



## Media News Report\_Bangladesh- Leveraging Growth Opportunities in the Neighborhood

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Apparel dominates all export policies

*Other sectors should get attention as well, say experts*

Star Business Report

All other labour-intensive sectors did not grow as fast as garment due to lower benefits, said experts yesterday.

Bangladesh has comparative advantage in many other labour-intensive sectors, but the sectors were weighed down by tariff and non-tariff barriers, said Zaidi Sattar, chairman of the Policy Research Institute of Bangladesh (PRI).

He said garment's success came from creating a free trade channel for exports, which is required for every sector.

His comments came at a conference styled "Bangladesh-Leveraging Growth Opportunities in the Neighbourhood" at the auditorium of the PRI. The think-tank and the World Bank jointly organised the conference.

Sanjay Kathuria, lead economist of the WB's Dhaka office, echoed the same, saying it is not a surprise seeing the low diversification in Bangladesh's export basket given garment-centric tariff regime.

"Time has come to give the same tariff benefits to the other sectors too," he added.

Sattar said the government has been giving benefits to the garment sector for long by way of tariffs on imports and subsidies on exports.

Tariffs restrict imports and raise the price of domestic import substitutes. So, protection clearly hurts consumers and also makes domestic sales more profitable than exports, he said.

"Trade protection for infant industries should be limited to a certain timescale — it should not be for perpetuity."

Rationalising the protection structure as well as sufficiently incentivising exports have become a national imperative, Sattar said as he presented a paper styled "Bangladesh's Trade Regime - The Way Forward".

Tariff is not the only impediment to trade facilitation, said Nihad Kabir, president of the Metropolitan Chamber of Commerce and Industry.

“Overall, there is a lot of obstacles to increasing exports,” she added.

Wahiduddin Mahmud, a noted economist, said while he is not against removing protection, sudden withdrawal may create problems.

He also recommended developing a tax system for five years, which would be of great help to entrepreneurs.

It is a structural problem of the Bangladesh economy that its exports are extensively dependent on the garment sector, said Salman F Rahman, the prime minister’s adviser for private industry and investment.

“We have to diversify our export basket. So, we have focused on this issue in the forthcoming budget,” he said, adding that the government will provide the same benefits and incentives that are currently being provided to the apparel sector to other sectors as well.

Leather and leather goods, furniture and many other sectors will get exactly the same facilities as they have huge potential, Rahman said.

The government is also developing a business-friendly environment with a view to accelerating trade and investment, he added. The South Asian intra-regional trade is only 5 percent compared to 26 percent in ASEAN and 60 percent in the EU, Kathuria said.

Bangladesh could have grown 1-2 percentage points more had South Asia been a more economically integrated region, he said.

The country needs deep engagement with regional and global markets to move to higher income brackets, as it will have access to deep and elastic markets, technology, foreign direct investment and intra-firm trade, he added.

<https://www.thedailystar.net/business/news/apparel-dominates-all-export-policies-1742758>

Bangladesh can benefit from improved connectivity with North-East India

Mehedi Hasan

- Published at 09:20 am May 13th, 2019

Map of North-East India Collected

Discussants say at a workshop

North-East India can unlock its potential through improved connectivity which will benefit neighbouring countries including Bangladesh.

This was said at a workshop titled “Bangladesh–Leveraging Growth Opportunities in the Neighborhood” jointly organized by the Policy Research Institute of Bangladesh (PRI) and the World Bank Group in the capital yesterday.

Discussants in the program mentioned lack of proper connectivity, fractured road, rail and water networks as big challenges for South Asia.

Prime minister’s Private Industry and Investment Adviser Salman F Rahman attended the program as chief guest and PRI Chairman Dr Zaidi Sattar chaired it.

World Bank Lead Economist and Coordinator Sanjay Kathuria and World Bank Consultant (MTI global practice) Priya Mathur together presented a paper titled “Bangladesh: Leveraging Opportunities in North East India”.

In the presentation, they observed that for improving North-East India connectivity, investing

in upgrading and expanding road network within North-East India and its neighbors was important.

There are three emerging corridors with trilateral highway including (India-Myanmar-Thailand), Kaladan multi-modal corridor (North-East India to Sittwe port in Myanmar) and BCIM economic corridor (Bangladesh-China-India-Myanmar).

The paper suggested extending railway networks and broad-gauging; making more airports operational and activating waterways.

The paper further suggested improving welfare of Bangladeshi consumers through access to cheaper and greater variety of products; enhancing growth opportunities for Bangladeshi firms, improved access to cheaper inputs, export markets for finished goods, partnership arrangements for knowledge transfer and skill upgrading and investment opportunities through foreign direct investment (FDI).

Kathuria said: “Bangladeshi consumers will benefit from emergence of more competing sources of product imports.

“North East India can provide medical services to Bangladeshi medical tourists. Bangladesh is the largest source of medical tourists in India. Guwahati (Assam) is growing rapidly in terms of medical services,” said Kathuria.

Dr Zaidi, in his opening remark, said: “Bangladesh has made enormous strides in economic and human development since independence. The challenge is to continue this march.

“As Bangladesh is transitioning out of the Least Developing Countries (LDC) status, it must meet all the criteria”

He further said: “The Growth Commission, headed by Nobel laureate and Economist Michael Spence, has concluded that growth rates for developing economies are significantly higher today than at any time in history.

“Strategic trade integration with the vast global market makes that possible. Bangladesh’s

economy has the potential to grow at 8-10% annually by leveraging trade opportunities in regional and global markets.”

Prime minister’s Adviser Salman said: “Our export basket is stuck on only a few products. It should be diversified. Like the garments sector, incentives will be provided to other sectors also.”

South Asia neighbourhood challenges and opportunities

According to PRI, analysts have described this region as the least economically integrated.

Inter-regional trade is only 5%, compared to 26% in ASEAN, 60% in EU. Safta (The South Asian Free Trade Area) has not helped; lack of connectivity-fractured road, rail and water networks; political borders need not be trade and investment barriers; missed opportunities — in a more economically integrated region, Bangladesh growth could be 1-2% points higher.

<http://www.dhakatribune.com/business/2019/05/13/bangladesh-can-benefit-from-improved-connectivity-with-north-east-india>

# ‘All exports to get same incentives in budget’

PM’s adviser says

FE Report | Published: May 13, 2019 10:51:55

Prime Minister’s Adviser for Private Industry and Investment Salman F Rahman speaking at the inaugural session of the Policy Research Institute of Bangladesh (PRI) conference on ‘Bangladesh — Leveraging Growth Opportunities in the Neighbourhood’ at the PRI office in the city on Sunday — FE photo

All export-oriented sectors will get incentive benefits, similar to ready-made garments (RMG), from the next financial year (FY), 2019-20, to ensure diversification in the country's exports, Prime Minister's (PM) Private Industry and Investment Adviser Salman F Rahman has said .

"All the incentives, provided to garments sector, will now be given to all exports, irrespectively. The decision to give equal incentives to all exports will be reflected from the next budget," he said while speaking at a programme on Sunday.

The Policy Research Institute of Bangladesh (PRI) and the World Bank (WB) jointly organised the dissemination workshop titled 'Bangladesh - Leveraging Growth Opportunities in the Neighbourhood' at PRI office in the city.

Speaking as the chief guest at its inaugural session, Salman F Rahman said it is a structural weakness that the country's export is heavily dependent on RMG.

"We have to diversify our exports, and we are addressing the issue persistently."

The adviser said exporters often complain that they do not get incentives they deserve.

"We have addressed the issue. All exporters will get their due facilities."

Some sectors, including leather and leather goods, furniture and pharmaceuticals etc, will see significant export growth within the next two years following new incentives, Mr Rahman opined.

He further said Bangladesh's position in the ease of doing business index will come down to 125 from the present 176. The government has taken due steps in this regard.

Citing examples of the US-China trade war, the adviser said imposing tariff on trade is not a good idea.

"We should get rid of all tariff and non-tariff barriers," he added.

Former caretaker government adviser Dr Wahiduddin Mahmud said the National Board of

Revenue (NBR) rules should not be changed every year.

There should be the same tax structure for at least five years, so that there is predictability.

He said changing tariff rates every year is actually correcting anomalies in the tax structure, which were created in the previous year.

Mr Mahmud added that the north-eastern region of India is so different from Bangladesh that both the parts can complement each other.

Speaking at the inaugural session, Dr Zaidi Sattar, the PRI Chairman, said high growth of the country's economy is a call for greater trade openness for Bangladesh to integrate with the world economy.

He said anti-export bias of trade policy will have to be minimised in order to ensure traction in export diversification with robust export growth in both RMG and non-RMG exports.

Mr Sattar said modernising and mainstreaming trade policy is now a national imperative.

"Growth acceleration through trade integration is the only way forward," he added.

Presenting a paper, Sanjay Kathuria, lead economist and coordinator at regional integration, macro-economics, trade and investment global practice of the WB, said the Bangladesh Bank should eliminate restrictions on outward foreign direct investment by Bangladeshi companies.

He said it is not always necessary that politics will drive economy, but economy may also drive politics.

Ahsan Khan Chowdhury, CEO of the Pran Group, said various dimensions of connectivity between Bangladesh and India's north-eastern region will help both the regions to thrive.

He said if Bangladeshi exporters want to be competitive, at first they should try to reach the Indian market, which is very competitive.

Dandan Chen, Acting Country Director of the WB, Asif Ibrahim, director of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Nihad Kabir, President of the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI), and Kamran T Rahman, President of the Bangladesh Employers Federation (BEF), among others, also spoke at the programme.

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<https://thefinancialexpress.com.bd/economy/bangladesh/all-exports-to-get-same-incentives-in-budget-1557723115>

## Non-tariff barriers hindering Bangladesh-India trade growth

# Experts say at PRI-WBG workshop

[Staff Correspondent](#) | Published: 00:00, May 13,2019

Prime minister's private industry and investment affairs adviser Salman F Rahman speaks at a dissemination workshop titled 'Bangladesh - Leveraging Growth Opportunities in the Neighbourhood' jointly organised by the Policy Research Institute of Bangladesh and the World Bank Group at PRI conference room in Dhaka on Sunday. Former Dhaka Chamber of

Commerce and Industry president Asif Ibrahim, Bangladesh Employers' Federation president Kamran T Rahman, World Bank South Asian region lead economist Sanjay Kathuria, PRI chairman Zaidi Sattar and Bangladesh Enterprise Institute president Farooq Sobhan were present, among others. — New Age photo

Trade experts on Sunday blamed non-tariff barriers for impeding Bangladesh-India trade growth.

Historical trade barriers between Bangladesh and India should be removed for the acceleration of trade growth, they said at a dissemination workshop titled 'Bangladesh - Leveraging Growth Opportunities in the Neighbourhood'.

The Policy Research Institute of Bangladesh and the World Bank Group jointly organised the event at the PRI conference room in capital Dhaka.

Former Dhaka Chamber of Commerce and Industry president Asif Ibrahim said that although India extended duty-free market access for Bangladeshi products under a regional agreement, the trade and business between the two countries were hindered due to bureaucratic bottlenecks and non-tariff barriers.

Despite having opportunity for Bangladesh to export food items to northeast India, huge quantity of food items including vegetables is wasting in Bangladesh as the country lacks enough facilities to preserve the items, he said.

Asif urged the government to enhance cooperation between Bangladesh and the states of northeast India in the area of tea plantation.

He also urged Bangladesh Bank to rethink the foreign exchange regulation to keep the country competitive in the global export market.

Kamran T Rahman, president of Bangladesh Employers' Federation, said that non-tariff barriers were playing a vital role in raising the cost of business between Bangladesh and India.

'It's a big impediment to Bangladesh business growth,' he said.

He termed the imposition of anti-dumping duty on Bangladeshi jute products by India unfortunate and said that along with the private jute mills workers, the workers of state-owned mills were suffering for the duty imposition.

Mentioning the issue of regional connectivity, Kamran said, 'We want connectivity with the northeast region of India but it should not be one sided. We have to be informed how much Bangladesh would get from an Indian lorry for transit.'

Bangladesh can leverage the growing connectivity of northeast India and its emerging value

chains for its own growth and consumers welfare through access to cheaper and greater variety of products, Sanjay Kathuria, lead economist of World Bank South Asian region, said in a presentation.

He said Bangladeshi consumers would be benefitted from emergence of another competing source of product imports as northeast India produces a variety of fresh fruits and vegetables and spices.

To secure a steady supply of raw materials Bangladeshi firms could explore investment opportunities in northeast India to strengthen competitiveness, Sanjay said.

He suggested revisiting the outward foreign direct investment policy and said FDI policy in Bangladesh needed to go beyond case-by-case approval towards gradual expansion of limit to allow mature Bangladeshi farms to grow beyond their borders.

Prime minister's private industry and investment affairs adviser Salman F Rahman said that the government had taken a very ambitious plan to go to the next level of economic growth. 'We have to achieve double digit growth and to continue with a certain period to go to the next level,' he said.

Salman said that the dependency on only readymade garment was the basic weakness of Bangladesh and the government had decided to diversify its export basket.

In the coming budget the government would provide same benefits for all export sectors, he said.

'We have taken initiatives to improve doing business situation and in certain area work had been done,' Salman said.

He hoped that the rank of doing business would improve to 150 from existing 176.

Bangladesh's economic growth could be 1-2 percentage points higher through regional integration but policy barriers and lack of harmonisation of trade regulation with global partners were hindering the opportunity, said PRI chairman Zaidi Sattar.

He said that anti-export bias of trade policy would have to minimise in order to ensure traction in export diversification with robust export growth in RMG and many non-RMG products.

'Modernising and mainstreaming trade policy is now a national imperative,' he added.

Bangladesh Enterprise Institute president Farooq Sobhan said that time had come for Bangladesh for negotiating free-trade agreement with India.

He stressed strong lobby with India to fight for market access saying that historical trade barriers should be removed.

'We need to widen the range of products and it is possible to increase Bangladesh's export to





গণমাধ্যমের মাধ্যমে বাংলাদেশের গণসংস্কৃতির পরিচয় গঠন করা যায়। গণমাধ্যমের মাধ্যমে বাংলাদেশের গণসংস্কৃতির পরিচয় গঠন করা যায়। গণমাধ্যমের মাধ্যমে বাংলাদেশের গণসংস্কৃতির পরিচয় গঠন করা যায়।

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