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Ministry of Commerce

Export Policy 2015 - 2018

Government of the People's Republic of Bangladesh
Ministry of Commerce
Bangladesh Secretariat
Dhaka

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Chapter One

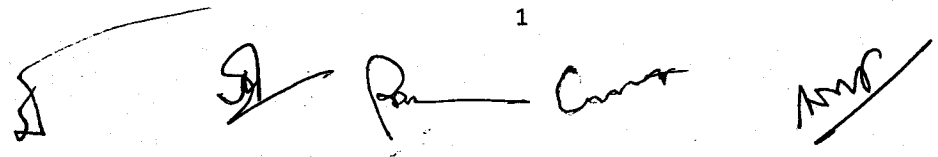
Title, objectives, strategies, application and scope

1.0. Title

This Policy shall be called the Export Policy 2015-18.

1.1. Objectives of the Export Policy

- 1.1.01. To update and liberalize the trade regime keeping consistence with the global perspectives and needs, and the requirements of World Trade Organization and sub-regional connectivity of the four countries (Bangladesh-India-Nepal-Bhutan);
- 1.1.02. To take target oriented steps to raise export earnings to US\$ 60 billion by 2021;
- 1.1.03. To increase export, expand markets and diversify products, and improve balance of trade rationally with different countries in light of the Perspective plan and 6th and 7th Five year plan, with a view to graduating Bangladesh to a Middle income country by 2021;
- 1.1.04. To increase export of all types of products including plant & plant produces and non-traditional products, as well as to establish a compliant supply chain through contract farming, with the conviction of building a poverty-free Bangladesh through creation of employments for the huge population of the country;
- 1.1.05. To arrange export of quality products at competitive price, take coordinated effort to upgrade the testing facilities to global standard, improve quality of products, encourage the use of the state-of-the-art, appropriate and environment- friendly technology, produce high value added exportable products and improve designs of products;
- 1.1.06. To make export trade unhindered by ensuring compliance in the export oriented industry, and consolidate the position of Bangladesh in the competitive global trade;
- 1.1.07. To increase the stake of service sectors including ICT in the export, and bring dynamism to the export trade by utilizing e-commerce and e-governance;
- 1.1.08. To encourage production of labour-intensive products, and to enhance the involvement of women force in export oriented industries and trade;
- 1.1.09. To make infrastructural facilities including electricity, water and gas easily obtainable, enhance capacity of the ports and develop communication system connecting the ports in order to facilitate increasing the export;
- 1.1.10. To increase the number of Business Promotion Council already established and strengthen their activities to facilitate public-private partnership, export diversification and institutionalization;
- 1.1.11. To make Bangladesh missions abroad more business-friendly;
- 1.1.12. To do branding of Bangladeshi products;
- 1.1.13. To establish more business-friendly banking system under the auspices of Bangladesh Bank, and encourage factoring services for export trade financing;
- 1.1.14. To expand export trade by establishing import substitute industries;
- 1.1.15. To encourage FDI in the export oriented industries for escalating export;



229

- 1.1.16. To make raw materials, from local and foreign sources, easily available in producing exportable goods;
- 1.1.17. To enhance productivity and diversify products;
- 1.1.18. To search for new markets, adopt new strategies, collect and analyze information relating to international market in order to expand market of export products;
- 1.1.19. To assist in building necessary infrastructure and in special cases backward and forward linkage for encouraging production and marketing of exportable commodities;
- 1.1.20. To extend all-out assistance to the existing exporters and create new exporters;
- 1.1.21. To provide assistance in generating skilled manpower suitable for international trade through imparting appropriate training; and
- 1.1.22. To make the Chambers of Commerce, Trade Associations, Businessmen and the people concerned with trade aware of the changing rules & regulations of the international trade.

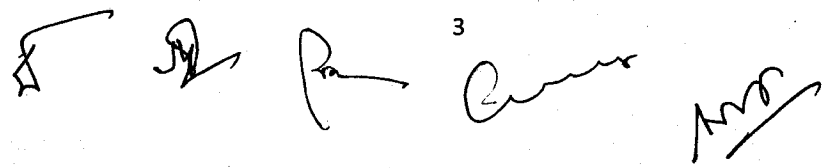
1.2. Implementation Strategy

- 1.2.01. Increasing the institutional capacity and efficiency of the Export Promotion Bureau (EPB), providing assistance in capacity building of the Customs Authorities, Sea and Land Port Authorities, Department of Fisheries, Department of Agricultural Extension, BSTI, Tea Board and different trade bodies, and initiating coordinated activities;
- 1.2.02. Strengthening BFTI;
- 1.2.03. Involving Tariff Commission in research activities;
- 1.2.04. Modernizing and updating Bangladesh Foreign Missions abroad by strengthening economic diplomacy;
- 1.2.05. In addition to infusing dynamism into the activities of the 6 (Six) established Business Promotion Council, establishing Business Promotion Council for other products including plastic goods for increasing production and trade through joint initiative of public and private sector for encouraging the production and export of potential goods;
- 1.2.06. Providing assistance to producers and exporters in getting information on market intelligence regarding demands for commodities abroad, competitive price, expanding markets and in getting competitive and higher price etc. and establishing a strong institutional structure for research in the Export Promotion Bureau;
- 1.2.07. Extending support to the export facilitating agencies for enhancing work-efficiency and ensuring transparency and accountability by introducing automation and e-Governance;
- 1.2.08. Providing assistance for updating and modernizing the over-all trading system by ensuring the best use of all modern technologies including e-Commerce with a view to making the export products more competitive through reducing cost of doing business, increasing production, expanding market and reducing lead time;
- 1.2.09. Disseminating updated information to the exporters on export markets and technology to facilitate diversification of exports;
- 1.2.10. Arranging training on different subjects for workers, staff and management personnel with a view to enhancing productivity, and establishing more sector specific training institutes;

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524

- 1.2.11. Encouraging promotion of export through increasing facilities of relevant institutions including trading and export houses;
- 1.2.12. Providing assistance in establishing internationally accredited certification system to ensure the quality of products;
- 1.2.13. Giving importance to workers' right including workplace safety;
- 1.2.14. Encouraging the establishment of product-specific design centers for improvement of product designs;
- 1.2.15. Encourage to follow internationally accepted best practice/ethical business;
- 1.2.16. Setting up Single Window Service Center to facilitate international trade;
- 1.2.17. Extending overall assistance to the exporters for producing organic products;
- 1.2.18. Providing special assistance to the Small and Medium Enterprises;
- 1.2.19. Providing assistance to the exporters for getting themselves familiar with the working process of the importing countries;
- 1.2.20. Providing different financial incentives to exporters including export credit at comparatively lower interest rate;
- 1.2.21. Taking supportive measures to improve port management, infrastructure and transport system, and to simplify procedures for clearing goods in order to reduce lead-time, as well as to introduce one stop service to reduce cost of doing business with a view to increasing competitive strength of the exporters;
- 1.2.22. Organizing single country trade fairs and providing assistance to the exporters for participation in international trade fairs in different countries under the initiative of exploring new markets for product branding and diversification, sending trade delegation abroad, receiving trade delegation comprising buyers/business associations and taking necessary steps to study market of the products;
- 1.2.23. Taking all necessary initiatives for getting duty-free market access to developed and developing countries, including the United States with a view to expanding markets of Bangladeshi products and services abroad;
- 1.2.24. Taking special initiatives to increase export of products and services in South Asia and other countries of Asia including Middle-east and Africa, Brazil, Mexico, Chile, South Africa, CIS countries including Russia, SAARC countries, SADC (South African Developing Countries) and taking initiatives to increase export of products having demand among expatriate Bangladeshis;
- 1.2.25. Awarding CIP status and National Export Trophy every year to the best exporters of different sectors in recognition of producing new products, diversifying products, enhancing export, etc.;
- 1.2.26. Regular reviewing of the country's export situation at least once annually and providing necessary directions by the "National Committee on Export";
- 1.2.27. Regular monitoring and evaluating the implementation progress of the decisions of the "National Committee on Export" by the Task Force formed for this purpose; and
- 1.2.28. Identifying problems related to export and recommending possible remedies thereof to the higher authority by the Export Monitoring Committee headed by the Vice-Chairman of the Export Promotion Bureau and represented by the private sector including FBCCI for their

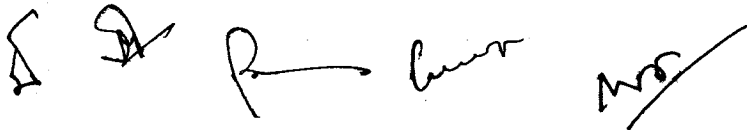
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220
implementation.

- 1.2.29. Formulating export monitoring committee comprising representatives from the related ministries and apex business associations for monitoring Export Policy 2015-2018, reviewing its implementation progress and providing necessary recommendations; and
- 1.2.30. Establishing export cell in the Ministry of Commerce.

1.3. Application and Scope

- 1.3.01 Unless otherwise stated, the Export Policy 2015-2018 shall be applicable for exports of all types of goods and services from Bangladesh;
- 1.3.02. The Export Policy 2015-2018 shall be effective from the date of its publication, and remain in force till June 30, 2018. However, this Export Policy will remain valid until the new Export Policy is enforced;
- 1.3.03. This Policy shall be applicable in all places in Bangladesh except for the Export Processing Zones, Bangladesh Economic Zones and private Export Processing Zones;
- 1.3.04. Any tax and tariff related decision announced in the National Budget and by the National Board of Revenue shall prevail over the Export Policy;
- 1.3.05. Whatever is stated in this Policy, any specific order related to export issued by the government shall prevail over this Policy even if the said order is inconsistent with any provision of this Policy;
- 1.3.06. The government will review the Export Policy at least once a year, and will make modification, expansion or amendment, if necessary.

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228-

Chapter Two

General Provision for Export

2.0 Rules and Regulations to be followed in Export of Products:

The conditions stipulated in this Policy or in any other related laws and the rules & regulations related to foreign currency exchange issued from time to time by Bangladesh Bank have to be followed in case of export of goods from Bangladesh; and relevant documents as stipulated in the above mentioned policy, laws, rules & regulations have to be submitted.

2.1. Control of Export of Products: The Export of products under this Policy will be controlled in the following ways, such as:

2.1.01 Export Prohibited Products: Unless otherwise stated, products prohibited under this Policy cannot be exported. The list of export prohibited products is given at Annex-1;

2.1.02 Conditional Export: Products which are exportable subject to fulfilling certain conditions can be exported after fulfilling those conditions. The list of such products is given at Annex-2.

2.2. Exportable Products: Unless otherwise stated, all other products except for the products under prohibition as listed in Annex-1 and the products under conditional export as listed in Annex-2 shall be freely exportable.

2.2.01 Rules & regulations as stated in this Policy shall not be applicable to the following cases:

2.2.1.1 Store, equipment or spare parts of ships, vehicles or aircrafts bound for abroad, and products declared as part of their kitchen, or the baggage accompanied by the sailors or the crew and passengers of those ships, vehicles or aircrafts;

2.2.1.2. Export of samples subject to fulfillment of the following conditions -

a. All products that are not included in the prohibition list;

b. A maximum of US\$ 10,000 worth products per exporter annually (except medicine) based on the FOB (free on board) price;

c. Products sent free of cost as samples, provided that, in case of medicine :

1) Any registered exporters who are member of the registered Associations can send a maximum of US\$ 70,000 worth products as sample, without export L/C (Letter of Credit); or

2) Medicine worth 10% of the total value of each L/C or a maximum of US\$ 15,000, whichever is less;

3) Examining on a case-to-case basis, Bangladesh Bank, if necessary, can increase these limits.

d. Subject to the approval of Bangladesh Bank, for 100% export-oriented garment industry, a maximum of US\$ 15000 worth samples of readymade garment per year;

e. The diamond processing firms having bond licenses issued from the Customs Bond Commissionerate or diamond and diamond-studded jewellery processing firms registered as producers with VAT Commissionerate under National Board of Revenue can send abroad cut and polished diamond/ diamond-studded jewellery samples worth US\$ 60,000 annually with a view to participating in international trade fair or showcasing for export market development; the samples so sent must be brought back to the country after the show. However, if the samples are sold, all sales proceeds must be repatriated through legal banking channel and the amount of the proceeds shall not be less than the value of the samples;

f. Promotional materials (brochure, poster, leaflet, banner etc.) irrespective of value or weight;

g. Gift parcel worth US\$ 2,000 or equivalent in Bangladeshi Taka

- h. Bona fide baggage of travelers traveling outside Bangladesh; and
i. Products exported by the government as Relief Materials.

2.2.02. "Sample" means limited quantity of goods easily identifiable and having no commercial value; and

2.2.03. "Gift parcel" means gift materials sent by air, by post or by courier service.

2.3. **Authority to relax export control:** The Government showing appropriate reasons can permit the export of any product which is otherwise prohibited under Annex-1. Moreover, the government can issue authorization, under special consideration, for export, export-cum-import or re-export of any product.

2.4. **Entre-port and Re-export:**

2.4.01. Entre-port trade 'means such trade that involves the export of an imported product to a third country at a price at least 5% higher than the import price, and without any change whatsoever in the quality, quantity, shape or any other aspect in this respect. Products under entre-port trade shall not be brought out of the port area. However, in case of export through another port, the products can be transported from one port to another subject to approval from the Ministry of Commerce;

2.4.02. **Import for entre-port trade:** Products for entre-port trade can be imported against back-to-back L/C established by the buyer and through 'Import Permit' on returnable basis issued from the Office of the Chief Controller of Import and Export. In case of such entre-port import, the words 'entre-port or temporary import' have to be mentioned in the declaration of goods;

2.4.03. The imported products shall not be brought out of the port if the import port and the export port are the same;

2.4.04. If the import port and the export port are different, products have to be exported within a specific period of time, upon transporting them to the export port on approval from the Customs Authorities paying duty-taxes under duty-drawback or providing a 100% bank guarantee;

2.4.05. "Import price" under entre-port shall refer to the CFR (Cost and Freight) price of the imported product declared at the port of Bangladesh;

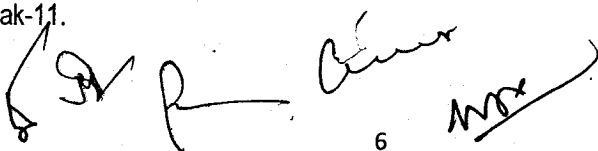
2.4.06. "Re-export" means the export of an imported product within a specific period of time with a value addition of at least 10% to the imported price by changing either quality or shape or both of the products by means of local reprocessing;

2.4.07. Import price in this case shall refer to the CFR price of imported product declared at the port of Bangladesh for re-export;

2.4.08. **In case of clearance from port and re-exportation of readymade garments returned due to defects:**

1) For the readymade garment exported under the bonded warehouse system and returned back for defects or any other reason, the Chief Controller of Import and Export shall issue clearance permit for clearing of such products from the port and their subsequent re-export on the basis of no-objection from the relevant lien banks and the Customs Authorities.

2) For the readymade garment made of locally produced raw materials and exported without the bonded warehouse license, and returned for defects, the relevant enterprises can take delivery of such products from the port on submission of clearance permit from the Office of the Chief Controller of Import and Export to be issued on the basis of an undertaking that, such products shall be re-exported within one year. However, in case of failure to re-export as per the undertaking, such products can be sold in the local market subject to payment of VAT payable at the local level as per the existing VAT Act (only in case of local fabrics) equivalent to the drawback received as per Mushak-11.


6

222

2.4.09. In case of return of rejected fabrics:

- 1) For the defective fabrics which the supplier/exporter wants to take back and for which no foreign currency has been remitted from Bangladesh, the Chief Controller of Import and Export shall issue the clearance permit for the re-export on the basis of no-objection from the relevant lien banks and the Customs Authorities
- 2) For the defective fabrics which the supplier/exporter wants to take back and for which foreign currency has already been remitted from Bangladesh, the Chief Controller of Import and Export shall issue the clearance permit for the re-export of such fabrics on the basis of no-objection from the relevant lien banks and the Customs Authorities. However, this clearance shall only be issued after the determination of the volume of defective fabrics through preparation of Inventory as per mutual consent of the Buyer and Seller, and after inward remittance of foreign currency through TT or At Sight L/C or after replacement of an equal volume of products.

2.5. Unless otherwise stated, export shall be allowed against L/C established by the foreign buyers.

2.5.01. Export opportunities without L/C:- In addition to L/C, export will be allowed against buying contract, agreement, purchase order or advanced payment on the basis of obtaining EXP (Export Permit) from the bank; export of all products shall be allowed without L/C on consignment basis in case of advance encashment. TT will also be included under advance encashment; and

2.5.02. "Buying Contract" means a signed agreement between an exporter and an importer for the purpose of exporting a product.

2.6. Temporary Export for Re-import :

2.6.01. 1) In case of sending machinery, equipment or cylinder abroad for the purpose of repairing, re-filling or maintenance etc, a bank guarantee equivalent to the value of the goods shall have to be submitted to the Customs Authorities. In this case, an Export-cum-Import Permit will be required from the Chief Controller of Import and Export (CCI&E).

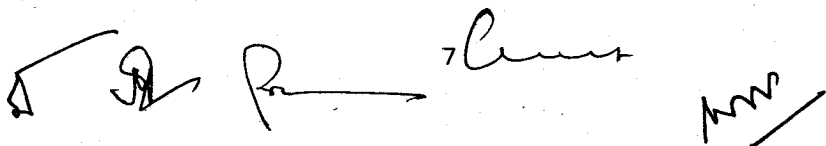
2) The above mentioned provisions shall be applicable for industrial enterprises, and in this respect the relevant industrial enterprise shall, on the basis of recommendation from the sponsoring authority, furnish an undertaking.

3) In case of turbines capable of producing electricity (with or without gearbox) or of homogeneous machinery, Export-cum-Import Permit has to be obtained from the Chief Controller of Import & Export in order to export the expired turbines to the supplier company on replacement of turbines (with or without gearbox) and other related machinery and equipments imported as per conditions of the L/C/agreement signed with turbine producers or overhauling companies. In this respect service charge/replacement expense can be paid through establishing L/C as per agreement signed with the overhauling companies.

2.6.02. For the purpose of repairing, replacing or only for refilling, imported cylinder and ISO tank can be exported on a temporary basis. Provided that, an indemnity bond shall have to be furnished with the Customs Authorities at the time of export stating that the goods so exported will be re-imported after completion of the necessary works;

2.6.03. Bangladeshi exporters shall be allowed to export replacement product if any defect is detected in the exported product as per sales agreement. However, the exporter shall have to submit the following documents to the Customs Authorities:

a) Copy of the Sales Agreement;



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- b) Letter from the buyer with description of the defective product; and
 - c) Any other conditions to be fulfilled as per Customs law.

2.6.04. Any person can take his or her vehicle along with him or her with a view to travelling abroad on condition of re-import, against a *carne de passage* issued by the Customs authority or any other authorities empowered to do so, or against an appropriate indemnity bond furnished with the Customs Authorities.

2.6.05. **Re-exportation of Frustrated Cargo:-** A frustrated cargo can be re-exported in compliance with the rules and regulations of the Customs Act, 1969.

2.6.06. In order to conduct their activities as per contract, the construction, engineering and electrical companies shall be allowed to temporarily export-cum-import their machinery and equipment under the following conditions:

- a) Relevant copies of agreement and award have to be submitted to the Customs Authorities; and
- b) Necessary indemnity bond has to be furnished stating that the machinery shall be brought back after the completion of the work.

2.7. **Pre-shipment Obligations:** - Unless otherwise stated, pre-shipment certificate is not obligatory for export of any product.

2.8. **Quality Control Certificate:** Quality Control Certificate issued by the competent authority (Bangladesh Standards And Testing Institution/Department of Fisheries/Department of Agricultural Extension/ Bangladesh Council of Scientific and Industrial Research) shall have to be submitted to the Customs Authorities in case of export of products for which quality control certificate is obligatory.

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-320-

Chapter Three

Export Diversification

3.1. Formation of Product and Service specific Business Promotion Councils:

Several sector (product and service) specific Business Promotion Councils have been formed under the auspices of the Ministry of Commerce as a joint initiative of the government and the private sector within the scope of the Company Act 1994 for diversifying export, improving and ensuring the quality of products, acquiring appropriate technologies, fulfilling compliance requirements, marketing of products etc. Necessary initiatives will be taken to strengthen and consolidate the activities of these Councils as well as to encourage the formation of more such Councils. If necessary, different development projects will be undertaken jointly in co-operation with the development partners to accelerate product and service sector-based development. Such initiatives of the Ministry of Commerce will complement the export promotion and export diversification activities of the Export Promotion Bureau.

3.2. Classification of Product and Service Sectors

3.2.01. Some product sectors are identified as the "highest priority sectors" while some other product sectors as "special development sectors" depending on the level of production and supply, potential contribution to the export sector, demand in the international market and, above all, the capacity to contribute to the socio-economic development of the country. The government will time to time, modify this list, and provide special privileges to encourage the export of these products.

3.3 Highest Priority Sectors

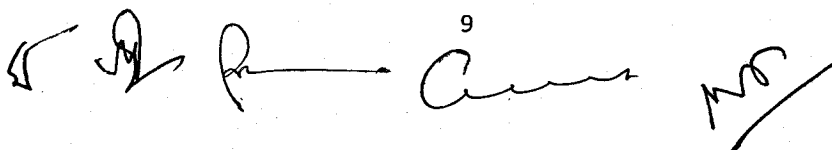
3.3.01 Highest priority sectors will refer to those sectors which have special export potentials, but such potentials could not be utilized properly due to certain constraints. However, more success can be achieved if necessary supports are extended to them. The sectors are:

- 1) High value added Readymade Garment and Garment Accessories;
- 2) Software and IT enable Services, ICT products.
- 3) Pharmaceutical products;
- 4) Ship & Ocean going fishing trawler;
- 5) Footwear & Leather products;
- 6) Jute products;
- 7) ~~Plastic products;~~
- 8) Agro -Products & Agro - Processed products;
- 9) Furniture;
- 10) Home Textile & Terry Towel;
- 11) Home Furnishing; and
- 12) Luggage.

3.4. Benefits and Facilities to be provided to the Highest Priority Sectors:

- 3.4.01. Project loan at reduced interest rates on a priority basis;
- 3.4.02. Income Tax rebate;
- 3.4.03. Possible financial benefits or subsidies for utility services, such as electricity, water and gas in consistent with WTO Agreement on Agriculture, and Agreement on Subsidies and Countervailing Measures;
- 3.4.04. Export credit at lower interest rates and on soft terms;
- 3.4.05. Air transportation facilities on priority basis;
- 3.4.06. Duty draw-back/ bond facilities;
- 3.4.07. Facilities for setting up ancillary industries including infrastructural development for reducing cost of production;

9



- 3.4.08. Expansion of institutional and technical facilities for improving and controlling quality of products;
- 3.4.09. Duty-free import of equipment for setting up compliant industry;
- 3.4.10. Assistance in production and marketing of products;
- 3.4.11. Assistance in exploring markets abroad; and
- 3.4.12. Necessary initiatives to attract foreign investments.

3.5. Special Development Sectors

3.5.01. Products which have export potentials but whose production, supply and export bases are not strengthened will be included in the special development sectors to consolidate their export base.

3.5.02. The following products will be included in the special development sectors:

- 1) Diversified Jute products;
- 2) Electric & Electronic Products;
- 3) Ceramic products;
- 4) Light Engineering products (including Auto – parts and Bicycle);
- 5) Value added frozen fish;
- 6) Pappadam;
- 7) Printing and packaging;
- 8) Rough Diamond & Jewellery;
- 9) Paper & paper products;
- 10) Rubber;
- 11) Silk Products;
- 12) Handicrafts;
- 13) Handloom products including Lungi; and
- 14) Coir products.

3.5.03. Special Development Service Sectors

- 1) Tourism Industry;
- 2) Architecture, Engineering and Consultancy services.

3.6. Benefits and Facilities to be extended to the Special Development Sectors

- 3.6.01. Project loan at comparatively low rate of interest on a priority basis;
- 3.6.02. Export loans on soft terms and at lower interest rates;
- 3.6.03. Subsidies in consistent with WTO Agreement on Agriculture, and Agreement on Subsidies and Countervailing Measures;
- 3.6.04. Air Shipment of products at concessionary rate;
- 3.6.05. Duty draw-back/ bond facilities;
- 3.6.06. Priority in getting electricity, gas, telephone connection along with facilities for setting up ancillary industries to reduce cost of production;
- 3.6.07. Expansion of technical facilities to improve quality of products;
- 3.6.08. Assistance in marketing of product;
- 3.6.09. Assistance in exploring market of products abroad;
- 3.6.10. Possible financial benefits for utility services such as electricity, water and gas; and
- 3.6.11. Necessary initiatives to attract foreign direct investments (FDI).

3.7. Inter-Sector Project for Product Diversification

3.7.01. Inter-sector projects will be undertaken for diversification of products. Under the projects, issues such as

222

bond system, duty draw-back, subsidies etc. will be reviewed to keep export price at a competitive level. Similarly, under these projects issues such as, product development and market expansion, trade cooperation and infrastructural constraints hindering export trade will be examined and necessary remedial steps will be taken. In addition, Project will be undertaken for acquiring advanced technology for expansion of export trade.

- 3.7.02. Strengthening 'One District One Product (ODOP) programme with a view to producing price-competitive products depending on area-based domestic raw materials;
- 3.7.03. Strengthening the export development activities of the products such as, traveling bags, toys, home appliances, optical frame etc. aiming at product diversification; and
- 3.7.04. Exploring ways of increasing access and acceptability of domestically produced potential exportable products to/in the international markets.

3.8. Formation of product and service specific Business Promotion Council

- 3.8.01. Several sector (product and service) specific Business Promotion Councils have been formed under the auspices of the Ministry of Commerce as a joint initiative of the government and the private sector within the scope of the Company Act 1994 for diversifying export, improving and ensuring the quality of products, acquiring appropriate technologies, fulfilling compliance requirements, marketing of products etc. Apart from strengthening and consolidating the activities of these Councils, more such councils will be formed.

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359

Chapter Four

General Export Facilities

4.1. Use of Foreign Exchange Earned through Export :

4.1.01. Exporters can retain a certain amount of their export earning as retention quota in their foreign currency account, amount of which will from time to time be determined by Bangladesh Bank. As per existing foreign exchange transaction regulations, exporters can use the retention quota balance for bona fide business expenses, such as business tour, participation in international trade fairs and seminars, setting-up and operating offices abroad; importing raw materials/capital machinery, etc. Also, retention quota balance can be used, as an essential cost of export trade expansion, to pay remunerations of foreign marketing representatives or 'commission' of the foreign agents.

4.2. Export Promotion Fund- There shall be an Export Promotion Fund (EPF) in EPB. The following facilities will be available for the exporters from this fund:

- 4.2.01. Providing venture capital at lower interest rates and on soft terms for production of goods;
- 4.2.02. Providing support for obtaining foreign technical advice, service and technology for development and diversification of products;
- 4.2.03. Providing assistance in sending marketing missions abroad and participating in international trade fairs;
- 4.2.04. Providing assistance in possible cases, in setting up display-cum-sales centers as well as creating warehouse facilities abroad;
- 4.2.05. Providing assistance in taking part in training program abroad on product development and marketing with a view to attaining technical and marketing skills;
- 4.2.06. Providing assistance in other activities related to development and expansion of markets, including products and services.

4.3. Other Financial Facilities:

- 4.3.01. Instead of cash incentives, whether the opportunity to pay bills of services/utilities, such as electricity, gas, water, etc. at the concessionary rate, and whether subsidies can be provided to the exporters will be examined;
- 4.3.02. Initiatives will be taken to build, on priority basis, necessary infrastructure to ensure uninterrupted supply of electricity, gas and water for all export-oriented industries;
- 4.3.03. Measures will be taken to fix the electricity, water and gas charges at a reasonable level for industrial use;
- 4.3.04. Necessary assistance will be provided if new cartons (CFS) are used in packaging plant products for export; and
- 4.3.05. Providing cash incentives, keeping consistence with the provisions of WTO, to emerging export sectors i.e. the sectors which are at present capable of producing products having demand in the international market too will be considered. However, product-specific cash incentives payable at present will be reviewed, and addition and deduction will be made accordingly.

4.4. Funding for Export :

- 4.4.01. Necessary financial assistance will be provided from Export Promotion Fund (EPF) or Export Development Fund (EDF) for the expansion of export. Steps will be taken to gradually increase the amount of Export Development Fund;
 - 4.4.02. Initiative will be taken to provide facilities for opening back-to-back Letter of Credit for other
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22

export items in addition to readymade garment; and

4.4.03. Credit at lower interest rates and on soft terms will be made available for import of capital machinery and raw materials for promotion of export.

4.5. Export Credit:

4.5.01. Commercial banks will consider, on a priority basis, providing credit to the exporters at least 90 percent of L/C or contract value against irrevocable letter of credit or confirmed contract;

4.5.02. On line system will be widened for quick disposal of export related activities and for bringing transparency to banking sector;

4.5.03. Bangladesh Bank will take necessary steps to ensure uninterrupted normal flow of credit for the export sector;

4.5.04. Banks will fix the exporters' cash credit limit based on the success of export earning of previous years and bank-client relation and in light of actual potential/ management of export growth;

4.5.05. Commercial banks will not charge overdue interest in case of the products exported on the basis of site-payment under irrevocable letter of credit on condition of submitting necessary export documents by the exporter;

4.5.06. Bangladesh Bank may establish an "Export Credit Cell" for arranging necessary fund for the development of export sector. Similarly, commercial banks will set up "Special Credit Unit" for arranging export fund;

4.5.07. There shall be a high powered "Export Credit Monitoring Committee" and the committee will determine the demand of the export credit and review and monitor the flow of the credit. The activities of this Export Credit Monitoring Committee will be conducted under the leadership of Bangladesh Bank. The representatives of the apex business organizations may be included in the committee;

4.5.08. Necessary steps will be taken to fix service charges of banks at a reasonable level;

4.5.09. Initiatives will be taken to establish/ strengthen banking facilities in order to expand trade relations with Russia including other CIS countries, Myanmar and north-eastern states of India;

4.5.10. Initiatives will be taken to provide financial compensations at the quickest possible time to the exporters incurred losses, through creating a fund similar to the Export Credit Guarantee Scheme (ECGS);

4.5.11. Authorized dealers will be allowed to open internal back-to-back L/C in favor of local raw materials suppliers against master letter of credit;

4.5.12. For export, banks' interest rate, L/C commission, miscellaneous service charges, bank guarantee, commission, etc. will be kept at minimum level as directed by Bangladesh Bank.

4.5.13. Initiative will be taken to introduce SME credit guarantee scheme with a view to increasing export of the export oriented industries; and

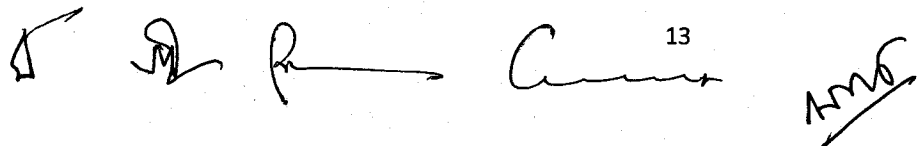
4.5.14. Bangladesh Bank and SME Foundation will take initiative to provide loan at a very low interest rate for the development of export oriented SMEs.

4.6. Concessionary Insurance Premium:

4.6.01. There will be an arrangement for fixing fire and shipping insurance premiums at a special concessionary rate, and their easy payment for the export oriented industries. Under this system, the exporter may get rebate for payment of premium after shipment.

4.7. Incentives for Export of New Industrial Products:

4.7.01. Incentives will be provided for exporting new industrial products having at least 40% value addition; and



- 4.7.02. Fire and shipping insurance premium will be fixed at a special concessionary rate for new export-oriented industries.
- 4.8. Bond Facilities for Export Oriented Industries:**
- 4.8.01. The National Board of Revenue will consider the issue of providing bonded warehouse facilities to all industries considered as export oriented industries.
- 4.9. Circulation of Brand name:** Circulation of product brand name will be encouraged for fetching higher price. Publicity will be encouraged with a view to spreading 'Made in Bangladesh' brand all over the world.
- 4.10. Providing alternative incentives, instead of duty bond or duty draw-back, to export-oriented local textile sector, readymade garment, and garment accessories industries:**
- 4.10.01. Government may provide subsidies (cash incentives) as alternative incentives instead of duty bond or duty draw-back to export-oriented local textiles and readymade garment industries. The rate of incentive will be decided by the government. This facility may be extended to other sectors too.
- 4.11. Simplifying draw-back of VAT paid on Export-facilitating Services:**
- 4.11.01. Procedures for drawback of VAT paid on export facilitating services such as C&F services, telephone, telex, fax, electricity, gas, insurance premium and shipping agent commission/ bill will be simplified.
- 4.12. General Facilities for Export-Oriented Industries:**
- 4.12.01. Industries exporting at least 80% of their products will be considered as export-oriented industries and they will be eligible to receive bank loans and other financial benefits;
- 4.12.02. In case of industries exporting at least 80% of their products, initiatives will be taken to simplify the procedures for determining duties and taxes on remaining 20% products, and facility will be provided for marketing of such 20% products in the local market after payment of duties and taxes;
- 4.12.03. In order to be more compliant exporters will be provided loan at low interest rate and on easy terms for duty free import of compliance facilitating machineries and equipment;
- 4.12.04. Assistance will be provided for duty free import of equipment for setting-up Effluent Treatment Plants (ETP), and for importing chemicals and other inputs to be used in ETP as well; In case of setting-up central ETP, assistance in the form of low interest loans on easy terms will be provided to those concerned;
- 4.12.05. Duty free import of machineries used to ensure fire safety including fire door, fire control and fire extinguisher will be allowed;
- 4.12.06. Duty free import of spare parts up to 10 % of total capital machinery will be allowed in every two years mainly for export oriented industries; and
- 4.12.07. Concerned authorities will take necessary steps to provide services including connection of utility services, such as electricity and gas in export-oriented industries on priority and emergency basis.
- 4.13. Reduced air fare for the export of plants, fruits, flower including vegetables, and specially privileged products;**
- 4.13.01. Airlines will consider providing reduced air fare for the export of plants, fruits, flowers including vegetables, and specially privileged products apart from introducing cargo service for the transportation of these products;

228

- 4.13.02. Initiative will be taken to follow Farm- to-Market policy on the basis of contract farming and Good Agricultural Practice (GAP);
- 4.13.03. Initiative will be taken to ensure cooling system in all international airport including Hazrat Shahjalal International Airport in order to maintain freshness of the perishable products, such as fresh vegetables, fruits and flower;
- 4.13.04. Initiative will be taken to hire air cargo to make transportation system easily available and affordable;
- 4.13.05. Ensuring the use of similar CFB (Corrugated Fibre Board) carton of international standard by all exporters to maintain quality of exportable products, and ensuring government assistance in this sector;
- 4.14. **Withdrawal of royalty for the expansion of foreign airlines' cargo service facilitates for export:**
 - 4.14.01. No royalty is applied for transporting vegetables. Initiatives will be taken to provide similar type of incentives for specially privileged plant products including betel-leaves, flowers and fruits; and
 - 4.14.02. Necessary initiatives will be taken for enhancing space in the foreign airlines' cargo services, and for transporting flowers, fruits, vegetables and other plant products at a reasonable fare.
- 4.15. **Venture Capital Facilities for export-oriented Small and Medium Firms:**
 - 4.15.01. Venture capital facilities will be provided to agricultural farms of at least five acres to encourage production and export of vegetables, fruits, fresh flowers, orchid, ornamental plants etc.
 - 4.15.02. Establishment of cool chains will be encouraged to prevent quick rotting of the products. In this regard, import of reefer vans and reefer containers will be encouraged as well.
- 4.16. **Research and Development:**
 - 4.16.01. The National Board of Revenue will examine the possibility of permitting duty-free import of machinery and equipment by the export oriented industries for research and development purposes. Research institutes may be considered to avail this facility based on recommendations from the Export Promotion Bureau.
- 4.17. **Encouragement and Facilities for Sub-contracting based export :**
 - 4.17.01. Bangladesh Bank shall, time to time, issue necessary circulars determining maximum limit of an exporter's annual foreign currency expenditure for communication, sending representatives, traveling abroad, purchase of tender documents, etc. before getting the actual work order.
 - 4.17.02. Permission will be given for establishing offices and recruiting officials abroad; and
 - 4.17.03. Individual professional guarantee/ insurance will be provided in favour of project specialists.
- 4.18. **Multiple Entry Visa and relevant assistance:**
 - 4.18.01. Multiple entry visas will be issued to foreign investors and importers of Bangladeshi products. For this purpose, Ministry of Commerce, if necessary, may send recommendations to the commercial officials of Bangladesh Missions abroad and to the Ministry of Foreign Affairs/Bangladesh Embassies. Ministry of Commerce/ Ministry of Foreign Affairs may ask for recommendation of the Export Promotion Bureau if deemed necessary in this regard.
 - 4.18.02. EPB will provide necessary assistance to Bangladeshi exporters/businessmen in getting visas of other countries. With this in view, a help desk will be opened in EPB; and
 - 4.18.03. Bangladesh missions and commercial councilors abroad will intensify their activities to increase export, and strengthen efforts to build close relation between exporters of the country and foreign importers.

 15

- 226
- 4.19. Foreign Trade Related Training :**
- 4.19.01.** Bangladesh Foreign Trade Institute has been established for providing training on foreign trade. Adequate number of workshops and seminars will be organized on different trade related issues, especially on WTO issues through this Institute.
- 4.20. Organizing Single Country Exhibitions and Participation in International Trade Fairs and other Market Promotion program Abroad:**
- 4.20.01.** Encouraging facilities will be provided for participating in international trade fairs, single country exhibitions and other market promotion activities in different countries, and for organizing single country trade fairs abroad under joint initiatives of the government and the private sector.
- 4.20.02.** Display arrangement will be made at Bangladesh Missions abroad for introducing and publicity of Bangladeshi exportable products.
- 4.21. Strengthening Export Related Training :**
- 4.21.01.** The Export Promotion Bureau will organize trainings, seminars and workshops in different parts of the country to let exporters know about the rules and regulations regarding export trade.
- 4.22. Construction of Permanent Fair Complex and World Trade Center :**
- 4.22.01.** In order to expand export trade, initiatives have already been taken to establish Permanent Fair Complexes and World Trade Centers in Dhaka and Chittagong. The efforts will be accelerated; and
- 4.22.02.** All out assistances will be provided from the World Trade Centers to expand and consolidate export trade through exploration of market and enhancing marketing skills.
- 4.23. General and Product Specific Fair:**
- 4.23.01** Both general and product-specific trade fairs of international standard will be organized in the country for meeting foreign buyers, familiarizing export products among them and thus establishing contact among buyers and sellers.
- 4.24. Shipment of Products:**
- 4.24.01.** Initiatives will be taken to simplify shipment/ transportation system of products. Government will provide necessary support if any exporter wants to charter aircraft; and
- 4.24.02.** The best use of modern technology and automation system including one stop service will be ensured in order to expedite customs related services for clearing imports and exports.
- 4.25. Direct Air-Booking System:**
- 4.25.01.** In order to facilitate timely transportation of fresh vegetables and other perishable products from the northern part of the country to their destinations and maintain their quality, direct air booking facilities for those products from Rajshahi and Syedpur airports will continue.
- 4.26. Encouraging the Use of more Local Raw Materials:**
- 4.26.01.** Composite knit/ hosiery textiles clothing manufacturing units and other industries will be encouraged to use more local raw materials.
- 4.27. Establishment of Management Information System (MIS):**
- 4.27.01.** Trade Information Centre (TIC) of the Export Promotion Bureau will further be strengthened and modernized so that the exporters can get necessary information easily.
- 4.28. Deemed Export Facilities:**
- 4.28.01.** Deemed exporters, like direct exporters, will enjoy all export facilities including duty-drawback. Local raw materials used for producing exports and local goods & raw materials used in industries/projects funded by foreign investments will be considered as "deemed export"; and

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16
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222

4.28.02. Initiatives will be taken to provide necessary facilities, treating direct sales in foreign currency without tender as 'deemed export'.

4.29. Miscellaneous :

4.29.01. Measures will be taken to set-up a Trade Facilitation Center in Dhaka;

4.29.02. Establishment of trading house, export house and trade center including special types of warehouse will be encouraged;

4.29.03. Initiatives will be taken to enhance the capacity and efficiency of the Export Promotion Bureau in order to expedite settlement of export related trade disputes;

4.29.04. Steps will be taken to establish Product and Service specific Development Institute/Council. In addition, initiatives will be taken to include export development issues of products and services sectors in different courses of colleges and universities;

4.29.05. Initiatives will be taken to allow exporters to appoint agencies abroad without prior permission from Bangladesh Bank;

4.29.06. Initiatives will be taken to identify the facilities extended to the least developed countries under the WTO rules, and make the stakeholders aware of them;

4.29.07. Exporting firms will be encouraged to acquire quality assurance- related ISO 9000, environmental regulations-related ISO 14000, food safety (FSMS)-related ISO 22000 and fuel and energy-related ISO 5001;

4.29.08. Detail description of the exportable products with Harmonized Codes will be ensured in export-import related L/C and EXP form with a view to using Harmonized Codes followed by the World Trade Organization;

4.29.09. Financial and revenue related incentives and facilities will be reviewed at certain interval and steps will be taken as needed;

4.29.10. In case of export through Kamalapur ICD, covered van will be allowed to ply during daytime under special arrangement;

4.29.11. In case of export of agro and agro-processed products, special transportation arrangement will be made available through roads, railways and waterways for their domestic transportation.

4.29.12. A data bank under the national trade portal will be established and administered under the initiative and supervision of the Ministry of Commerce and in co-operation with all the relevant government and private organizations. This data bank will assist exporters, importers, banks & financial institutions, National Board of Revenue and other public & private sector stakeholders through providing information. The data bank will contain information on the following:

- Product specific export data in terms of price and volume;
- Export value and sector specific export earnings;
- Country specific volume of import and expenditure;
- Country-specific production data of different products (products that are produced and exported from Bangladesh);
- Import and export price index;
- List of influential and important marketing companies/firms of different countries;
- Product-specific gap between supply and demand;
- Data on sector specific investment and financing;
- Tariff preference provided by the different countries under GSP, WTO, APTA, SAFTA etc. ;
- Rules of Origin criteria;
- Sanitary and phyto-sanitary requirements;
- Updated tariff rate of different countries;
- Others.



222

Chapter Five

Product- Specific Export Facilities

5.1. Readymade Garment Industry:

- 5.1.01. Steps will be taken to reduce the 'lead-time' for export of readymade garment by means of improvement of port management, simplification of procedure for the clearance and shipment of all products including LCL, resolving electricity and gas crisis, etc.
- 5.1.02. Initiatives will be taken to establish specialized zones/garment villages in a number of suitable places with adequate infrastructural & utility facilities.
- 5.1.03. Step will be taken to establish waste water treatment plant in garment industry villages.
- 5.1.04. Support will be provided for the improvement of working environment in the readymade garment factories, to reduce risks of accident and to fulfill the compliance requirements at the factory level. In addition to that, an integrated and reasonable compliance regulation will be formulated with the concurrence of all stakeholders;
- 5.1.05. Initiatives will be taken to organize trainings of different tenures for increasing the productivity of workers and staff working in the garment industries and for diversifying products;
- 5.1.06. Importance will be attached to the diversification of products through increasing skills of the workers and staff, and disseminating information on product market and technology to the entrepreneurs;
- 5.1.07. Steps will be taken to send marketing missions to foreign countries, including Brazil, Mexico, South Africa, Turkey, CIS countries, Russia and different SADC countries, to organize single country textiles and readymade garment fairs abroad, and to organize and participate in international trade fairs at home and abroad for the expansion and consolidation of markets of readymade garment;
- 5.1.08. Establishment of **backward and forward linkage industries** will be encouraged;
- 5.1.09. Subject to the submission of bank guarantee equivalent to duty on imported raw materials, concerned industry without bond licence will be allowed to produce hand-knitted sweater from natural and artificial wool outside the bond areas for export;
- 5.1.10. An advisory council consisting of members from government and private sector will be formed for uninterrupted and ensured supply of cotton in the country;
- 5.1.11. Ministry of Commerce will take initiative to integrate export development related financial and technical assistance provided by various development partners;
- 5.1.12. Government will take initiative to formulate a Standard Unified Code of Compliance by integrating requirements of different countries and buyers obligatory for all readymade garment Industries in the country;
- 5.1.13. Initiatives will be taken putting emphasis on research and development activities to develop all the exportable products including readymade garment and garments accessories, and to increase their future competitiveness.

5.2. Frozen Food and Fish Product Industry:

- 5.2.01. Shrimp and fish farmers will be provided with loan at lower interest rate payable in easy installments for increasing production of shrimp and fish maintaining ecological balance by means of **improved extensive and semi- intensive** shrimp & fish cultivation methods;
 - 5.2.02. Venture capital will be provided with the frozen food sector for producing, processing and exporting of value added products;
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220

- 5.2.03. Initiatives will be taken for establishing internationally accredited testing laboratory under public and private sector or joint initiatives to ensure high quality of shrimp products and SPS (sanitary and phyto-sanitary) related standards, and for building capacity of the industry;
- 5.2.04. Duty free import of essential quality control machineries will be encouraged to strengthen the quality control system of frozen food. Department of Fisheries and BCSIR will take steps to upgrade their accredited testing laboratories;
- 5.2.05. A special supervision or traceability system for all the stages from hatching to fish production, processing and packaging shall be developed so that the risk of exporting contaminated frozen food could be reduced;
- 5.2.06. Steps will be taken to send marketing mission abroad, organize single country trade fair abroad and organize and participate in international trade fairs both at home & abroad for the expansion and consolidation of market of frozen food;
- 5.2.07. Customs authorities will ensure before the clearance of consignment of goods whether the imported fish-feed is usable and whether there is any contaminated or prohibited substance in it. BSTI and Department of Fisheries will provide necessary assistance in this regard; Department of Fisheries will take necessary steps for the improvement and widening of testing facilities;
- 5.2.08. Required Khas land will be allocated for establishing Common Receiving Centre in shrimp and fish producing areas for speedy and safe transfer of post-cultivated hygienic shrimp and fish to the processing plant for the purpose of export, and loan at low interest rate will be provided for building infrastructure;
- 5.2.09. Shrimp and fish insurance similar to agricultural crops will be introduced considering the risk of shrimp and fish cultivation;
- 5.2.10. Water Development Board and Department of Fisheries will undertake special projects for building infrastructure including repairing of embankment and digging canals in the cultivation area with a view to increasing shrimp and fish production;
- 5.2.11. Steps will be taken to withdraw duty and VAT on fry, feed, electricity, chemicals, etc. with a view to increasing production of shrimp and fish;
- 5.2.12. Necessary trainings and awareness building programs will be adopted in order to motivate the shrimp and fish cultivators for improved traditional and semi-intensive cultivation of shrimp and fish;
- 5.2.13. Initiative will be taken to establish Fish Bank aiming at meeting demand of proteins of the people of the country as well as raising export earnings to taka 50 thousand crores by 2021 through development of shrimp and fish cultivation;
- 5.2.14. Necessary technical support will be provided for supply of Specific Pathogen Free (SPF) or virus free shrimp and fish fry;
- 5.2.15. Step will be taken for duty free import of Specific Pathogen Free (SPF) or virus free shrimp and fish fry;
- 5.2.16. Loan facility at low interest rate will be provided to the registered small shrimp and fish cultivators for alleviation of poverty;
- 5.2.17. Initiatives will be taken for upholding the Black Tiger shrimp of Bangladesh to the world as 'National Brand'.
- 5.2.18. Because of massive demand for exports, initiatives will be taken for cultivation of Crab and Eel maintaining ecological balance. Besides, assistance will be provided for establishing processing plants in these two sectors;
- 5.2.19. Necessary steps will be taken for production and marketing of formalin and other chemical free shrimp and fish;

 19

202

5.2.20. Initiative will be taken for fixing the maximum interest rate at 9% on current capital loan provided by the bank for the purpose of being competitive in shrimp export to the international market and keeping cost of production under control; and

5.2.21. Initiative will be taken for the rehabilitation of sick but active shrimp and fish processing plant.

5.3. Handicrafts Made from local raw materials:

5.3.01. Steps will be taken to set-up Karupolli in different places including Dhaka;

5.3.02. Commercial production of inputs, such as bamboo, cane, coconut, palm, wood, etc. will be encouraged with a view to making the raw materials of handicrafts easily available;

5.3.03. Export of value-added products made from local inputs, such as bamboo, cane, water hyacinth, coconut coir, etc. will be encouraged;

5.3.04. Assistance will be provided for the development of design in order to bring newness and diversity to the production of handicrafts products. Steps will be taken to establish a design centre under joint initiative of public and private sector. Steps will be taken for the multi-dimensional training on export of handicrafts;

5.3.05. Steps will be taken to send marketing mission abroad, to organize and participate in international trade fairs both at home and abroad in order to expand and consolidate the market of handicrafts products;

5.3.06. Initiative will be taken to set-up display centre for handicraft products at Hazrat Shahjalal International Airport Port; and

5.3.07. Necessary steps will be taken under the initiative of the public and private sector for the improvement of handicrafts products.

5.4. Tea Industry

5.4.01 Initiative will be taken to bring uncultivated land within tea garden under cultivation;

5.4.02 Steps will be taken to rehabilitate sick tea gardens;

5.4.03 Steps will be taken to provide gas connection to the tea gardens in order to bring about price competitiveness;

5.4.04 All out co-operations will be extended to those tea gardens whose leasing procedure has not yet been completed for speedy completion of such procedures;

5.4.05 Banks will take necessary steps to provide loans on soft terms for modernization of tea factories so as to improve the quality of tea and increase its production in order to survive in the international market;

5.4.06 For alleviating poverty, credit as well as other facilities will be provided to the tea producers of small sized farms;

5.4.07 Duty draw-back/bond facilities, as per regulations, will be provided on FOB price of imported packaging materials to encourage the export of packet tea. Moreover, duty-free import of packaging materials through bank guarantee will be allowed;

5.4.08 Steps will be taken to send marketing missions, and participate in international trade fairs abroad so as to expand and consolidate the markets for tea;

5.4.09 Bangladesh Tea Board will take necessary steps for establishing the brand name 'Srimangal Tea' with a view to marketing Bangladeshi tea abroad; and

5.4.10. Assistance will be provided for the expansion of small sized tea cultivation with a view to increasing export of tea.

5.5. Jute Industry

5.5.01. Steps will be taken to bring dynamism to the activities of the Bangladesh missions abroad, to

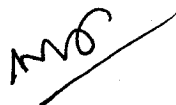
206

send marketing mission abroad and participate in the International Trade Fairs for the expansion of market of Jute and Jute Products abroad;

- 5.5.02. Steps will be taken to introduce feeder vessels in different routes from Mongla Port;
- 5.5.03. Commercial Banks will take steps to provide loan facilities to the jute products exporters;
- 5.5.04. An integrated 'plan of action' for increasing productivity of the jute industries through strengthening research activities, BMRE of Jute Mills and other activities in order to develop and diversify jute products;
- 5.5.05. Steps will be taken to identify and remove obstacles hindering export of jute and jute products to different countries;
- 5.5.06. Initiatives will be taken to popularize the use of jute in the international market by highlighting environment-friendly quality of jute through Bangladesh Missions abroad;
- 5.5.07. Assistance will be provided to jute and jute products exporters to participate in international trade fairs and exhibitions with a view to creating markets;
- 5.5.08. Government support will be provided for establishing design centres with a view to bringing diversity to jute products; and
- 5.5.09. Initiative will be taken to provide similar facilities to jute products as provided to other agricultural products.

5.6. Leather Industry:

- 5.6.01. Through policy support loan re-scheduling facilities will be provided to the sick leather industries;
- 5.6.02. Initiatives will be taken to expand export through enhancing competitiveness of the leather and leather products in the international market by taking measures for increasing productivity and development of products;
- 5.6.03. Local production of necessary import-substitute chemicals for leather processing, different components of footwear and accessories for leather industry will be encouraged. Foreign investment or joint venture investment will be encouraged in this case;
- 5.6.04. Initiatives will be taken for publicity and building awareness about the process of separating the hide from the animal's body, preservation, transportation, etc. so that losses could be minimized at the hide collection, preservation and processing levels; In this regard, holding of separate training courses and workshops for butchers and leather traders will be continued;
- 5.6.05. Leather sector Business Promotion Council will take different steps for over all development of this industry;
- 5.6.06. Foreign investment and joint venture investment will be encouraged in the leather products and footwear industry;
- 5.6.07. Initiatives will be taken to make existing bond facilities easier and updated for the 100% export oriented leather industries;
- 5.6.08. Existing tax and duty drawback procedures will be simplified;
- 5.6.09. An integrated 'plan of action' will be formulated for increasing productivity of leather industries through strengthening research activities and undertaking other measures including BMRE for sick leather industries with a view to developing and diversifying leather products;
- 5.6.10. Assistance will be provided to the entrepreneurs for participation in the international trade fairs and exhibitions aiming at creating market;



- 609
- 5.6.11. Steps will be taken to get quality leather by means of improved method of animal slaughtering in the major cities of the country with the help of the relevant departments of municipalities/city corporations;
 - 5.6.12. All possible assistances will be provided for transferring industrial units to under-construction Tannery Village in Savar;
 - 5.6.13. Initiatives will be taken to establish a central waste management plant at the Tannery Village in Savar, and adoption of clean technology will be encouraged;
 - 5.6.14. Initiatives for establishing service center including modern chemical laboratory will be implemented for ensuring quality of leather and leather products;
 - 5.6.15. Steps will be taken for training of entrepreneurs both at home and abroad for the purpose of overcoming management crisis in the leather industries;
 - 5.6.16. Rearing cattle locally and importing raw hides during lean season will be encouraged in order to make raw hides easily available;
 - 5.6.17. The use of nitrogen and sodium chlorate at low rate will be encouraged in the leather industry;
 - 5.6.18. Assistance will be provided for the improvement of business relation between tannery owners and agents so that sales negotiation and marketing capacity of tannery owners is increased;
 - 5.6.19. Assistance will be provided to the tannery owners for transferring industry units from Hazaribag to Tannery Village in Savar, and for producing finished leather from crust leather;
 - 5.6.20. Initiative will be taken to bring more dynamism to the Design Development Centre in order to bring diversity to footwear and leather goods;
 - 5.6.21. Steps will be taken to modernize the Leather Technology Collage including establishment of design and fashion institutes for the purpose of development and perfection of export oriented leather goods;
 - 5.6.22. Assistance will be provided to the entrepreneurs for participation in international trade fairs and exhibitions with a view to creating markets; and
 - 5.6.23. Necessary steps will be taken for ensuring easy availability of chemical and other materials for the leather industries.

5.7. Pottery Industry:

- 5.7.01. Production of traditional potteries in different parts of the country and their export will be encouraged;
- 5.7.02. BSCIC will provide assistance for making designs and patterns in order to bring novelty and diversity to the production of potteries;
- 5.7.03. Steps will be taken in co-operation with the Institute of Fine Arts and other organizations to organize special trainings for the potters aiming at development of the pottery industry.

5.8. Agriculture Sector:

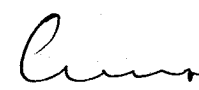
- 5.8.01. Steps will be taken to enhance capacity of the quality control agencies including Quarantine Wing of the Department of Agriculture Extension and BSTI on the basis of a road-map to be designed for the improvement of quality testing and controlling system of the plant and plant products;
- 5.8.02. Contract Farming will be encouraged for the production of exportable products, such as vegetables, potato, betel leaf, fruits including mango, plant and plant products;
- 5.8.03. Steps will be taken to allocate government Khas land (land owned by government), subject to availability, in favour of exporters interested in producing vegetables, flower, fruits & foliage; and exporters will be encouraged to establish export village;

224

- 5.8.04. Production of modern and scientific packaging materials necessary for export of vegetables, flower & foliage and fruits will be encouraged, and steps will be taken to provide loan at low interest rate to establish Cold Storage for preserving exportable plant products;
- 5.8.05. Necessary steps will be taken to meet requirements (Phyto-sanitary requirement) of the importing countries for the export of potato, betel leaf, mango and other fruits and vegetables;
- 5.8.06. Training programme for the producers and exporters of vegetables, flower & foliage and fruits will continue;
- 5.8.07. In the case of export of agro-based products, initiative will be taken to export products free from all kinds of contaminations. Department of Agricultural Extension will play the leading role in this regard;
- 5.8.08. Department of Agricultural Extension will take necessary measure to make Salmonella free betel leaf available for export;
- 5.8.09. Initiative will be taken to establish Central Warehouse, and Packing Centre at Shyampur, Dhaka by following cool chain system;
- 5.8.10. Appropriate steps will be taken so that no plant and plant products are exported without fulfilling the import requirements of the importing countries and exporters and cultivators will accordingly be informed through trainings;
- 5.8.11. Initiatives will be taken to build Pest Free Area (PFA) and Area of Low Pest Prevalence (ALPP) for producing exportable products, such as potato, fruits and vegetables;
- 5.8.12. Initiative will be taken to establish production area based packing house; and
- 5.8.13. Initiative will be taken to make phyto-sanitary activities efficient and stronger, and E-phyto-Sanitary certificate will be introduced and widened.

5.9. Information technology:

- 5.9.01. Highest use of ICT will be ensured with a view to developing information and communication system;
- 5.9.02. The feasibility of opening-up marketing centers abroad will be studied, and communication with the expatriate Bangladeshis will be strengthened as well in order to expand export of IT sector;
- 5.9.03. Initiative to establish an 'IT Village' in the country will be strengthened for software production and export;
- 5.9.04. Necessary steps will be taken to connect sub-marine fiber optic cable with national IT backbone, make high speed data transmission line available and strengthen the base of IT sector regionally;
- 5.9.05. Steps will be taken through ICT Business Promotion Council to increase facilities for the development ICT sector;
- 5.9.06. Initiative will be taken for necessary publicity, through Bangladesh missions abroad and EPB for Branding ICT Industry of Bangladesh with a view to expanding export of IT sector;
- 5.9.07. Customs, Chief Controller of Imports & Exports and Export Promotion Bureau will assist in carrying and bringing back necessary hardware and equipment to display software in international IT fairs and exhibitions;
- 5.9.08. Foreign currency remitting in through banking channel against confirmed work order in the software and IT sector will be treated as export earnings, as that of L/C and contract; and
- 5.9.09. Efforts will be undertaken to ensure the availability of internet Broad Band connection as well as to keep Band width cost reasonable all over the country.



5.10. **Pharmaceutical:**

- 5.10.01. Whether passbook system or alternative system can be introduced for importing raw materials for pharmaceutical industry will be examined; and
- 5.10.02. Initiative will be taken to establish Active Pharmaceutical Ingredient Park and Common Lab in Dhaka & Chittagong considering export potentials of pharmaceutical sector;

5.11. **Light Engineering Product:**

- 5.11.01. A Light Engineering Cluster Village will be established near Dhaka for the development of Light Engineering industry; and
- 5.11.02. A modern laboratory and common facilities centre will be established for the development of light Engineering sector.

5.12. **Agro Product:**

- 5.12.01. Agro-Products Business Promotion Council will take necessary steps for the development and quality control of agriculture and agriculture based products.

5.13. **Herbal Products:**

- 5.13.01. Production and export of herbal medicines and herbal products will be encouraged. Keeping this end in view, necessary accredited certification laboratories of international standard will be established; and
- 5.13.02. Herbal Products Development Council will take necessary steps for the overall development of herbal products sector.

5.14. **Ship Building Industry:**

- 5.14.01. Bank guarantee commission and other service charges will be kept at a minimum for the ship building Industry as per the direction of the Bangladesh Bank; and
- 5.14.02. Initiative will be taken to provide loan on easy term and at low interest rate to the ship building industry.

5.15. **Other Sectors:**

- 5.15.01. Initiative will be taken to establish an accredited laboratory aiming at testing and certifying plastic products and garment accessories. In addition, BSTI will take necessary steps for testing the standards of these products;
- 5.15.02. Supportive policy for jewellery raw materials import will be formulated, in addition to the encouragement for this industry for the expansion of export of gold and silver jewellery;
- 5.15.03. Export of imported rough diamond after processing will be encouraged;
- 5.15.04. In addition to providing assistance, the production and export of toys and imitation jewellery will be encouraged;
- 5.15.05. Initiative will be taken for the uninterrupted gas supply to the export oriented ceramic industry; and
- 5.15.06. Export of organic products including quality organic plant products will be encouraged.

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Chapter Six

Export of Services

6.0. Service sector refers to the following services under Modes-1,2,3,4 of General Agreement on Trade in Services (GATS) of the WTO:

- 1) ICT based activities;
- 2) Construction business;
- 3) Health related services, such as hospital, clinic and nursing service;
- 4) Hotel and tourism related services;
- 5) Consulting services;
- 6) Laboratory testing;
- 7) Photographic activities;
- 8) Telecommunications;
- 9) Transportation and communication;
- 10) Warehouse and container services;
- 11) Banking activities;
- 12) Legal and professional services;
- 13) Education service;
- 14) Security service;
- 15) Pre-shipment inspection (PSI);
- 16) Outsourcing; and
- 17) Indenting services.

- 6.01. Export Promotion Bureau will formulate a comprehensive plan of action in coordination with different departments and agencies for increasing export in the service sector, and take necessary steps accordingly;
- 6.02. Export Promotion Bureau will take initiatives for compiling statistics of service sector in parallel of goods;
- 6.03. Steps will be taken to enhance the efficiency of Bangladesh missions abroad to promote export in the service sector;
- 6.04. ~~Different service specific Business Promotion Council~~ will be established;
- 6.05. BFTI will take steps through imparting trainings for the publicity of export in the service sector; and
- 6.06. BFTI will conduct survey with a view to studying export feasibility of different services in the service sector.

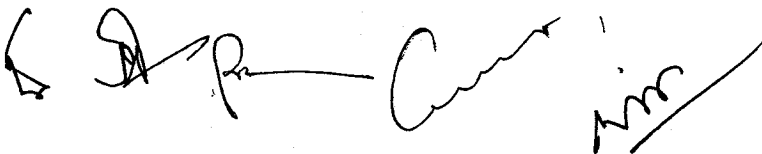


506

Chapter Seven

Various Measures for the Promotion of Export

- 7.01. Freight forwarders shall be guided by Freight Forwarders (Licensing activity conduct) Rules, 2008 issued through SRO No 18/Law/2008/2174/duty dated 13 January, 2008 regarding control of freight forwarding;
- 7.02. Steps will be taken for the infrastructural development and modernization of Bangladesh Bank, Customs, Chittagong and Mongla seaports to ensure institutional support, and for bringing dynamism to the activities of Land Port Authorities;
- 7.03. Initiatives will be taken to build necessary physical infrastructure, including construction of Express Line to ensure uninterrupted supply of electricity, gas and water to all export oriented industries on priority basis, and steps will be taken to fix the charge of subsidized electricity, gas and water at a reasonable level, for industrial use;
- 7.04. Measures will be taken to ensure adequate number of container ships for deep sea port and Mongla port, as well as for capital dredging of the port channels;
- 7.05. Steps will be taken for hiring separate cargo air crafts including allocation of additional space in the aircrafts for the export of agricultural products, as well as for reducing both air and sea fare to a reasonable rate;
- 7.06. Biman, Bangladesh Airlines, will take initiatives to introduce regular "Cargo Freighter Service" to Europe;
- 7.07. Importance will be given to infrastructural development of regions to promote region-specific exports;
- 7.08. Bangladesh Railway will examine the possibility of fixing attractive and competitive rates of fare to encourage the use of rail service for transportation of goods;
- 7.09. To encourage female entrepreneurs in the export sector, female CIPs will be selected and the best female entrepreneurs will be awarded Export Trophy annually;
- 7.10. Steps will be taken to enhance the ICT related efficiency of Bangladesh missions abroad for the promotion of export; and
- 7.11. In order to encourage product-specific exports, a product will annually be declared as "Product of the Year".
- 7.12. **Rationalizing the rate of Value Addition**
 - 7.12.01. A standing committee will, time to time, fix the rate of value addition of different products including readymade garment; and
 - 7.12.02. Foreign currency earned in exchange of repairing foreign-flagged vessels will be treated as export earnings in the service sector on condition that the foreign currency so earned is repatriated through Bangladesh Bank.

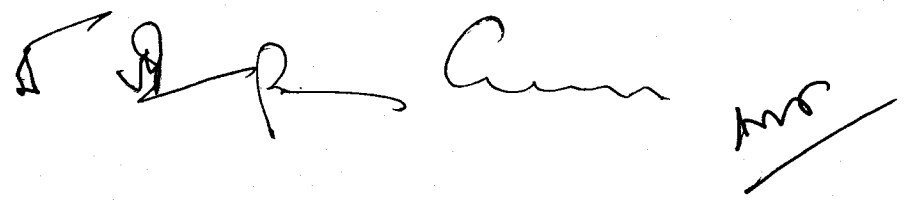


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Annex-1

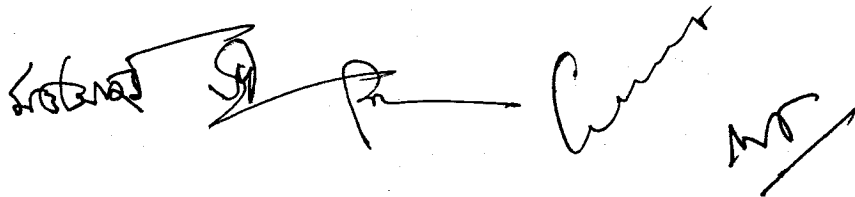
List of Export-Prohibited Products

- 8.01. Soyabean oil, Palm oil;
- 8.02. a) All petroleum and petroleum products except those produced from natural gas (such as naphtha, furnace oil, lubricant oil, bitumen, condensate, MTT and MS). However, this prohibition shall not apply to the export of petroleum and LNG as shares, as per agreement, of the foreign investment companies under the Product Sharing Contracts;
b) Any outbound passenger shall be allowed to carry goods made in Bangladesh in accompanied baggage, in excess of his or her personal goods, worth US\$ 200, which are neither export-prohibited nor included in the list of conditional exports. No facilities such as duty draw back/ adjustment, subsidy etc. for the goods so carried shall be awardable;
- 8.03. Jute and 'Shan' seeds;
- 8.04. Wheat;
- 8.05. Rice (except govt. to govt. level rice and aromatic rice);
- 8.06. As per section 29 of WILD LIFE (CONSERVATION AND SAFETY) ACT of 2012 (ACT NO. XXX of 2012), no person-
 - a) through any other route except customs port of exit
 - b) without CITES certificate, where applicable, and
 - c) without license—
shall export or re-export any wild animal or parts thereof, trophy, uncured trophy, or plants mentioned in schedule IV or parts or derivatives hereof.
- 8.07. Fire arms, ammunition and related materials;
- 8.08. Radioactive materials;
- 8.09. Archeological relics;
- 8.10. Human skeleton, blood plasma, or anything produced from human beings or human blood;
- 8.11. All types of pulses (except processed pulses);
- 8.12. All shrimps except chilled, frozen and processed ones;
- 8.13. Onion, garlic and ginger;
- 8.14. Seawater shrimps of 71/90 count or smaller, except the species harina and Chaka including sea species PUD, Cooked shrimp;
- 8.15. Cane, wood and wood logs/ thick pieces of wood (except handicrafts made from these materials). However, rubber wood of Forest Industries Corporation will be allowed to export as inputs of furniture industries located in Export Processing Zones which will be considered as deemed export. These furniture industries will have to submit export statements of furniture made from the wood as mentioned above to the concerned authority;
- 8.16. Frogs of all species (alive or dead) and frog legs;
- 8.17. Raw and wet blue leather.



List of Products under Conditional Export

- 9.01. **Urea Fertilizer:** Urea fertilizer produced in all factories except KAFCO can be exported with the prior approval of the Ministry of Industries;
- 9.02. Entertainment programs, music, drama, films, documentary films etc. can be exported in the form of audio cassettes, video cassettes, CDs, DVDs etc. subject to 'no objection' from the Ministry of Information;
- 9.03. Petroleum and petroleum products produced from natural gas (such as naphtha, furnace oil, bitumen, condensate, MTT and MS) can be exported subject to 'no objection' from the Energy and Mineral Resources Division. However, lubricating oil can be exported unconditionally under intimation to the Energy and Mineral Resources Division about the volume of export;
- 9.04. Chemical products stated in schedules 1, 2, 3 of Chemical Weapons (Prohibition) Act, 2006 shall be exportable or export prohibited as per the provision of section-9 of the Act.
- 9.05. Sugar;
- 9.06. Hilsha fish;
- 9.07. Aromatic rice;
- 9.08. Ministry of Commerce will issue permission for export of raw hides and meat of crocodile produced commercially in individual or Joint Venture farms, on the basis of no objection/approval from the Ministry of Environment and Forest.

A series of handwritten signatures and initials in black ink, including a large signature on the left, a smaller one in the middle, and a set of initials on the right.