of least developed country Members under paragraphs 8 and 9 of Article 70 of the TRIPS Agreement shall be waived with respect to pharmaceutical products until 1 January 2033, or until such a date on which they cease to be a least developed country Member (2026 for Bangladesh), whichever date is earlier.

Technology transfer to LDCs: TRIPS Art.66.2: Developed countries are required to give incentives to their companies and other institutions to transfer technology to least developed countries). The obligation for developed countries to provide incentives for technology transfer is in Article 66.2. Additionally, climate change negotiators have been discussing the link between technology transfer and the TRIPS Agreement.

The Subsidies and Countervailing (SCM) Agreement prohibits the use of export subsidies for non-agricultural products. But pursuant to Article 27.2 and Annex VII (a), LDC members are exempt from the prohibition of export subsidies. In addition to the LDCs, developing country members that are listed in Annex VII (b) are also exempt from this prohibition until their GNI per capita reaches US\$1,000 in constant 1990 dollars. After graduation, countries are no longer permitted to provide export subsidies for non-agricultural products.

However, Bangladesh's nominal GNI per capita is expected to cross the \$1000 (at constant 1990 dollars) thresholds by 2026-2029 period as such Bangladesh will not benefit from the SCM exemptions after graduation.

Options for WTO Waivers for Graduating LDCs

A graduating LDC, like any other WTO member, can request a waiver from certain obligations in the WTO, should they envisage difficulties in complying with any WTO rules and disciplines. The granting of the waiver, as well as its terms and conditions, would need to be agreed to by WTO members.

Article IX of the Marrakesh Agreement Establishing the WTO sets specific rules for granting waivers in the event that a member faces difficulty in remaining compliant with the WTO rules. A waiver decision must indicate the exceptional circumstances, the terms and conditions for granting such a waiver, and the end date. If a waiver is granted for a period of more than one year, it should be reviewed annually until its specified end date. Waivers can be reviewed, modified or terminated.

With respect to waivers involving LDCs, the Hong Kong Ministerial Declaration provides for special consideration. For instance, members have been asked to give positive consideration to waiver requests from LDCs and to take a decision within 60 days of submission. This represents a certain degree of special treatment for LDCs over and above other members.

Regular work of the WTO bodies and the WTO monitoring function Another option available for graduating LDC members is to maximize the use of the regular WTO Committee work. A graduating LDC member might consider raising, in the relevant WTO Committee, a graduation-related challenge faced in the implementation of a particular provision. Some of the WTO Agreements already include a framework to address some of these challenges.

Terms of Business after Graduation

At present, WTO rules contain no explicit provisions regarding the graduation of LDCs. Upon graduation, LDCs would normally be required to align their participation as for other developing country members.

Bangladesh, Myanmar and other LDC members will continue to enjoy the flexibility related to tariff bindings that they were allowed while joining the organization at the end of the Uruguay Round. Bangladesh, which is an original member, offered fewer concessions. It has an average bound tariff level of 154% and a binding coverage of only 17%, which implies that the remaining 83% of its tariffs are unbound.

As in the case of goods, graduation does not affect existing services commitments. Graduated LDCs will not be required to change their schedule of commitments under the GATS. They will be able to maintain the existing flexibility in terms of the policy space derived from their LDC status.

Graduation is unlikely to cause significant impact on graduating LDCs services and service suppliers. The graduating LDCs account for 0.22% of world services exports, with a 31% share in LDC exports;

The LDC Services Waiver and decisions relating to its operationalization – the assessment of notifications made by 50 WTO members pursuant to the LDC Services Waiver reveals that a large majority of measures notified reflect members' applied MFN regime with little preference margin for LDCs;

SCM Agreement contains no provision regarding LDC graduation, graduating LDCs will no longer be able to continue to provide export subsidies for non-agricultural products after they leave the LDC category. Only two graduating LDC members — Bangladesh and Nepal — would be affected by the loss of this LDC flexibility.

LDCs and NFDCs listed in G/AG/5/Rev.10 can provide certain export subsidies (i.e. to reduce the costs of marketing exports, costs of international transport and freight as well as internal transport and freight charges) until 2030, whereas other developing countries will have to end these subsidies by 2023.

Major Challenges of Global Market Access:

Bangladesh will have to face the challenging task of exporting on MFN tariff after graduation out of the list of LDCs in 2026, as unilateral GSP schemes, 85% of our export destinations will be terminated except for EU which will be extended for three more years under the present terms.

Graduation will create challenge to Bangladesh as most of clothing sector is not in India's tariff liberalization schedule for non-LDC members of SAFTA. Thus, Bangladesh will have to export to India under the applied rate of duties.

Bangladesh should negotiate for the extension of LDC treatment under APTA and specially SAFTA in the light of Article 12 of SAFTA which provides for a "Special Provision for Maldives" by granting LDC terms of trade even after graduation.

Graduation will also mean losing LDC preferences in Asia Pacific Trade Agreement (APTA) markets such as China and Republic of Korea to certain extent as the items on which preferences will be available will be reduced, the margin of preference will also be reduced, and Bangladesh will have to comply with a higher value addition (45% instead of 35% for LDCs).

Under APTA fourth round negotiations, Sri Lanka, a non-LDC, was allowed greater flexibility (to commit lower levels of commitment in tariff liberalization) than other non-LDC members.

China still maintains LDC ISM measures in favor of Samoa which was graduated out from the UN list of LDCs in 2014. Bangladesh should also ask for similar concessions.

Against predicted export shocks due loss of trade preferences Bangladesh, to protect its long term trade interests, should immediately begin negotiations with trading partners for extension of ISM, harmonization of trade rules and deepening post GSP mutual trade relations through FTAs on reciprocal terms of respective tariff schedules.

Affordable price of medicines, vaccines and support equipment's: *On graduation in 2026 Bangladesh will need to align intellectual property rights regulations for the pharmaceutical industry to the requirements of the Agreement on Trade-Related Intellectual Property Rights (TRIPS). This may impact the industry and lead to higher drug prices for consumers in both Bangladesh and other countries, including other LDCs.*

IPR and Consumer Interest at Home and Abroad: The WTO TRIPS agreement gives members the freedom to determine the appropriate method of implementing the provisions of the agreement within their own legal system and practice keeping in view the interests of consumers in general.

Developing Countries should be exempted from the obligation of patent protection of environmental goods and services for a period of 20 years from the date of implementation.

Developed countries US, EU and Japan may undertake to strengthen, streamline and ensure most effective functional efficiency IPR Regime Bangladesh by capacity development of the organizational capacity and efficiency of the concerned IPR administrative agencies, strengthening and upgrading qualitatively and quantitatively IPR trained permanent and specialized manpower along with befitting infrastructure so that they can function with incremental efficiency.

2. About UNGA Smooth Transition Strategies (STS): Smooth Transition Strategies (STS) is country-led, homegrown, and demand-driven action plan consisting of comprehensive and coherent set of specific measures in accordance with the priorities of the graduating country, considering its specific structural challenges, vulnerabilities, and strength, to be prepared in cooperation with development and trading partners with targeted assistance from the UN system and the development partners (DPs).

STS will present a comprehensive and coherent set of specific measures in accordance with the priorities of the graduating country, considering its specific its specific structural challenges, vulnerabilities, and strengths.

STS Strategies, Policies, Action matrix and Implementation

1) The outcome of PMO committees and the policy recommendations of the Private sector Stakeholders will be the basis of STS Strategies, Policies and Action matrix;

2) The STS strategies and policies prescribed from time to time for implementation should be followed up with time bound action matrix to be implemented on PPP basis in partnership and Cooperation with UN Bodies and Development Partners;

Developing a time bound action plan: Respective line Ministries and agencies as prescribed in the Rules of Business should prepare the respective time bound action plan to realize, among others, the objectives set above in consultation with the stakeholders including FBCCI.

3. The outcome of PMO committees and the policy recommendations of the Private sector Stakeholders on STS Policies and Action matrix **are summarized below: -**

Summary of Global Agenda

1) Bangladesh's Strategic Policy for "Market Access 2022-2026 and Beyond" are:-

- I. Agenda for Extension of Terms of unilateral DFQF, GSPs and Free Trade Agreements (SAFTA and APTA) from 2026 to 2029;
- II. Agenda for Harmonization Mutual Trade Regulations, Trade Facilitation Measures and Institutional Cooperation;
- III. Strategic Target Mapping for Market Access 2022-2026 and Beyond:

Bangladesh Agenda for Bilateral Negotiations for Extension of Terms of GSPs and Preferential Agreements: Bangladesh will be graduated out of the list of LDCs in 2026. However, it will continue to be eligible for DFQFMA in EU Countries under the EU EBA scheme till 2029.

Agenda for Extension of Terms of unilateral DFQF, GSPs and Free Trade Agreements (SAFTA and APTA) from 2026 to 2029:

Acknowledging the UN General Assembly Resolution (A/RES/67/221) on smooth transition for countries graduating from the list of least developed countries, recognize the role that certain measures in the WTO can play in facilitating smooth and sustainable transition for these Members after graduation from the LDC Category and agree that the support measures available under WTO and unilaterally granted by its members to least developed countries will continue for a period of three years, following the example of EU EBA GSP scheme, and to be phased out during next two years after the entry into force of a decision of the UN General Assembly to exclude the Member from the least developed country category, in order to ensure that graduation does not cause abrupt disruption in the LDCs trade in goods and services;

Reaffirming the apprehensions expressed in paragraph 7 of the WTO MC12 declaration WT/MIN(22)/24-WT/L/1135 that "acknowledge the particular challenges that graduation presents, including the loss of trade-related international support measures, as they leave the LDC category. We recognize the role that certain measures in the WTO can play in facilitating smooth and sustainable transition for these Members after graduation from the LDC Category";

And also in appreciation of the decision of the WTO General Council) of 23 October 2023 (Doc WT/L/1172) to encourage WTO members to provide *smooth and sustainable transition period for withdrawal of unilateral preferences granted to the graduating LDCs*, **Bangladesh should take up proactive action plans to negotiate with the respective DFQF, GSP granting countries and Preferential Agreements partners for extension of all support measures (like EU EBA extension for three years for graduating LDCs) for a period of 3 years after the entry into force of the decision of the UN General Assembly to graduate out Bangladesh from the least developed country category in order to ensure that graduation does not cause abrupt disruption in trade in goods and services of Bangladesh.**

Bangladesh should also negotiate for the extension of LDC treatment under SAFTA in the light of Article 12 of SAFTA which provides for a "Special Provision for Maldives" by granting LDC terms of trade even after graduation at least up to 2029.

Under APTA fourth round negotiations, Sri Lanka, a non-LDC, was allowed greater flexibility (to commit lower levels of commitment in tariff liberalization) than other non-LDC members. China still maintains LDC ISM measures in favor of Samoa which was graduated out from the UN list of LDCs in 2014. Bangladesh should also ask for similar concessions at least up to 2029.

To strive to expedite and ensure “Affordable Medicine and Health Care Service” including life-saving drugs and vaccines must be made available for all specially for the poor and low-income people around the world. The WHO-WIPO-WTO Platform, NGOs and other global institutions and UN bodies must expedite global policy cohesion by adopting appropriate IPR Measures ensuring sustainable production and supply of “Affordable Medicine and Health Care Service” including life-saving drugs, vaccines. and other support equipment’s.

2) Bilateral/Regional Harmonization of Mutual Trade Regulations & Facilitation Measures

- a. **Mutual Trade Facilitation:** To take up a proactive action plan with the trading partners for respective Customs Cooperation Agreement to facilitate mutual trade as envisaged in the WTO Trade Facilitation Agreement and WCO protocols and annexes including gradual harmonization of customs documentation and clearance procedure for transit and trans-shipment of goods across the borders.
- b. **Establishment of mutual Institutional Cooperation:** To take up joint action plan for harmonization of mutual trade rules, regulatory measures and streamline bilateral institutional cooperation in the respective fields including the Central Banks, Customs Authority, Quality and Standards Body and others;
- c. **Technical Regulations and Standards:** To actively engage with the trading partners to ensure harmonization of TBT and SPS measures and signing of MRA to streamline flow of traded goods and services so that Certificates on Technical Regulations & Standards issued by the respective accredited national bodies are accepted on basis of MRA mutually agreed upon;
- d. **Reciprocal Participation in Public Procurements:** Bangladesh has kept open its Public Procurements for foreign participation on MFN basis in turn Bangladesh should ask for reciprocal treatment from the trading partner countries;
- e. **Integration of CMSMEs with Global Value Chain:** To boost the process of integration of CMSMEs with the global market and compete with global e-commerce, Bangladesh, Like China, India and Vietnam and others, may strive to set up warehouses and distribution network in destination markets for easy and regular delivery of products to the wholesalers, retailers and consumers.

3) FTA the Gateway for Global Market Access

Taking into account the trends and practices of our competing exporting countries like India, Pakistan, Sri-Lanka, Vietnam, Cambodia, China, Korea, Malaysia, Philippines, Indonesia and others Bangladesh has no other option but to ensure predictable and sustainable destinations of its exports in goods and services within the period 2022-2026 by entering into comprehensive free trade agreements in goods and services instead of GSPs and PTA on goods trade only, with the following regional blocks and region covering more than 90% of global market:-

1) RCEP (ASEAN+) comprising fifteen countries--Australia, Brunei, Cambodia, China, Indonesia, Japan, Laos, Malaysia, Myanmar, New Zealand, the Philippines, Singapore Vietnam, South Korea, and Thailand;

2) Russia-CIS (EAEU) block comprising Russia, Armenia, Belarus, Kazakhstan, Kyrgyzstan and also to include the CIS member states of Azerbaijan, Moldova, Tajikistan, and Uzbekistan as well as other countries beyond Eurasia’s borders

3) GCC: The GCC has six member states- Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates;

4) D-8 comprising Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan and Turkey,

5) European Union comprising 27 EU Countries;

6) African Continental Free Trade Agreement (AFCFTA) comprising 36 African Countries;

7) MERCOSUR (Southern Common Market): *Its full members are Argentina, Brazil, Paraguay and Uruguay. Associate countries are Bolivia, Chile, Colombia, Ecuador, Guyana, Peru and Suriname.*

Bilateral FTAs with United States, Canada and UK only: *Country specific PTAs in general are not cost effective, highly complex, time consuming and mostly account for limited economic potential.*

BD-India SAFTA vs. CEPA: It will be most demanding, difficult and highly risky for Bangladesh to by-pass hard earned SAFTA and negotiate again the proposed new CEPA with India. It will be most prudent and lot easier for Bangladesh to continue with the SAFTA terms of trade with India up to 2026 with or without extension for three more years. After which SAFTA Terms of trade in goods and services may apply with Bangladesh as a newly graduated developing country.

United States: Non-reciprocal trade deals like GSP and multilateral, regional arrangements have been excluded from the US trade agenda and accordingly the US only prefers to make bilateral reciprocal trade deals.

Bangladesh should therefore, without wasting time on GSP or WTO, immediately take up a pro-active initiative in establishing a "Strategic Trade and Investment Partnership." STIP with United States of America following the example of Kenya and Morocco.

The terms of STIP in goods, services and investment with US should be without prejudice to the rights and obligations under the WTO Agreements and respective international rights and obligations as agreed in Bangladesh-US TICFA.

BD Post-Brexit UK FTA: India Canada, China, Mexico, Singapore, South Korea Australia, New Zealand and ASEAN among the countries are negotiating free trade agreement with the Post-Brexit UK. Bangladesh should also take a strong pro-active role in establishing a bilateral free trade arrangement with UK and initiate to form Commonwealth free trade area to bring together a community of countries representing one fourth of the countries of the UN.

The terms of services trade as prescribed in SAFTA Services Trade Agreement should apply on MFN basis in mutual trade in services on all four Modes subject to harmonized and mutually agreed domestic regulations to be negotiated within a time bound action matrix.

Bangladesh may also call upon trading partners to expedite reciprocal participation in services trade including public procurements: Bangladesh has kept open on MFN basis its Services sector along with Public Procurements for foreign participation on MFN basis in turn Bangladesh should ask for reciprocal treatment from the trading partners;

Mutual Investment: All sectors should be open for investments on MFN basis subject to harmonized and mutually agreed domestic investment rules and regulations including on mode 3 and 4 of GATS.

Simplification of International Transactions:

i) In parallel with US SWIFT alternative network of financial transactions like EU-ECB and others on the basis of cost efficiency, risks of transactions should be expedited.

ii) Central Banks may sign Currency SWAP Agreements with trading partners and others on USD and EUR and other strategically selected currencies including mutual currency to facilitate efficient and cost effective mutual transactions offsetting the volatility of exchange rate fluctuations.

iii) WTO, IMF WBG and others financial institutions including all WTO members are obliged to ensure policy cohesion towards maintaining unrestricted mutual transactions in multilateral global trade in goods and services in all currencies without any sanctions or prohibitions beyond the provisions of WTO.

Other WTO and Global Measures

MSMEs: *To extend our strong support on "Making MSMEs Competitive through Intellectual Property (IP) and Innovation" submitted in IP/C/W/678/Rev.1 of 1 June 2021 by Australia, Brazil, Canada, Chile, the European Union, Japan, Singapore, Switzerland, Chinese Taipei, the United Kingdom and the United States;*

To call upon WTO members to carry forward and implement the package of declarations and decisions adopted by the Working Group on Small and Medium-sized Enterprises (MSMEs) and the proposal put forward by Brazil, on how to help rural MSMEs introduce efficiencies to meet the international demand for their products.

Bangladesh should join the Joint Initiative on Services Group: A total of 70 WTO members participating WTO members participating in the Joint Initiative on Services Domestic Regulation finalized preparations for the 12th WTO Ministerial Conference (MC12) at their meeting on 18 November, paving the way for a positive outcome at MC12.

The objective of the Joint Initiative is to mitigate the trade-restrictive measures relating to licensing requirements and procedures, qualification requirements and procedures, and technical standards. By improving the predictability and transparency of regulatory frameworks for authorization procedures for service suppliers, participants aim to create a more conducive environment for services trade.

Bangladesh, to remain integrated with mainstream global trade regimes, should join WTO Plurilateral Agreement on Government Procurement and other Joint Initiatives on e-commerce(86 members), investment facilitation (106 members), services domestic regulation (70 members), and MSMEs (91 members).

To join negotiations to deal with the present & future issues with mutual understanding and cooperation on critically important rules of direct relevance to the 21st century economy and contemporary sustainability concerns including, ongoing negotiations, among others on Digital trade, E-commerce, domestic regulation in services and environmental goods and services.

HRD and Skill Development for Trade Diplomacy

Challenges to be addressed for trade negotiations on our course to graduation from LDC status in 2026:

- a) Expertise on tariff structures, HS classification, list of products and services in sensitive list, country strengths and weaknesses and mutual economic and domestic priorities;
- b) Complete understanding of case studies of like, similar and comparable negotiated deals in respect of terms of trade and schedules of commitments;
- c) Mapping of target countries and regions of the world with whom we do trade now and also those countries/ regions, with whom we aspire to do trade in the future;
- d) Identification and selection of strategic target region or country for the establishment of comprehensive trade and economic relations to maximize our international market access in goods and services at least cost preferably by 2026 in respect; and

- e) Orientation Courses on RCEP (ASEAN): Vietnam, Lao PDR & Myanmar RCEP and ASEAN FTA and schedules of commitments; Russia-CIS (EAEU) block: Iran, India and Vietnam-FTA and schedules of commitments; United States Kenya, Morocco-USA mutually agreed FTA negotiating templates; European Union & Post-Brexit UK: Vietnam-EU FTA and schedules of commitments; AfCFTA and MERCOSUR Free Trade Agreements and schedules of commitments.

Specific Agenda

- A. To introduce compulsory regular courses on acquiring knowledge and expertise on tariff structures, HS classification, list of products and services in sensitive list and mutual economic and domestic priorities of our trading partners for all trade related officers in different line Ministries and Agencies.
- B. To undertake regular training and orientation courses for officers who will take part in trade negotiations to develop complete understanding on respective case studies of like, similar and comparable negotiated deals in respect of terms of trade and schedules of commitments. The respective negotiation team may comprise of officers from the Ministry of Commerce, Ministry of Foreign Affairs, subject wise respective line ministries, NBR and other Experts as and when necessary.
- C. To prepare the Handbook of our strategic options, taking into account the respective case studies of like, similar and comparable negotiated deals in respect of terms of trade and schedules of commitments, for negotiations with respective target region/country.
- D. Responsibility: Prime Minister's Office, Ministry of Commerce, Ministry of Public Administration, Ministry of Foreign Affairs, line Ministries and Agencies and FBCCI.

Domestic Agenda: Sustainable Investment Measures:

Investment Measures: All investments, both domestic and foreign, are effective and attractive only within a congenial investment environment. **Without an appropriate business climate for investment, promotional efforts might actually make investment less likely and can even be counterproductive.**

It is extremely difficult to convince an investor to come back if he was disillusioned during his very first investment process. The disappointed investor is also likely to be vocal about his disenchantment and, so, discourage other potential investors.

Investors are highly allergic to unpredictable regulatory framework, lack of transparency, judicial complexities & inefficiencies, lengthy and discrete administrative procedures, policy complexities, red tape and property ownership issues weigh heavily upon the investment climate.

The most essential and foremost pre-requisites of congenial investment environment are, among others, the following:-

- One-stop services to simplify regulations and mandate a rapid response to investor requests from each relevant Agency;
- Easing business and IPR registration requirements;
- Streamlined administrative procedures to quicken and to reduce the cost of establishing a new investment ensuring post-investment facilitation in most professional way;
- Business friendly laws, regulations and administrative policy environment ensuring most cost effective ease of doing business;
- Investment financing with low transaction costs;
- Cost effective Power, energy, ICT and multimodal transport and communication Infrastructure;

- Appropriate judicial mechanisms for enforcing legal and IPR rights, obligations and settlement of disputes.
- Quality of available human capital;

Sustainable Investment Measures: Bangladesh's trade costs are mostly owing to its red tape, cumbersome administrative and legal procedures, lack of infrastructure support leading to inefficiencies in domestic supply chain and trade logistics. Bangladesh would inevitably need improved efficiencies in domestic supply chains and production networks to offset such disadvantages and generate external competitiveness.

Major elements of Sustainable Inclusive Development:

Reducing cost of doing business and at the same time ensuring steady and streamlined flow of trade finance is absolutely imperative for Bangladesh to enable its business to meet the growing twin challenges of Bangladesh's graduation from LDC status in 2026 and supporting trade finance during the COVID-19 crisis.

To reform and streamline our supply and demand-side policies and regulatory regimes for simplification, removal of red-tape, unnecessary costs and time to facilitate a business and environment friendly policy regime in a sustainable and predictable manner in close cooperation and coordination among various ministries and departments in partnership with the private sector.

To introduce annual Regulatory impact analysis (RIA), a systemic approach to assessing the positive and negative effects of proposed and existing regulations and non-regulatory alternatives, in each Ministry and Agencies.

Bangladesh's state of governance and specially business environments are plagued by regulatory uncertainty and non-compliance with rules and regulations despite having approximately 15,000 statutory regulatory orders issued in various times. Most of the existing Laws and Regulations (almost 1,000 acts and 10,000 rules and regulations) are legacies of the past, out of context and need to be evaluated and updated in the light of the present day requirements.

It is extremely necessary, therefore, to introduce, in public interest, a more systematic process of evaluating the costs and benefits of regulations called Regulatory Impact Assessment or RIA to improve the understanding of economic and social welfare impacts of regulation for making them coherent and conducive. RIA can inform the decision-making process by assessing the efficiency of a policy and the cost-effectiveness of its instruments as under:

- RIA can be used as an integrating framework to determine the impacts of policies and to reveal linkages among policies. It can give decision makers the capacity to weigh trade-offs. In this sense, RIA is not only an analytical tool, but a co-ordination tool that can bring different interests together. Market-openness and competition criteria are important elements to include in RIA.
- RIA exposes the merits of decisions and the impacts of actions. For this reason, RIA is closely linked to processes of public consultation.
- RIA can improve the involvement and accountability of decision-making at ministerial and political levels. It fosters an understanding of the impacts policies will have and demonstrates how government decisions benefit society. By emphasizing openness, RIA favors policies that serve the interests of society, rather than just those of special groups.

Registration & Certification process: To establish single window system with prudent SoP of the respective line agencies and the sponsoring and promotional sectoral bodies for reducing the cost of doing business by simplifying the existing costly and cumbersome at least 30 different registration and certification requirements in to only **five i) land, ii) buildings, iii) fire iv) environment and v) tax, under a binding legal instrument.**

To adopt appropriate rules of business for line ministries and agencies for respective sectoral trade facilitation responsibilities by setting up single window service, online exchange of docs, sectoral help and service desks, Skill & HRD, transfer of technology etc.

To update and adopt cost-effective compliance friendly legally binding laws and regulations

to facilitate business with appropriate measures for cost of effective and efficient production chain, sound disposal of wastes and environment-friendly recycling with necessary technical and financial assistance package.

To rationalize tax and tariff regimes under WTO MFN and National Treatment principles to integrate Bangladesh business most effectively with the global value chain and also strengthen a rational, transparent, and efficient revenue policy and trade facilitation system.

To expedite appropriate cost-effective and compliance friendly waste disposal practices and establish effective recycling chain with necessary technical and financial assistance package is an integral part of economic governance.

To set up Sectoral Internationally Accredited Standard Certification Bodies preferably on PPP basis

to facilitate marketing of products in local and global markets and also set up common testing laboratories in each economic zone and cluster assigned to specific sector. Technical and Financial support for obtaining accredited quality certificates for exported and imported goods and services.

To expedite cost effective and commercially viable power sector business structure comprising production, cost effective optimum power generation commensurate with the load factor, transportation, transmission and distribution systems to ensure commercially viable uninterrupted and incremental energy, power and fuel supply at most economic and competitive rates.

To ensure mutual "Equitable Investment Facilitations Measures" and rationalize, streamline and harmonize trade and investment facilitation regulatory regime upholding the global principles of MFN and National Treatment for both FDI and local investments.

To develop multimodal transport network to reduce time and real cost of transport and integrate with the regional and global transport network through UN TIR Convention to derive the benefits of growing regional and international trade.

To facilitate and expedite effective compliance with the mandates of multilateral trade systems and global market requirements with focus, among others, on the following:

- i. UNGP HR 2011 compliance issues;
- ii. accredited certification for products and services;
- iii. ICC-Incoterms global trade practices;
- iv. Global registration of IPR.

National Plan on compliance of UNGP 2011:

The Ten Principles of the UN Global Guiding Principles on Business and Human Rights 2011 are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption in the context of the 2030 Agenda for Sustainable Development.

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour:

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment:

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Governance & Anti-Corruption:

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

To establish A National Working Group for the implementation and compliance of UNGP 2011 on Business and Human Rights, the mandatory set of guidelines, based on three pillars: protect, respect and remedy that operationalize the UN authoritative framework for the respective duties and responsibilities of Governments and business enterprises to address and uphold human rights.

To identify and eliminate governance gaps to advance UNGP 2011 with due diligence as the part of mandatory Code of Standard Practice, ensuring alignment of the Government's Rules of Business with the Guiding Principles;

- To create incentives to exercise due diligence to drive effective implementation by all public and private entities, State-owned enterprises and agencies;
- To promote greater policy coherence within Governments by strengthening the implementation of national action plans on business and human rights;
- To provide guidance to business enterprises, including small and medium-sized enterprises, on human rights due diligence tailored to local contexts;
- Integration of UNGP with Educational Curricula, HRD schemes, training programmes and capacity building projects.

Actions Recommendations for the Business

- To adopt implement and comply with the mandatory Code of Standard Practice as an integral part of the M&A of the Associations Chambers, management and operational practices of private and public sector business enterprises, ensuring alignment with UNGP;
- To assess existing processes and identify the compliance gap for developing an action plan for putting in place human rights due diligence procedures for their own activities and value chains, in line with the Guiding Principles, including by learning from good practices emerging in their own industry and in other sectors.

Cooperation of International Bodies:

- To provide support for efforts to promote capacity-building and the compliance with the Guiding Principles, as well as, upon request, to provide advice and recommendations regarding the development of domestic legislation and policies relating to business and human rights;
- To work in close cooperation and coordination with other relevant special procedures of the Human Rights Council, relevant United Nations and other international bodies, the treaty bodies and regional human rights organizations;
- To develop a regular dialogue and discuss possible areas of cooperation with the Government and all relevant actors, including relevant United Nations bodies, specialized agencies, funds and programmes, in particular the Office of the United Nations High Commissioner for Human Rights, the Global Compact, the International Labour Organization, the World Bank and its International Finance Corporation, the United Nations Development Programme and the International Organization for Migration, as well as transnational corporations and other business enterprises, national human rights institutions, representatives of indigenous peoples, civil society organizations and other regional and sub-regional international organizations;
- To guide and support with technical and financial assistance the work of the National Working Group, public and private sector enterprises for the implementation of the Guiding Principles in the context of the 2030 Agenda for Sustainable Development.

Trade finance for inclusive and sustainable growth of investments:

- a) Creation of a grant and low interest credit facility for Trade financing for all including CSMEs through Govt. budget allocation, financing by the donor agencies and funds made available by the concerned grant and loan disbursing banks.
- b) More than 70% of manufacturing sector in Bangladesh in terms of manufacturing value added is now export oriented. Therefore there should be policy cohesion on manufacturing for export as well as imports for domestic markets, for example ensuring Trade (Export-Import) financing for all including CSMEs including other fiscal and monetary policy supports.
- c) To foster development banking services to provide low-cost loans without collaterals, to be underwritten in lieu of collateral by Bangladesh Bank and international donor agencies, to CSMEs duly authenticated by the respective association/designated support agency.
- d) The Bank client relationship should not be meant to be the unilateral discretion of respective Banks. The term Bank client relationship should be clearly defined on the basis of preset criteria to evaluate the prospects of financing in a particular unit as per Govt. Policies and Regulations.
- e) Technical competence of the borrower, operational flexibility, and economic viability of the project, rather than the security which the borrower can offer, should be considered in evaluating a credit scheduling proposal.

- f) To provide financial assistance to build in house capacity in terms of human resource skill development, technological upgrading, product design market intelligence and export marketing.
- g) Establishment of Technology Development/Up gradation Fund for promoting diversified and quality exports specially for CMSME sectors of Bangladesh for expediting ventures, modernization and technological development for the CMSME export oriented industrial and Agro ventures and integration of SMEs in global digital trade and e-commerce;
- h) Facilitating investment abroad to promote export and facilitating prudent imports by establishing warehouses, marketing outlets & distribution network and after Sales Service Centers in target markets.
- i) To effectively establish and activate network of Factoring Services and ICC Incoterms 2020 for facilitating cost effective ease of mutual import and export transactions at home and abroad.
- j) Bangladesh Bank should harmonize and rationalize various service fees charged by the individual banks in imports export transactions.

Tax & Tariff Rationalization: To rationalize tax and tariff regimes to integrate Bangladesh business and production chain with the global value chain with free flow of goods and services by expediting a rational, transparent and efficient tax, tariff and trade facilitation regime to meet the growing challenges of the post-graduation obligations and global trade competition including, among others, the following:-

- 1) To ensure that applicable direct and indirect taxes are harmonized with all sectoral local and foreign investments without discrimination with normal direct tax (Global Best Practice) on capital gains, royalties, technical know-how and technical assistance fees, and facilities for their repatriation to integrate most effectively with the global value chain and also strengthen a rational, transparent and efficient trade facilitation system;
- 2) To identify the necessary steps to strengthen domestic resource mobilization for sustainable and inclusive socio-economic development;
- 3) To rationalize tariff structure with inter-sectoral policy cohesion and bond facilities to promote cost effective production chain for export as well as for domestic consumptions.
- 4) To expeditiously implement, among others, the provision of Article 2 of the WTO Trade Facilitation Agreement relating to the process of consultation with the stakeholders before formulation and enforcement of new or amended laws and regulations of application related to the movement, release, and clearance of goods, including goods in transit trade related laws and regulations, by extending opportunities and an appropriate time period to traders and other interested parties to comment on the proposed introduction or amendment of the respective laws and regulations before the provisions of the amendment to be made through the finance Bill or SROs are put into effect.
- 5) To rationalize and simplify Customs procedures by harmonizing with the WTO Agreement on Customs valuation, Trade Facilitation Agreement and the provisions of WCO to promote and reduce the cost of doing business (Implementation of WTO TFA Annexed) ;
- 6) To set up central warehousing facilities for sourcing, storage and supply of indigenous and imported raw materials to industries in sector specific clusters.
- 7) To take up a proactive action plan with the trading partners for respective Customs Cooperation Agreement to facilitate mutual trade as envisaged in the WTO Trade Facilitation Agreement and WCO protocols and annexes including gradual harmonization of customs documentation and clearance procedure for transit and trans-shipment of goods across the borders;
- 8) To streamline update and harmonize trade facilitation regulatory regime including Mutual tax treaties (pay where you earn), Dispute settlement measures, Access to public procurement practices etc. with its trading partners upholding the global principles of MFN and National Treatment;

- 9) To harmonize customs duty (CD), regulatory duty (RD) supplementary duty (SD) and other taxes with the National Treatment Provision of WTO and other reciprocal mutual obligations with trading partners as and when required;
- 10) The existing ratio of direct and indirect tax in Bangladesh is around 35:65 which should be reversed to uphold the interest of the consumers and the productive sectors.
- 11) To discourage permanent revenue protection-based industries. Revenue protection given to nascent industries should be phased out to normal tariff within a span of eight years and industries in general should be integrated with global value chain under a sustainable rationalized tariff structure which expedites free flow of goods and services across the borders.
- 12) To reduce dispersion in tariff rates at 4 -digit HS code level; to address the issues such as bringing clarity in 8-digit classification used in Customs Schedule through issuing explanatory notes and discontinuing high protection to the industry, which have been enjoying high protection for long time.
- 13) In order to separate dual functions of conflict of interest regarding enforcement and policy administration functions of NBR, BTTC to be entrusted with the responsibility to expedite Trade and Tariff Facilitation, among others, with the following functions:-
 - a) Rationalization of all taxes and tariffs from time to time and prepare tax and tariff related budget proposals for consideration of the Government;
 - b) Risk management, audit , inspection and investigation;
 - c) Export facilitation and duty draw back on export products including all its inputs whether imported or locally procured.
 - d) Revenue neutral Dispute settlement including ADR and other dispute settlement measures
 - e) Administering Bangladesh Single window being established for trade and tariff facilitation;
 - f) Undertake legal reforms of duties, tax and tariff laws and regulations;
 - g) Administering international trade remedy measures
 - h) Any other functions assigned by the Government from time to time.

To undertake managerial, skills and Productivity enhancement programmes, among others, in the following areas:-

- a) To facilitate and expedite efficient and cost effective production management, widen and deepen complementarity in production programmes of large, medium and small industrial sectors through sub-contracting arrangements.
- b) Regular Training courses for entrepreneurship development, mastering managerial and marketing as well as accounting techniques should be conducted by the Sectoral Subcommittees in collaboration with related line institutions.
- c) To provide industry and MSMEs with technical and financial assistance to build in house capacity in terms of human resource skill development, technical or vocational training, technological upgrading, product design market intelligence and marketing.
- d) To undertake Sectoral HRD schemes for expediting sustainable flow of skilled workforce in Industries and MSMEs in particular;
- e) To undertake running schemes to provide training to workers in technical Institutions and also by facilitating on the job Skills development programme particularly focusing, among others,

- Industry machines operation and maintenance;
 - Production Chain Engineering;
 - Product design;
 - Work safety & compliance issues;
 - Recycling & Waste management; and
 - Standardization and Quality control.
- f) To undertake capacity development schemes of the Training Institute and the on the job training entities, among others, through:
- i. Technical and financial assistance with supply of necessary equipment's and other logistics;
 - ii. Technology and know-how transfer;
 - iii. Employment of Expert Master Trainers for workshop training as well as for Training the Trainers.
- g) To set up Technology Development Cell (TDC) in the SMEF/BSCIC, this would provide technology inputs to improve productivity and competitiveness of the products and services. The TDC would coordinate the activities of the Technology transfer, Process-cum-Product Development Centers (PPDCs) that must be established throughout the Country and would also interact with the other industrial research and development organizations to achieve its objectives.

Sustainable Policy Cohesion for Exports

More and more production & manufacturing sectors in Bangladesh are now linked with export chain as finished products as well as backward linkage of various items of exports. Therefore policy bias to promote only 80% export production units should be discarded by expediting policy cohesion on production & manufacturing for export and domestic markets by integrating them to global supply & value chain with sectoral cluster based bonded warehouses and other fiscal facilities, among others, like the following:-

- Withdrawal of all duty, VAT and SD if any from all export products and services including all inputs thereof whether imported or locally produced;
- To set up online single window customs clearance, payments of duty along with duty draw back on exports and deemed exports including all refunds on AIT, AT, VDS as and when applicable.
- Tax Registration should be the license for investments instead of Trade License issued by the local government bodies at exorbitant rates;
- Withdrawal of indirect taxes from the utility bills (Electricity, Gas, water and digital services) of the productive sectors;
- Production & Manufacturing units should be exempted from payment of AT & TDS;
- Discontinue double taxation through TDS and VDS which are finally adjusted;
- Technical and Financial support for obtaining accredited certificates for exported and imported goods and services;
- Technical and Financial support for obtaining global registration of IPR for our products and services;
- Facilitating investment abroad to establish warehouses, distribution network and after Sales Service Centres in target markets; and
- Extending financial support for participation in International Exhibitions and market promotion.
- **Integration of production units specially CMSMEs with Global Value Chain:** To boost the process of integration of CMSMEs with the global market and compete with global e-commerce, Bangladesh, Like China, India and Vietnam and others, should take up projects to set up warehouses and distribution network and services centres in destination markets for easy and regular delivery of products to the wholesalers, retailers and consumers.

IPR and Consumer Interest at Home and Abroad: The WTO TRIPS agreement gives members the freedom to determine the appropriate method of implementing the provisions of the agreement within their own legal system and practice, however, developed countries US, EU and Japan may undertake to strengthen, streamline and ensure most effective functional efficiency IPR Regime Bangladesh by capacity development of the organizational capacity and efficiency of the concerned IPR administrative agencies, strengthening and upgrading qualitatively and quantitatively IPR trained permanent and specialized manpower along with befitting infrastructure so that they can function with incremental efficiency and institutional memory.

Technical, procedural and management shortcomings should be identified and resolved to ensure completion of IPR Registration within the gradually shortened possible time schedule from the date time of filing of the Application.

Effective and adequate IPRs protection system should be strengthened in order to expedite and encourage increased registration of IP titles to the mutual benefit of all stakeholders in the domestic and international markets.

Way Forward: FBCCI Recommendations on IPR:-

1. Global IPR Registration: In order to consolidate ever expanding regional and global markets and also to gain its share of global revenue of Intellectual Property Rights (IPR) registration Bangladesh must facilitate, expedite and enhance IPR value added market share of Bangladesh products in domestic and foreign markets through international IPR Registration without having to undertake any additional international obligations other than that it has already undertaken it is imperative for Bangladesh to become a party, like the other LDCs, to the three Global IPR Protection Systems.

2. a) Farmers right to freely save seeds for re-use: The 1991 ACT (UPOV) does not protect the rights of farmers to freely use their harvest as further planting material but the right to reuse seed will be restricted to those countries which make special provision for it Bangladesh should therefore adopt appropriate provisions to safeguard and ensure farmers right to freely save seeds for re-use.

b) GI should be given more emphasis and should be registered as trademark for the time being nationally and internationally through the Madrid Agreement.

3. **i) Affordable Medicine:** "Affordable Medicine" including life-saving drugs and vaccines must be made available for all specially for the poor and low income people around the world. The WHO-WIPO-WTO Platform, NGOs and other global institutions and UN bodies must expedite global policy cohesion by adopting appropriate IPR Measures ensuring sustainable production and supply of "Affordable Medicine" including life-saving drugs and vaccines.

We strongly urge to expedite "Affordable Medicine and Health Care Service" including life-saving drugs and vaccines which must be made available for all specially for the poor and low-income people around the world. The WHO-WIPO-WTO Platform, NGOs and other global institutions and UN bodies must expedite global policy cohesion by adopting appropriate IPR Measures ensuring sustainable production and supply of "Affordable Medicine and Health Care Service" including life-saving drugs, vaccines and other equipment's.

ii) Compulsory licenses: Governments may resort to compulsory licensing to promote public health, welfare, security, competition and other objectives. Government is empowered to issue license to use a patent without the authorization of its owner under Article 31 of the TRIPS Agreement compulsory licensing procedure subject to conditions set out in the Article aimed at protecting the legitimate interests of the right holder. Developing Countries should be exempted from the obligation of patent protection of environmental goods and services for a period of 20 years from the date of implementation.

4. Bangladesh Copy Right Act should prefer the option of registration in order to ensure IP rights. Copy Right Act should also provide for the following:-

Limitations and Exceptions of Copy Right: In order to maintain an appropriate balance between the interests of right holders and users of protected works, copyright laws allow certain limitations on economic rights, that is, cases in which protected works may be used without the authorization of the right holder and with or without payment of compensation.

- a) Limitations and exceptions considered in the agenda of the WIPO Standing Committee for Copyright and Related Rights (SCCR) focused mainly on educational activities, on libraries and archives and on disabled persons, particularly visually impaired persons. These are:
- b) Limitations and exceptions as free uses (no authorization, no remuneration)
- c) Limitations and exceptions based on statutory licenses (permission for remuneration)
- d) Limitations and exceptions based on compulsory licenses
- e) Limitations and exceptions for private or personal purposes
- f) Exceptions for the Benefit of Educational Activities Teaching and Research and their Related Exceptions.

Countries adopting such "Limitations and exceptions" are, among others, Australia, Brunei, Cambodia, Cook Islands, India, Indonesia, Iran, Japan, New Zealand, Pakistan, Singapore, and Solomon Islands. Others have implemented statutory, voluntary or compulsory licensing arrangements to enable the use of multiple reproductions of works in educational institutions.

5. 1) Registered IPs in Bangladesh must be enforced in right earnest. Any infringement of IPR which are registered in Bangladesh must be redressed by the Customs and also the designated special Court set up for the purpose on the basis of the case lodged by the respective IPR holder on his own expense as required under article 41.5 of the TRIPS Agreement.

2) NBR should have the authority to detain, seize, forfeit, and ultimately destroy merchandise seeking entry into the Bangladesh if it bears an infringing trademark or copyright duly registered in Bangladesh. The Customs Rules 2019 on IPR should be amended accordingly.

3) The following IPRs protection measures should be adopted in Bangladesh to curb trade in pirated and counterfeit products in domestic as well as international markets:

i) All products and services for trade in domestic and international markets and through e-commerce shall require, in addition to accredited certificates on quality and standards, to have respective brand names/Trademarks either registered or provisionally registered pending the disposal of the application for registration with the respective IPR Agency in Bangladesh;

ii) Each new product and services having accredited certificates on quality and standards will be required to be registered or provisionally registered, pending the disposal of the application for registration, with the respective IPR Agency in Bangladesh before marketing in domestic and foreign markets;

iii) Production and Trade in listed global well-known branded products and services in domestic and international markets without appropriate authorization of the IPR holder shall be prohibited;

iv) Enforcement of WCO Border measures for IPR and product standards with appropriate international technical and financial assistance in order to redress the concerns on IPR along with health and safety hazards.

6. Highly overvalued IP assets held especially by large companies: In order to prevent leakage of foreign currency on account of overvalued IP assets, all IP assets held by the Investor should be duly notified to the appropriate authority and must be brought under transfer pricing and international money laundering surveillance and annually audited by the specialized agencies.

7. To strengthen, streamline and ensure most effective functional efficiency IPR Regime Bangladesh should establish a specialized Bangladesh IPR Regulatory Authority to be headed by a Senior Secretary of the Government.

8. The organizational capacity and efficiency of the concerned IPR administrative agencies and judiciary should be strengthened and upgraded qualitatively and quantitatively with IPR trained permanent and specialized manpower along with befitting infrastructure so that they can function with incremental efficiency and institutional memory.

9. Technical, procedural and management shortcomings should be identified and resolved to ensure completion of IPR Registration within the gradually shortened possible time schedule from the date time of filing of the Application.

10. IP Journals and official Gazettes should be printed in the press owned and operated by DPDT to ensure the security and authenticity of vital these legal instruments.

11. The public sector research institutions engaged in technology development should act as the lead agencies for the purpose of accommodating people's participation.

12. BCSIR-the apex organization for coordinating research activities in the country should take need-based R&D for the benefit of the private sector.

13. IPR curriculum should be introduced from the secondary level

14. Proposed innovation support strategy:

- a) Encourage and facilitate creation and innovation;
- b) Protect creation and innovation;
- c) Commercialize creation and innovation;
- d) Establish linkage between domestic innovation and market;

We need to have Innovation Support chapters in all private and public center Technology Innovation Support Centers. Each innovator must be assured that there is a supporting legislation institution and innovation funding for his/her innovative pursuits.

15. SME and Rural Entrepreneur must be exposed to IPR related issues its prospect and potentialities through public and private institutions on regular basis. Institutions promoting innovation must work out innovation mapping in their areas of activities and identify locate and pickup prospective innovators from SME and Rural Entrepreneurs and support them with financial and technical assistance.

16. Government of Bangladesh should allocate sufficient fund in the annual budget for the funding of such initiatives for backing up commercialization support programs and innovation funds for the commercial application of research results and innovation, e.g. Pre-Seed Fund; Innovation Investment Fund; Renewable Energy Equity Fund; Biotechnology Innovation Fund; etc.

17. Innovator should get a perpetual right of agreed share of royalty and other IPR receivables even he/she is an employee of that institution. If the inventor is not the right holder second party pay be the company or any organization. In that case the inventor and company should be entitled to agreed share of profit.

Time Bound Action Matrix: Implementation of the Intellectual Property Rights Short-Mid- Long term Action Plan for Bangladesh in the Context of Graduation from LDC Status: The time bound action plan to be effective should owned, planned and implemented by the respective line Ministry and Agencies according to the Rules of Business in partnership with private sector stakeholders including FBCCI.

4. The STS strategies and policies prescribed from time to time for implementation should be followed up with time bound action matrix to be implemented on PPP basis in partnership and Cooperation with UN Bodies and Development Partners.

1) Bangladesh Private Sector Working Committee (BPSWC) on SDG

Preamble

Recalling that the SDG Agenda 2030, coordinated by the UN system, considered Private sector engagement is a core strategic priority for all of UN agencies' work as one of the key pillars and contributors to achieving the sustainable development goals by 2030.

Acknowledging that accordingly the UN agencies in their country operations are promoting broader private sector engagement to establish and enhance partnership scopes, a source of innovation, and co-creation of the solutions to address the global as well as national development agenda of Bangladesh under UN sustainable development cooperation framework 2022-2026 to support Bangladesh to achieve the SDGs. This is more so in the case of ILO which has a tripartite governance structure and private sector is one of the three parties;

Reaffirming that as Bangladesh is graduating from the LDC status in 2026 with a vision to become a developed country by 2041, the private sector's engagement for achieving the development agenda of the country has even become more than crucial ever; And

Reaffirming also that members of the business community including CMSMEs & women entrepreneurs represented by respective Association and Chambers have a clear role to play and several avenues to engage in this collaboration with UN for achieving a common goal of inclusive, resilient, and sustainable economic growth of Bangladesh;

We, FBCCI-BEF in cooperation with -UNRC hereby establish UN-Bangladesh Private Sector Working Committee (BPSWC) to carry forward, expedite, facilitate, and enable the implementation of the national SDG agenda, vision 2031-2041, the delta plan and smooth transition strategy for graduation from LDC status, in the context of continued Covid-19 and growing geopolitical concerns, in coordination and close liaison with Government of Bangladesh as follows: -

The Objective of the Bangladesh Private Sector Working Committee (BPSWC) on SDG: To consolidate the strategic alliance and working partnership of the Bangladesh Private Sector with relevant UN Organizations and address capacity building, technical and financial assistance needs for more effective implementation of sustainable national socio-economic development plans including SDG 2030. **The objectives of BPSWC shall include, among others, the following:-**

- a) To expedite and enable Bangladesh private sector to work jointly with UN bodies and closely
- b) and inclusive private sector engagement to establish and enhance partnership scopes, a source of innovation, and co-creation of the solutions to address the global as well as national development agenda of Bangladesh under UN sustainable development cooperation framework 2022-2026 to support Bangladesh to achieve the SDGs.
- c) To build appropriate strategy and mutual coordination structure to effectively address the continued crisis of COVID 19+ pandemic and the fall out of Ukraine crisis triggering disruptions and interruptions of global supply chain including food, fertilizer, fuel, energy along with currency restrictions aggravated further by growing geopolitical hotspots;
- d) To expedite and coordinate Private sector participation and contribution to SDG achievement in Bangladesh under the umbrella of the GOB SDG implantation programme;
- e) To expedite and enable direct participation, active and effective engagement of the business community including CMSMEs & women entrepreneurs represented by respective Association and Chambers in this private sector collaboration with UN for achieving a common goal of inclusive, resilient, and sustainable economic growth of Bangladesh;
- f) To provide technical and financial support in order to facilitate the capacity building of the private sector towards implementation of sustainable development programme and SDG targets;
- g) To provide access to appropriate policy instruments, information, and data with support outreach to a broad constituency of stakeholders pertaining to the implementation of SDGs and expedite formulation of actionable policy reform proposals with active participation in the formulation and monitoring implementation of the reforms;
- h) To Support, promote, and anchor social dialogues among private sector stakeholders, enterprises, businesses, trade unions, social partners and think tanks;
- i) To enable the private sector's engagement with 42% investment (updated SDG financing needs assessment for 2022-2026 period) in promoting inclusive economic growth and decent employment opportunities with due compliance of business and human rights issue with appropriate technical and financial support measures;
- j) To liaise, coordinate, strengthen and consolidate collaboration between government and the BPSWC under the leadership of the Principal Coordinator, SDG Affairs to effectively materialize common goal of inclusive, resilient, and sustainable economic growth of Bangladesh;
- k) To constitute thematic SDG working groups and submit the reported outcome documents and recommendations of the private sector thematic SDG working groups with the government, which will highlight the already existing contribution of core business activities to the SDGs, as well as to help in identifying how to further strengthen and consolidate for the direct private sector engagement for the implementation, monitoring and reporting on the SDGs;
- l) To enter into any arrangement with Government or any public authority, municipal, local or otherwise, that may seem conducive to the BPSWC's objects or any of them and to obtain from such Government or authority rights, concessions and privileges which the UNBPSWC may think desirable to obtain and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions; And
- m) To take up any other matter deemed appropriate by the BPSWC.

2) Local Working Group (LCG) of the Ministry of Commerce on Trade and Private Sector Development:

Chair: Md Hafizur Rahman. Director General (Additional Secretary), Trade Organization Wing, Ministry of Commerce (MoC) and Chairperson of the LCG Working Group.

Co-Chair: Duncan Overfield, Deputy Development Director, Foreign, Commonwealth and Development Office (FCDO).

Objectives and major Functions of Local Working Group (LCG) on Trade and Private Sector Development:-

- a) Collaborative and coordinated efforts among government organizations, development partners and private sector organizations to strengthen and modernize the private sector that can grow, export and create quality jobs to help the country overcome the challenges of LDC graduation by identifying avenues for collaborative work; strengthening the capabilities of private sector to encounter post-LDC graduation era, sharing international best practices relating to trade and private sector development.
- b) Coordination and linkage between LCG and the committees that have been formed at PMO together with LDC Smooth Transition Strategy (STS) led by Economic Relations Division (ERD).
- c) Government of Bangladesh (GoB), the Private Sector and Development Partners (DPs) will have shared responsibilities of identifying and achieving these objectives.
- d) Formulation of a strategy paper/roadmap with short-term, medium-term and long-term action matrix aligned with the LCG ToR.
- e) Formulation of a working group to design the roadmap with time bound action matrix.
Executive authorities: Ministry of Commerce & FCDO
- f) Establishment of an institutional mechanism of coordination and cooperation among the DPs working on trade and private sector development to streamline activities while avoiding duplications

Development Partners (DPs) in partnership with MoC and other participating government ministries/departments of DPs' for activities in the areas of trade facilitation, investment climate, private sector development, including among others, enhancing domestic competitiveness of local businesses to counter the loss in preferences arising from LDC graduation with time-bound and action oriented objectives and operational plan with specific deliverables.

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About Implementation of WTO Trade Facilitation Agreement

FBCCI submission on harmonization of the report of Ministry of Commerce on “Roadmap for implementation of WTO Trade Facilitation Agreement” in Bangladesh with the obligations and practices of WTO Trade Facilitation Agreement.

WTO TFA Article 1: Publication and availability of Information-

Core obligation: The measure introduces the obligation for all WTO Members to promptly publish trade-related information in a non-discriminatory and easily accessible manner in order to ensure that relevant stakeholders become acquainted with this information. The information must be generally available at the official place” through an appropriate medium to the public in such a manner as to “enable governments, traders and interested parties to become acquainted with it” (Panel Report, EC-IT

Products case).

Scope of information: As Article 1.1 of the TFA was developed from GATT Article X, it covers most of the items included in GATT Article X which specifically refers to publication of the legal basis of certain items, while the TFA Article 1.1 also refers straightforward to the availability of information on the following additional items.

- i) Procedures for import, export, and transit;
- ii) Regulation on rules of origins,
- iii) Penalties;
- iv) Procedures for appeal and review; and
- v) Tariff quotas-related procedures.

Notwithstanding the TFA approach, GATT Article X remains fully applicable to WTO Members (UNCTAD, 2014b)

Notification: Under Article 1.4(a) of the TFA, each WTO Member shall notify the Committee on Trade Facilitation of the official place(s) where the items in subparagraphs 1.1(a) to (j) have been published. Thus, each time that there is an amendment on these items, the concerned WTO Member must notify the Committee where it was officially published.

Actions required.

- i. Take legal or administrative measures to introduce the obligation to officially publish, update and notify the required information;
- ii. Designate a focal Ministry/Department responsible for overseeing all the required information is published, updated, and notified;
- iii. Assess and ensure the user-friendliness and/or accessibility of the information.

WTO TFA Article 2 Opportunity to Comment, Information before Entry into Force, And Consultation.

Current Status: There is no binding legal and administrative mechanism in Bangladesh to facilitate the implementation of the following core measures outlined in WTO TFA Article 2.

1) To provide opportunities and an appropriate time period to traders and other interested parties to comment on the proposed introduction or amendment of laws and regulations of general application related to the movement, release, and clearance of goods, including goods in transit.

2) To ensure that new or amended laws and regulations of general application related to the movement, release, and clearance of goods, including goods in transit, are published or information on them made otherwise publicly available, as early as possible before their entry into force, in order to enable traders and other interested parties to become acquainted with them.

The existing practice of consultations with traders, stakeholders and other interested parties held in NBR during the process of annual budget formulation are not underpinned by any legal backing, it is without any terms of reference and no official minutes or records of the discussions are issued in words to see suggestions given by respective stakeholders are properly reflected and available for follow-up actions if any.

Scope and objective:

1) The measures apply to rules enacted by national legislative bodies (laws enacted by parliaments) as well as to secondary legal acts (regulations, rules, orders, etc.) issued by executive or administrative bodies.

2) Relevant stakeholders will have the opportunity to comment on the following legislative proposals

before entry into force:

- i) New laws and regulations related to movement, clearance and release of import, export and transit goods;
- ii) Amendments to such laws and regulations.

Core obligations and action required:

- i) Set up binding legal and administrative mechanisms for regular consultations between border agencies, traders and other interested parties including but not limited to – traders, freight forwarders, authorized operators, business membership organizations, associations of traders, and border agencies which includes all government bodies involved in procedures related to cross-border trade.
- ii) Ensure that feedback from consultations is officially recorded, evaluated and systematically incorporated into the administrative policy framework to address the suggestions, concerns and problems raised in the consultations.
- iii) Adopt legally binding practice of publishing rules and regulations including, provisions of the Finance bill and SROs of the annual Budget, before entry into force and
- iv) Periodically review and implement modification or upgrades to the mechanism.

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WTO TFA Article 3 Advance Ruling

Core obligation: Each WTO Member is required to set up procedures to issue written advance rulings in a reasonable, time-bound manner to applicants who submit written requests. The ruling will be binding on the Member that has issued it, in respect of the applicant that has sought a decision from that member country. In addition, it is optional for the Member to provide that the ruling is also binding on the applicant.

Legal standing to submit advance rulings requests: - The advance ruling is to be issued upon request from an importer or exporter or any person with justifiable cause. Thus, a carrier, a freight forwarder, a customs broker, or even a representative of any of the afore mentioned individuals may request an advance ruling.

Each Member shall publish:-

- a) The requirements needed to submit the application for an advance ruling, including the information to be provided and the format;
- b) The time within which it will issue an advance ruling; and
- c) The length of time for which the advance ruling is valid.

Validity, revocation, modification, or invalidation of advance rulings:

Article 3.3 requests member countries to ensure that the ruling be valid for a reasonable period of time after its issuance – unless the laws, facts or circumstances supporting that ruling have changed – to ensure certainty and predictability of the treatment of goods at the time of import.

If a Member decides to revoke, modify or invalidate an advance ruling, the Member must promptly notify in writing the applicant, setting out the relevant facts and the basis for its decision.

If a Member revokes, modifies or invalidates an advance ruling with retroactive effect, it may only do so where incomplete, incorrect, false, or misleading information was provided in the request for the advance ruling.

Members are also required to provide, upon written request of the applicant, a review of the advance ruling or the decision to revoke, modify, or invalidate the advance ruling.

The review may be provided – either before or after the ruling has been acted upon – by the official, office or authority that issued the ruling, or by a higher or independent administrative authority, or by a judicial authority.

Implementation checklist: -

- Advance rulings are issued in a timely manner, upon written request of an applicant;
- Advance rulings are valid for a reasonable period of specified time [18 months in Bangladesh];
- Written notice is issued to the applicant when (and if) an advance ruling is refused, revoked, modified or invalidated with a clear explanation;
- The advance ruling is binding for the customs administration;
- Applicants are entitled to a review of the advance ruling and the decision to revoke, modify or invalidate it;
- Requirements for advance ruling application (information, format etc.), timeframe for issuance and period of validity are published; and
- Efforts are undertaken to make information related to advance rulings publicly available.

WTO TFA Article 4 Procedures for Appeal or Review-

Core obligations: This measure requires that WTO Members provide the right of appeal and/or review to any person aggrieved by an administrative decision issued by the customs authority. However, a footnote to paragraph 4.1 clarifies that administrative decisions are those issued for an individual specific case, as opposed to administrative regulations which are generally applicable.

The expression 'is encouraged' in paragraph 4.5 suggests that Members make a 'best endeavour' effort to extend the provision to other border agencies' administrative decisions.

This measure provides for a two-track appeal and review process. Allowing for national legal frameworks, this measure obliges Members to allow affected persons to have recourse to:

- i) An administrative appeal or review; and/or ii) A judicial appeal or review of the decision.

The TFA specifies that the request of appeal or review must be addressed to an administrative authority higher than, or independent of, the official or office that issued the contested decision.

The double conjunction 'and/or' was introduced to allow the petitioner to appeal to both administrative and judicial tracks in sequential order or have direct access to just one channel.

Administrative decisions adopted by other border agencies The measure also encourages WTO Members to apply the same provisions of appeal and/or review to administrative decisions issued by border agencies other than customs agencies.

Actions to be taken.

- 1) To ensure that the person aggrieved by an administrative decision issued by the customs authority is provided with the reasons for the administrative decision so as to enable such a person to have recourse to procedures for appeal or review where necessary.
- 2) Each Member is encouraged to make the provisions of this Article applicable to an administrative decision issued by a relevant border agency other than customs.

3) The checklist to estimate the level of compliance with the measure:

- i) Legislation provides rights to any aggrieved person within the country's territory for administrative and/or judicial appeal against administrative decisions made by customs and/or other border agencies.
- ii) Those procedures for appeal and review are to be laid down in a non-discriminatory manner.
- iii) In case of undue delay or missed deadline to provide decision on appeal or review, the appellant is provided with an opportunity to bring the case to the higher administrative level or judicial appeal.

[Bangladesh: In case of missed deadline the decision is deemed to be in favour of the applicant]

- iv) Customs or other border agencies while issuing the administrative order also provide the reasoning of the decision to the appellant, as well as the applicable appeal procedures available.

WTO TFA Article 5.3 on the implementation of 2nd Test Measures

Core obligation: The measure is applicable only when the results of the first test are different to the declaration of the goods at the time of import, described as an 'adverse finding' in the provision. The WTO Members may provide an opportunity to conduct a second confirmatory test, if requested by the importer or their authorized agent.

Publish in a non-discriminatory manner: If granting a second test, WTO Members must make public the name and address of any laboratory where the second test can be conducted in an open, transparent and non-discriminatory manner.

Members are requested to provide this information directly to the importer.

Consider test results: Members must take into consideration the results of the second test for the release or clearance of goods and, if appropriate, accept the result. The measure does not provide any obligation to carry out the second test in accredited laboratories and there is no obligation to undertake the second test in a different laboratory than the one where the first test was conducted.

Actions Required:

1. BSTI and other technical regulations and standards regulatory agencies should establish common guidelines/criteria/regulations for conducting second tests which should also be included in the Import Policy Order.
2. The name and address of any laboratory where the test can be carried out shall be published, in a non-discriminatory and easily accessible manner and also provide this information to the importer.
3. The result of the second test, if any, shall be considered for the release and clearance of goods and, if appropriate, may accept the results of such test.

4. BSTI and other technical regulations and standards regulatory agencies will set up mechanisms for inter-agency cooperation when more than one agency are involved with the 2nd test procedures.
5. To set up a mechanism for monitoring and evaluating results of testing procedures to improve the import testing process.

The checklist to estimate the level of compliance with the measure:

- There is a national implementation framework in place which provides opportunities to traders to request a second test.
- Contact information of any laboratory where the second test can be done is published and easily accessible.
- The findings of confirmatory tests are taken into consideration for the release and clearance of goods.
- If appropriate, findings of the confirmatory test may be accepted.

WTO TFA Article 6 Disciplines on Fees and Charges Imposed on or in Connection with Importation and Exportation and Penalties.

Core Obligation: WTO Members are required to publish information on all fees and charges – other than import and export duties and other than taxes within the purview of Article III of GATT 1994 – imposed by Members on or in connection with importation and exportation in a transparent and predictable manner, and to periodically review them according to the cost-recovery principle.

Actions to be taken: 1) To publish fees and charges related to importation and exportation in a transparent and predictable manner, and to periodically review them according to the cost-recovery principle. **Specifically, the information made public must include:**

- **The fees and charges that will be applied;**
- **The reason for the imposition of such fees and charges;**
- **The responsible authority who will collect the fees and charges;**
- **Information about when and how payment is to be done.**
- **Except for urgent circumstances, Members must ensure that an adequate period of time is available between the official publication of a new or amended fee or charge and their entry into force.**
- **Members must undertake a periodic review of fees and charges imposed with the purpose of reducing these as much as possible. Whereas the review is mandatory, the reduction in the number and diversity of fees should take place 'where practicable'.**

The checklist to estimate the level of compliance with the measure:

- The amount of fees and charges is based on the approximate cost of the service rendered.
- The required information on fees and charges connected to importation, exportation and transit is published.
- Ad valorem fees and charges, if they exist, are limited to the approximate cost.
- Fees and charges are applied at a reasonable time after publication only after information on them has been published.
- Fees and charges are regularly reviewed to reduce their number and diversity.

Penalty Disciplines

Core obligation: Penalties imposed for legal or administrative breaches must be fairly grounded on objective facts and must be commensurate with the severity of the infringement.

WTO Members are required to impose fair penalties, proportionate and in a transparent way, for any breach of a customs law, regulation, or procedural requirement. It also requires Members to impose the penalty only on the person(s) responsible for that violation.

Conflict of interest Measures: There shall be no breach of trust and an incentive for imposition of penalty to avoid conflict of interest in assessment of duties and penalties must be maintained. **Imposition of unduly harsh penalties must not become an incentive for cash rewards for the concerned official.**

Actions Required:

1) Update legislation and administrative instruments to determine the amount of penalties commensurate with the severity of the breach.

2) Implement the legal or administrative mechanism which provides written information to the affected person.

3) Set up an internal mechanism for monitoring application of penalty disciplines. Periodically review penalties imposed and, where possible, assess information for future compliance, using ICT-enabled-systems

1. Modalities for imposing penalties: The penalties should be determined on a case-by-case basis using only those specific facts and circumstances in which the breach arose. They must be proportionate with the magnitude and severity of the infraction and not disproportionately determined on arbitrary criteria.

2. Providing complete information to the person: To provide the following information in writing to the person(s) who has breached customs laws, rules, regulations, or procedures: i) The nature of the breach and applicable law; and ii) The amount or range of penalty prescribed for the breached law.

3. Conflict of interest Measures: To ensure that there shall be no breach of trust and an incentive for imposition of penalty to avoid conflict of interest in assessment of duties and penalties so that imposition of unduly harsh penalties must not become an incentive for cash rewards.

4. Penalties on traffic in transit: The last paragraph of Article 6.3 makes clear that all the provisions contained in the Article must also apply to penalties imposed for breaches committed during traffic in transit.

The checklist to estimate the level of compliance with the measure:

- i. Penalties are only imposed on the persons responsible for the breach.
- ii. Penalties are proportionate with the specific facts and circumstances which gave rise to the breach.
- iii. Measures preventing any conflict of interest in the assessment and collection of penalties are devised and implemented.
- iv. Written explanations are provided to the offender regarding the nature of the breach and the applicable law, regulation or procedure under which the amount or range of the penalty has been prescribed.
- v. Substantive efforts are undertaken to ensure that voluntary disclosure of a breach is accepted as a potentially mitigating factor.

WTO TFA Article7 Trade facilitation measures for authorized operators:

Core obligation: WTO Members must provide additional trade facilitation measures related to import, export or transit formalities and procedures to operators – including traders and providers of logistics services such as customs agents and freight forwarders who qualify as authorized operators according to a set of specified criteria. Members shall publish these criteria in a non-discriminatory manner and ensure not to restrict the participation of SMEs in the scheme.

Selection criteria: Members are required to employ the following selection criteria to identify authorized operators, as provided in paragraph 7.2: i) Appropriate record of compliance with customs and other related laws and regulations; ii) Record management system for necessary internal controls; iii) Financial solvency and, where necessary, provision of sufficient security and guarantees; and iv) Supply chain security.

Obtaining authorized operator status is a burdensome process for SMEs and they often do not succeed in being accredited. It is crucial to design a mechanism which encourages SMEs participation in authorized operator schemes with S&D Criteria.

Moreover, the measure does not provide specific details on the degree of procedural simplification that should be achieved by Members, leaving to their discretion, for example, to decide to what extent customs documentation is to be reduced.

The checklist to estimate the level of compliance with the measure:

- The legislation authorizing customs to provide authorized operators with additional trade facilitation is enacted;
- The selection criteria to qualify as authorized operators are published and are ideally aligned to international best practices;
- The legislation is inclusive and does not facilitate unjustifiable discrimination based on nationality, size or volume of trade i.e. the programme should be accessible to SMEs under flexible terms;
- The conditions and procedures for granting, modifying or terminating authorized trader status are defined and published;
- Procedures to extend specified facilities to authorized operators are established;
- The legislation allows Members to negotiate mutual recognition of authorized operator schemes with other Members; and
- Information about authorized operator schemes has been duly notified and published.

Pre-arrival processing: Article 7.1:

Core obligation: To set up or keep in place a mechanism that allows traders to submit import documents and other required information ahead of arrival of goods at the port of entry to enable a quicker release of goods on arrival. Electronic advance lodging of documents. This measure also requires to set up a mechanism for the advance lodging of import documents in an electronic format 'as appropriate'.

Scope: To allow pre-arrival submission of the following documents to enable authorities to release goods on arrival:

- i. Import documentation;
- ii. Other required information pertaining to the trade transaction;
- iii. Manifests.

Action Required: 1. To ensure that there is a national implementation framework that allows the submission of import documents, manifests and other information required by customs or other borders agencies to begin processing documents prior to arrival.

2. To allow as appropriate the electronic submission of goods declarations and required supporting documents.

3. To adopt procedures of customs and other border agencies for pre-arrival processing in order to ensure that such pre-arrival declarations are actually processed.

Article 7.3: Separation of release from final determination of customs duties, taxes, fees and charges:

In many cases, it often happens that the customs final clearance is delayed for various reasons, such as decisions pending on the classification and valuation of the goods, laboratory testing, missing documents or disputes against a customs decision.

Customs authorities do not release goods until the clearance procedure has been completed, when all transactions have been terminated and due taxes and duties have been paid. Such delays have a negative impact on traders' supply chains, as the goods are withheld from traders in customs-controlled facilities.

To tackle this issue, Article 7.3 requires Members to allow the release of goods prior to the final determination of customs duties, taxes, fees and charges.

Separating release from clearance means the goods can be released by customs prior to the payment of duties, taxes, fees and charges where the final classification of the goods, assessment of value or other transactions are pending.

Core obligation: WTO Members are requested to establish or maintain a mechanism whereby the goods can be released prior to the final determination of customs duties, taxes, fees and charges.

Conditional release: To release goods before the final determination of duties, taxes, fees and charges, Members may prescribe the following conditions:

- (a) The payment of customs duties and other dues, determined prior to the arrival of goods or at the time of the arrival of the goods, and a guarantee for any amount not yet determined; or
- (b) A guarantee in the form of surety, deposit or other instruments, as provided in their laws and regulations.

Members have the discretion to make the release of goods conditional upon the two requirements listed above but it is not mandatory.

Scope of the guarantee: If a guarantee is requested, the amount of such a guarantee must not be greater than the amount that would be required to pay any dues for the goods.

Once customs duties, taxes, fees and charges have been finally determined and paid – thus making the guarantee no longer necessary – the measure requires Members to promptly discharge such guarantee.

The rights to examine, detain, seize or confiscate goods: The last provision of Article 7.3 clarifies that the TFA does not touch upon Members' rights to examine, detain, confiscate or seize goods in a manner which is not inconsistent with WTO obligations.

The checklist to estimate the level of compliance with the measure:

- a) There is a national implementation framework that provides for the release of goods in case of delay in the final determination of duty, taxes, fees and charges.
- b) The national implementation framework specifies that the amount of guarantee required must be equivalent to the amount of dues for the goods covered by the guarantee.
- c) A system whereby the guarantee is discharged without delay when it is no longer required is set up.
- d) Imposing minimum import price is not compatible with the WTO agreement on Customs Valuation even as a LDC. Therefore, the provisions of the WTO agreement on Customs Valuation as incorporated in Bangladesh by SRO No 57-Ain/200/1812/CD dated 3/02/2000 is applied.

Key challenges: Customs officials with a control mindset may consider the release of goods before the final determination of dues as very risky.

This attitude not only impedes successful implementation of this measure but also hinders the implementation of other correlated trade reform measures, such as pre-arrival processing and risk management.

Traders can struggle to obtain credible financial instruments to serve as guarantees, especially in LDCs where access to finance might be extremely difficult.

Key factors for success: Changing customs authorities' work practices and attitudes is crucial to set up an efficient system which enables the release of goods before payment of dues. A robust monitoring mechanism will be beneficial to ensure continued review of the procedures in order to identify and set forth improvements.

Article 7.4 Risk Management:

Core obligation: WTO Members must undertake the implementation of a risk-based management system for carrying out customs controls on all imports, exports and transit transactions. Customs administrations are required to systematically apply risk management principles to ease the release of goods while at the same time ensuring the safety of the released merchandise.

Ensuring a non-discriminatory approach to risk management: The risk management system shall be adopted in a way that does not allow unjustifiable discretion, arbitrariness or restrictions to international trade. This provision seeks to limit discretionary behavior of customs officials.

Members are required to focus customs controls, and to the extent possible, other relevant border controls, on high-risk consignments, while facilitating the release of low-risk ones.

Combining assessment of customs information and risk-profiling methods, customs authorities can allow a faster release of goods labeled for the green channel, whereas red channel consignments that present a high degree of risk and threat may require mandatory physical inspections.

The measure also specifies that – to the extent possible – WTO Members are called to apply the same high/low risk approach to other relevant border controls to expedite the whole customs clearance and release process. This will require consistent inter-agency consultations.

There is also the option for inspecting consignments on a random basis as part of risk management systems. Therefore, customs authorities have the discretion to apply random customs controls to any inspection should they wish to act more cautiously.

Selectivity criteria: The TFA measure requires WTO Members to base their risk management systems on a set of selectivity criteria. Although not mandatory, the measure suggests that such criteria may – among others – include:

- Goods' nature and description;
- Country of origin;
- Country from which the goods are shipped;
- Value of the goods;
- Compliance record of traders;
- Type of means of transport.

Actions Required: Implementation checklist:

- The legislation requiring customs (and other border agencies) to apply controls on traded and transit goods on the basis of risk management selectivity principles are in place.
- Risk management is designed and applied to avoid arbitrary or unjustifiable discrimination or disguised restrictions to international trade.
- Any provisions in the national implementation framework which requires the inspection of low-risk consignments would be inconsistent with this provision except a consignment randomly selected for inspection and audit.

Article 7.9 Release and Clearance of Perishable goods: For the purpose of the WTO TFA, perishable goods are goods that rapidly decay due to their natural characteristics, particularly in the absence of appropriate storage conditions. They may be more vulnerable to external shocks and require special storage conditions. Perishable goods include agricultural products, fruits and vegetables, fresh meat, fisheries, etc.

WTO Members must provide for a quick release of perishable goods and provide appropriate storage for them pending their release.

For providing storage of perishable goods two options for the storage of perishable goods are available to WTO Members: (1) Members provide for storage of perishable goods pending their release, which implies storage facilities be made available near customs posts at borders or building new facilities dedicated to perishable goods; or

(2) Allowing an importer to organize storage of perishable goods pending their release. In this case, the storage facilities arranged by the importer have to be approved or designated by its relevant national authorities. In all cases, the movement of goods to storage facilities and authorization of the operator moving the goods may require approval by relevant authorities.

Actions to be taken:

1. Ensure facilitated release of perishable goods under 'normal' and 'exceptional' circumstances.
2. Extend working outside business hours under exceptional circumstances.
3. Authorizing storage and movement of perishable goods to arranged storage infrastructure provided by the importer.
4. Providing explanations for significant delay in release of perishable goods.
5. Provide or improve customs storage facilities for perishable goods and provide them with necessary equipment/infrastructure.

WTO TFA Article 8 Border Agency Cooperation

Core obligation: Article 8 requires Members to ensure cooperation between border regulatory agencies at both the national and international level.

National cooperation: All national authorities and agencies responsible for border controls and procedures dealing with importation, exportation, and transit of goods (such as those issuing licences and certificates, testing laboratories etc.) must cooperate with one another and coordinate their activities in order to provide a better end-to-end experience for traders.

Shared border cooperation: The Agreement also requires Members sharing a common border to cooperate, to the extent possible and practicable, with one another with the overarching aim of facilitating trade.

While the following list of cooperation and coordination steps may be used as a starting point, countries are encouraged to explore other areas where they can contribute to improve traders' experience:

- Alignment of working days and hours;
- Alignment of procedures and formalities;
- Development and sharing of common facilities;
- Joint controls;
- Establishment of one stop border post controls.

Implementation checklist to estimate the level of compliance with the measure:

- i. There is a national framework in place ensuring all national agencies responsible for border controls and procedures cooperate and coordinate with each other.
- ii. There is a required level of cooperation with other countries, who share common border crossing points, whenever possible and practicable.
- iii. There is a harmonization of procedures and documentation requirements by all national agencies dealing with importation, exportation and transit of goods.

WTO TFA Article 10 Formalities Connected with Importation, Exportation And Transit

Core obligation: 1) WTO Members are required to periodically review formalities and documentation requirements for the release of imported, exported and transited goods to minimize complexity of laws and procedures. The periodic reviews should ensure that measures are geared towards the rapid release and clearance of goods and to reduce compliance costs and time for traders.

2) To ensure that trade documentation and formality requirements are:

- (a) Minimized in incidence and complexity of operations;
- (b) Decreased and simplified;
- (c) Adopted and applied for quick release of goods;
- (d) Applied in a manner aimed at reducing time and cost of compliance for traders;
- (e) The least trade restrictive measure chosen; and
- (f) Not maintained if no longer required.

The checklist to estimate the level of compliance with the measure:

- Make an executive decision to simplify and standardize import/export procedures and documentary requirements.
- Survey and assess existing commercial practices and official procedures among stakeholders in trade facilitation.
- Raise awareness among stakeholders about plans to introduce simplification measures, explaining its benefits.
- Take action to simplify the process by first eliminating outdated and redundant procedures and documentation requirements by harmonizing with the global best practices.
- Refer to international standards when reviewing essential documentation and formalities.
- Publish and make widely available new documentation and procedural requirements

WTO TFA Article 10.4 Single Window

Scope: Article 10.4 requires WTO Members to attempt to establish or maintain a SW system, which allows traders to submit through a single-entry point documentation and/or data requirements connected to

importation, exportation or transit of goods. Once submitted to the single-entry point, the documents are available to all relevant government authorities for evaluation, the results of which must be notified to the applicants through the system in a timely manner.

Core obligation: This measure requires that Members – ‘shall endeavour’ – to implement this provision and establish or maintain a SW system. When a SW system is in place, however-

Members must process received documentation and communicate results of evaluations to applicants through the SW in a timely manner to ensure that traders do not incur bureaucratic delays.

Paragraph 4.2 requires Members to ensure their agencies do not request traders to provide second copies of documents or data requirements that have already been submitted through the SW.

Members may use information technology to support the establishment and maintenance of the SW. However, the use of the qualifying words ‘to the extent possible and practicable’ introduces a wide degree of flexibility in terms of scope, coverage and technical capacity.

Border agencies will be required to coordinate information sharing and processing operations in the SW system, expediting the clearance and release of goods. Enhanced inter-agency cooperation through the SW system will allow agencies to share best practices and experiences and find innovative solutions to bottlenecks faced by traders.

Actions required: i) Ensure that necessary changes in national legal, institutional, administrative and ICT frameworks are progressing in timely manner.

ii) Harmonize trade and transit documentation and data towards international standards. Progressively integrate the use of information technology.

The checklist to estimate the level of compliance with the measure:

- a) A substantive effort is underway to establish a single entry point for traders to submit required documentation and/or data requirements for importation, exportation or transit of goods only once and to receive responses from all agencies within the SW system.
- b) A concrete and official plan has been established to progressively integrate participation of all appropriate agencies in the national SW system.
- c) Details of the national SW system are notified to the WTO Committee on Trade Facilitation.
- d) Appropriate ICT is used to support the national SW, to the extent possible.

WTO TFA Article 11 Freedom of transit:

Core obligation: To ensure movement of traffic in transit in international trade as disciplined in Article V of the GATT (1994) in a non-trade-restrictive manner, eliminating all unnecessary regulations and prohibiting any voluntary restraints to traffic in transit and securing a non-discriminatory treatment of goods in transit.

Members must also accord the same treatment to the goods in transit as if these were not passing through a third country while moving from the country of origin to the country of destination.

importation, exportation or transit of goods. Once submitted to the single-entry point, the documents are available. It is also provided that the goods in transit in one Member's territory will not be subjected to any customs charges and unnecessary processes that may delay the movement of the goods.

Moreover, this Article specifies that the goods in transit will not be subjected to the requirements of the Agreement on Technical Barriers to Trade.

As soon as the goods in transit reach the point of exit of a Member's territory, customs must not delay their exit if transit requirements have been complied with, by promptly completing necessary procedures to conclude the transit operation.

Cost of transit Paragraph 2 mandates governments not to condition traffic in transit upon collection of fees or charges, except for transportation charges or those charges imposed for administrative expenses, commensurate to the cost of the service rendered.

Guarantees and customs convoys: The TFA does not prohibit Members to seek guarantees for transit. However, when a guarantee is sought, Article 11 states that this instrument must be limited to ensure that the requirements arising from the traffic in transit are fulfilled. Moreover, once the transit requirements have been fulfilled, the guarantee must be immediately discharged without any delay by the transit country authorities.

Article 11 also requires Members to allow the submission of comprehensive guarantees covering multiple transactions for the same operator, or renewal of guarantees without discharge for subsequent consignments.

Coordination and cooperation among Members: Article 11 call WTO Members to endeavour to cooperate with each other to enhance traffic in transit which may include reciprocal understanding of the charges that apply to traffic in transit, formalities and legal requirements, and practical aspects of transit management on MFN basis.

The legal language endeavour means that Members are not bound to mutual cooperation but have to demonstrate that they have at least made some effort to reach an understanding.

The Members may also 'endeavour' to appoint a focal point for transit coordination to whom all queries and information regarding traffic in transit may be directed. Again, this is not mandatory.

Physical infrastructure: Paragraph 5 encourages WTO Members to set up separate physical infrastructure – including separate berths, lanes and corridors – to facilitate traffic in transit 'where practicable'. Members are not obliged to enforce this specific provision but are encouraged to do so if there is national capacity and resources.

The checklist to estimate the level of compliance with the measure:

- a) Procedures, regulations, and formalities for transit are no less favourable than those for import or export.
- b) Restrictions affecting transit are not higher than necessary and they are withdrawn by justifiable changes in circumstances and/or objectives.
- c) Transit is free from customs and other duties except for charges for transportation and administrative expense commensurate with the cost of respective services rendered.
- d) Goods in transit are not subject to quality control or compliance with technical standards.
- e) Once the goods have been authorized to proceed from the point of origin, they are not subject to further charges, formalities and customs inspections until they conclude their transit at their point of destination within the country.
- f) Where goods in transit exit the country, the customs office promptly concludes the transit operation, if transit requirements are met.
- g) Guarantees for goods in transit are allowed and promptly discharged.
- h) A national transit coordinator has been appointed.

WTO TFA Article 12 Customs Cooperation

Core obligation: This measure aims at improving cooperation among customs administrations of WTO Members to foster compliance by businesses and enable freer trade. The measure sets out the scope of cooperation and principles on which such cooperation must be provided.

Members must notify the WTO Committee on Trade Facilitation on details of their contact points for exchange of information. When there are reasonable grounds to doubt the truth or accuracy of an import or export declaration, the Member would make a request through the contact points.

The requested Member must exchange the information, subject to other provisions of Article 12. Members' obligations are limited to provide only specific information, to the extent it is available, as set out in declarations filed with customs including invoices, packing lists, certificates of origin and bills of lading.

Members shall carry out appropriate internal verification procedures for declarations and other relevant documents before making the request to ensure that the information being requested is not already available with the requesting customs administration.

Request Each Member will submit a written request in one of the official WTO languages (English, French or Spanish) or a mutually acceptable language to both countries with the following information:

- Matter at issue and reasons for the request;
- Specific information and/or documents requested;
- Purpose of information requested;
- Identity and the legal mandate of the official making the request;
- Applicable legal provisions in its domestic law, including provisions relating to confidentiality.

Each Member is required to treat any received information as confidential:

- Provide at least the same level of protection and confidentiality as that provided under the domestic law and legal system of the requested Member;
- Not disclose information to third parties without the specific permission of the requested country;
- Use the information received in reply solely for the requested purposes unless mutually agreed otherwise and only share information with the authority concerned.

The requested Member shall provide a response in writing, on paper or electronically. The measure identifies the following documents which can be provided in original or copy, to the extent available:

- Declaration
- Commercial invoice
- Packing list
- Certificate of origin
- Bill of lading

The requested Member must confirm that the documents provided are true copies of the documents, and must, to the extent possible, respond to the request within 90 days from the date of the request.

The requested Member may require an assurance that the information provided will not be used as evidence in criminal investigations, judicial proceedings, or in non-customs proceedings without the specific written permission of the requested Member.

The requested Member may postpone or refuse part or all of the request in the following cases:

- If its domestic law and legal system prevents release of the information or legislation (e.g. information confidentiality);
- If contrary to the public interest as reflected in domestic law or legislation;
- If it impedes law enforcement or otherwise interferes with an ongoing administrative/judicial proceeding, prosecution or proceedings;
- If the consent of the importer or exporter is required to waive confidentiality of information, and consent is not given;
- If the request is submitted after expiration of the legal requirement for retention of documents.

Reciprocity: The requesting Member must only submit requests it would be able to comply with if similarly requested. If not, the requesting Member should state this fact in the request.

The requested Member can choose to execute the request or not. This is a mandatory provision and should be implemented as described in the Article.

Administrative burden: When submitting a request, the requesting Member should balance its fiscal interest and the effort to be made by the requested Member to gather relevant information.

Bilateral and regional agreements: Members have the option to enter into or maintain bilateral, plurilateral or regional agreements to share or exchange customs information and data, in a secure and rapid basis such as on an automatic basis or in advance of arrival of the consignment.

Actions suggested: *Conduct thorough business process analysis of existing procedures and documentation to ensure implementation.*

Put in place protocols for coordination among all relevant national/domestic agencies so that documents and data may be shared with international customs agencies.

FBCCI urges for WTO and WCO support to establish the FBCCI-NBR PPP Project “Bangladesh Trade Facilitation Institute (BTFI)” for capacity building, management and skill development of, among others, the following:

- ***To establish reference and information centre and archive of trade related information, documents, statistics including transaction value database***
- ***To streamline tax and tariff measures, customs valuation, clearance and appeal procedures;***
- ***To operationalize WTO trade remedy measures (Safeguard, Anti-Dumping, Subsidy and Countervailing measures);***
- ***Expediting a coherent trade facilitation services that is closely integrated with the country's overall development strategy;***

Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) would also like to highlight the following trade facilitation issues and strongly urge WCO to extend its fullest cooperation in these regards:

- **Harmonization of cross-border trade regulations,** documents and daily /weekly schedules of working hours (minimum 12 hours all 7 days of the Week) by an end date.
- **Harmonized Tariff Nomenclature** at 8 digit level should be created based on the Harmonized Commodity Description and Coding Systems (HS) of the World Customs Organization by an end date

- **Online publication** in the designated focal point website of relevant trade regulations and procedures, including packaging & labeling requirements, fees and charges, in English. by an end date
- **Simplification of Customs procedures** aimed at cutting the time taken and cost of transactions at each customs point. Regional customs action plan should be implemented by an end date.
- **Effective appeal procedure for Customs and other Agencies rulings must be in place before an end date.**
- Transport and communications infrastructures, port and warehousing facilities should be developed to benchmark levels within specified time frames.
- **Ensure exchange of information** on the prevention and repression of smuggling, trafficking of narcotics and psychotropic substances, and other customs frauds.
- **Rights of transit and movement of vehicles** through the territory of the second country to a third country, as per GATT Article V, should be ensured to facilitate India-Bangladesh-Nepal-Bhutan trade.
- **Appropriate protocol** with regulations on fees and charges with harmonized and simplified customs procedures should be operationalized to expedite third country transit facilitating movement of goods and vehicles to and from Bangladesh through the territories of India-Bangladesh-Nepal- Bhutan and beyond.

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Comprehensive Investment Policy Measures for Sustainable Inclusive Development

Comprehensive Investment Policy Act: The Comprehensive Investment Policy Measures for sustainable inclusive development must be governed by a legally binding law adopted by the Cabinet and the Parliament pursuant to section 13 and 15 of the Bangladesh Constitution and the BIDA Act 2016 so that notwithstanding anything the comprehensive Investment Policy Measures contained in the law and regulations made thereunder are binding for all.

Sound Economic Governance: *All investments, both domestic and foreign, are effective and attractive only within a congenial investment environment. Without an appropriate business climate for investment, promotional efforts might actually make investment less likely and can even be counterproductive.*

It is extremely difficult to convince an investor to come back if he was disillusioned during his very first investment process. The disappointed investor is also likely to be vocal about his disenchantment and, so, discourage other potential investors.

Investors are highly allergic to unpredictable regulatory framework, lack of transparency, judicial complexities & inefficiencies, lengthy and discrete administrative procedures, policy complexities, red tape and property ownership issues weigh heavily upon the investment climate.

The most essential and foremost pre-requisites of congenial investment environment are, among others, the following:-

- One-stop services to simplify regulations and mandate a rapid response to investor requests from each relevant Agency;
- Easing business registration requirements;
- Streamlined administrative procedures to quicken and to reduce the cost of establishing a new investment ensuring post-investment facilitation in most professional way;
- Business friendly laws, regulations and administrative policy environment ensuring most cost effective ease of doing business;
- Investment financing with low transaction costs;
- Cost effective Power, energy, ICT and multimodal transport and communication Infrastructure;
- Appropriate mechanisms for enforcing legal and IPR rights, obligations and settlement of disputes.
- Availability of skilled/quality human capital

Major Elements of Comprehensive Investment Measures for Sustainable Inclusive Development:

Bangladesh should design its investment strategy commensurate with the WTO TRIMS and GATS flexibilities to eliminate and substantially minimize the adverse impact of abusive exploitation of national resources through undervalued exports, disproportionate repatriation of gains and profits causing net transfer of wealth at the cost of the country.

The Investment Measures must be transparent based on the obligatory principles of non-discrimination. FDI and local private and public sector investments must be treated in equal terms including general investment incentives/facilities under common domestic laws, regulations and pre-notified procedures (for example qualifications, standards and licensing matters) and limitations on types of legal entity and on foreign equity participation (equity ceiling). Transfer Pricing Rules should be introduced to monitor transactions of the FDI undertakings.

Privatization and Corporatization: SOEs should be corporatized as public limited companies with a view to facilitating their functions in an efficient, competitive and profitable manner with direct participation of the people in the capital base of the enterprise through capital Market.

SOEs and the private sector enterprises operating on commercial basis should be treated without discrimination and are required to be outside the jurisdiction of Public Procurement Law, 2006 and Public Procurement Rules, 2008 and allowed to function as competitive commercial undertakings, consistent with the general principles of non-discriminatory treatment regarding imports or exports by private traders, as prescribed in *WTO GATT Article XVII: "State Trading Enterprises : 1.* (a) Each contracting party undertakes that if it establishes or maintains a State enterprise, wherever located, or grants to any enterprise, formally or in effect, exclusive or special privileges,* such enterprise shall, in its purchases or sales involving either imports or exports, act in a manner consistent with the general principles of non-discriminatory treatment prescribed in this Agreement for governmental measures affecting imports or exports by private traders."*

Reducing cost of doing business and at the same time ensuring steady and streamlined flow of trade finance is absolutely imperative for Bangladesh to enable its business to meet the growing twin challenges of Bangladesh's graduation from LDC status in 2026 and supporting trade finance during the COVID-19 crisis.

To reform and streamline our supply and demand-side policies and regulatory regimes for simplification, removal of red-tape, unnecessary costs and time to facilitate a business and environment friendly policy regime in a sustainable and predictable manner in close cooperation and coordination among various ministries and departments in partnership with the private sector.

Investment Registration & Certification process: To establish single window system with prudent SoP of the respective line agencies and the sponsoring and promotional sectoral bodies for reducing the cost of doing business by simplifying the existing costly and cumbersome at least 30 different registration and certification requirements in to only five i) land, ii) buildings, iii) fire iv) environment and v) tax, under a binding legal instrument.

To adopt appropriate rules of business for line ministries and agencies for respective sectoral investment and trade facilitation responsibilities by setting up single window service, online exchange of docs, sectoral help and service desks, Skill & HRD, transfer of technology etc.

To equip industrial parks/clusters for the specific sectors and CMSMEs that will provide at breakeven price along with fiscal and financial incentives package, necessary support infrastructure, including: i) ensuring proper infrastructure; ii) common facilities centres for sector specific CMSME producers; iii) providing special uninterrupted utility services; iv) arrangements for waste disposal; and v) ensuring compliance.

To update and adopt cost-effective compliance friendly legally binding laws and regulations to facilitate business with appropriate measures for cost of effective and efficient production chain, sound disposal of wastes and environment-friendly recycling and remanufacturing with technical and financial assistance package as an integral part of economic governance.

Bangladesh should expedite the following global best practices of Circular Chain Management Recycling & Remanufacturing Measures:-

1) Sound circular supply chain management (CSCM): Bangladesh must embrace circular supply chain to reduce waste, save money, save the environment and create jobs. 1) Under this method, used goods or discarded materials are recycled and reused in the production of new items. CSCM is a superior alternative to the traditional linear supply chain paradigm. It incentivizes manu

facturers and retailers to find ways to reuse materials that have been discarded. Lack of laws and policies, lack of structure for CSCM and lack of technical abilities and skilled worker are major challenges in CSCM. Implementation of existing regulations or enactment of new law may be necessary to make CSCM mandatory.

2) Remanufacturing, the ultimate form of recycling and considered to be the best practice of circular economy (Steinhilper, 1998; Fadeyeva 2017), means *“an industrial process whereby used products (referred as cores) are restored to useful life. During this process the core passes through a number of remanufacturing steps, e.g., inspection, disassembly, part replacement/refurbishment, cleaning, reassembly, and testing to ensure it meets the desired products standards; Provided that :-*

- a. any prohibition on used goods shall not apply to remanufactured goods;*
- b. a remanufactured good be identified as such, including through labeling, for distribution or sale,*
- c. the remanufactured good meet all applicable technical requirements that apply to an equivalent good in new condition and*
- d. prohibition or a restriction imposed on a used good shall not apply to a remanufactured good.”*

3) Definition: Repair, Recycling and Reconditioning *” includes the manufacturing process whereby used products (referred as cores) are restored to useful life through a number of manufacturing chain of steps, e.g. inspection, disassembly, part replacement/refurbishment, cleaning, reassembly, and testing to ensure it meets the specified product standards ; Provided that :-*

- a. a recycled and or remanufactured good be identified as such, including through labelling, for distribution or sale,*
- b. the recycled and or remanufactured good will meet all applicable technical requirements that apply to an equivalent good in new condition.*

“Cores” means recovered goods *in the form of individual parts that are the result of (a) the disassembly of used goods into individual parts and (b) cleaning, inspecting, testing, or other processes as necessary for improvement to sound working condition.*

4) US Customs: *“A remanufactured good is a good classified in the Harmonized Tariff Schedule of the United States (HTSUS) Chapters 84 through 90, or under heading 94.02, except goods classified under the HTSUS headings: 84.18, 85.09, 85.10, and 85.16, 87.03, or subheadings: 8414.51, 8450.11, 8450.12, 8508.11, and 8517.11.*

In addition, a remanufactured good is entirely or partially composed of recovered materials; and: (a) has a similar life expectancy and performs the same as or similar to such a good when new and (b) has a factory warranty similar to that applicable to such a good.”

5) European Union: *The shift in business practice from traditional manufacturing to eco-friendly solutions was caused mainly by the application of a number of European Union Directives (e.g. End-of-Life Vehicles ELV Directive 2000/53/EC or RRR 2005/64/EC). All materials originally used in manufacturing of product should be preferable reused at the end of life in the forward supply chain, as so-called re-supply.*

Example: *The average age of car in European countries is around 11 years (ACEA, 2010). This aftermarket trends also create opportunities, including a growing market for Recycled and or remanufactured products. Recycling and or remanufacturing is the common practice of manufacturing chain in automotive industry because 10% of all cars and trucks require an engine replacement during their life.*

Starters and alternators are, beside car engines the most typical products to be remanufactured due to the fact that most car require two of each throughout their lives. These components are mass produced and remanufactured by thousands of companies.

6) Remanufactured goods are highly potential items for export in USA, EU and other OECD Countries. APEC Pathfinder on Remanufactured Goods : 11 participating economies: – Australia, Canada, Chile, Chinese Taipei, Japan, Korea, Mexico, New Zealand, Papua New Guinea, Singapore, United States: Participants agree to:

- *Apply import-related measures specifically concerning used goods only to used goods and not to remanufactured goods.*
- *Refrain from applying import prohibitions against all remanufactured goods or against remanufactured goods in specific sectors.*
- *Treat remanufactured goods like corresponding new goods when applying tariffs or other border charges.*
- *Apply the same technical regulations, conformity assessment procedures, and documentation and import licensing requirements for new goods to remanufactured goods.*

Advantages

- *Significant and growing sector with important economic impact, both in the U.S. and other countries*
- *Lower-cost access to innovative technologies*
- *Environmental benefits*
- *Labor benefits*

7) The four-pronged key to run a successful remanufacturing industry is to ensure:-

1. *Technical and financial capacity building to run sectoral remanufacturing industry;*
2. *Reliable, predictable and sustainable supply of used products (referred as cores) sourced from both domestic and foreign markets;*
3. *Globally acceptable accredited standards certification for the respective remanufactured products preferably on cost effective PPP basis; and*
4. *Facilitating marketing of remanufactured products both domestically and internationally.*

8) Manufacturing Chain Collaboration: *To facilitate constant and structured collaboration between assemblers and component/parts manufacturers by backward linkage and or subcontracting with SMEs.*

9) 1. The New Plastics Economy Global Commitment to address plastic waste and pollution was launched in collaboration with the UN Environment Programme in October 2018 with over 250 signatories.

The Global Commitment now unites more than 400 organizations behind a common vision of a circular economy for plastics, in which plastics never become waste. All business and government signatories have set concrete, public 2025 targets toward the vision to: eliminate the plastic items we don't need; innovate so all plastics we do need are designed to be safely reused, recycled, or composted;

All business and government signatories have set concrete, public 2025 targets toward the vision to:

1. *Eliminate the plastic items we don't need;*
2. *Innovate so all plastics we do need are designed to be safely reused, recycled, or composted; and*
3. *Circulate everything we use to keep it in the economy and out of the environment.*

10) The list of criteria to identify problematic or unnecessary plastics:

1. *It is not reusable, recyclable, or compostable;*
2. *It contains, or its manufacturing requires, hazardous chemicals that pose a significant risk to human health or the environment (applying the precautionary principle);*
3. *It can be avoided (or replaced by a reuse model) while maintaining utility;*
4. *It hinders or disrupts the recyclability or compostability of other items; and*
5. *It has a high likelihood of being littered or ending up in the natural environment.*

11) ETP Management scheme: Common effluent treatment (CETPs), the most cost-effective option for compliance with the requirements of the Environment Protection and pollution control should be set up as joint ventures with government, private sector and NGOs as nonprofit companies registered under the Companies Act. Membership of the CETPs has to be made mandatory for Polluting units and undertakings in the private and public sectors. Sectors should compulsorily be members of CETPs.

The contribution by the government and the International Agencies will [80%] while the industries may provide 10% of the project cost by way of share capital. Global Environmental Facilities, UNDP, UNEP and World Bank, ADB and other donors should be called upon to fulfill the demands of the Bangladesh under LDC Environmental fund operational framework.

Rationalization of Other Investment Facilitation Measures

To facilitate outward foreign investment by Bangladeshi investors in goods and services, including SMEs in GATS Mode 3 & 4, in order to strengthen and accelerate sustainable development by integrating and expanding the Bangladesh's economy with the global investment regimes upholding at the same time the overall interests of the country.

Formulation of appropriate methods of sending the necessary money abroad for investment, bringing the earned profits home and other financial exchange and transaction strategies and procedural policies. Prior approval of the government should be obtained for all types of foreign investment.

All the money/funds sent for investment abroad by the investment applicant institution of Bangladesh and the money invested/sent abroad or dividends earned through business activities abroad, royalties, technical prudence fees, commissions, consulting fees, marketing fees, etc., can be reinvested with due notification to the designated authority in Bangladesh provided that a percentage of such funds should be repatriated to Bangladesh as may be fixed by the Government from time to time.

To prepare a schedule based on different products and services regarding the selection of countries and sectors in the field of investment and the amount and method of investment.

To uphold the security and effectiveness of our foreign investments by coordinating commercial and investment relations with the respective host countries.

Sustainable Policy Cohesion for Exports: More and more production & manufacturing sectors in Bangladesh are now linked with export chain as finished products as well as backward linkage of various items of exports. Therefore, policy bias to promote only 80% export production units should be discarded by expediting policy cohesion on production & manufacturing for export and domestic markets by integrating them to global supply & value chain with sectoral cluster based bonded warehouses and other fiscal facilities, among others, like the following:-

- Withdrawal of all duty, VAT and SD if any from all export products and services including all inputs thereof whether imported or locally produced;
- To set up online single window customs clearance, payments of duty along with duty draw back on exports and deemed exports including all refunds on AIT, AT, VDS as and when applicable.
- Withdrawal of indirect taxes from the utility bills (Electricity, Gas, water and digital services) of the productive sectors;
- Production & Manufacturing units should be exempted from payment of AT & TDS;
- Discontinue double taxation through TDS and VDS which are finally adjusted;
- Technical and Financial support for obtaining accredited certificates for exported and imported goods and services;
- Technical and Financial support for obtaining global registration of IPR for our products and services;
- Facilitating investment abroad to establish warehouses, distribution network and after Sales Service Centres in target markets; and
- Extending financial support for participation in International Exhibitions and market promotion.
- **Integration of production units specially CMSMEs with Global Value Chain:** To boost the process of integration of CMSMEs with the global market and compete with global e-commerce, Bangladesh, Like China, India and Vietnam and others, should take up projects to set up warehouses and distribution network and services centres in destination markets for easy and regular delivery of products to the wholesalers, retailers and consumers.

To expedite cost effective and commercially viable energy and power sector business structure comprising cost effective production, optimum power generation commensurate with the load consumption factor, transportation, transmission, and distribution systems to ensure commercially viable uninterrupted and incremental energy, power and fuel supply at most economic and competitive rates.

To join UN TIR Convention in order to develop multimodal transport network to reduce time and real cost of transport and integrate with the regional and global transport network through UN TIR Convention to derive the benefits of growing regional and international trade without having to undertake any additional obligations other than its commitment under WTO.

To facilitate and expedite effective compliance with the mandates of multilateral trade systems and global market requirements with focus, among others, on the following:

- i) UNGP HR 2011 compliance issues;
- ii) accredited certification for products and services;
- iii) ICC-Incoterms global trade practices;
- iv) Global registration and compliance of IPR.

Action Plan on compliance of UNGP 2011:

The Ten Principles of the UN Global Guiding Principles on Business and Human Rights 2011 are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention against Corruption in the context of the 2030 Agenda for Sustainable Development.

Human Rights:

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights;
- Principle 2: Make sure that they are not complicit in human rights abuses.

Labour:

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: The elimination of all forms of forced and compulsory labour;

Principle 5: The effective abolition of child labour;

Principle 6: The elimination of discrimination in respect of employment and occupation.

Environment:

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility;

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

Governance & Anti-Corruption:

Principle 10: Economic Governance and Businesses should work against corruption in all its forms,

To establish A National Working Group for the implementation and compliance of UNGP 2011 on Business and Human Rights, the mandatory set of guidelines, based on three pillars: protect, respect and remedy that operationalize the UN authoritative framework for the respective duties and responsibilities of Governments and business enterprises to address and uphold human rights.

To identify and eliminate governance gaps to advance UNGP 2011 with due diligence as the part of mandatory Code of Standard Practice, ensuring alignment of the Government's Rules of Business with the Guiding Principles;

- To create incentives to exercise due diligence to drive effective implementation by all public and private entities, State-owned enterprises and agencies;
- To promote greater policy coherence within Governments by strengthening the implementation of national action plans on business and human rights;
- To provide guidance to business enterprises, including small and medium-sized enterprises, on human rights due diligence tailored to local contexts;
- Integration of UNGP with Educational Curricula, HRD schemes, training programmes and capacity building projects.

Actions Recommendations for the Business

- To adopt implement and comply with the mandatory Code of Standard Practice as an integral part of the M&A of the Associations Chambers, management and operational practices of private and public sector business enterprises, ensuring alignment with UNGP;
- To assess existing processes and identify the compliance gap for developing an action plan for putting in place human rights due diligence procedures for their own activities and value chains, in line with the Guiding Principles, including by learning from good practices emerging in their own industry and in other sectors.

Cooperation of International Bodies:

- To provide support for efforts to promote capacity-building and the compliance with the Guiding Principles, as well as, upon request, to provide advice and recommendations regarding the development of domestic legislation and policies relating to business and human rights;

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- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
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Cooperation of International Bodies:

- To provide support for efforts to promote capacity-building and the compliance with the Guiding Principles, as well as, upon request, to provide advice and recommendations regarding the development of domestic legislation and policies relating to business and human rights;

- To work in close cooperation and coordination with other relevant special procedures of the Human Rights Council, relevant United Nations and other international bodies, the treaty bodies and regional human rights organizations;
- To develop a regular dialogue and discuss possible areas of cooperation with the Government and all relevant actors, including relevant United Nations bodies, specialized agencies, funds and programmes, in particular the Office of the United Nations High Commissioner for Human Rights, the Global Compact, the International Labour Organization, the World Bank and its International Finance Corporation, the United Nations Development Programme and the International Organization for Migration, as well as transnational corporations and other business enterprises, national human rights institutions, representatives of indigenous peoples, civil society organizations and other regional and sub-regional international organizations;
- To guide and support with technical and financial assistance the work of the National Working Group, public and private sector enterprises for the implementation of the Guiding Principles in the context of the 2030 Agenda for Sustainable Development.

Trade finance for inclusive and sustainable growth of investments:-

Mobilization of resources: Grants and low-cost loans from development partners and international donor agencies as proclaimed in the following Joint Statement issued on July 1, 2020 by heads of multilateral development banks and the WTO on supporting trade finance during the COVID-19 crisis:- *“We, the World Trade Organization (WTO), International Finance Corporation (IFC, World Bank Group), European Bank for Reconstruction and Development (EBRD), Asian Development Bank (ADB), African Development Bank Group (AfDB), Islamic Trade Finance Corporation (ITFC, part of the Islamic Development Bank Group), and the InterAmerican Development Corporation (IDB Invest, part of the Inter-American Development Bank Group) will continue to assess market developments as needs evolve and each of us will act within our respective mandates to reduce trade finance gaps that emerge during this crisis. We prioritize our support to areas in the world where such support is needed most, particularly the poorest countries. We also call on other relevant financial institutions to support essential trade finance transactions.*

In appreciation of the above the following measures, among others, should be undertaken: -

1. Creation of a grant and low interest credit facility for Trade financing for all including CSMEs through Govt. budget allocation, financing by the donor agencies and funds made available by the concerned grant and loan disbursing banks.
2. More than 70% of manufacturing sector in Bangladesh in terms of manufacturing value added is now export oriented. Therefore, there should be policy cohesion on manufacturing for export as well as imports for domestic markets, for example ensuring Trade (Export-Import) financing for all including CSMEs including other fiscal and monetary policy supports.
3. To provide low-cost loans without collaterals, to be underwritten in lieu of collateral by Bangladesh Bank and international donor agencies, to CSMEs duly authenticated by the respective association/designated support agency.
4. *The Bank client relationship should not be meant to be the unilateral discretion of respective Banks. The term Bank client relationship should be clearly defined on the basis of preset criteria to evaluate the prospects of financing in a particular unit as per National Policies and Regulations.*
5. *The technical competence of the borrower, operational flexibility, and economic viability of the project, rather than the security which the borrower can offer, should be considered in evaluating a credit scheduling proposal.*
6. Credit Guarantee Scheme – Each Commercial banks and non-banking financial institutions (NBFIs) should provide a mandated share of their respective overall disbursed loans to SMEs without asking for any collateral at a simple single digit rate of interest.

7. Introduction of 'factoring' services: Banking Institutions should immediately make a beginning towards solving the problem of delayed payments to SMEs as well as to all Exports from Bangladesh with instant payment under factoring' schemes. The network of Factoring Services should be set up at home and abroad operated through banks

Trade finance should also include the following:-

1. To provide financial assistance to build in house capacity in terms of human resource skill development, technological upgrading, product design market intelligence and export marketing.
2. Establishment of Technology Development/Up gradation Fund for promoting diversified and quality exports specially for CMSME sectors of Bangladesh.
3. Sufficient fund allocation should be made for the modernization and technological development for the CMSME export oriented industrial and Agro ventures and integration of SMEs in global digital trade and e-commerce;
4. To set up sectoral Accredited Standard Certification Bodies preferably on PPP basis to facilitate marketing of products in local and global markets and also set up common testing laboratories in each economic zone and cluster assigned to specific sectors.
5. To extend Technical and Financial support for obtaining accredited quality certificates for exported goods and services. And also, for obtaining global registration of IPR for our products and services.
6. Facilitating investment abroad to promote export and facilitating prudent imports by establishing warehouses, marketing outlets & distribution network and after Sales Service Centers in target markets.
7. To effectively establish and activate network of ICC Incoterms 2020 for facilitating cost effective ease of bilateral import and export transactions.
8. Bangladesh Bank should harmonize and rationalize various service fees charged by the individual banks in imports export transactions.

Classification of Scale of Investments Support Mechanism

Reaffirming and taking into account the fact that, CMSMEs, are the most effective ventures for inclusive economic development, they should be nationally classified in terms of incentives and more favorable treatment and comprehensive support on range of policies to encourage inclusive growth of our economy the following Classification of Investments in terms of entitlement of respective special support measures to be extended to them from time to time.

Notwithstanding anything contained in any provision of any other law and or regulation the "Classification of Investments" to be duly notified with the approval of the cabinet shall be the only national Classification of Investments in terms of entitlement of respective special support measures to be extended to them.

Type of Enterprise	Cottage & Micro Enterprise	Small Enterprise	Medium Enterprise
The amount of investment (Value of fixed assets like land, factory buildings, machinery and working capital)	Below Fifteen crore	Below fifty crore	Below One Hundred crore

Type of Enterprise	Cottage & Micro Enterprise	Small Enterprise	Medium Enterprise
Annual Turnover (Last Income Tax Assessment)	Below Fifty crore	Below two Hundred crore	Below four Hundred crore
Fiscal Policy Support	Reduced VAT and Income Tax rates after Income Tax exemptions for first five years	Turnover VAT 3% Reduced Income Tax rate after Income Tax exemptions for first three years	4% VAT on Goods & 6% VAT on Services
Monetary Policy Support. Collateral Free Soft	30% interest free loan and the rest average cost of fund + 2%	20% interest free loan and the rest average cost of fund + 3%	Average cost of fund + 3% interest.
Loan underwritten by Bangladesh Bank/ Government	interest.	interest.	
Other Support Measures Under Line Ministries and Agencies Leasing industrial plots with interest free and low interest long term loans and grants to Cottage & Micro Enterprise Staters.	Free Technology, HRD and Marketing Supports	Free Technology, HRD and Marketing Supports	Technology, HRD and Marketing Supports on 50% Cost Sharing Basis

Tax & Tariff Rationalization: To rationalize tax and tariff regimes to integrate Bangladesh business and production chain with the global value chain with free flow of goods and services by expediting a rational, transparent and efficient tax, tariff and trade facilitation regime to meet the growing challenges of the post-graduation obligations and global trade competition including, among others, the following:-

1. To ensure that applicable direct and indirect taxes are harmonized with all sectoral local and foreign investments without discrimination with normal direct tax (Global Best Practice) on capital gains, royalties, technical know-how and technical assistance fees, and facilities for their repatriation to integrate most effectively with the global value chain and also strengthen a rational, transparent and efficient trade facilitation system;
2. To identify the necessary steps to strengthen domestic resource mobilization for sustainable and inclusive socio-economic development;
3. To rationalize tariff structure with inter-sectoral policy cohesion and bond facilities to promote cost effective production chain for export as well as for domestic consumptions.
4. To rationalize and simplify Customs procedures by harmonizing with the WTO Agreement on Customs valuation, Trade Facilitation Agreement and the provisions of WCO to reduce the cost of doing business;

5. To set up central warehousing facilities for sourcing, storage and supply of indigenous and imported raw materials to industries in sector specific clusters.
6. To expeditiously implement, among others, the provision of Article 2 of the WTO Trade Facilitation Agreement relating to the process of consultation with the stakeholders before formulation and enforcement of new or amended laws and regulations of application related to the movement, release, and clearance of goods, including goods in transit and the amendment of the respective laws and regulations before the provisions of the amendment to be made through the finance Bill or S R Os are put into effect.
7. To streamline update and harmonize trade facilitation regulatory regime including Mutual tax treaties (pay where you earn), Dispute settlement measures, Access to public procurement practices etc. with its trading partners upholding the global principles of MFN and National Treatment;
8. To harmonize customs duty (CD), regulatory duty (RD) supplementary duty (SD) and other taxes with the National Treatment Provision of WTO and other reciprocal mutual obligations with trading partners;
9. The existing ratio of direct and indirect tax in Bangladesh is around 35:65 which should be reversed to uphold the interest of the consumers and the productive sectors.
10. To discourage permanent revenue protection based industries revenue protection given to nascent industries should be phased out to normal tariff within a span of eight years and industries in general should be integrated with global value chain under a sustainable rationalized tariff structure which expedites free flow of goods and services across the borders.
11. To separate dual functions of conflict of interest regarding enforcement and policy administration functions of NBR, BTTC to be entrusted with the responsibility to expedite Trade and Tariff Facilitation, among others, with the following functions:-
 - a) Rationalization of all taxes and tariffs from time to time and prepare tax and tariff related budget proposals for consideration of the Government;
 - b) Risk management, audit , inspection and investigation;
 - c) Export facilitation and duty draw back on export products including all its inputs whether imported or locally procured.
 - d) Revenue neutral Dispute settlement including ADR and other dispute settlement measures
 - e) Administering Bangladesh Single window being established for trade and tariff facilitation;
 - f) Undertake legal reforms of duties, tax and tariff laws and regulations;
 - g) Administering international trade remedy measures
 - h) Any other functions assigned by the Government from time to time.

Equitable Investment Facilitations Measures:

To rationalize, streamline and harmonize our trade and investment facilitation regulatory regime upholding the global principles of MFN and National Treatment for both FDI and local investments the incentives for all investments should be harmonized with the Common Investment Facilitations Measures to provide all sectoral local and foreign investments without discrimination provided that incase of direct tax measures the global best practice of application of normal tax rates shall prevail as under:-

Present Fiscal Incentives	Proposed Measure FDI and local investments
The private power companies shall be exempt from corporate income tax for a period of 15 years.	Normal Direct tax should be applicable
	Indirect taxes should be harmonized with General Investment Facilitations Measures provided to all sectoral local and foreign investments without discrimination.
Repatriation of equity along with dividends will be allowed freely	Repatriation of equity along with dividends will be allowed as are provided to all sectoral foreign investments without discrimination under the provisions of Transfer pricing regulations.
<ol style="list-style-type: none"> 1) Exemption from income tax in Bangladesh for foreign lenders to such companies. 2) Exemption of income tax for up to three years for the expatriate personnel employed under the approved industry. 	Normal Direct Tax (Global Best Practice)
The companies will be exempted from the requirements of obtaining insurance/reinsurance only from the National Insurance Company, namely Sadharan Bima Corporation (SBC). Private power companies will be allowed to buy insurance of their choice as per requirements of the lenders and the utilities.	All requirements for Insurance Coverage should be harmonized with General Investment Facilitations Measures provided to all sectoral local and foreign investments without discrimination.
The Instruments and Deeds required to be registered under local regulations will be exempted from stamp duty payments.	The stamp duty payments against Instruments and Deeds required to be registered under local regulations will be as prescribed in the General Investment Facilitations Measures provided to all sectoral local and foreign investments without discrimination.
<ol style="list-style-type: none"> 1. Tax exemption on royalties, technical know-how and technical assistance fees, and facilities for their repatriation. 2. Tax exemption on interest on foreign loans. 3. Tax exemption on capital gains from transfer of shares by the investing company 	Normal Direct Tax (Global Best Practice)
Avoidance of double taxation in case of foreign investors on the basis of bilateral agreements.	Pay Tax where earned (Global Best Practice)

Action Matrix for Comprehensive Investment Policy Measures

Group 1 Policy Measures:

1. Comprehensive Investment Promotion Act;
2. Sound Economic Governance;
3. Privatization and Corporatization;
4. Investment Registration process;
5. To facilitate outward foreign investment by Bangladeshi investors in goods and services in GATS Mode 3 & 4.
6. Circular Chain Management Recycling & Remanufacturing Measures,
7. Manufacturing Chain Collaboration:
8. The Plastics Economy;
9. Waste management & ETP Management schemes;

Lead Ministry: PMO with implementing partners-Ministry of Industries and RAB designated other line Ministries and administering line Agencies in partnership with the stakeholders including FBCCI.

Group 2 Policy Measures:-

- I. To facilitate and expedite effective compliance with the mandates of WTO global trade systems and market requirements;
- II. Tax & Tariff Rationalization;
- III. Equitable Trade & Investment Facilitations Measures;
- IV. Sustainable Policy Cohesion for Exports;

Lead Ministry: PMO with implementing partners-Ministry of Commerce and RAB designated other line Ministries and administering line Agencies including NBR in partnership with the stakeholders including FBCCI.

Group 3 Policy Measure:- To expedite most economic, cost effective and commercially viable energy and power sector business structure.

Lead Ministry: PMO with implementing partners-Ministry of Energy and power Commerce and RAB designated other line Ministries and administering line Agencies including BERC in partnership with the stakeholders including FBCCI.

Group 4 Policy Measures:- Trade finance for inclusive and sustainable growth of investments; and Classification of Scale of Investments Support Mechanism;

Lead Ministry: PMO with implementing partners-Ministry of Finance and power Commerce and RAB designated other line Ministries and administering line Agencies including BB in partnership with the stakeholders including FBCCI.

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Intellectual Property Rights: Action Plan for Bangladesh 2026 and Beyond

About Intellectual property rights (IPRs): Intellectual property rights are the rights given to the right-holders over their intellectual creations by an exclusive right over the use of the creations for a certain period of time. Intellectual property rights (IPRs) adopted by WIPO and as applied under WTO TRIPS Agreement are not only more economically important today but also very crucial in balancing the rights of IPR holders, ensuring free and competitive economy and promoting the interests of the consumers.

International IP Regime: Effective protection, maintenance and enforcement of IPRs under the policy space provided in the WTO TRIPS Agreement is of paramount importance for the promotion of long-term benefits and advantages for Bangladesh in both the domestic, regional and international markets by promoting innovation, mobility transfer and adoption of technological advances for increased productivity, employment and better living through dissemination, on appropriate facilitating terms through compulsory licensing, incentives, technical and financial co-operation.

Patents, copyrights, trademarks, industrial designs, integrated circuits and geographical indications are discussed and debated issues on such diverse topics as public health, food security, education, trade, industrial policy, traditional knowledge, biodiversity, biotechnology, the Internet, the entertainment and media industries. An understanding of IPRs is therefore indispensable to appropriate policy making in all areas of human development.

IPR Regime under WIPO: The World Intellectual Property Organization (WIPO) was established on 14 July 1967, which entered into force in 1970. It has been a specialized agency of the United Nations since 1974 and administers a number of international unions or treaties in the area of intellectual property, such as the Paris and Berne Conventions.

- WIPO's objectives are to promote intellectual property protection throughout the world through cooperation among states and, where appropriate, in collaboration with any other international organization.
- WIPO also aims to ensure administrative cooperation among the intellectual property unions created by the Paris and Berne Conventions and sub-treaties concluded by the members of the Paris Union.
- WIPO's secretariat, the "International Bureau", maintains international registration services in the field of patents, trademarks, industrial designs and appellations of origin.
- WIPO also undertakes development cooperation for developing countries through advice, training and furnishing of documents.

An agreement on cooperation between WIPO and the WTO came into force on 1 January 1996. The agreement provides cooperation in three main areas:

- Notification of, access to and translation of national laws and regulations
- Implementation of procedures for the protection of national emblems
- Technical cooperation.

The WHO-WIPO-WTO COVID-19 Technical Assistance Platform was established by the agreement of the Directors General of **WHO, WIPO** and WTO within the existing Trilateral cooperation framework, in order to:

- Provide a one-stop shop that will make available the full range of expertise of the three organizations, and other partners, regarding the interface of public health, IP and trade matters in a coordinated and systematic manner;
- Within that framework, support members seeking to address their needs for COVID-19 vaccines, medicines and related technologies; and
- Facilitate and provide timely and tailored technical assistance, upon request, in making full use of all available options to access vaccines, medicines and technologies, including through coordination and exchange between members facing similar challenges.

Effective protection, maintenance and enforcement of IPRs under the policy space provided in the WTO TRIPS Agreement may promote, among others, the following medium and long term benefits and advantages to both the domestic and international markets:

- Curb domestic and global trade in pirated copyright and counterfeit trademarked products.
- Boosts foreign and local investors' confidence, hence influence their investment policies and decisions;
- Promotes technology transfer and dissemination, on appropriate facilitating terms through compulsory licensing, incentives, technical and financial assistance
- Stimulates and gives impetus to creativity and technological innovation, hence increased productivity of quality products;
- Increases IP consciousness levels and capacity-building activities, hence wealth creation, investment promotion and employment creation;
- Facilitates, expedites and protects market share of Value added products in domestic and foreign markets through international IPR branding.

Intellectual property rights and Economic growth: The impact and relevance of intellectual property to development and its effects on technology transfer: UNIDO Research Project "Public Goods for Economic Development 2006: Economists estimate that two-thirds of the value of large businesses in the U.S. can be traced to intangible assets. "IP-intensive industries" are estimated to generate 72 percent more value added (price minus material cost) per employee than "non-IP-intensive industries.

Bangladesh IPR: Bangladesh is a founder member of WTO, bypassing thereby the very demanding and grueling process of negotiations for accession, due to one of the most remarkable foresights of the Government of Bangladesh under the historic leadership of Bongo-Bondhu Sheikh Mujibur Rahman to join the GATT with effect from 16th December 1971, the very glorious day of victory in our war of liberation.

The TRIPS (Trade Related aspects of Intellectual Property rights) Agreement is the legal framework under which Bangladesh along with all WTO member countries are required to comply with the following two substantive obligations of the main conventions of WIPO:-

1. The Paris Convention on Industrial properties: This includes (1) the protection of distinctive signs such as trademarks and geographical indications, and (2) industrial property protected primarily to stimulate innovation, design and the creation of technology. In this category fall inventions (protected by patents), industrial designs and trade secrets.

2. Berne Convention on Copyright i.e. rights granted to authors of literary and artistic works, and the rights of performers, producers of phonograms and broadcasting organizations. The main purpose of protection of copyright and related rights is to encourage and reward creative work.

The text of the TRIPS Agreement makes use of the provisions of some other international agreements on intellectual property rights:

- WTO members are required to protect integrated circuit layout designs in accordance with the provisions of the Treaty on Intellectual Property in Respect of Integrated Circuits (IPIC Treaty) together with certain additional obligations.
- The TRIPS Agreement refers to a number of provisions of the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (Rome Convention), without entailing a general requirement to comply with the substantive provisions of that Convention.
- Article 2 of the TRIPS Agreement specifies that nothing in Parts I to IV of the agreement shall derogate from existing obligations that members may have to each other under the Paris Convention, the Berne Convention, the Rome Convention and the Treaty on Intellectual Property in respect of integrated circuits.

The International Union for the Protection of New Varieties of Plants (UPOV): UPOV is an independent, international, intergovernmental organization, with an international legal personality. UPOV cooperates very closely in administrative matters with the World Intellectual Property Organization (WIPO). The Secretary-General of UPOV is the Director General of WIPO. The Convention as revised in 1991 is called "the 1991 Act."

MFN Exception: All members, even those availing themselves of the longer transitional periods, have had to comply with obligations on national treatment (equal treatment for foreign and domestic individuals and companies, Article 3) and most-favoured-nation treatment (non-discrimination between foreign individuals and companies, Article 4) from 1 January 1996.

Bangladesh has already complied with the respective conventions and grant IPRs as per TRIPS Article 3, 4 and 5. Therefore LDCs TRIPS waiver upto 1 July 2034 is no longer relevant for Bangladesh except for pharmaceutical and agricultural chemical products.

Bangladesh is currently party to the following agreements, bodies, treaties and protocols –

- Convention establishing the World Intellectual Property Organization (WIPO) - May 11, 1985
- The Paris Convention for the Protection of Industrial Property - March 3, 1991
- Berne Convention for Protection of Literarily and Artistic Works - May 4, 1999
- Universal Copyright Convention - May 5, 1975.
- The GATT & TRIPs (WTO Agreement) - April 15, 1994.

Moreover, Bangladesh is a contracting party to the following IP-related multilateral treaties

- Convention on the Protection and Promotion of the Diversity of Cultural Expressions (31 August 2007)
- International Plant Protection Convention (2 October 2005)
- International Treaty on Plant Genetic Resources for Food and Agriculture (29 June 2004)
- Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) (1 January 1995)
- Convention on Biological Diversity (1 August 1994), including Cartagena Protocol on Biosafety (5 May 2004).
- Convention concerning the Protection of the World Cultural and Natural Heritage (3 November 1983)
- Protocol 1 to Universal Copyright Convention 1952 (5 August 1975)
- Protocol 1 to Universal Copyright Convention 1971 (5 August 1975)
- Protocol 2 to Universal Copyright - Convention 1971 (5 August 1975)
- Universal Copyright Convention 1952 (5 August 1975)
- Universal Copyright Convention 1971 (5 August 1975)
- **Plant Variety Rights and Seed Industries:** Bangladesh is a party to Convention on Biological Diversity (CBD) and International Treaty on Plant Genetic Resources for Food and Agriculture (ITPGRFA).

Commercialization of plant variety rights: In Bangladesh, plant breeding and variety development is primarily conducted by the seven public research institutions associated with the National Agricultural Research System (NARS) - both independently and in collaboration with international ARIs.

Bangladesh Rice Research Institute has collaboration with International Rice Research Institute and has released 52 rice varieties. The Seed Policy of 1993 and Seed Rules 1998 help increasing private sector participation in seed production through multiplication of seeds and imports.

TRIPS Article 27.3(b) UPOV and CBD: The 1991 Act of the UPOV Convention entered into force on April 24, 1998. States adhering to the UPOV Convention undertake to create a system for the grant of plant breeders' rights, within their domestic laws, in accordance with internationally agreed and uniform principles.

Scope of the Breeder's Right: Article 5 of the 1991 Act provides that the prior authorization of the breeder "shall be required for: - the production for purposes of commercial marketing, - the offering for sale,- the marketing - of the reproductive or vegetative propagating material, as such, of the variety."

Farmer's Privilege: The fact that under Article 5 further provides that the breeder's authorization is only required for the production of propagating material "**for purposes of commercial marketing**" means that production of propagating material that is not intended for marketing, but only for use on the farm where it was produced, falls outside the scope of protection. This has the effect of creating the "farmer's privilege," whereby farmers may replant on their farms propagating material from the previous year's harvest.

On the other hand, Article 14(1) of the 1991 Act provides that, in respect of the propagating material of a protected variety, any production, reproduction (multiplication), conditioning for the purpose of propagation, offering for sale, selling or other marketing, exporting or importing, or stocking for any of these purposes, shall require the authorization of the breeder.

However, Article 15(2) of the 1991 Act entitles States to the option of excluding the planting of farm-saved seed from the requirement for the breeder's authorization. The Diplomatic Conference formally recommended that the provision of Article 15(2) "should not be read so as to be intended to open the possibility of extending the practice commonly called "farmer's privilege" to sections of agricultural or horticultural production in which such a privilege is not a common practice."

Farmers cannot freely save seeds for their own use: The 1991 Convention does not protect the rights of farmers to freely use their harvest as further planting material. In practice, the right to reuse seed will be restricted to those countries which make special provision for it.

Minimum Standards: TRIPS Agreement requires members to comply with certain minimum standards for the protection of intellectual property rights covered in it. But Members may choose to implement laws which give more extensive protection than is required in the agreement, so long as the additional protection does not contravene the provisions of the agreement. This is why the TRIPS Agreement is sometimes described as a “minimum standards” agreement.

TRIPS Waiver for LDC: Article 66.1 of the TRIPS Agreement initially allowed LDC members an 11-year transition period, until 2006. This transition period has been extended three times in response to specific requests from the LDC Group. In its decision of 29 November 2005, the TRIPS Council extended the period until 1 July 2013, and on 11 June 2013, it extended it again until 1 July 2021. Most recently, on 29 June 2021, the Council extended it further until 1 July 2034 — or when a particular country ceases to be in the least developed category if that happens before 2034.

For pharmaceuticals, the 2001 Doha Ministerial Declaration on TRIPS and Public Health had already instructed the TRIPS Council to extend the period for them to comply with provisions on pharmaceuticals until 2016. In November 2015, the TRIPS Council agreed to further extend exemptions on pharmaceutical patent and undisclosed information protection for least-developed countries until 1 January 2033 or until such date when they cease to be a least-developed country member, whichever date is earlier.

Mailbox: To complement this decision, the General Council also decided to waive certain obligations regarding mailbox applications and exclusive marketing rights that would otherwise apply to least developed country Members pursuant to Article 70.8 and 70.9 of the TRIPS Agreement.

DECISION OF THE COUNCIL FOR TRIPS OF 6 NOVEMBER 2015 on TRIPS Article 70 (8) & (9) Mailbox:

1. The obligations of least developed country Members under paragraphs 8 and 9 of Article 70 of the TRIPS Agreement shall be waived with respect to pharmaceutical products until 1 January 2033, or until such a date on which they cease to be a least developed country Member (2026 for Bangladesh), whichever date is earlier.

Affordable Medicine and Health Care Service On graduation in 2026 Bangladesh will need to align intellectual property rights regulations for the pharmaceutical industry to the requirements of the Agreement on Trade-Related Intellectual Property Rights (TRIPS). This may impact the industry and lead to higher drug prices for consumers in both Bangladesh and other countries, including other LDCs.

Compulsory Licensing: The TRIPS agreement allows compulsory licensing as part of the agreement's overall attempt to strike a balance between promoting access to existing drugs and promoting research and development into new drugs. TRIPS Article 31 allows compulsory licensing and government use of a patent without the authorization of its owner. But this can only be done under a number of conditions aimed at protecting the legitimate interests of the right holder.

Compulsory licensing is usually associated with pharmaceuticals, but it could also apply to patents in any field - and the TRIPS Agreement does prohibit discrimination between fields of technology.

For example: Unless there is an emergency the person or company applying for a license must have first attempted, unsuccessfully, to obtain a voluntary license from the right holder on reasonable commercial terms, and adequate remuneration must be paid to the right holder.

The authorization granted under compulsory licensing must also meet certain requirements. In particular, it cannot be exclusive, and it must as a general rule be granted predominantly to supply the domestic market. However, for "national emergencies", "other circumstances of extreme urgency" or "public non-commercial use" (or "government use") or anti-competitive practices, there is no need to try for a voluntary license.

Grounds for using compulsory licensing: The TRIPS Agreement does not specifically list the reasons that might be used to justify compulsory licensing. In article 31, it does mention national emergencies, other circumstances of extreme urgency and anti-competitive practices -but only as grounds when some of the normal requirements for compulsory licensing do not apply, such as the need to try for a voluntary license first.

Technology transfer to LDCs: TRIPS Article 7 ("Objectives") states that the protection and enforcement of intellectual property rights should contribute to the promotion of technological innovation and to the transfer and dissemination of technology, to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economic welfare, and to a balance of rights and obligations.

Developed countries are required to give incentives to their companies and other institutions to transfer technology to least developed countries (TRIPS Art.66.2). The obligation for developed countries to provide incentives for technology transfer is in Article 66.2. Additionally, climate change negotiators have been discussing the link between technology transfer and the TRIPS Agreement.

Fifteen developed countries, including the EU and seven of its members individually, submitted detailed reports on technology transfer as part of an annual review. However, least developed countries lament that "the vast amount of information given on those reports is difficult to digest". In fact, appropriate response in this regard from the developed countries are very poor indeed. They are virtually nonresponsive."

Technical and financial cooperation commitment: Article 67 of the TRIPS Agreement says developed country members must provide, on request and on mutually agreed terms and conditions, technical and financial cooperation in favour of developing and least-developed country members. To ensure access to relevant information in this regard, developed country

members have agreed to present annually to the TRIPS Council a description of their technical cooperation activities in the area of intellectual property.

Article 69 of the agreement requires members to establish and notify contact points in their administrations for the purposes of cooperation with each other aimed at the elimination of trade in infringing goods.

Anti-monopoly measures: IPR breeds Monopoly: Since IPR holders engage in monopoly pricing that distorts consumer choice, strengthening IPR protection can lead to welfare reductions, particularly in a country that undertakes little or no R&D and would otherwise be able to free ride on foreign innovations.

TRIPS article 40 sets out a general right for countries to establish and enforce anti-monopoly policies for the purposes of combating abusive technology licensing practices. There exist a range of domestic policies that are consistent with TRIPS and which can offset such market power effects. Examples include price controls, compulsory licenses, and parallel imports.

Enhanced market power through stronger IPR protection may facilitate other forms of anti-competitive behaviour, including selling practices and licensing restrictions These include:

- The cartelization of potential competitors through cross licensing agreements that fix prices, limit output or divide markets;

- The use of IPR-based licensing agreements to exclude competitors in particular markets by raising entry barriers through tie-in sales or restrictions on the use of related technology;
- The use of IPR protection to predate competitors by threatening or initiating bad faith litigation and opposition proceedings, which may raise market entry barriers particularly for new and small enterprises.

Bangladesh IPR: Bangladesh has incorporated the IP-related multilateral Conventions and Treaties the Paris Convention for the Protection of Industrial Property - March 3, 1991; Berne Convention for Protection of Literarily and Artistic Works – May 4, 1999; Universal Copyright Convention - May 5, 1975 along with relevant Treaties, conventions and protocols under WIPO and complied with the respective conventions and grant IPRs according to the terms of WTO and grant IPR registration under its domestic regulations as per WTO TRIPS Article 3, 4 and 5 except for pharmaceutical and agricultural chemical products. Bangladesh has thus achieved the milestone of being an IPR compliant country, notwithstanding LDC TRIPS waiver unto 1 July 2034.

Bangladesh has the option not to provide patent protection for pharmaceutical and agricultural chemical products unto 1 July 2033 (Art 65.4), without “mailbox” provision of ART 70.8 & 70.9 of the TRIPS Agreement which, however, will be terminated in November 2026.

IPR Enforcement: The TRIPS Agreement is the only international agreement that describes intellectual property rights enforcement in detail, including rules for obtaining evidence, provisional measures, injunctions, damages and other penalties. It says courts must have the right, under certain conditions, to order the disposal or destruction of goods infringing intellectual property rights.

Willful trademark counterfeiting or copyright piracy on a commercial scale must be subject to criminal offences. Governments also have to make sure that intellectual property rights owners can receive the assistance of customs authorities to prevent imports of counterfeit and pirated goods. The agreement gives members the freedom to determine the appropriate method of implementing the provisions of the agreement within their own legal system and practice.

IPR Enforcement Cost: The enforcement cost shall be borne by private parties as IPR is private right in nature, and enforcement activities ought to be planned on a cost-benefit basis from a socially optimal perspective.

Bangladesh is a compliant country on IPR Enforcement obligations set under the terms of Article 41.5 of the TRIPS Agreement: “The enforcement cost shall be borne by private parties as IPR is private right in nature and enforcement activities ought to be planned on a cost benefit basis from a socially optimal perspective.” ...

“Nothing in this Part (Part III Enforcement of Intellectual Property Rights) creates any obligation with respect to the distribution of resources as between enforcement of intellectual property rights and the enforcement of law in general.

Bangladesh is also a IPR compliant country as prescribed in Bangladesh-USA TICFA Preamble: “Recognizing the importance of providing adequate and effective protection and enforcement of intellectual property rights and adherence to intellectual property norms in accordance with the World Trade Organization (WTO) Agreement on Trade Related Aspects of Intellectual Property Rights, the Berne Convention on the Protection of Literary and the Artistic works and any other intellectual property rights related international agreements as applicable to the parties”

US: U.S. Customs and Border Protection (CBP) has the authority to detain, seize, forfeit, and ultimately destroy merchandise seeking entry into the United States if it bears an infringing trademark or copyright that has been registered with the U.S.

EU: 1. This Regulation sets out the conditions for action by the customs authorities when goods are suspected of infringing an intellectual property right in the following situations:

c) Goods which, in the Member State in which the application for customs action is made, infringe:

(i) A patent under that Member State's law;

(ii) A supplementary protection certificate of the kind provided for in Council Regulation (EEC) No 1768/92 (1) or Regulation (EC) No 1610/96 of the European Parliament and of the Council ; (iii) a national plant variety right under the law of that Member State or a Community plant variety right of the kind provided for in Council Regulation (EC) No 2100/94 ; (iv) designations of origin or geographical indications under the law of that Member State or Council Regulations (EEC) No 2081/92 and (EC) No 1493/1999 ; (v) geographical designations of the kind.

2. For the purposes of this Regulation, 'right-holder' means: (a) the holder of a trademark, copyright or related right, design right, patent, supplementary protection certificate, plant variety right, protected designation of origin, protected geographical indication and, more generally, any right referred to in paragraph 1.

China: Customs protection of intellectual property rights used in these Regulations refers to the protection provided by the Customs for the exclusive rights to use a trademark, copyrights and their related rights, and patent rights (hereinafter referred to as intellectual property rights) related to import or export goods and protected under the laws and administrative regulations of the People's Republic of China.

IPR and Consumer Interest at Home and Abroad: The WTO TRIPS agreement gives members the freedom to determine the appropriate method of implementing the provisions of the agreement within their own legal system and practice keeping in view the interests of consumers in general.

Developed countries US, EU and Japan may undertake to strengthen, streamline and ensure most effective functional efficiency IPR Regime of Bangladesh by capacity development of the organizational capacity and efficiency of the concerned IPR administrative agencies, strengthening and upgrading qualitatively and quantitatively IPR trained permanent and specialized manpower along with befitting infrastructure so that they can function with incremental efficiency.

Bangladesh after graduation from LDC status in 2026 will also be subject to Article 69's obligation to notify

1. Contact points for the exchange of information on trade in infringing goods;
2. TRIPS Council decision requiring members to notify responses to a checklist of questions on enforcement;
3. To provide information regarding the protection of geographical indications; and
4. the patentability of plants and animals;
5. Moreover, laws and regulations notified pursuant to Article 63.2 will be reviewed by the TRIPS Council. Some of the graduating LDCs, including Bangladesh and Vanuatu, have already made progress in notifying some of their IP legislation under Article 63.2.

International branding of Bangladesh products through Global IPR Registration: Although Bangladesh has complied with its IPR obligations under WTO it is yet to join as a party to any of the three Global IPR Protection Systems which will facilitate global IPR registration of Bangladesh products by filing a single application in Bangladesh with only 10% of fees and enhance its value-added global trade without having to undertake any additional international obligations other than what it has already undertaken:-

1. Madrid Agreement on Trademarks;
2. The Hague Agreement on Industrial Designs; and
3. The Patent Cooperation Treaty.

Sri-Lanka, Vietnam and thirty LDCs are already parties to Patent Cooperation Treaty. Sri-Lanka, Vietnam and twelve LDCs including Bhutan are already parties to Madrid Agreement on Trademarks. Sri-Lanka, Vietnam and four LDCs are already parties to the Hague Agreement on Industrial Designs.

Agro & food products, articles of apparel and clothing. home textiles, leather products, footwear, pharmaceutical products, plastic and plastic goods, ceramics and table wear, electric & electronic goods, fish and frozen fish, furniture, jute products, jewelry, IT and software are among the most promising and priority products of Bangladesh for global IPR Registration.

Membership of these Global IPR registration Systems will facilitate global IPR registration of Bangladesh products by filing a single application in Bangladesh with only 10% of prescribed fees and enhance its value added global trade without having to undertake any additional international obligations other than what it has already undertaken and adopted in its own domestic regulations.

Membership of these international IPR registration Systems of World Intellectual Property Organization will also generate most profitable source of revenue against global IPR registrations for the contracting member states from international registration and renewal of fees and charges.

Three Global IPR Registration System:

The Patent Cooperation Treaty or "PCT" 1978 makes it possible to seek patent protection for an invention simultaneously in each of a large number of countries by filing an "international" patent application. Such an application may be filed by anyone who is a national or resident of a PCT Contracting State. "PCT" entered into force on January 24, 1978 and became operational on June 1, 1978.

Madrid Agreement (Marks) The Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to that Agreement. The system of international registration of marks is governed by two treaties, the Madrid Agreement Concerning the International Registration of Marks, which dates from 1891, and the Protocol Relating to the Madrid Agreement, which was adopted in 1989, entered into force on December 1, 1995, and came into operation on April 1, 1996.

The Madrid System is a convenient and cost-effective solution for registering and managing trademarks worldwide. File a single application and pay one set of fees to apply for protection in up to 116 countries. Modify, renew or expand your global trademark portfolio through one centralized system.

National & International Fees: The Office of the country of origin may fix, at its own discretion, and collect, for its own benefit, a national fee which it may require from the proprietor of the mark in respect of which international registration or renewal is applied for. For international applications filed by applicants whose country of origin is a Least Developed Country, in accordance with the list established by the United Nations, the basic fee is reduced to 10% of the prescribed amount.

The Hague Agreement Concerning the International Deposit of Industrial Designs. Two Acts of the Hague Agreement are currently in force: the London Act of 1934 and The Hague Act of 1960 referred to respectively as "the 1934 Act" and "the 1960 Act". The main aim of the international deposit of industrial designs is to enable protection to be obtained for one or more industrial designs in a number of States through a single deposit filed with the International Bureau of WIPO. This provides a practical business solution for registering up to 100 designs in over 62 territories through filing one single international application.

A part of the fees paid by depositors is distributed each year, by the International Bureau, to the competent authorities of the States party to the Hague Agreement.

Industrial designs: The ornamental or aesthetic aspect of an article consisting three-dimensional features, such as the shape or surface of an article, or of two-dimensional features, such as patterns, lines or colour are applied to a wide variety of products of industry and handicraft from technical and medical instruments to watches, Jewellery, and other luxury items; from house wares and electrical appliances to vehicles and architectural structures; and from textile to leisure goods. An effective system of protection of industrial design helps to ensure a fair return on investment and also benefits consumers and the public at large, by promoting fair competition and honest trade practices.

Advantages of the Global Registration: According to the respective Treaties, Agreements, Acts, Rules and Regulations, 1. Patent Cooperation Treaty (PCT); 2. Madrid System of Trademark registration and 3. Hague System of International Design Registration is merely filing system of Patent, Trademark and industrial design holders, and government/IPR offices for international application through the windows of these agreements. The benefits are summarized as under:

PCT System: The PCT's one-step filing saves time and money because it eliminates the need for the applicant to appoint patent-attorney/agent on his or her behalf to file in other countries. It is thus more efficient and economical for: (1) users of the patent system (applicants and inventors); and (2) patent Offices.

Advantages for Patent Offices: The PCT system offers enormous relief to the national patent offices. The search by ISAs and the preliminary examination are very voluminous and difficult task as hundreds (at times even thousands of pages) are enclosed as supporting documents with patent application. The search report and preliminary examination obtained from ISAs are of the world class; such worldwide search (a difficult task) and preliminary exam is not possible on the part of national patent office like DPDT of Bangladesh with its limited skills, manpower and technology.

Patent Offices benefit, in respect of most applications filed by foreigners, from an international search report and an international preliminary examination report. Their search costs are also thereby reduced.

Non-examining Offices receive an application which has already been examined as to form, which is accompanied by an international search report and by an international preliminary examination report. National authorities involved in approving licensing agreements likewise benefit from the greater value of a patent granted on the basis of an international application. As the decision on granting patents is made exclusively by national patent office in the national phase according to the provisions of National Patent laws, the PCT system upholds sovereignty of member countries.

Advantages for the Applicant: Under the PCT, the applicant files only one application (the international application), within the priority year, with effect in all States he has designated; that application, which may be filed until the last day of the priority year, may be identical both as to language and form with his own national application.

National inventors (patent applicants/holders) will be benefited in respect of cost and time for filing patent applications in multiple (Designated) countries with a single patent application on joining Bangladesh in the PCT.

Advantages for the National Economy and for Industry: The patents granted on the basis of international applications will usually provide a sounder basis for investment and transfer of technologies.

Technological progress is an essential factor of national economic development. It is recognized that real technological progress cannot be achieved or cannot continue in a country, however industrialized, without constant stimulation of domestic inventive activities and at the same time importation (via licenses) of advanced technologies from foreign countries.

Lesser FEE: An applicant who is a natural person and who is a national of and resides in a State whose per capita national income is below a certain level, based on income figures used by the United Nations for determining its scale of assessments for contributions to it, is entitled to a sizable reduction of certain PCT fees, including the international fee.

Share of International Registration Fees: Part of the fees collected by the International Bureau is transferred to the Contracting Parties in which protection is sought. Furthermore, if the International Registration Service closes its biennial accounts with a profit, the proceeds are divided among the Contracting Parties.

Refusal: National Requirements: (8) Nothing in this Treaty and the Regulations is intended to be construed as limiting the freedom of any Contracting State to apply measures deemed necessary for the preservation of its national security or to limit, for the protection of the general economic interests of that State, the right of its own residents or nationals to file international applications.

Bangladesh, for as long as it remains LDC, has the option not to provide patent protection for pharmaceutical until 1 January 2033 and agricultural chemical products until 1 July 2034 (Art 65.4) irrespective of whether it is a party or not to the WIPO International IPR Registration Systems like PCT, Madrid or the Hague Agreements.

Bangladesh DPDT office reserves the right to decide granting of patents. DPDT receives foreign patent applications (around 80-90%) and grant patents in all fields of technology except pharmaceuticals and agrochemicals. There will be no change even after joining PCT because PCT is merely a filing system. Bangladesh will continue to enjoy all benefits offered to LDCs if Bangladesh remains the LDC even after joining the PCT.

IPR Classifications

1. The Locarno Agreement Establishing an International Classification for Industrial Designs is a multilateral international treaty was signed on October 8, 1968. It entered into force on April 27, 1971. The Agreement has established a Committee of Experts to make amendments and additions, as required by changes in technology and trade or as dictated by experience, to the International Classification.

2. The Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks is a multilateral international treaty signed on June 15, 1957. It entered into force on April 8, 1961, was revised at Stockholm on July 14, 1967, and at Geneva on May 13, 1977 (Geneva Act)

The International Classification under the Nice Agreement comprises:

- List of Classes, accompanied, where appropriate, by explanatory notes; the list comprises 34 classes of goods and eight classes of services;
- Alphabetical List of Goods and Services (hereinafter referred to as "the Alphabetical List", giving the class in which each product or service is classified.

3. Strasbourg Agreement Concerning the International Patent Classification: Many years of international cooperation, which started in 1956 under the auspices of the Council of Europe and the World Intellectual Property Organization (WIPO), resulted in 1971 in the Strasbourg Agreement Concerning the International Patent Classification, and provided a worldwide forum for the International Patent Classification (IPC). It entered into force on October 7, 1975. The IPC is based on an international multilateral treaty administered by WIPO. This Classification subdivides technology into 8 sections, 20 subsections, 118 classes, 624 subclasses and over 67,000 groups, of which approximately 10% are "main groups" and the remainder, are "subgroups".

4. The Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks was adopted on June 12, 1973 in Vienna, Austria. The Agreement is closely aligned with the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, of June 15, 1957 and the Strasbourg Agreement Concerning the International Patent Classification, of March 24, 1971.

IPR Regime of Bangladesh: IPR Regime of Bangladesh is administered by two Ministries. The Department of Patents, Designs and Trademarks (DPDT) is administered under the Ministry of Industries (MOI) and the Copyright Office is administered under the Ministry of Cultural Affairs (MOCA). 1. The Department of Patents, Designs and Trademarks (DPDT) under the Ministry of Industries (MOI). Industrial Property matters are administered by this department. The DPDT is affiliated to the World Intellectual Property Organization (WIPO). 2. The Copyright Office under the Ministry of Cultural Affairs (MOCA). Matters related to Copyrights and related rights are administered by this office. The Copyright Office continues to receive support from the WTO, WIPO, and UNESCO for enriching its copyright system.

IPR Administration: *A team of Assistant Registrar(s), Examiners and Staff is formed under the leadership of each Registrar. The general rule is Public Service Commission (PSC) will employ the examiners at the initial level in the department and gradually those examiners will be promoted to the higher ranked posts and consequently one of them will occupy the post of the Registrar. But the head of the department and other senior employees are appointed by the Ministry of Public Administration.*

IPR and R&D: Bangladesh has more than sixty R&D institutions and supporting facilities administered by research councils, Development Agencies, Government Departments, Non-Governmental organizations and educational institutions. However, coordination among them is inadequate. Often no specific targets are set, no monitoring and control measures exist, and not enough consideration is given to the development of innovative marketable products from these endeavours.

IPR and Consumer Interest at Home and Abroad: *The WTO TRIPS agreement gives members the freedom to determine the appropriate method of implementing the provisions of the agreement within their own legal system and practice, however, developed countries US, EU and Japan may undertake to strengthen, streamline and ensure most effective functional efficiency IPR Regime Bangladesh by capacity development of the organizational capacity and efficiency of the concerned IPR administrative agencies, strengthening and upgrading qualitatively and quantitatively IPR trained permanent and specialised manpower along with befitting infrastructure so that they can function with incremental efficiency and institutional memory.*

Technical, procedural and management shortcomings should be identified and resolved to ensure completion of IPR Registration within the gradually shortened possible time schedule from the date time of filing of the Application.

Effective and adequate IPRs protection system should be strengthened in order to expedite and encourage increased registration of IP titles to the mutual benefit of all stakeholders in the domestic and international markets.

Way Forward: FBCCI Recommendations:

1. **Global IPR Registration:** In order to consolidate ever expanding regional and global markets and also to gain its share of global revenue of Intellectual Property Rights (IPR) registration Bangladesh must facilitate, expedite and enhance IPR value added market share of Bangladesh products in domestic and foreign markets through international IPR Registration without having to undertake any additional international obligations other than that it has already undertaken it is imperative for Bangladesh to become a party, like the other LDCs, to the three Global IPR Protection Systems.

2. **a) Farmers right to freely save seeds for re-use:** The 1991 ACT (UPOV) does not protect the rights of farmers to freely use their harvest as further planting material but the right to reuse seed will be restricted to those countries which make special provision for it Bangladesh should therefore adopt appropriate provisions to safeguard and ensure farmers right to freely save seeds for re-use.

b) GI should be given more emphasis and should be registered as trademark for the time being nationally and internationally through the Madrid Agreement.

3. **i) We strongly urge to expedite “Affordable Medicine and Health Care Service”** including life-saving drugs and vaccines which must be made available for all specially for the poor and low-income people around the world. The WHO-WIPO-WTO Platform, NGOs and other global institutions and UN bodies must expedite global policy cohesion by adopting appropriate IPR Measures ensuring sustainable production and supply of “Affordable Medicine and Health Care Service” including life-saving drugs, vaccines and other equipments.

ii) **Compulsory licenses:** Governments may resort to compulsory licensing to promote public health, welfare, security, competition and other objectives. Government is empowered to issue license to use a patent without the authorization of its owner under Article 31 of the TRIPS Agreement compulsory licensing procedure subject to conditions set out in the Article aimed at protecting the legitimate interests of the right holder. ***Developing Countries should be exempted from the obligation of patent protection of environmental goods and services for a period of 20 years from the date of implementation.***

4. ***Bangladesh Copy Right Act should prefer the option of registration in order to ensure IP rights. Copy Right Act should also provide for the following:-***

Limitations and Exceptions : In order to maintain an appropriate balance between the interests of right holders and users of protected works, copyright laws allow certain limitations on economic rights, that is, cases in which protected works may be used without the authorization of the right holder and with or without payment of compensation.

- Limitations and exceptions considered in the agenda of the WIPO Standing Committee for Copyright and Related Rights (SCCR) focused mainly on educational activities, on libraries and archives and on disabled persons, particularly visually impaired persons. These are:
- Limitations and exceptions as free uses (no authorization, no remuneration)
- Limitations and exceptions based on statutory licenses (permission for remuneration)
- Limitations and exceptions based on compulsory licenses
- Limitations and exceptions for private or personal purposes
- Exceptions for the Benefit of Educational Activities Teaching and Research and their Related Exceptions.

Countries adopting such “Limitations and exceptions “are, among others, Australia, Brunei, Cambodia, Cook Islands, India, Indonesia, Iran, Japan, New Zealand, Pakistan, Singapore, and Solomon Islands. Others have implemented statutory, voluntary or compulsory licensing arrangements to enable the use of multiple reproductions of works in educational institutions.

5. a) Registered IPs in Bangladesh must be enforced in right earnest. Any infringement of IPR which are registered in Bangladesh must be redressed by the Customs and also the designated special Court set up for the purpose on the basis of the case lodged by the respective IPR holder on his own expense as required under article 41.5 of the TRIPS Agreement.

b) NBR should have the authority to detain, seize, forfeit, and ultimately destroy merchandise seeking entry into the Bangladesh if it bears an infringing trademark or copyright duly registered in Bangladesh. The Customs Rules 2019 on IPR should be amended accordingly.

c) The following IPRs protection measures should be adopted in Bangladesh to curb trade in pirated and counterfeit products in domestic as well as international markets:

i) All products and services for trade in domestic and international markets and through e-commerce shall require, in addition to accredited certificates on quality and standards, to have respective brand names/Trademarks either registered or provisionally registered pending the disposal of the application for registration with the respective IPR Agency in Bangladesh;

ii) Each new product and services having accredited certificates on quality and standards will be granted 3-5 years moratorium for trade only in domestic market after which its brand name/Trademark shall require to be registered or provisionally registered, pending the disposal of the application for registration, with the respective IPR Agency in Bangladesh;

iii) Production and Trade in listed global well-known branded products and services in domestic and international markets without appropriate authorisation of the IPR holder shall be prohibited;

iv) Enforcement of WCO Border measures for IPR and product standards with appropriate international technical and financial assistance in order to redress the concerns on IPR along with health and safety hazards.

6. Highly overvalued IP assets held especially by large companies: In order to prevent leakage of foreign currency on account of overvalued IP assets, all IP assets held by the Investor should be duly notified to the appropriate authority and must be brought under transfer pricing and international money laundering surveillance and annually audited by the specialized agencies.

7. To strengthen, streamline and ensure most effective functional efficiency IPR Regime Bangladesh should establish a specialized Bangladesh IPR Regulatory Authority to be headed by a Senior Secretary of the Government.

8. The organizational capacity and efficiency of the concerned IPR administrative agencies and judiciary should be strengthened and upgraded qualitatively and quantitatively with IPR trained permanent and specialized manpower along with befitting infrastructure so that they can function with incremental efficiency and institutional memory.

9. Technical, procedural and management shortcomings should be identified and resolved to ensure completion of IPR Registration within the gradually shortened possible time schedule from the date time of filing of the Application.

10. IP Journals and official Gazettes should be printed in the press owned and operated by DPDT to ensure security and authenticity of vital these legal instruments.

11. The public sector research institutions engaged in technology development should act as the lead agencies for the purpose accommodating people's participation.

12. BCSIR-the apex organization for coordinating research activities in the country should take need-based R&D for the benefit of the private sector.

13. IPR curriculum should be introduced from the secondary level

14. **Proposed innovation support strategy:**

- i) *Encourage and facilitate creation and innovation;*
- ii) *Protect creation and innovation;*
- iii) *Commercialize creation and innovation;*
- iv) *Establish linkage between domestic innovation and market;*

We need to have Innovation Support chapter in all private and public center Technology Innovation Support Centers. Each innovator must be assured that there is a supporting legislation institution and innovation funding for his/her innovative pursuits.

- 15. SME and Rural Entrepreneur must be exposed to IPR related issues its prospect and potentialities through public and private institutions on regular basis. Institutions promoting innovation must work out innovation mapping in their areas of activities and identify locate and pickup prospective innovators from SME and Rural Entrepreneurs and support them with financial and technical assistance.
- 16. Government of Bangladesh should allocate sufficient fund in the annual budget for the funding of such initiatives for backing up commercialization support programs and innovation funds for the commercial application of research results and innovation, e.g. Pre-Seed Fund; Innovation Investment Fund; Renewable Energy Equity Fund; Biotechnology Innovation Fund; etc.
- 17. Innovator should get a perpetual right of agreed share of royalty and other IPR receivables even he/she is an employee of that institution. If the inventor is not the right holder second party pay be the company or any organization. In that case the inventor and company should be entitled to agreed share of profit.

Time Bound Action Matrix: Implementation of the Intellectual Property Rights Short-Mid- Long term Action Plan for Bangladesh in the Context of Graduation from LDC Status: The time bound action plan to be effective should owned, planned and implemented by the respective line Ministry and Agencies according to the Rules of Business in partnership with private sector stakeholders including FBCCI.

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WTO Reform Mandate of MC12 DEC

- 1) ***While reaffirming the foundational principles of the WTO, we envision reforms to improve all its functions.***
- 2) ***The work shall be Member-driven, open, transparent, inclusive, and must address the interests of all Members, including development issues.***
- 3) ***The General Council and its subsidiary bodies will conduct the work, review progress, and consider decisions, as appropriate, to be submitted to the next Ministerial Conference.***

P4. We acknowledge the challenges and concerns with respect to the dispute settlement system including those related to the Appellate Body, recognize the importance and urgency of addressing those challenges and concerns, and commit to conduct discussions with the view ***to having a fully and well-functioning dispute settlement system accessible to all Members by 2024.***

P5. In this difficult context, we note with satisfaction the progress achieved by LDC Members who have met or who are about to meet the graduation criteria set by the United Nations Committee for Development Policy (CDP) ***and acknowledge the challenges that graduation presents, including the loss of trade-related international support measures, as they leave the LDC category.***

We recognize the role that certain measures in the WTO can play in facilitating smooth and sustainable transition for these Members after graduation from the LDC Category.

P8. We reaffirm our decision at the Tenth Ministerial Conference in Nairobi on implementation of preferential treatment in favour of services and service suppliers of least-developed countries and increasing LDC participation in services trade, and instruct the ***Council for Trade in Services to review and promote the operationalization of the waiver....;....and to assess best practices in facilitating the use of the preferences.....***

We reaffirm our decision at the Ninth Ministerial Conference in Bali on Duty-Free Quota-Free Market Access for Least-Developed Countries [so as to provide increasingly greater market access to LDCs, prior to the next Ministerial Conferenc;]

[Where in the General Council was instructed to report, including any recommendations, on the implementation of this Decision to the next Ministerial Conference.]

Agenda for MC13 & Beyond

Agenda 1. To ensure that “Affordable Medicine and Health Care Service” including life-saving drugs and vaccines are made available at least cost option for all specially for the poor and low-income people around the world.

Welcoming the twelfth WTO Ministerial Conference declaration in 2022 on COVID-19 Pandemic and TRIPS allowing flexibility for expediting manufacture and export of COVID-19 vaccines without the consent of the patent owner for ensuring sustainable production and supply of affordable medicine and health care service” including life-saving drugs and vaccines.

Acknowledging and emphasising the joint statement on 12 September 2023 on the global policy cohesion issued by the Directors-General of the World Health Organization (WHO), WIPO which agreed on future directions for trilateral cooperation and agreed to expand the use of the WHO-WIPO-WTO COVID-19 Technical Assistance Platform beyond COVID-19 or any issues at the crossroad of public health, trade and IP for ensuring that “affordable medicine and health care” including life-saving drugs and vaccines are made available for all specially for the poor and low income people around the world.

Bangladesh should strongly urge WHO-WIPO-WTO Platform and other global institutions and UN bodies to expedite global policy cohesion by adopting appropriate waiver on IPR Measures ensuring sustainable production and supply of “Affordable Medicine and Health Care Service” including life-saving drugs, vaccines. and other support equipments to all, especially for the poor and low-income people around the world at the least cost option.

Agenda 2. To expedite grants and low-cost loans from development partners and international donor agencies; and To ensure cohesive smooth and uninterrupted inclusive multilateral trade against all adversaries.

Reaffirming the 1994 Ministerial Declaration on the Contribution of the WTO in Achieving Greater Coherence and emphasising the importance of strengthened collaboration and cooperation with other intergovernmental organizations and other relevant stakeholders that have responsibilities related to those of the WTO, in accordance with the rules and principles of the WTO, to restore trust, certainty and predictability in the world economy and effectively address current and future multidimensional challenges in order to ensure cohesive smooth and uninterrupted inclusive multilateral trade against all adversaries]; and

Acknowledging the Joint Statement issued with the commitment to expedite grants and low-cost loans from development partners and international donor agencies, on July 1, 2020 by heads of multilateral development banks and the WTO on supporting trade finance during the COVID-19 crisis:- “We, the World Trade Organization (WTO), International Finance Corporation (IFC, World Bank Group), European Bank for Reconstruction and Development (EBRD), Asian Development Bank (ADB), African Development Bank Group (AfDB), Islamic Trade Finance Corporation (ITFC, part of the Islamic Development Bank Group), and the Inter-American Development Corporation (IDB Invest, part of the Inter-American Development Bank Group) will continue to assess market developments as needs evolve and each of us will act within our respective mandates to reduce trade finance gaps that emerge during this crisis.

We prioritize our support to areas in the world where such support is needed most, particularly the poorest countries. We also call on other relevant financial institutions to support essential trade finance transactions.”

Bangladesh should strongly urge WTO, IMF WBG and others financial institutions including all WTO members to ensure policy cohesion towards maintaining unrestricted mutual transactions in multilateral global trade in goods and services in all currencies without any sanctions or prohibitions beyond the provisions of WTO.

Agenda 3: Extension of international support measures (ISM) available under WTO and other unilaterally extended trade measures in favour of Graduating LDCs:

Acknowledging the UN General Assembly Resolution (A/RES/67/221) on smooth transition for countries graduating from the list of least developed countries, recognize the role that certain measures in the WTO can play in facilitating smooth and sustainable transition for these Members after graduation from the LDC Category and agree that the support measures available under WTO and unilaterally granted by its members to least developed countries will continue for a period of three years, following the example of EU EBA GSP scheme, and to be phased out during next two years after the entry into force of a decision of the UN General Assembly to exclude the Member from the least developed country category, in order to ensure that graduation does not cause abrupt disruption in the LDCs trade in goods and services.

Reaffirming the apprehensions expressed in paragraph 7 of the WTO MC12 declaration WT/MIN(22)/24-WT/L/1135 that “acknowledge the particular challenges that graduation presents, including the loss of trade-related international support measures, as they leave the LDC category. We recognize the role that certain measures in the WTO can play in facilitating smooth and sustainable transition for these Members after graduation from the LDC Category.”;

And also, in appreciation of the decision of the WTO General Council) of 23 October 2023 (Doc WT/L/1172) to encourage WTO members to provide smooth and sustainable transition period for withdrawal of unilateral preferences granted to the graduating LDCs.

Bangladesh should strongly urge that the support measures available under WTO and unilaterally granted to least developed countries will continue for a period of three years, following the example of EU EBA GSP scheme, and to be phased out during next two years after the entry into force of a decision of the UN General Assembly to exclude the Member from the least developed country category, in order to ensure that graduation does not cause abrupt disruption in the trade in goods and services.

However, Bangladesh should take up proactive action plans to negotiate with the respective DFQF, GSP granting countries and Preferential Agreements partners for extension of all support measures (like EU EBA extension for three years for graduating LDCs) for a period of 3 years after the entry into force of the decision of the UN General Assembly to graduate out Bangladesh from the least developed country category in order to ensure that graduation does not cause abrupt disruption in trade in goods and services of Bangladesh.

Agenda 4. LDC Services Trade : We, recall with great apprehensions the following concerns of the WTO Director-General Okonjo-Iweala on the impact COVID-19:-

- I. “LDCs' services trade is severely affected most notably in the tourism and transport sectors, where LDCs have a relatively high footprint in global trade and fell by 69% and 16%, respectively, with total services export revenue loss of nearly US\$17 billion in 2020”;
- II. “We should not rest on our laurels,” (LDC Services Waiver 2011); “Our ultimate objective is to enhance LDCs' integration in global services trade. We need to ensure that we are doing enough, that our actions continue to facilitate progress. And we need to ask ourselves if there are other things that we can do that would help us reach our objective.”

Bangladesh: Recalling the concerns of the WTO Director-General Okonjo-Iweala Bangladesh should urge WTO members to move beyond LDC Services Waiver 2011 and notify an "Understanding on the interpretations of Articles IV and XIX of the GATS" on "special priority to providing effective market access in sectors and modes of supply of export interest to LDCs" under paragraph 2 of Article IX (WTO decision making Rules) of the WTO Agreement for most effectively enhancing LDCs' incremental participation in global services trade.

Agenda 5. LDC DFQF Market Access: Recalling that both the 2030 Agenda for Sustainable Development and Istanbul Programme of Action set a target for doubling the share of LDCs in global export from 1% to 2% by 2020; and concerned that despite the rising share of LDCs' in global exports during the period between 2010 and 2013, LDCs experienced fluctuating declines from 1.07% to 0.91% in 2016, 0.98% in 2017 and 1% 2018, 1.03% in 2019, and 1% in 2020 further exacerbated by the devastating impact of the COVID-19 global pandemic in 2020;

MC12: We reaffirm our decision at the Ninth Ministerial Conference in Bali on Duty-Free Quota-Free Market Access for Least-Developed Countries

- *[so as to provide increasingly greater market access to LDCs, prior to the next Ministerial Conference;]*
- *[Where in the General Council was instructed to report, including any recommendations, on the implementation of this Decision to the next Ministerial Conference.]*

Bangladesh: All GSP schemes under 1979 enabling clause and other unilateral preferential schemes granted to LDCs should be converted and notified as DFQFMA for LDCs as agreed in paragraph 36 of Annex F of WTO Hongkong Ministerial Declaration as an implementation agenda according to the decision adopted in the Ninth Ministerial Conference in Bali.

Agenda 6. WTO Appellate Body: By linking the appointment of Appellate Body members concurrently with the promulgation of the necessary rules to build trust in the procedures and operation of the Appellate Body further aggravated the prevailing deadlock as an instant Agreement on the proposed "necessary rules to build trust in the procedures and operation of the Appellate Body" is not at all perceivable in MC13.

Bangladesh may submit as follows:-*We call on Ministers to agree to reconstitute the Appellate Body under the existing agreed provisions as an interim measure until the negotiated proposals on the necessary rules to build trust in the procedures and operation of the Appellate Body are agreed upon and adopted by the next Ministerial Conference.*

Agenda 7. Moratorium on E-Commerce: The extension of the moratorium and potential economic effects:

- 1) Some developing countries argue that the moratorium is detrimental to raising customs revenue. Studies estimate the amount of lost revenue between \$280 million and \$10 billion per year;
- 2) On the other hand, developed and many developing countries argue that any extra tariff revenue would be outweighed by negative economic consequences that country would see in the form of higher prices and reduced consumption, which would slow down GDP growth and shrink tax revenues; and also.
- 3) Developing countries will also face tariff which will adversely affect their E-Commerce transactions.

Bangladesh: To address these gaps in MC13 Bangladesh may propose that LDCs including Graduating LDCs should be exempted from customs duty as and when applicable until their respective market share of E-Commerce exceed the agreed threshold.

Proposed rate of Advalorem CD: Developed Countries not above 1% ; Developing Countries not above 2% and LDCs including graduating ones not above 3%.

Bangladesh should join the Plurilateral joint initiative on e-commerce: Eighty-eight WTO Members, including many developing countries and a few LDCs, participate in this effort to develop baseline rules governing the global digital economy. Participants are seeking to establish common disciplines to facilitate remote transactions and strengthen trust in digital markets.

The disciplines discussed address both trade facilitative issues, such as e-signatures, on-line consumer protection, and paperless trade, as well as trade restrictive measures in the digital sphere, such as cross-border data flows and data localisation. Participants are aiming to substantially conclude these negotiations by the end of the year.

It is noteworthy that Members participating in the initiative recognize the significance of ensuring that digital trade is inclusive as well as addressing the obstacles faced by developing and least developed countries seeking to benefit from the digital economy.

In this regard, the 'E-commerce Capacity Building Framework' launched by Australia, Japan, Singapore, and Switzerland is a key step to strengthen digital inclusion and to help harness the opportunities of digital trade. The Framework will offer a wide range of technical assistance, training, and capacity building to support the participation of developing countries in the e-commerce negotiations.

Agenda 8: WTO Reform Agenda: We call upon WTO to conduct a study and macroeconomic assessment covering various aspects of the WTO System focussing on inclusive interests of all Members of WTO in equitable, sustainable and predictable manner within the terms, meaning and limits of binding contractual agreements as agreed upon in the legal texts of the WTO system. The ToR of the Study may include the following: -

1) Analysis of the potential of inclusive growth of global trade under the contemporary WTO trading system.

2) Identification and analysis of current constraints and difficulties in the WTO system in expediting predictable and sustainable inclusive global trade and economic development.

3) Identification and analysis of conflict of interest among the developed, developing and the least developed countries on WTO system and different negotiating issues.

4) Way forward to expedite the WTO system to meet the existing and future challenges.

Agenda 9: WTO Plurilateral, Joint Initiatives, Regional and Bilateral Agenda: We call upon to remain integrated with mainstream global trade regimes, should join WTO Plurilateral Agreement on Government Procurement and other Joint Initiatives on e-commerce (86 members), investment facilitation (106 members), services domestic regulation (70 members), and MSMEs (91 members).

Agenda 10. Harmonization of Mutual Trade Regulations & Facilitation Measures.

- a) **Mutual Trade Facilitation:** To take up a proactive action plan with the trading partners for respective Customs Cooperation Agreement to facilitate mutual trade as envisaged in the WTO Trade Facilitation Agreement and WCO protocols and annexes including gradual harmonization of customs documentation and clearance procedure for transit and trans-shipment of goods across the borders.

- b) **Establishment of mutual Institutional Cooperation:** To take up joint action plan for harmonization of mutual trade rules, regulatory measures and streamline bilateral institutional cooperation in the respective fields including the Central Banks, Customs Authority, Quality and Standards Body and others;
- c) **Technical Regulations and Standards:** To actively engage with the trading partners to ensure harmonization of TBT and SPS measures and signing of MRA to streamline flow of traded goods and services so that Certificates on Technical Regulations & Standards issued by the respective accredited national bodies are accepted on basis of MRA mutually agreed upon;
- d) **Reciprocal Participation in Public Procurements:** Bangladesh has kept open its Public Procurements for foreign participation on MFN basis in turn Bangladesh should ask for reciprocal treatment from the trading partner countries;
- e) **Integration of CMSMEs with Global Value Chain:** To boost the process of integration of CMSMEs with the global market and compete with global e-commerce, Bangladesh, Like China, India and Vietnam and others, may strive to set up warehouses and distribution network in destination markets for easy and regular delivery of products to the wholesalers, retailers and consumers.

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EU CBAM (Regulation (EU-2023/956) 10th May 2023)

The EU Carbon Border Adjustment Mechanism CBAM contained in Regulation (EU) 2023/956 of 10th May 2023 is essentially a new tariff imposition measure at the border to ensure that the carbon price of imports is equivalent to the carbon price of EU domestic production expediting thereby third country tariff support to compensate for the cost of EU's climate objectives of achieving its targets of reduction of global greenhouse gas emissions and prevent carbon leakage as an obligation under the Paris Agreement.

The European Union, a strong proponent of the **UNFCCC** Paris Agreement, is one of the founder members, strong supporter and defender of the rules-based multilateral trading system centered on GATT 1994 and the Marrakesh Agreement establishing the WTO. The EU is therefore honor-bound towards ensuring that the CBAM regulation is consistent with the respective targets of the Paris Agreement and the provisions of WTO in letter and spirit.

A. EU CBAM and the WTO Obligations: -

The CBAM regulation requires importers to pay a levy, not included in the schedule of other charges and duties notified as on 15th April 1994 by the WTO members including EU under GATT 1994 on their imports corresponding to the charge imposed on comparable domestic industries.

GATT Article XX(b) provides broad exemptions for policies that are "necessary to protect human, animal or plant life or health." is confined only to non-tariff measures and precludes tariff measures such as CD and other Charges and Duties notified by the WTO members including EU under GATT 1994.

Understanding the Interpretation of Article II:1(b) of the GATT 1994: "2. The date, as of which "other duties or charges" are bound, for the purposes of Article II, shall be 15 April 1994. "Other duties or charges" shall therefore be recorded in the Schedules at the levels applying on this date."

B. WTO CBAM Agreement: The EU along with USA, China, India and other industrialized countries may undertake a joint initiative in WTO to negotiate a multilateral CBAM agreement for the purpose of realizing the objectives of the Paris Agreement in a manner that allows low-income countries, LDCs and graduating LDCs time to adjust to the newly emerging compliance requirements upholding their right to development to be framed in line with the terms of implementation of WTO-Trade Facilitation Agreement which is contingent upon the financial and technical support to be provided by development partners.

C. EU CBAM and the terms of the Paris Agreement

- a) Imposition of CBAM without taking full account of the specific needs and exceptional circumstances of the LDCs and graduating LDCs regarding funding and transfer of technology goes against the principle of "Equity" enshrined in the Preamble and Art 2 of the Paris Agreement.
- b) Article 3.1 of the Agreement explicitly stated that "parties should take common but differentiated responsibilities" for climate protection.
- c) LDCs and the graduating LDCs who do not account for a substantial amount of GHG and carbon emissions (Bangladesh less than 0.47% of global emissions) are severely handicapped with lack of skill and capacity to comply with the cumbersome and complex carbon tax system and should therefore be outside the scope of CBAM. The mechanism thus goes against the principle of the right to development and livelihood.

FBCCI strongly urges EU to exempt LDCs and graduating LDCs like Bangladesh from the scope of CBAM till Measurement, Reporting and Verification (MRV) system for emissions are set up in these countries and also to provide financial support, among others, by plugging back the funds generated under CBAM, towards climate mitigation, adaptation, decarbonization and green transformation of their manufacturing industries.

Effects of COVID-19 Pandemic on Transport and Logistics Services

International trade is facilitated by logistics services providing efficient integrated management of point-to-point supply and distribution chains. **Transport & Logistics services** deal with the supply chain process that plans, implements, and controls the efficient and effective point-to-point flow and storage of goods, services and related information, throughout the production, distribution and delivery stages, from the initial suppliers of inputs to final customers of products. Such services form a crucial and integral part of the infrastructure and a major determining factor of the competitiveness of an economy in global trade and investment.

The COVID-19 pandemic has triggered the largest economic crisis that the world has seen for many decades. All segments of Bangladesh's economy, including Services auxiliary to all modes of transport and Logistics services were also particularly hard hit by the crisis along with the demand for Bangladesh's exports falling dramatically, the service industry collapsing, wide spread unemployment and remittances declining.

Besides affecting the public health sector, coronavirus has also severely disrupted the countries locked down economy, food security, food supply, trading activity, transport and logistics system, and all other socio-economic and education sectors.

COVID-19 related interventions and events in Bangladesh

- i. 18 March 2020 Educational institutions closing
- ii. 26 March 2020 Closing of offices, garments, shopping malls, public transportations including air travel, ride sharing services
- iii. 5 April 2020 Indecision regarding garments opening†
- iv. 26 April 2020 Garments opening
- v. 10 May 2020 Shopping mall opening
- vi. 25 May 2020 Eid-ul-Fitr
- vii. 31 May 2020 Office opening (limited scale)
- viii. 1 June 2020 Public transport resumption (limited capacity)
- ix. 28 June 2020 End of free tests in Government facilities‡
- x. 22 July 2020 Beginning of mandatory mask wearing
- xi. 1 August 2020 Eid-ul-Adha
- xii. 17 August 2020 Office opening (full capacity)
- xiii. 1 September 2020 Public transport resumption at full capacity

Note: † The garment factories were initially closed until 4 April 2020.

Bangladesh's Experience sharing with reference to the following guiding questions:

a) What were the key transport and logistics challenges Members encountered during the COVID-19 pandemic and what were their impacts?

General Impact:

- 1) Demand for Bangladesh's exports particularly from the Ready-Made Garments sector – declined dramatically;
- 2) The services industry specially tourism, hotels, resorts and related services were virtually laid off; their jobs or cuts to wages, which severely affected their family's livelihood.
- 3) Businesses were much more difficult to operate due to the impacts of the lockdown and physical distancing measures; and remittances were falling rapidly.

- 4) Many businesses, across both the formal and informal economies, faced danger of either closing down or cutting their workforces. Since Bangladesh has a large working age population – with 55 per cent of the population aged 18-59 years – a high proportion were vulnerable to income loss as a result of losing

Impact on Trade and Commerce:

- 1) Growth in trade in goods and services declined in the first quarter of 2020, as the early effects of the pandemic began to be felt. But trade in both goods and services suffered much more decline in second quarter compared with the first quarter. The value of year-on-year merchandise trade was estimated to have declined by 18 per cent in the second quarter, and trade in services by 21 per cent in the same period.
- 2) While the value of total trade in services fell by 7.6 per cent in the first quarter of 2020, travel services were particularly hard hit, falling by more than 24 per cent.
- 3) Medical products related to COVID-19, such as personal protective equipment, ventilators, thermometers, sanitizers and the like, experienced very high growth in the second quarter of 2020; for example, in May 2020, such products experienced an increase of 186 per cent higher than the same period in 2019.
- 4) Other non-medical products related to COVID-19, such as home office equipment, including Wi-Fi routers, laptops, portable storage and so on, also enjoyed strong growth in the second quarter.
- 5) 39 per cent of firms reported that at least half of their employees were unable to go to their workplace due to the government restrictions. Micro enterprises and SMEs were hit hardest by the COVID-19 pandemic and restriction measures.
- 6) By industry, the textile, apparel and leather industries were affected the most: around 50 per cent of firms operating in these industries reported that between 51 per cent and 100 per cent of the workforce could not come to work due to the restrictions imposed to contain COVID-19.
- 7) The shortage of cashflow was reported as being the biggest problem businesses faced due to the restrictions. Around 60 per cent of firms suffered revenue losses of more than 50 per cent in 2020 compared to 2019. Large and medium as well as high-tech firms incurred less losses compared to other firms.
- 8) In terms of employment, layoffs have been highest in micro firms and SMEs operating in the textile, apparel and leather industries.
- 9) Semi-skilled workers were at highest risk, with 50 per cent of medium- and high-tech firms and 45 per cent of micro and domestic-oriented firms indicating that semi-skilled workers would be at most risk of losing their job due to the decrease in revenue.

Impact on Public transport

- 1) The government had halted all public transportation operations during the 67-day lockdown imposed to combat the risk of coronavirus. Furthermore, public transportation vehicles must only run at 50% of their full capacity.
- 2) Although the public transport and other offices remained closed on 5 April, initially the industry leaders announced the opening of their factories on the 5 April, leading a substantial mobilization of their workers from rural areas to large cities.
- 3) Bangladesh's first national lockdown which began in March 2020 and was prolonged several periods before being ended in May due to economic difficulties.
- 4) All public transportation in the country were shut down, with the exception of trucks, covered buses, and vehicles transporting medicine, gasoline, and perishable goods.

- 5) People were only permitted to leave the house for designated important purposes. As a result vehicular traffic flows and congestion were drastically reduced. In a new decision, the government allowed limited public transportation, road, rail, and waterways on May 31, 2020.
- 6) However, eventually the decision was overturned, leading another round of return journey for the workers. This dilemma, and associated movement of people, may have had impacted the spread of COVID-19. It led to a 60% increase in fares for impacts on Transport Systems: COVID-19 had a significant impact on trade road transport, including traveler and goods in Bangladesh, as a result of transportation constraints imposed to combat the epidemic and the broader financial crisis.

Impact on Road Transport:

- 1) During the 67-day lockdown enforced to combat the risk of coronavirus, all public transportation activities were stopped since March 28, 2020. On June 1, 2020 the lockdown was eased to transition to a zonal lockdown policy.
- 2) As per the bus owners' group, only 25% of buses were running on long routes and 50% in Dhaka compared to before the pandemic. Only in an emergency people were allowed to drive long distances.
- 3) To preserve social distance, buses were only permitted to hold 50% of their number of passengers after the commencement of public transportation. While governments permitted a 60% increase in fares, passengers say that far too many vehicles have increased fares about 80–90%.

Impact on Water Transport

- 1) Thousands of Bangladeshis, particularly in the country's southern parts, prefer to travel by ship and commuter boats on a regular basis. Launch and steamer facilities on 34 river paths across the country restarted after more than 2 months, according to the Bangladesh Inland Water Transport Authority (BIWTA).
- 2) Following the resumption of public transportation on June 1, launch owners have requested fare increases, claiming that they have been losing money leading to a shortage of travelers.
- 3) The launch's owners have stated that a 29–36% increase in fares was needed by the end of June), or the company will be forced to shut down. Launches would be difficult to run as the volume of passengers on board continues to decline.

Impact on Air Transport

- 1) To avoid the spread of the virus, Bangladesh prohibited passenger air traffic with all countries except China in mid-March, 2020 sinking the industry into steep losses.
- 2) The government restricted all flights from Europe excluding the United Kingdom on March 15, 2020, furthermore, flights from Europe were still permitted to arrive at an airport.
- 3) The army was assigned on March 19 to run two quarantine facilities, one at Ashkona Hajj Camp near Shahjalal International Airport and the other at Rajuk Apartment Project near Uttara Sector-18 in Diabari .
- 4) According to an estimate by the International Air Transport Association (IATA), the epidemic caused decreased passenger numbers in Bangladesh and wipe \$190 million, off airline carriers' profits. Since airline companies in Bangladesh have limited capital reserves and less economic ability to ride out the storm, they were hit harder.

Impact on Rail Transport

- 1) To limit the occurrence of coronavirus in Bangladesh, governments placed restrictions on the movement of all regional, postal, and commuter trains on March 25, 2020.
- 2) The Bangladesh Railway (BR) reopened in early June with 18 pairs of trains and 50% of seats sold out. Following the resumption of public transportation on June 1, rail availability was cut in half in order to comply with the maintaining health safety guidelines for the next 16 days.
- 3) Train services were largely halted for over a month, putting Bangladesh Railway at risk of losing money. The Eid period, when Bangladesh Railway makes the most money, which was really a challenge this year due to the epidemic in 2020. Therefore, after the halt of all train services throughout the country due to the COVID-19 epidemic, Bangladesh Railway was losing Tk 4–5 crore in revenue every day.

Import and Export Supply Chain Disruption

- 1) The majority of foods are imported into Bangladesh through the Chattogram seaport. However, the Chattogram port, which handles around 80% of the country's external trade, came to a halt since the number of containers of imported products had exceeded the port's storage capacity due to tardy delivery of commodities during the nearly one-month-long shutdown.
- 2) Leading consumer goods businesses' supply were stalled at ports, factories, and warehouses.
- 3) During Ramadan, demand for some commodities such as sugar, lentils, edible oil, and wheat increased by 20 to 30 percent. As a result, trucks filled with these items were busy transporting them around the country. Maintaining the supply chain was just as critical as citizens' health safety or financial packages for enterprises, as there would be severe shortage of both at the consumer level.
- 4) Bangladesh's shrimp exports make for more than 70% of the country's agricultural exports. Shrimp exports fell 10% to Tk 2,554 crore in the first 11 months of the 2019-20 fiscal year, according to the EPB. In the last two months, shipments have decreased by more than 47%.
- 5) According to Bangladesh Frozen Foods Exporters Association (BFFEA) claims that orders for shrimp exports worth more than Tk 600 crore have been canceled.

Experience of the Sectoral Operators:

BUS & Truck Sector

- 1) Public Transport industry was hit the hardest during COVID-19 among all the industries in Bangladesh. This industry suggests the mobility of people, which came to a near standstill during this period. People were restricted from moving during this period to stop the spread, which meant the vehicles were all laid off and were inactive for as long as 248 days at a stretch. For the automobile industry this is detrimental for the performance of the vehicles.
- 2) The transport vehicles had to incur huge losses because of the damaged engine parts, tire tube, brake parts, battery, filter, and many other parts. These parts were either partially damaged or became completely inactive. The transport owners had no money to get out of this misery.
- 3) The logistics industry was also not operating as imports were almost none in this period. There are about 30 lacs laborers and 3 lacs Bus Owners in this industry. The income of the owners was virtually negative in the period, and there was wide spread unemployment.
- 4) In a country like Bangladesh, mass people depend a lot on this Public Transport Sector and there are a lot of people who earn through this sector, so the impacts were huge.
- 5) Many bus owners lost all their wealth in this period, while others were on the brink of losing. Later, the industry did not find any support from the banks or any support agencies.

Bangladesh Freight Forwarders Association (BAFFA)

- 1) BAFFA Members faced airfreight and sea freight capacity limitations as most of the airlines grounded or reduced flight operations. As a result, freight costs have increased many folds. Some airlines have used passenger aircraft as cargo loading on seats.
- 2) Sea freight have been the cheapest option but was not having enough load to transport and long transit times have been the issue, as well.
- 3) Land transport has also suffered due to short of trucks and drivers while there was increased demand for local produce such as groceries and medical supplies that require transport.

The Courier Service Sector

- 1) During the COVID-19 pandemic lockdown period movement of courier services vehicles remained restricted during the initial phase. However, when it was clarified that the courier transport was exempted from the ban through the notification issued by the Ministry of Commerce, the courier vehicle transport continued normally and all services including mail & parcels continued throughout the country.
- 2) Customer service standards were maintained during the COVID-19 pandemic. Although there had been increase in the fares of vehicles driven for hire, the courier service charges were not increased for the services rendered during the period.
- 3) Regular business increased by approximately around 20% during the COVID-19 pandemic because of increasing online purchases and digital trade.

b) What types of measures did Bangladesh take to mitigate the effects of transport and logistics description and build resilience in this sector?

- 1) The COVID-19 has hit Bangladesh's manufacturing sector particularly hard, especially MSMEs. It is therefore important to develop relevant policies to mitigate the pandemic's impacts and to build a resilient and competitive industrial sector to achieve inclusive and sustainable socio-economic development.
- 2) The Government of Bangladesh has recognised the need to intervene to protect the economy and its citizens and as a fiscal stimulus that includes additional social security measures. Without an appropriate intervention to stimulate spending and protect jobs, the economy was likely to regress and lose its hard-earned position as the country with the highest growth rates in the Asia-Pacific region.
- 3) These support measures include small 'top-ups' to the Primary School Stipend, a one-off payment five million poor families and an expansion of the Allowance for the Financially Insolvent Disabled, the Allowance for Widowed, Destitute and Deserted Women and the Old Age Allowance schemes in some of the poorest areas of the country.
- 4) The current emergency social security measures cost just 0.16 per cent of GDP in total, which will likely not be enough to stimulate the economy or provide families with enough support to be protected against the crisis.

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) made the following proposals to the Government:

- 1) Loan-repayment moratorium till December' 2022 because of volatile business ambience globally amid the Covid-19 and Ukraine crisis. This step would help to keep the overall business activities as usual.

- 2) Enhancement of the size of export development fund (EDF) in considering factors like growing cost of raw materials and the prevailing trade situation.
- 3) To create the refinancing scheme with a certain amount of funds for long-term financing because using short-term deposits of the banks for industrial purposes is not viable for business. The support is very much needed to industries especially in post-LDC-graduation period.
- 4) To increase the Single Borrower Exposure Limit to keep the supply chain normal.
- 5) Extension of stimulus loan repayment time.
- 6) Raising the cash incentives to encourage the expatriate Bangladeshis to send their hard-earned foreign currencies through the formal channels. FBCCI also proposed to remove the existing limit for investment in Wage Earner's Development Bond.
- 7) Resumption of loan- rescheduling facility with 2.0-per cent down payment of loans for sectors badly affected by the pandemic. Sectors like Transport, Cold storage etc. may be specially considered for the loan rescheduling facility.

Support measures adopted by the government during the pandemic:

- 1) In order to address the potential impact of the Covid-19 situation on the economy of Bangladesh, the government has announced a targeted and focused stimulus package.
- 2) Food assistance to 4 crore people, financial assistance of BDT 700 crore to those working in the informal sector, BDT 20,000 crore in SME industry, BDT 30,000 crore in large scale industry, BDT 5000 crore to the export sector and BDT 5000 crore to the agriculture sector.
- 3) All these social activities played helpful role in keeping the socio-economic situation as normal as possible. Stimulus package loans Provision has been made subject to payment of 2% service charge for payment of salary allowance to the employees of export oriented industrial establishments.
- 4) Small and medium enterprises (SMEs) and large enterprises had provisioned to avail working capital loans up to 30% of their existing working capital facility at 4.5% interest.
- 5) Institutions outside the bank-client relationship could avail loans under the package with the help of FBCCI member enlisted associations and chambers. (BRPD Circular No. 22 dated: May 3, 2020).
- 6) Considering the three-year program, the first phase of incentive was loan support. In the next phase, taxes, VAT, customs deferment, concessions and a part of the loan of BDT 20,000 crore for SMEs allocated as Grant.
- 7) Many of the past and ongoing projects of SME Foundation, Bank, Trade Association and Chamber had been working successfully for the collaboration of SMEs in which the loan recovery rate was more than 99%.
- 8) To create a conducive environment for all stakeholders Banks and NBFIs implemented incentive loan activities of Tk 20,000 crore and Tk 30,000 crore.
- 9) Bangladesh Bank's revised circular on incentives of Tk 20,000 crore and Tk 30,000 crore accurately outlines the main objectives of the government's initiatives. (SMESPD Circular No. 01 dated: April 13, 2020 and BRPD Circular No. 06 dated: April 12, 2020).

c) What were the considerations underpinning these measures and what motivated their continuation or termination?

- 1) *The crisis threatened to unravel years of progress in economic development, with the IMF projecting that the rate of GDP growth in Bangladesh would reduce significantly from an impressive 8.2 per cent that had been predicted for 2020 before the crisis and with high risk of a recession.*

- 2) *Forty per cent of firms of all sizes and types reduced their production to respond to the shortage of inputs. The second most widely used option by firms was exploring new procurement channels (37 per cent) to improve their business performance.*
- 3) *Around 30 per cent of firms also considered the possibility of creating new production channels to address the shortage of inputs.*
- 4) *About 30 per cent of respondents received different forms of government support. Salary support for export-oriented firms was the preferred support by respondents, followed by the stimulus package fund for export-oriented firms and wages and salary support for SMEs and cottage firms.*
- 5) *However, only 9 per cent of micro enterprises, 12 per cent of domestic-oriented and 4 per cent of other low-tech firms stated that they had received government support, suggesting that the support schemes could not reach those most in need.*
- 6) *Nearly 70 per cent of SMEs, domestic-oriented and other low-tech firms preferred support in the form of rent and utility cost reductions.*
- 7) *Forty per cent of firms of all sizes and types reduced their production to respond to the shortage of inputs. The second most widely used option by firms was exploring new procurement channels (37 per cent) to improve their business performance.*
- 8) *Around 30 per cent of firms also considered the possibility of creating new production channels to address the shortage of inputs.*
- 9) *On the other hand, 55 per cent of large, 52 per cent of medium and high-tech, and 50 per cent of GVC firms favour a tax rate reduction or tax deferral over other support measures, followed by a reduction of financing costs or an improvement in loan terms.*
- 10) *The coordination of joint efforts between the government and international community is crucial to support Bangladesh's recovery.*
- 11) *Since the resumption of public transport, private and public vehicle use dropped because many people were allowed to work from home, and office work may become the new standard for a much greater proportion of employees in the future.*
- 12) *In the immediate future, the government must strive to strengthen its ICT Cloud services while also motivating citizens to upgrade their overall digital literacy and applicability.*
- 13) *The industry owners paid the laborers with their savings so that the people could almost live on bare minimum to avoid complete starvation. They somehow paid 25% to 50% of the wages, however it was possible by the owners. Leading companies like Shyamoli Paribahan, Sohag Paribahan, Greenline Paribahan, Hanif enterprise, SR Travels, Starline, S, Alam, Soudia, Golden Line, Agomony Express, Nabil Paribahan, Desh Travels, Sakura Paribahan etc managed to give their labors some fund. Whereas the small owners were unable to provide anything for the laborers as they themselves were put to extreme poverty in the period.*

BUS & Truck Sector:

- 1) *The industry owners paid the laborers with their savings so that the people could almost live on bare minimum to avoid complete starvation. They somehow paid 25% to 50% of the wages, however it was possible by the owners. Leading companies like Shyamoli Paribahan, Sohag Paribahan, Greenline Paribahan, Hanif enterprise, SR Travels, Starline, S, Alam, Soudia, Golden Line, Agomony Express, Nabil Paribahan, Desh Travels, Sakura Paribahan etc managed to give their labors some fund.*
- 2) *Whereas the small owners were unable to provide anything for the laborers as they themselves were put to extreme poverty in the period.*

- 3) The bus owners did not get any assistance as there was no stimulus package for the transport sector. The transport is financed by term loan and that's why there was no assistance from the government or central bank.
- 4) No grace period was granted for paying the installments from banks/financial institutions. The bus owners had to incur huge expenses when the buses had to be overhauled. There is an estimate that the cumulative loss of this industry is around 50 billion taka.
- 5) The bus owners lost all their savings during the COVID-19 pandemic, which continued in different waves. The overhead costs were to be incurred for 18 months with no mercy from any section. Even the government did not mercy any government fees on the vehicles such as tax, fitness though there had been communication between the government and the transport industry.

Bangladesh Freight Forwarders Association (BAFFA) have applied to Ministry of Commerce to give BAFFA members a movement pass for seamless delivery from Port and Airport, and after getting the movement pass its member keep the supply chain running;

- 1) BAFFA members have not increased their service charges during Covid-19;
- 2) BAFFA provides financial support to its affected members;
- 3) BAFFA distributed Hand Sanitizers and Masks during the COVID-19 among the staffs, who were working at the different ports;
- 4) BAFFA provided foods, relief, medicine and required treatment during the COVID-19.

d) What were the specific implications of the pandemic for LDCs in the sector? Due to pandemic the least developed countries with resource and capacity constraints suffered disproportionately and more severely across all segments of livelihood and socio-economic activities including health and education. The aggregate unemployment and poverty incidence have increased. The economic downturn caused by the pandemic will also push those already in extreme poverty into deeper destitution.

Notes: The above submission of is based on the following study reports in consultations with the FBCCI affiliated stakeholder bodies.

1. UNICEF Bangladesh commissioned a study to assess the economic fall-out of COVID-19 and emergency social protection response in Bangladesh to inform the upcoming Country Programme Document preparation and Bangladesh's response to the pandemic. The studyreport is the product of collaboration between UNICEF Bangladesh and the General Economics Division, Bangladesh Planning Commission (Annexed); and
2. The UNIDO study report produced by the UNIDO Field Office in Bangladesh with the support and technical assistance of UNIDO's Policy Research and Statistics Department and the Asia and the Pacific Regional Coordination Division in close collaboration and consultations with all ministries and associations that supported the implementation of the survey as well as to the respondents from the private sector, including micro, small, and large enterprises, who dedicated valuable time during this pandemic to contribute to the survey (Annexed).

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