

SDG Implementation Status of Ministry of Commerce

We know that the Sustainable Development Goals (SDGs) aim to transform our world. The objective is to produce a set of universal goals that meet the urgent environmental, political and economic challenges facing our world. SDGs are a call to action to end poverty and inequality, protect the planet, and ensure that all people enjoy health, justice and prosperity. It is committed to prioritize progress for those who are furthest behind. All 17 Goals interconnected, meaning success in one affects success for others. Dealing with the threat of climate change impacts and managing our fragile natural resources, achieving gender equality or better health will help eradicate poverty, and fostering peace and inclusive societies will reduce inequalities and help economies prosper. In short, this is granted as a great chance to improve life for future generations.

2. As Bangladesh kept a successful benchmark in the achievement of MDGs it is anticipated that Bangladesh will also remain exemplar in achieving SDGs as frontline. Among the 17 goals the economy, trade and prosperity related indicators are associated with Ministry of Commerce and specific activities and programmes have been undertaken to achieve targets of the related goals of SDG.

3. Progress by Indicators:

i) SDG goal 2 is – “End hunger, achieve food security and improved nutrition and promote sustainable agriculture”. Ministry of Commerce is the lead for the indicator 2.b that says to correct and prevent trade restrictions and distortions in the global agricultural markets, including through the parallel elimination of all forms of agricultural export subsidies and all export measures with equivalent effect, in accordance with the mandate of the Doha Development Round. The ministry has taken measures to provide 20% subsidies to agricultural export products, i.e.- vegetables, potatoes, seeds, agro processed products. After LDC graduation which is scheduled to be on 24th November, 2026 the subsidy will be ceased.

ii) In the indicator 2.c.1 Ministry of Commerce is responsible for adopting measures to ensure the proper functioning of food commodity markets and their derivatives as well as facilitate timely access to market information, including food reserves, in order to help limit extreme food price volatility. In this purpose 10

million low-income families across the country have been provided with essential food stuff (rice, cooking oil, lentil and sugar) on a monthly basis at a subsidized rate since 2021 through Trading Corporation of Bangladesh (TCB) of Ministry of Commerce. An amount of taka 26,500 million equivalent to USD 245 million were contributed as subsidy for the people of low-income group from government revenue in 2022-23 financial year. Around 600 thousand metric tons of aforesaid foodstuff are required to supply under the scheme in each year. 50 million individuals of 10 million families are the direct beneficiaries of the scheme. The scheme contributes also to reduce poverty by employment generation through dealerships, transportation and handling of goods.

Another significant step of the ministry is bazar monitoring. Since 2016-17 fiscal year monitoring of 61456 markets have been conducted and 136756 trade shops have been fined and 94,38,22,542/ (ninety four crore thirty eight lakhs twenty two thousand and five hundred forty two taka) collected as fine and deposited to government exchange. As awareness building is a salient activity for regulating food price anomalies since 2016-17 fiscal year 17322 awareness programmes (seminar, workshop, public hearing and interactive programme) have been done with various stakeholders. Initiatives have been taken to campaign digitally by using social platform, i.e.-Facebook, Youtube for increasing consciousness/awarness. The ministry is continuing bazar monitoring to maintain smooth supply of consumer products. Along with Ministry of Agriculture and Ministry of Food this Ministry is monitoring the storage of food products as well as encouraging domestic production and reduction of dependence on international markets through seminars and workshops.

iii) Aid for trade commitments and disbursements is another indicator which is assigned to the Ministry of Commerce. Aid for trade support for developing countries, in particular least developed countries is essential to give these countries the opportunity to build the trade capacity and infrastructure they need to benefit for trade opening. The core intention is to address specific challenges faced by developing countries including LDCs. In Bangladesh, in the perspective of LDC graduation the aid can identify the opportunities for sustainable economic growth and export diversification as well as supply chain resilience. It can be utilized for supporting women's economic empowerment, digital connectivity and sustainable development. It is noteworthy that US \$ 27,10,000 was the commitment for

Enhanced Integrated Framework of WTO for few projects under Ministry of Commerce like- Export Competitiveness for Jobs, Bangladesh Regional Connectivity Project from which US \$ 21,39,741 was disbursed.

iv) SDG 8.2 aims to achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high value-added capital intensive and labour – intensive sectors. Ministry of Commerce is working intensively to diversify the export products. Garments sector has the highest export earning which is 84% of our total export compared to which the other sectors are minimal. For this reason, to prepare Bangladesh to meet the challenges after LDC graduation it is high time to diversify our products. To encourage the manufacturing of higher value-added and higher technology products the project named “Export Competitiveness for Jobs” is being implemented. Four technology centers (in Bangabandhu High Tech City, Kaliakoir, Shirajdikhan, Munshigonj, Kashimpur, Gazipur, Miesharai, Chottogram) are under establishment to enhance and diversify the export of leather and leather goods, footwear, light engineering and plastic products in line with the demand of the international market. Several industry personnel had been trained on Environmental, Social and Quality (ESQ) compliance standards across four targeted sectors (leather and leather goods, footwear, light engineering and plastic products). Number of trainees here in these sectors 3250. In addition, 460 manufacturing industries have been given financial support to undertake diagnostic assessment on ESQ compliance standards across those targeted sectors and 110 factories have been given financial support through matching grant under Export Readiness Fund (ERF) program for the SME industries to improve ESQ compliance.

There are few projects such as Bangladesh Regional Connectivity Project-1 (BRCP-1), Export Diversification and Competitiveness Development Project (Tier-II), Export Competitiveness for Jobs (EC4J), E-Banijjo Korbo, Nijer Bebsha Gorbo being implemented by Ministry of Commerce, where large number of entrepreneurs including women are being trained. For example, 240 participants from public and private sector has received capacity Enhancing Training on "Agricultural Negotiation" in multilateral trading system. Again, Under TIER II Project 625 entrepreneurs, students of Nutrition and Food Engineering, professionals in food processing industries received hands on training on "Fruit

(Banana, Jackfruit, Mango, Papaya and Pineapple) processing and packaging”. A total of 160 local fashion Designers, students of fashion designing and professionals employed in RMG industry were trained on "Creating High-end Fashion with Heritage Materials from Bangladesh.”

In addition, Ministry of Commerce has established 7 Business Promotion Councils (BPC). BPCs are assigned to work for capacity building, skill development, compliance and standardization issues of businesses. BPC is committed to arrange training programs for youths and individual entrepreneurs in the areas of core technical matters, financial and managerial terms of Business Process Outsourcing (BPO). More than 10 crore taka have been allocated for the programs undertaken by the BPCs

The Export Wing of the Ministry of Commerce possesses an Endowment Fund, which is utilized for the skill development of the workers in garment sector. Around 2000 garment workers benefits per year from this fund. A diploma course has been introduced for the skill development of the midlevel managers in garment sector that will continue under this fund.

There exist around 500 trade associations and 100 chambers of commerce. Ministry of Commerce updated relevant law, rules and regulations to bring disciplines and transparency in these organizations with a view to creating congenial business environment for their growth. Ministry of Commerce continuously organizes workshops, training programs, roundtables for the private sector to enhance their capacity for export competitiveness and export diversification as well as to sensitize them with compliance and standardization issues.

A study has been conducted by Bangladesh Foreign Trade Institute (BFTI) under "Diagnostic Trade Integration Study Update (DTISU) of Bangladesh: Trade Roadmap for Sustainable Graduation (TRSG)" project funded by EIF. The Study diagnoses the trade related key challenges of sustainable graduation of Bangladesh from the LDC status. It has prepared sector specific trade roadmaps to overcome those challenges e.g., RMG and knitwear, light engineering, pharmaceutical, ship building, software and IT related services etc. The study updated the DTIS action matrix.

The ministry is providing necessary policy supports to the entrepreneurs to increase their productive capacity. The Export Policy 2021-2024 emphasizes on product development, export competitiveness and export diversification with technology upgradation and adoption of 4th industrial revolution in production base. As MMF has increased significantly in global fiber of RMG, MoC has recommended to Finance Division to introduce incentives for MMF exports. With the recommendation of MoC, a fund for upgradation of industry technology has been created in Bangladesh Bank. The entrepreneurs can increase their capacity and competitiveness with the assistance of the fund.

To facilitate trade and commerce of goods and services, the ministry has formulated import Policy Order (IPO), 2021-2024. According to the IPO most of the goods are permitted to import into Bangladesh. As per Bangladesh Bank data, total import of goods and services stood at USD 79 billion in 2022-23 financial year. Again, the ministry is drafting Digital commerce Authority Act to ensure legal framework of e-commerce management. To promote e-commerce business, Ministry of Commerce formulated National Digital Commerce Policy 2018, Digital Commerce Operation Guidelines 2021, Digital Business Identity (DBID) Registration Guidelines, 2022. Since 2022 around 690 e-commerce enterprises have been allotted DBID by Registrar of Joint Stock companies. The ministry has piloted an Online Central Complaint Management System (CCMS) of E-commerce Consumers. EPB of Ministry of commerce has implemented a Data Matching Software named Export tracker on 25-08-2021 for the verification and monitoring of the exporters self-declaration export documents; Statement on Origin (SoO) under the Registered Exporter System (REX) of European Union. This Data Matching Software has integration with the National Board of Revenue (NBR) and Bangladesh Bank (BB) export documents. Every Registered exporter is bound to submit their export documents to the Exports Tracker after 15 days of export. EPB of Ministry of commerce works as a competent authority for issuing preferential certificate of origin after the completion of monitoring and verification under different duty-free quota-free market access schemes. To get this service, an exporter needs to enroll with EPB. EPB has implemented a software named Exporter Management System (EMS) on 20 December, 2022 to enroll the exporters on digital platform. The ministry has prepared women entrepreneurs

Networking platform (WENP). About 26,000 women entrepreneurs are connected in this platform.

Another significant progress is that the ministry has taken the lead of two subcommittees named “Preferential Market Access & Trade Agreement” and “WTO Issues (Other than market access & TRIPS)” to help Bangladesh to meet the challenges of LDC graduation after the year 2026, specially trade related issues of Bangladesh after the loss of LDC- specific international support measures (ISMs). Several studies, workshops and seminars have been arranged to let the entrepreneurs know about the market demand of those products and to present a guideline about technological developments that need to be done to increase and standardize production. Workshops on “WTO Compliance”, “Sustainable Green Energy”, “Challenges and Way forward about the Export of Agro products” were arranged. A report on “Challenges of Export of Halal Meat” has been prepared and sent to the Prime Minister’s Office (PMO). Another report on the export of five Products to other countries is on the process. Again, proposal of incentives to the specific export sectors to support the entrepreneurs is also streaming in the policy level. The Export Policy and Import Policy order are being updated to keep pace with the challenges of LDC graduation for Bangladesh.

v) SDG 10 a. focuses on implementation of the principle of special and differential treatment for developing countries, in particular least developed countries, in accordance with World Trade Organization agreements. Bangladesh is enjoying Duty Free Quota Free facilities in export to all developed countries except USA and in few developing countries like India, China, Thailand, Chili, South Korea etc. Proportion of tariff lines applied to imports from least developed countries and developing countries with zero-tariff is 4.8. In addition, as a least developed country Bangladesh is providing export subsidies for export of non-agricultural products. We are enjoying the exemption of intellectual property rights in production of medicine. As a result, we are able to produce, distribute and export many patent medicines without license or royalty. Bangladesh receives benefits of technical assistance from WTO with regard to notification, trade policy review, SPF and TBT regulation under WTO. We also enjoy the benefits of special and differential treatment under WTO dispute settlement policy.

vi) To encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle Ministry of Commerce has arranged workshop on “ LDC Graduation and Implementation of Action Plan: Transition towards Efficient and Green Energy in the Industries in Bangladesh: Challenges and Way Forward”. Adoption of sustainable practices is included in SDG 12.6. The report on sustainable practices is basically prepared according to the requirement of the buyer. It includes details of supply chain, details of stakeholder engagement surrounding sustainability performance, details of remuneration, charitable donations, renewable energy sources, waste management, biodiversity impacts, local community impacts etc.

vii) SDG 17 describes about promoting a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the World Trade Organization. It emphasizes on significant increase of exports of developing countries, in particular with a view to doubling the least developed countries’ share of global exports by 2020. Bangladesh is enjoying the Duty-Free Quota-Free market access facilities to specific developed countries. As an active member of the LDC group in WTO we are seeking a comprehensive set of smooth transition measures covering unilateral DFQF schemes and extension of LDC- specific special provisions in the WTO and technical assistance and assistance for capacity building. Along with the endeavours in the WTO we are negotiating bilaterally with key trading partners to extend the existing preferential market access facilities. Bangladesh is intensely negotiating with the EU officials and policymakers to pursue them to revoke the threshold value of product graduation enshrined in the safeguard clause of paragraph 2 of Article 29 of the proposed GSP+ regulation for vulnerable graduated LDCs. Ministry of Commerce has taken initiatives to engage in FTAs with its potential trading partners to offset the loss of preference erosion after graduation. The “Regional Trade Agreement (RTA) Policy 2022” has been formulated that covers trade in goods, trade in services, investment, intellectual property rights, environment,labour, government procurement, logistics, trade facilitation etc. Several feasibility studies to analyze the pros and cons in FTA has also been made. Based on the positive outcome of the studies MoC has already started FTA negotiations with key trading partners. Again, Bangladesh has fully implemented Preferential Trade Agreement (PTA)

with Bhutan and PTA under D-8 and Trade Preferential System among the Member States of OIC (TPS-OIC). PTA text and Rules of Origin for PTAs with Indonesia, Nepal and Sri Lanka have almost been finalized. Moreover, Comprehensive Economic Partnership Agreement (CEPA) with India, Free Trade Agreement (FTA) with China, Economic Partnership Agreement (EPA) with Japan, FTA with Singapore, EPA with South Korea, Bangladesh- MERCOSUR FTA, PTA/ FTA with Hong Kong and RCEP are on the process.

Bangladesh still relies on tariffs and taxes at import levels for its total revenue collection, with tariffs contributing to 27% of total revenue. In FY 21-22 weighted average tariff of Bangladesh was 4.8%. Ministry of Commerce has formulated the first-ever tariff policy – “National Tariff Policy, 2023”. It aims to encourage investments, promote and ensure consumers’ benefits through reduction of price disparities between local and imported goods. It seeks to abolish the existing system of minimum value determination by the National Board of Revenue (NBR) for imported goods.

Ministry of Commerce is working intensively for export diversification also. The export Policy 2021-2024 aims to cope up with the upcoming challenges that will emerge after LDC graduation in 2026. The policy emphasizes on product diversification, identification of priority products, expansion of export industries and making trade and investment easier to boost export. The National Committee on Export is working to gradually abolish cash incentives in export in compliance with WTO agreement on subsidies and countervailing measures (ASCM) before 2026. As a net food importing country Bangladesh can only continue to provide export subsidy/ cash incentives to agricultural products after 2026 till 2030 if it is included in the Annex VII list of the Agreement on Subsidies and countervailing measures. MoC is working to submit the data of export and import to the committee on Agriculture of WTO. In FY 2022-23 Bangladesh earned US\$ 55,558.77 million (goods) which is 6.67% more than last FY. In service sector Bangladesh has exported US\$ 6,347.39 million in FY 2022-23. In 2021 Bangladesh’s share in global merchandise exports was 0.24% and in global service export was 0.12%.

To increase the export share, MoC is continuously exploring new markets for our potential products like- leather and footwear, pharmaceuticals, ceramics, IT and

Software, jute products, light engineering products, handicrafts, frozen food, agro-based items etc.

4. In conclusion, it can be said that Ministry of Commerce is working rigorously for trade facilitation, trade policy reform, export competitiveness, product development, skill development, product diversification, expansion of export market, capacity building for trade etc. to promote resilient, inclusive and sustained economic growth and to create jobs to raise income of people of Bangladesh and enhance welfare of people.