



**Government of the People's Republic of Bangladesh
Bangladesh Regional Connectivity Project (BRCP)-1
Ministry of Commerce**

**Study: Simplification of Trade Procedures, Customs Modernization,
Ease of Doing Business for Export Promotion of Bangladesh to
Ensure Policy Coherence between National Development Priorities
and International Obligations on Trade Facilitation Agreement**



Bangladesh Foreign Trade Institute (BFTI)

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Government of the People's Republic of Bangladesh
Bangladesh Regional Connectivity Project-1
Ministry of Commerce

Level 12 (Westside), Prabashi Kallyan Bhaban, 71-72 Eskaton Garden Road, Dhaka-1000, Bangladesh.

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Preface

Bangladesh as being one of the fastest growing economies in the world is enabling enormous emphasis on trade. It considers trade as an engine for growth. Trade activities of Bangladesh is not only developing business activities but also expanding the circumference of domestic employment, foreign direct investment and positioning national business to global. Trade communities often face impediments, delays and additional costs due to the complex import, export and customs procedures as well as banking provisions necessary for clearance and shipment of consignments. Pertinently, trade facilitation covers necessary steps that can be taken because of smoothing the flow of trade.

The objectives of the study are to find the current status of Bangladesh in implementation of simplified trade procedures, customs modernization for ease of doing business for export promotion, the policy gaps between the obligation of the Trade Facilitation Agreement (TFA) and present situation in implementation of the TFA in Bangladesh. Furthermore, the study also covers the policy/act/rules to support simplification of trade procedure, documentation, automation and paperless trade according to the international standards, institutional weakness and procedural hindrance and best practice of the regional countries in implementation of TFA.

Moreover, the study also aims to identify the areas of reforms in acts, rules and policies to support simplification of trade procedure, documentation, automation relating to Bangladesh's commitments on Trade Facilitation Agreement (TFA) and provides recommendations useful for the policymakers.

I would like to convey my sincere thanks to BFTI team and all the relevant stakeholders directly and indirectly contributing with their valuable opinions and efforts for the preparation of this report.

Md. Mijanur Rahman

Project Director (Joint Secretary)

Bangladesh Regional Connectivity Project-1

Ministry of Commerce

Acknowledgements

The study addresses to the requirements for improving trade facilitation, in terms of fulfilling the commitments of Bangladesh as a signatory of the Trade Facilitation Agreement (TFA), trade related infrastructure, process efficiency, management capacity, and information transparency with the desired effect of reducing cost and time for cross border trade and for doing business in general.

The study was carried out under the contract signed between Bangladesh Regional Connectivity Project-1 (BRCP 1) and Bangladesh Foreign Trade Institute (BFTI) for conducting the study titled, "Simplification of Trade Procedures, Customs Modernization, Ease of Doing Business for Export Promotion of Bangladesh to Ensure Policy Coherence between National Development Priorities and International Obligations on Trade Facilitation Agreement" jointly funded by the International Development Association (IDA) of the World Bank Group and Government of Bangladesh. The objective of this study is to review the existing status of the trade procedures, policy gaps, institutional weakness and procedural hindrance and ongoing initiatives undertaken for implementing the various commitments under the TFA. The study followed a set of methodological approaches, that included capturing the opinions and perception of a fairly large number of stakeholders identified through a mapping exercise.

I express my gratitude to the Additional Secretary, WTO Wing, Ministry of Commerce, Ms. Nusrat Jabeen Banu ndc, Md. Hafizur Rahman former Additional Secretary, WTO Wing, Ministry of Commerce, Team Leader of this study, Md. Atiqur Rahman Khan and National Trade Expert as well as the Director, BFTI, Mr. Md. Obaidul Azam, Mr. Absal Shaquib Quoreshi, Senior Trade Expert and other researchers, statisticians, data analyst, and field enumerators of the study team from BFTI who worked diligently on the report.

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Dr. Md. Jafar Uddin

Chief Executive Officer (CEO)

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List of Abbreviations and Acronyms

4IR	Fourth Industrial Revolution
ACTS	ASEAN Customs Transit System
ADB	Asian Development Bank
AEC	ASEAN Economic Community
AEO	Authorized Economic Operator
AIT	Advance Income Tax
AMS	ASEAN Member States
API	Active Pharmaceutical Ingredient
APTA	Asia-Pacific Trade Agreement
AR	Advance Ruling
ARMS	Automated Risk Management Software
ART	Average Release Time
ASW	ASEAN Single Window
ASYCUDA	Automated System for Customs Data
ATV	Advance Trade VAT
AWB	Air Waybill
AWSC	ASEAN-wide Self-Certification Scheme
BAEC	Bangladesh Atomic Energy Commission
BAPA	Bangladesh Agro-Processors Association
BAPI	Bangladesh Association of Pharmaceutical Industries
BB	Bangladesh Bank
BBIN	Bangladesh, Bhutan, India, Nepal
BBMPEA	Bangladesh Bi-cycle & Parts Manufacturers and Exporters Association
BCMEA	Bangladesh Ceramic Manufacturers and Exporters Association
BEIOA	Bangladesh Engineering Industries Owners Association
BEPZA	Bangladesh Export Processing Zones Authority
BEZA	Bangladesh Economic Zones Authority
BFFEA	Bangladesh Frozen Foods Exporters Association
BFLLEA	Bangladesh Finished Leather, Leathergoods and Footwear Exporters' Association
BFTI	Bangladesh Foreign Trade Institute
BGB	Border Guard Bangladesh
BGMEA	Bangladesh Garments Manufacturers and Exporters Association
BGVAPEA	Bangladesh Fruits, Vegetables & Allied Product Exporters Association
BHTPA	Bangladesh Hi-Tech Park Authority
BICF	Bangladesh Investment Climate Fund
BIDA	Bangladesh Investment Development Authority
BIMSTEC	Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation
BIN	Business Identification Number

BIWTA	Bangladesh Inland Water Transport Authority
BJGEA	Bangladesh Jute Goods Exporters Association
BJMC	Bangladesh Jute Mills Corporation
BJSA	Bangladesh Jute Spinners Association
BKMEA	Bangladesh Knitwear Manufacturers and Exporters Association
BLPA	Bangladesh Land Port Authority
BOE or B/E	Bill of Entry
BPA	Business Process Analysis
BPO	Business Process Outsourcing
BPR	Business Process Reengineering
BRCP-1	Bangladesh Regional Connectivity Project-1
BRTA	Bangladesh Road Transport Authority
BSTI	Bangladesh Standards & Testing Institute
BTA	Bangladesh Tanners Association
BTMA	Bangladesh Textile Mills Association
BTP	Bangladesh Trade Portal
BTTC	Bangladesh Trade and Tariff Commission
BTTLMEA	Bangladesh Terry Towel & Linen Manufacturers and Exporters Association
BWM	Bonded Warehouse Module
CAAB	Civil Aviation Authority of Bangladesh
CAT	Customs Appeal Tribunal
CBM	Coordinated Border Management
CCCI	Chittagong Chamber of Commerce and Industries
CCH	Chattogram Custom House
CCI&E	Chief Controller of Imports and Exports
CD	Customs Duty
CEVTA	Customs, Excise and VAT Training Academy
CFS	Container Freight Station
CH	Customs House
CIB	Credit Information Bureau
CIF	Cost, Insurance and Freight
CITES	Convention on International Trade in Endangered Species
CMAA	Customs Manual Administrative Assistance Agreement
CPA	Chattogram Port Authority
CTMS	Clinical trial management system
D8	D-8 Organization for Economic Cooperation
DA	Document against Acceptance
DAE	Department of Agricultural Extension
DCCI	Dhaka Chamber of Commerce & Industry
DFQF	Duty-Free Quota-Free
DLS	Department of Livestock Services
DP	Document against Payment
EBA	Everything But Arms

ECTS	Electronic Cargo Tracking System
EDI	Electronic Data Interchange
EPB	Export Promotion Bureau
EPC	Engineering, Procurement, and Consultancy
EPZ	Export Processing Zone
ERC	Export Registration Certificate
ERD	Economic Relations Division
EU	European Union
FBCCI	Federation of Bangladesh Chambers of Commerce and Industry
FDI	Foreign Direct Investment
FGD	Focus Group Discussion
FoB	Free on Board
FTA	Free Trade Agreement
FY	Fiscal Year
GDP	Gross Domestic Product
GSP	Generalized System of Preference
GTFP	Global Trade Facilitation Programme
HS Code	Harmonized System Code
HSIA	Hazrat Shahjalal International Airport
IATA	International Air Transport Association
ICAO	International Civil Aviation Organization
ICCB	International Chamber of Commerce Bangladesh
ICD	Inland Container Depot
ICT	Information and Communication Technology
IFC	International Finance Corporation
IGM	Import General Manifest
IIT	Imports and Internal Trade
IMF	International Monetary Fund
IMP	Import Permission
IPO	Import Policy Order
IRC	Import Registration Certificate
IRD	Internal Resources Division
JICA	Japan International Cooperation Agency
KII	Key Informant Interview
LC	Letter of Credit
LCA	Letter of Credit Agreement
LCS	Land Customs Station
LDC	Least Developed Countries
LFMEAB	Leather Footwear Manufacturers and Exporters Association of Bangladesh
LPI	Logistics Performance Index
MCCI	Metropolitan Chamber of Commerce and Industry
MIC	Middle-Income Country
MoC	Ministry of Commerce

MoF	Ministry of Finance
MoU	Memorandum of Understanding
MRA	Mutual Recognition Agreement
MVA	Motor Vehicles Agreement
NBR	National Board of Revenue
NEP	National Enquiry Point
NGOs	Non-Government Organisations
NoC	No Objection Certificate
NSW	National Single Window
NTFC	National Trade Facilitation Committee
NTM	Non-Tariff Measures
OGA	Other Government Agencies
OPCW	Organisation for the Prohibition of Chemical Weapons
OSS	One Stop Service
PAP	Pre-arrival processing
PC	Public Consultation
PCAs	Post-Clearance Audits
PI	Pro-forma Invoice
PNR	Passenger Name Record
PTB	Para Tariff Barriers
RD	Regulatory Duty
REX	Registered Exporter System
RFID	Radio Frequency Identification
RILO-AP	Regional Intelligence Liaison Office for Asia and the Pacific
RJSC	Registrar of Joint Stock Companies and Firms
RKC	Revised Kyoto Convention
RM	Risk Management
RMCD	Royal Malaysian Customs Department
RMG	Ready-Made Garment
RMU	Risk Management Unit
RTGS	Real Time Gross Settlement
S&DT	Special and Differential Treatment
SAARC	South Asian Association for Regional Cooperation
SAFE	Standards to Secure and Facilitate Trade
SAFE FOS	SAFE Framework of Standards
SAPTA	South Asian Free Trade Area
SASEC	Asia Social and Economic Cooperation
SBW	Special Bonded Warehouse
SD	Supplementary Duty
SECO	State Secretariat for Economic Affairs
SMK	Sistem Maklumat Kastam'
SOPs	Standard Operating Procedures
SPS	Sanitary and Phytosanitary

SRO	Statutory Regulatory Orders
STDB	Singapore Trade Development Board
SW	Single Window
SWOT	Strength, Opportunity, Weakness, and Threat
TCB	Trading Corporation of Bangladesh
TEUs	Twenty-Foot Equivalent Units
TFA	Trade Facilitation Agreement
TFCWG	Trade Facilitation Cluster Working Group
TFGR	Task Force for Greece
TIN	Tax Identification Number
TOS	Terminal Operating System
TRS	Time Release Study
TSC	Tariff Specific Code
TT	Trusted Trader
UNCTAD	United Nations Conference on Trade and Development
UNECE	United Nations Economic Commission for Europe
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNODC	United Nations Office on Drugs and Crime
USAID	United States Agency for International Development
USD	US Dollar
VAT	Value Added Tax
VOA	Visa On Arrival
VW	Validation Workshop
WB	World Bank
WCO	World Customs Organization
WIPO	World Intellectual Property Organization
WTO	World Trade Organization

Executive Summary

Simplified trade procedures with customs modernization and a business-friendly taxation system can reduce the cost of doing business and enhance the position of Bangladesh. Trade communities often face various impediments, delays and additional costs due to the complex procedures about export & import, customs and banking provisions for clearance and shipment of consignments. Pertinently, trade facilitation covers necessary steps that can be taken because of smoothing the flow of trade.

In this context, the study was carried out under the contract signed between Bangladesh Regional Connectivity Project-1 (BRCP 1) and Bangladesh Foreign Trade Institute (BFTI) for conducting the study titled, “Simplification of Trade Procedures, Customs Modernization, Ease of Doing Business for Export Promotion of Bangladesh to Ensure Policy Coherence between National Development Priorities and International Obligations on Trade Facilitation Agreement” jointly funded by the International Development Association (IDA) of the World Bank Group and Government of Bangladesh. The objective of the research is to identify the gaps in the ongoing national initiatives in implementing Trade Facilitation Agreement (TFA), customs modernization, and ease of doing business.

The study has shed light on the weakness in the policy and regulatory framework, cost of doing business, extra cost implication in trade and put emphasis on required capacity building, easing process of trade through TFA implementation. This study intends to serve the broader objectives of the national initiative to promote export led growth of the economy and that in turn generate employment, exploiting demographic dividend of the country.

In the introductory **Chapter**, this study discusses the background, purpose, rationale, and scope of the report along with a brief description of methodological approach of the study. The data of the study was gathered from both primary and secondary sources. A survey was conducted to capture the perception of the field level stakeholders engaged in trade and trade related services. The stakeholders included government agencies, private sector traders and sectoral associations, chambers, academia, and think tanks. In addition, the relevant stakeholders were consulted to gather insights from their views and suggestions on the trade facilitation procedure through Key Informant Interviews (KIIs), a Focus Group Discussion (FGD), a Public Consultation (PC) and finally a Validation Workshop (VW).

In **Chapter 2**, the report reviews the existing procedural steps of customs in export and import in general and attempts to find out the problematic areas or gaps and existing redundancies in the export and import procedures identified by the stakeholders. The bottlenecks, restricting the attempts to improve the ease of doing business are also discussed in this chapter.

The **Chapter 3** explores the ongoing initiatives on customs modernization and its strategic benefits are also discussed in this chapter. It underscores the requirements for customs modernization and what benefits it would bring for the businesses and the government, and so forth. The chapter also captures the present situation, the prevailing gaps, areas of improvement, commitments from the government, and ongoing initiatives and future plans for improvements and reforms. The areas of improvements and reforms covers not only the policy and legislative frameworks, but also the capacity building needs of the institutions responsible for implementation. This chapter also highlight commitments of Bangladesh under the WTO's TFA and implementation status. The chapter also conveys the importance in the trade facilitation procedures and existing implementation status of commitments to the WTO's TFA.

Chapter 4 presents a synopsis of the major laws, regulating and having direct relevance to the trade procedures in Bangladesh. It explores that trade facilitation can be ensured by reducing the complexity of regulatory regimes and simplification of trade procedures, documentation, automation and paperless trade to ease the business process. The chapter further stressed that the regulatory authorities need to make customs formalities and procedures simple, more transparent, and more efficient. Similarly, the expansion of the opportunities for the Authorized Economic Operator (AEO) system and National Single Window (NSW) to availability for traders while Customs Modernization Action Plan 2019-22 needs to be implemented within the shortest possible time. Moreover, the chapter further emphasized digital activities to collect fair taxes and a fully automated VAT return system to reduce the hassles and lengthy procedures of tax returns. Furthermore, the chapter reveals that owing to the lack of connectivity between the ASYCUDA software of customs and port authority, more time is required for the clearance of goods and products. Hence, coordination in different regulatory bodies at the port including customs, port authorities, C&F agents and logistic services becomes a significant issue for trade facilitation.

Chapter 5 describes the weaknesses and procedural hindrances faced by the traders and manufacturers at the major institutions responsible for providing trade related services. This chapter identifies the areas and ways of improvements in trade logistics, lead-time, customs clearance and release of goods and associated documents. The

chapter is an exploratory nature, narrates the level of governance and transparency in providing public services, building institutional capacity in terms of infrastructure and human capital, and increasing inter-agency cohesion.

Chapter 6 explores the implementation of TFA in regional countries. The chapter outlined the present scenario of TFA of countries like China, Myanmar, Bhutan, Sri Lanka, Vietnam, and Malaysia. Bangladesh's current progress on TFA implementation commitments is 44.5% with a time-frame spanning from February 2018 to June 2030 for full implementation. The Chapter also discusses some of the best practices for implementing TFA measures like Singapore's TradeNet system of single window, Vietnam's reform of the customs administration for a transparent and harmonized customs system, and Greece's national trade facilitation strategy. In this chapter, the study sought out centralized, decentralized and shared implementation aspects of TFA measures. For centralized efforts, customs authority generally takes the lead in establishing such a system in collaboration with other agencies of the government and Chamber of Commerce and Industry. Decentralization systems like a single window system and AEO can also play significant roles in trade facilitation. Shared implementations with different organization in port area, like cross border agency cooperation with relevant stakeholders, coordination and collaboration of customs and/or other governmental agencies with other relevant stakeholders are also crucial for achieving the TFA goals swiftly.

Chapter 7 narrates the procedures followed for primary data collection, summarizes them and highlights a number of insights regarding the regulation, infrastructure investment, customs modernization, border crossing environment, streamlining of documentary requirements and information flows, automation and electronic data interchange (EDI), ports efficiency, logistics and transport services: regulation and competitiveness, transit and multimode transport and transport security, expressed by the respondents of the FGD, KIIs, Public Consultation and Survey. However, they are often views expressed by an individual, and could not be verified or crosschecked independently.

Finally, a set of recommendations are put forward with a view to ensuring trade facilitation while addressing the regulatory and policy related gap in complex trade procedure of Bangladesh. Similarly, integrated approach for extending the cooperation among the different agencies in trade like customs, port, BGB, C&F agents and other agencies need to be ensured to ease the procedure of trade. The recommendations are related to simplification of trade procedures including gradual full automation and digitalization of services and documentation, expediting the national single window, implementation of the recommendations of time release

studied, integration, capacity development, and renewal of license period; customs modernization including resolving HS code dispute, implementation of WTO and WCO rules for customs, procedures and clearance, automation, paperless trade documentation, dissemination of notifications, interagency cooperation, tariff system, customs testing and laboratories, HS code dispute settlement and classification, policy reform and capacity development of customs, appeal system and port charges; enhanced trade facilitation policies by cooperation in risk management, border agency cooperation, inter-agency cooperation, planned investment, logistics improvement; acts, and rules of Bangladesh; and lessons from implementation of TFA in regional countries.

Chapter 1: Introduction

1.1 Background

Bangladesh has adopted export-led growth strategy. Hence, Bangladesh needs to underscore adequate infrastructure development, put in place the modern custom procedures with rational taxation and custom act along with efficient logistic supports to facilitate a trade-friendly regime. Addressing efficient trade logistic supports, improved storage facilities and efficient custom station management especially in Land or Seaports also need to be ensured in order to reduce the time and cost of doing business.

For improving the trading environment of a country, Bangladesh requires to ensure easy access to Export Registration Certificate (ERC), Import Registration Certificate (IRC), Back-to-Back Letter of Credit (LC) facilities while facilitating the international factoring process as per the declared guidelines of Bangladesh Bank. Along with this, a congenial legal environment to ease the business process like implement contracts, simplification of trade license and company registration process, etc. need to be ensured.

According to the World Trade Report¹ (2015) of the World Trade Organization (WTO), by some estimates, full implementation of Trade Facilitation Agreement (TFA) has the ability to reduce the cost of trade by an average of 14.3% and may expand global exports between US\$1.8-US\$3.6 trillion per annum apart from raising GDP growth, revenue and generating employment with a quality living standard. It is true that the export-led manufacturing sector reached new height with 12.31%² growth in FY2021-22(p³), creating ample opportunity to transform Bangladesh. These issues imply that Bangladesh should put more emphasis on trade facilitation as well diversification of product with new export market destination through easing the doing business process and implementing TFA. Given the concern, Bangladesh Foreign Trade Institute (BFTI) has conducted a study on “Simplification of Trade Procedures, Customs Modernization, Ease of Doing Business for Export Promotion of Bangladesh to Ensure Policy Coherence between National Development Priorities and International Obligations on Trade Facilitation Agreement” under the initiative of WTO Wing, Bangladesh Regional Connectivity Project-1, Ministry of Commerce.

¹ World Trade Report, 2015, https://www.wto.org/english/res_e/booksp_e/world_trade_report15_e.pdf

² Sectoral Growth Rate of GDP at Constant Prices FY 2021-22 (P), BBS

³ 'p' denotes provisional

1.2 Objectives of the Study

Simplification and integration of various documents related to import and exports and making these compatible for electronic transaction is essential to save time, cost and burden of the traders as well as the officials of all concerned. In this regard the objectives and scopes of the study are to identify the following as per terms of reference (ToR) (appendix 1):

1. To identify current status of Bangladesh in implementation of simplified trade procedures, customs modernization, ease of doing business for export promotion;
2. To identify the policy gaps between the obligation of the Trade Facilitation Agreement (TFA) and present situation in implementation of the TFA in Bangladesh;
3. To identify the policy/ Act/ Rules to support simplification of trade procedure, documentation, automation and paperless trade according to the international standards;
4. To identify institutional weakness and procedural hindrance; and
5. To identify best practice of the regional countries in implementation of TFA.

1.3 Scope of the Study

The thrust for simplification of trade processes and procedures in the context of trade facilitation is not a new issue. As a member of the international trading system and more as a least developed country (LDC), Bangladesh has been focusing on the issue of trade facilitation for several decades. Various policies adopted in the context of trade liberalization and automation of customs procedures surely bear this out. The study has a special focus on the following issues:

- Bangladesh's current and future implementation commitments of TFA and policy gaps identification;
- Bangladesh's current status of customs modernization for export promotion by the ease of doing business;
- Existing trade procedures for major products (knitwear, woven wear, cotton, yarn, fabrics, jute);
- Gap identification for simplification of trade procedures according to the international standards;
- Recommendation for resolving institutional weakness and procedural obstacles;

- Explore the best practices of TFA of regional countries especially in China, Myanmar, Bhutan, Sri Lanka, Vietnam.

The above scope was covered by literature review, and interactive interviews, focus group discussion, public consultation, analysis of information and data gathered through survey.

1.4 Rationale of the study

Trade communities often face impediments, delays and additional costs due to the complex procedures about import, export procedures, customs and banking provisions necessary for clearance and shipment of consignments. Pertinently, trade facilitation covers necessary steps that can be taken because of smoothing the flow of trade.

Simplified trade procedures with custom modernization and a business-friendly taxation system can reduce the cost of doing business and enhance the position of Bangladesh. Bangladesh position in the ease of doing business has just upgraded from 176th to 168th in 2020 report because of easing the regulatory procedure for setting up Start-up business, obtaining electricity connection and credit information procedure but Bangladesh lags more behind the regional and economic competitive peers in Asia in the different economic indicator. Especially in paying taxes, Bangladesh ranked 151 while in trade across the border, she ranked 171 in 190 countries, reflecting the requirement for much improvement of Bangladesh against her economic peers. If reducing the cost of doing business get priority, we have to improve the regulatory procedure of trade. It is thus reasonable to conclude that improving trade facilitation, in terms of infrastructure, process efficiency, management capacity, and information transparency would help reducing cost and time for cross border trade and for doing business in general.

The customs modernization strategic action plan 2019-22 outlines a development plan for Bangladesh customs with time-bound targeted interventions performance measurement indicators to be implemented in the next four years. The National Board of Revenue (NBR) has initiated the planned approach to simplify and modernize the customs operations. All modernization and reform programs primarily focus on several cornerstone issues: trade facilitation, automation, capacity enhancement and infrastructure development. In this way, it is required to meet the commitments or obligations under the Trade Facilitation Agreement (TFA). In this context, the study is being carried out to gauge the progress of Bangladesh in terms of TFA and customs modernization initiatives and identify the regulatory and institutional weakness and

hindrances. On the basis of the findings, a set of recommendations have been generated to simplify the trade procedures and thereby to contribute the trade growth of Bangladesh.

1.5 Methodology

This study involves both qualitative and quantitative approach for data collection. The study team collected required data both from primary and secondary sources. The detailed methodology of the study is as follows-

1.5.1 Review of Existing Literature

Available literatures including the Trade Facilitation Agreement (TFA) and commitment progress of TFA for Bangladesh, China, Myanmar, Bhutan, Sri Lanka, Vietnam, Malaysia, journal article and regulatory (policy/act/rules) related documents of Bangladesh have been reviewed. Moreover, the key experts of the study have reviewed official reports, published papers and policy documents of the government of Bangladesh, think-tank organisations and other international bodies, as available, have been analysed. A list of documents reviewed are added in the reference section, and have been cited in text.

1.5.2 Questionnaire design

Drafting the questionnaire: Semi-structured questionnaire for the survey was designed for primary data collection from the relevant authorities following the objectives of the study.

Field Test: To find out the actual barriers to Trade Facilitation Issues and complexities in export import procedure, a field test in a land port was done as an instrument to validate the questionnaire for the survey.

Finalization of questionnaire for the survey: The questionnaire was finalized incorporating the inputs from the field test. While finalizing the questionnaire the project authority is duly consulted.

1.5.3 Data Collection Method

Quantitative data collection: The survey data collection (quantitative) was conducted with the port authority and customs concerned officials and major exporters and importers who conduct their business through the ports with the consultation with the project office and consultants.

Sampling Method: The number of total relevant participants is 202 for survey data collection. Arbitrary Approach i.e., Rule of Thumb method for the determination of sample size for the study. It is purposive sampling method which is a non-probability sampling. Samples were selected from the five ports of Bangladesh including Benapole land port, Akhaura land port, Banglabandha land port, Chattogram seaport and Shah Jalal airport. For required data collection, the port officials, exporters, importers and service providers, C&F agents were surveyed.

Qualitative Data Collection: The stakeholders were identified by a mapping exercise. The most relevant stakeholders are the Ministry of Commerce, Ministry of Shipping, National Board of Revenue (NBR). The main trade Bodies of Bangladesh (FBCCI, DCCI, MCCI, ICCB, BGMEA, BKMEA etc.) are also valuable stakeholders for the study. Other than these, the exporters and importers through the ports are also important for their inputs. The C&F agent association, Bangladesh Freight Forwarder Association and Bangladesh Bus-Truck Association were interviewed.

Key Informants interviews (KII): A round of exploratory interview was conducted for the study with the representatives of relevant stakeholders that has primarily included the government institutions, business associations, chambers, think-tank organizations, etc. Semi-structured interviews were used via purposive sampling method. Appropriate measures have been taken to avoid any risks of bias through sampling, response and the behavior of the interviewer. Three common techniques were used to conduct key informant interviews: Telephone Interviews, Face-to-Face Interviews, Email interviews. When KIIs were conducted, a mixed method evaluation strategy was adopted to produce a satisfactory analysis. The questionnaire was evaluated by the senior trade expert, team leader of the study and the client. A total of 21 KIIs were conducted to trade facilitation, customs modernization, and ease of doing business issues.

Focus Group Discussions (FGD): One FGD was held in Dhaka involving relevant stakeholders. During discussions, participants were facilitated to discuss different aspects of the particular field amongst themselves.

Public Consultation (PC): One PC with the relevant stakeholders was held in Chattogram to collect the stakeholder views and opinions.

Validation Workshop: A validation workshop as required under the ToR of the assignment was held at 09.30 AM of 22 March 2023. The venue of the workshop was Conference Room and Class Room, Bangladesh Foreign Trade Institute (BFTI), TCB Bhaban (5th Floor), 1 Karwan Bazar, Dhaka-1215. Mr. Rashedul Kabir, Data Analyst

of the study and Research Manager (RM), BFTI presented keynote presentation including major findings of the study and obtained feedback from a total of 2 panel discussant and other 22 participants (appendix 9) in the workshop. Based on the responses received the study report is revised and finalized. Relevant extracts of the record notes of the proceedings of the validation workshop are attached at Appendix 8.

1.6 Limitations of the Study

The qualitative information obtained were often could not be validated by cross-referencing the stakeholders, i.e., service providers and service recipients often held opposite views and could not be reconciled. Besides, the scope for field level visits by senior consultant was limited due to constraints of time and funds. Besides the paucity of secondary data and literature, the survey data collection was difficult because of respondents' reluctance to provide required accurate information and inexpression of appropriate opinions relevant to the study.

Chapter 2 : Status of Bangladesh Regarding Simplification of Trade Procedures

2.1 Introduction

This chapter attempts to review the steps, procedures, and documentation requirements involved in import and export of goods. Trade procedures include the activities, practices and formalities involved in collecting, presenting, communicating and processing data and other information required for the movement of goods in international trade⁴. The views and opinions of the stakeholders were captured in identifying the problem areas where improvements could be done for bringing down the time, cost, and procedural complexities.

Export and import procedures have been streamlined to increase the trade competitiveness of domestic and foreign enterprises. Countries across the world have invested resources and adopted tactics for decades to reduce the burdensomeness of trade processes and maximize returns. The need for streamlined import and export procedures has long been recognized by Bangladeshi policymakers. The Import Policy Order (2021–2024) and Export Policy (2021–2024) both place a strong emphasis on the need to eliminate bottlenecks in the procedures involved in conducting international trade. Over the years, a number of trade facilitation measures have been implemented as a result of this worry. Import and export procedures were made simpler by lowering the number of formalities required for consignment approval and the frequency of inspection.

Table 1: Key Documents Required for Exporting and Importing in Bangladesh

S.L.	Documents related to Export Goods	Documents related to Import Goods
01	Export L/C; if there is no export L/C, Export Contract or Purchase Order or Export Guarantee approved by the negotiating bank	Letter of Credit (L/C)
02	Commercial invoice containing detailed description of goods and signed by the exporter	Commercial Invoice
03	Packing list containing quantity, weight and packing information.	Packing list
04	EXP form certified by Authorized Dealers (ADs) to ensure the realization of export proceeds.	Import License
05	Certificate of Origin of export goods (issued by EPB or Chamber of Commerce and Industry)	“Country of Origin” Certificate (except coal and

⁴ https://gtad.wto.org/trta_subcategory.aspx?cat=33121 (retrieved on January 2023)

S.L.	Documents related to Export Goods	Documents related to Import Goods
		export-oriented garments industries)
06	VAT registration certificate	SOLAS certificate
07	Taxpayer Identification Number (TIN) issued by Income Tax Department under the NBR	VAT/BIN Certificate
08	Export Registration Certificate (ERC)	Import Registration Certificate (IRC)
09	GSP/SAPTA/APTA/KPT Certificate	Customs import declaration
10	Health/Sanitary & Phyto-Sanitary Certificate	Bill of Lading/AWB/Truck Receipt/Railway Receipt
11	Bill of Export/Shipping Bill	Technical standard/Cleanliness certificate
12	Airway Bill/Bill of Lading	Terminal handling receipts
13	Insurance Policy	Insurance policy/cover note
14	Bill of Exchange	Cargo release order (Gate Pass)
15	Customs Export Declaration	
16	Terminal Handling Receipts	
17	Others (If required)	

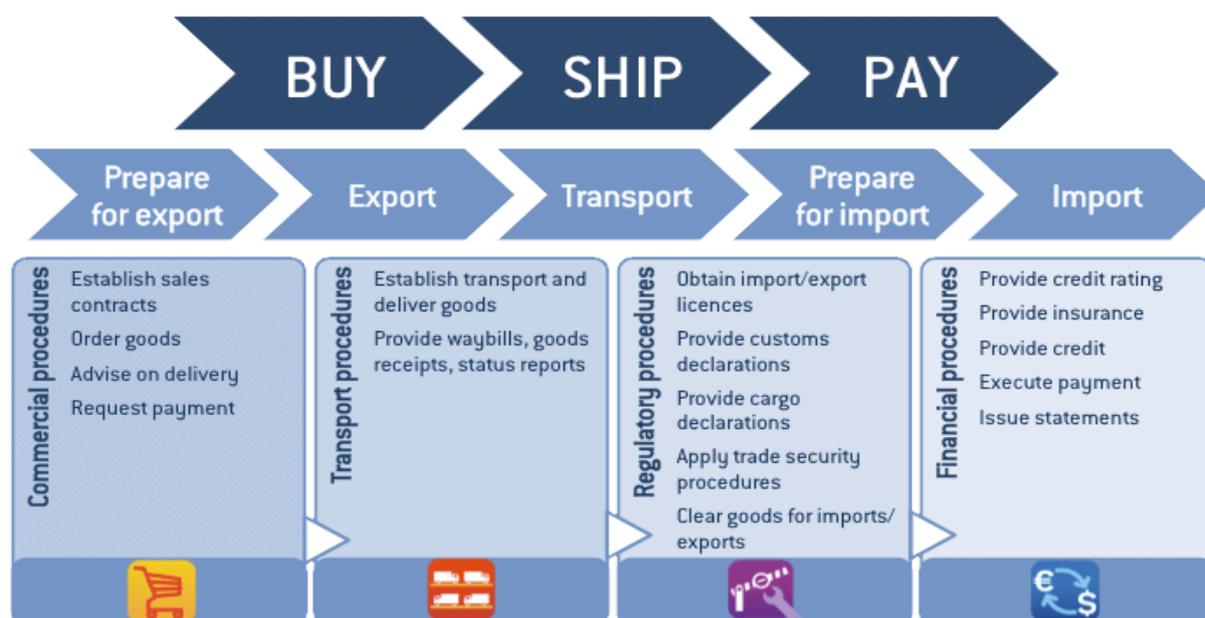
Source: http://bangladeshcustoms.gov.bd/trade_info/customs_clearance

2.2 Defining Simplification of Trade Procedures

Simplification is the process of eliminating all unnecessary elements and duplications in trade formalities, processes and procedures. Simplification of trade procedures is a major objective of the trade facilitation. Simplification of trade procedures also comprise standardization and harmonization of the procedural steps and documentation requirement up to the international norms, practices, and standards, which is a part of the commitment Bangladesh has undertaken.

For cross border trade, a vast number of stakeholders are involved with their respective and specific roles and responsibilities, starting from physical transportation, valuation, quality control, identification, inspection, tariff assessment, release, and so forth, while meeting all documentation and payment obligations along the way. The procedures are divided along the line of trade flow, which are, exports and imports.

Figure 1: The UN/CEFACT Buy Ship Pay Model



Source: UN/CEFACT International Supply Chain Reference Model)

The essential steps and participants in the global supply chain, as well as the connections between the high-level data entities of the relevant international trade and transport contracts, are all described in the UN/CEFACT-developed Buy-Ship-Pay reference models. Cross-border trade is made possible by international supply chains, which guarantee that orders for, shipments of, and payments for the items may be made while adhering to legal requirements and ensuring trade security.

Table 2: Major Ministries/Departments Related to Trade

S.L.	Ministries/Departments
01	Bangladesh Bank
02	Ministry of Commerce
03	Ministry of Finance
04	Ministry of Fisheries and Livestock
05	Ministry of Agriculture
06	Ministry of Foreign Affairs
07	Bangladesh Investment Development Authority (BIDA)
08	National Board of Revenue (NBR)
09	Chief Controller of Export and Import (CCE&I)
10	Export Promotion Bureau (EPB)
11	Bangladesh Standards & Testing Institution (BSTI)

S.L.	Ministries/Departments
12	Department of Agricultural Extension (DAE)
13	Others (If required)

Different ministries and agencies thereof are responsible for enforcement of these legal requirement. For example, the Ministry of Commerce is responsible for enforcing the Import Policy Order, whereas Bangladesh Standards and Testing Institution (BSTI) remain responsible for product testing, conformity assessment, and certification of the processed food products (imported as well as locally produced).

The level of cooperation, coherence, and institutional linkages between various implementation agencies of this diversified set of laws, in tandem with rules, regulations, and policies governing cross-border movement of vehicles, transport modes, and bi-lateral protocols governing all these need to be examined briefly during various progression of the assignment.

For example, fresh fruits imported from Petrapole-Benapole checkpoints are subject to formalin tests⁵, and irradiation⁶ and require fumigation certificates⁷. But quarantine tests are not performed for pests or diseases in these living organisms (fruits).

The major institutions that regulate, administer, execute and monitor cross-border trade of goods and provide trade facilitation services in Bangladesh are:

- Customs Department: Responsible for inspection, assessment, collection of payment, and ensuring legal compliance with all regulatory measures before clearance of goods;
- Bangladesh Land Port Authority: Responsible for providing loading-unloading, warehousing, and storage facilities and related infrastructure and services;
- Bangladesh Standards and Testing Institution (BSTI): For standards setting, quality testing and conformity assessment for items that require such testing and assessment; and
- Quarantine Divisions: For plant, animal, and fish, as the case may be for disease and pest control. Separate quarantine divisions are responsible for administering separate quarantine laws and procedures under separate ministries responsible for managing issues related to plant, fish, and animal.

In the following section, details of the current export and import procedures are explained.

2.2.1 Customs Clearance Procedures for Export in Bangladesh

Section 131 of the Customs Act, 1969 requires clearance of Customs for export. According to section 131, goods shall not be allowed to load/stuff in containers or

⁵ Formalin control act, 2015.

⁶ Nuclear safety and radiation control rules-1993

⁷ Destruction insects and pest rules, 1966

ship for export unless an export declaration (known as Bill of Export/Shipping Bill) is submitted to Customs in a prescribed format, and the same is approved by the Customs authority. Description of goods, value, name of exporters, name of foreign buyers/importers, and name of transport operators are specified in the declaration.

According to the Prescribed Bill of Entry and Bill of Export Form Order, 2001 issued by the NBR, following documents are to be enclosed (for all export consignments) with the Bill of Export for customs clearance:

1. Export L/C; if there is no export L/C, Export Contract or Purchase Order or Export Guarantee approved by the negotiating bank.
2. Commercial invoice containing detailed description of goods and signed by the exporter.
3. Packing list containing quantity, weight and packing information.
4. EXP form certified by Authorized Dealers (ADs) to ensure the realization of export proceeds.
5. Certificate of Origin of export goods (issued by EPB or Chamber of Commerce and Industry).
6. VAT registration certificate.
7. Taxpayer Identification Number (TIN) issued by Income Tax Department under the NBR.

For some categories, product-wise additional certification/ documents are necessary for export.

Some of them include:

1. ERC for jute, jute goods and tea. Additional export permits of licenses are required for these three products. For jute and jute goods, a separate license is required for the exporters to obtain from the Ministry of Textiles and Jute⁸.
2. Consignment wise export permit issued by the Bangladesh Tea Board for export of tea. The exporters have to obtain a permit from the Bangladesh Tea Board⁹ for each consignment.
3. Approval of the Ministry of Industries in the case of export of Urea fertilizer produced in all factories except KAFCO.

⁸ https://www.wikiprocedure.com/index.php/Bangladesh_-_Apply_for_Raw_Jute_Export_License

⁹ <http://www.teaboard.gov.bd/site/forms/b2dff233-56e3-49a2-9674-7783b16ee107/চা-রপ্তানির-আবেদন-ফর্ম>

4. 'No objection certificate' from the Ministry of Information in the case of export of entertainment programs, music, drama, films, documentary films etc. in the form of audio cassettes, video cassettes, CDs, DVDs etc.
5. Utilization Declaration for export of RMG under bonded warehouse or Utilization Permission for export of other goods under bonded warehouse.
6. Phytosanitary certificate for agricultural goods (such as vegetables, corns etc.) as per the requirement of the country of export (issued by the Plant Protection Wing of the Department of Agriculture Extension).
7. Quality control certificate in case of export of products for which such certificate is obligatory (e.g., quality control certificate by the Department of Fisheries is necessary as per the requirements of the country of destination for frozen fish).
8. NOC from the CCI&E and Bangladesh Bank to allow exports on an export-cum-import or returnable basis.
9. Bank guarantee equaling the value of goods to be exported on an export-cum-import or returnable basis.

Once the export declaration is approved by the Customs authority after documentary check and physical verification of export consignments, exportable goods are loaded into containers and stuffed into the ship/aircraft/truck. Export is complete once the ship/truck/airlines leave the port, and customs officer in charge (PO-on-Board/gate division officer in charge) signs on the back of the 2nd copy of the shipping bill (as 'shipped on board'). It is to be noted that where goods are loaded into containers at the private ICDs/exporters' premises, gate division officer may check the goods before it proceeds to the port area.

2.2.1.1 Process flow of Exportable Product

Export order is a document from any specific foreign buyer to purchase items from the exporter. It would indicate the exporter's Pro-forma invoice/quotation number and issuing date, including item, quantity, price, delivery date, shipping marks, insurance, payment terms etc. Before acceptance, the export orders should be scrutinized in all aspects. The following documents are commonly used in exporting.

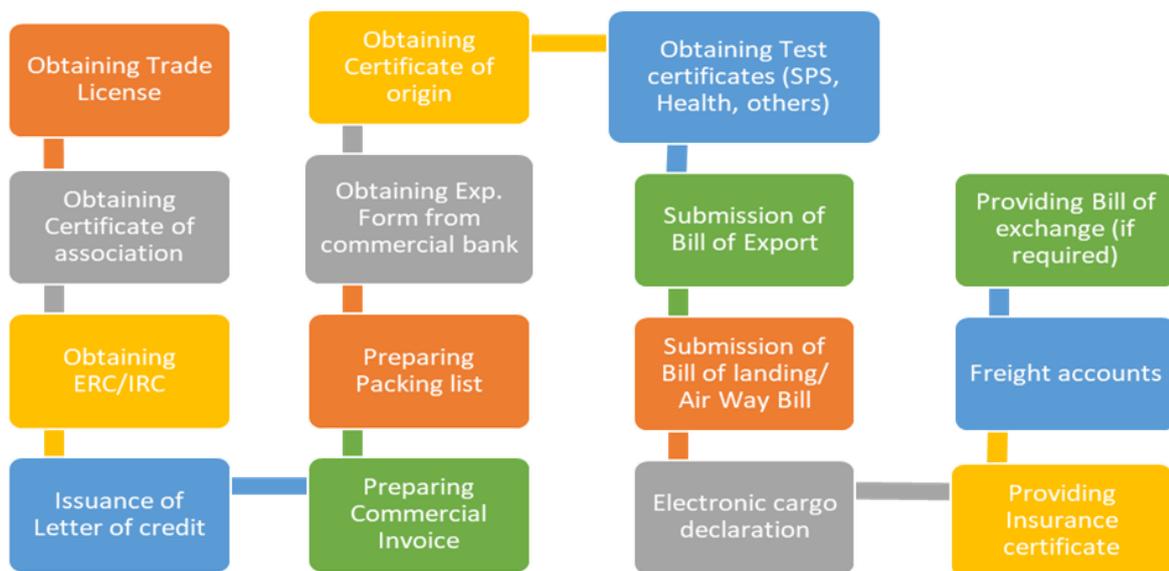
1. Pro-Forma invoice
2. Bill of lading
3. Commercial invoice
4. Certificate of origin
5. Inspection certification
6. Dock receipt and warehouse receipt
7. Destination control statement

8. Insurance certificate
9. Export Registration Certificate (ERC)
10. Export packing list

The process of exporting product starts after communicating with buyers. In general, an exporter exports his product following these ten steps.

Figure 2: Export Procedures and Requirements to Export Goods to the USA

(Flow chart of export procedures for exporting to the USA)



Source: Bangladesh Trade Portal (2022)

2.2.2 Customs Clearance Procedures for Import in Bangladesh

For imported goods into Bangladesh, shipping agents submit their manifest data (containing description of imported goods by ship) electronically to the Customs authority. In the case of import by truck (through land customs stations), trucking company/driver submits IGM to the customs authority. Once the Import General Manifest (IGM) is submitted online (In the case of import by truck, manually), the nominated C&F Agent (or the importer himself) completes the goods declaration (popularly known as Bill of Entry or B/E) from their own premises and submits the goods declaration to Customs systems through ASYCUDA World. The declaration or B/E has to be made in a specific format, known as Single Administrative Document (SAD).

The Prescribed Bill of Entry and Bill of Export Form Order, 2001 issued by the NBR outlines the documentary submission requirements. For release of goods from Customs, following documents need to be submitted along with the declaration for all types of imports:

1. Letter of Credit (L/C).
2. Invoice
3. Bill of Lading/ AWB/Truck Receipt/Railway Receipt
4. Packing List
5. "Country of Origin" Certificate (except coal and export-oriented garments industries)
6. Insurance policy/cover note
7. VAT/BIN Certificate

Following additional documents are required for importing different types of goods, such as:

1. BDS standard will be mandatory for clearance of 55¹⁰ items, and in case where no certificate from and accredited laboratory from the exporting country is available, a certificate from the BSTI is necessary, as per Import Policy Order.
2. Radioactivity test report from the concerned authority of the exporting country for food items.
3. Fresh fruits imported are subject to formalin tests¹¹, and irradiation¹² and require fumigation certificates.
4. As per rule 3(7) of the Plant Quarantine Rules-2018, any cotton imported into Bangladesh must carry an SPS certificate from the competent authorities of the exporting country. Fumigation and clearance need at least five days¹³.
5. Clearance certificate(s) from the Bangladesh Atomic Energy Commission for food items to the effect that the radioactivity level found in the imported food-stuff is within the acceptable limit. Nuclear radiation tests are mandatory for imported milk, dairy, edible oil, vegetable seeds, grains, fresh fruits, and other food products¹⁴.
6. Pre-shipment Inspection test report for milk food products and powder milk, coal and hard coke, Break Acrylic (HS 39.15 and 3915.90), M.S. Billets (7207)

¹⁰ http://file-chittagong.portal.gov.bd/files/bsti.comilla.gov.bd/files/ab755c4a_9e6a_4197_a07d_1543a6be99ad/b064c395d6d98d0807f0a3cd8224913e.pdf

¹¹ Formalin Control Act, 2015.

¹² Nuclear Safety and Radiation Control Rules -1993

¹³ <https://www.google.com/search?client=safari&rls=en&q=fumigatin+requirement+for+cotton+import+in+bangladesh&ie=UTF-8&oe=UTF-8>

¹⁴ <https://www.trade.gov/country-commercial-guides/bangladesh-prohibited-restricted-imports>

and for items where the value of a single item authorized for import by public sector agencies is Taka fifty lac or above.

7. Approval letter of the Chief Inspector of Explosives of the Ministry of Power, Energy & Mineral Resources for import of explosives.
8. Copy of intellectual property certificate (by the IPR holder of the exporting country) in the case of import of branded goods registered under any law related to IP in Bangladesh.

Once the duties and taxes are assessed by Customs, the importer (or his C&F agent) pays duties and taxes. On payment of duties and taxes assessed, Customs issues release order for clearance and after completion of port formalities, goods are cleared.

Samples valued up to US \$100 and weighing up to 5 kg is cleared (through manual system) same-day (in Dhaka Air freight) if the consignee authorizes duty and tax to be billed to the shipper on the Air Waybill. Samples valued over US \$100 and weighing more than 5 kg will require formal clearance through ASYCUDA WORLD system.

It is to be noted that for the customs clearance of imported animals, plants and plant products, quarantine conditions (such as certification from quarantine department, fumigation etc.) shall have to be observed. Fumigation is mandatory in case of import of raw cotton produced and packed in Western Hemisphere.

If an import consignment is not cleared within 21 days (of the date of unloading at a Customs airport) or 30 days (of the date of unloading at a customs-port or a land customs station or customs-inland container depot), or within the extended time as the appropriate officer may allow, the consignment may be disposed of through auction [Section 82 of the Customs Act 1969].

In cases, where it is not possible immediately to assess customs duty that may be payable on any imported goods for the reason that the goods require chemical or other test or a further enquiry for purposes of assessment, or that all the documents or complete documents or full information pertaining to those goods have not been furnished, Customs authority may assess the consignment provisionally. In such cases, the importer (except goods entered for warehousing) needs to furnish unconditional bank guarantee/security deposit of an amount (as deemed sufficient by Customs) from a scheduled bank for the payment of the excess amount of duty that may be payable after the final assessment. In this case, the final assessment has to be completed within a period of 120 working days from the date of provisional assessment.

2.2.3 Major Gaps in Simplification of Customs Procedures for Export

The issues of trade facilitation require massive infrastructure and drive to raise capacity in countries like Bangladesh. Thus, it demands additional investment in physical infrastructures, process and procedure development and automation and finally capacity building of relevant agencies. Moreover, it requires top-level political decision to avoid bureaucratic complexity for carrying out all trade facilitation measures. It is difficult to determine the whole process under any particular ministry or agency. To accomplish trade facilitation tasks, five types of interventions can be taken -- Simplification of rules, procedures, and documentation; Inter-agency dialogue, coordination and integration; Strengthening border agencies; Modernization of border operations; and investing in border-related infrastructure and logistics.

Simplification of trade procedures involves both local and international trade and business activities; some of the measures that can be initiated by the respective authorities are listed here:

1. Getting quick registration of product levels, marks and quality certification from the government's standard body;
2. Easy access to export registration certificate, import registration certificate, bonded warehouse facilities, back-to-back L/C facility etc.;
3. Congenial legal environment to avail/impose business documentations like implementing contracts, commercial invoice, bill of lading, air ways bill, inspection certificate, quality control certificate etc.;

Harmonisation and automation of international trade procedures refer to the following measures:

1. Harmonisation of standards between importing and exporting countries and mutual recognition of other standards;
2. Harmonisation of HS [Harmonised System) codes, name, specifications for a specific products or components between trading nations;
3. Harmonisation of customs formalities and mutual recognition for quicker transit between partner countries;
4. Simplification of boarder/port procedures and inter agency coordination;
5. Availability of relevant infrastructures and support services at the border/port;
6. Easy release/clearance of goods and access to pre-arrival processing, electronic payment, separation of release from final determination and payment of customs duties, taxes, fees and charges;
7. Automation of total border/port formalities with a time-bound action plan. Digitisation of clearing and forwarding formalities and payment process for lowest hassle and time consumption;

8. Mutual acceptance of test reports.

Despite some progress made in simplification of the export procedures over the past years, Bangladesh still falls behind in performance, compared to its neighbors. A 2020 report carried out by the World Bank Group shows the situation of Bangladesh vis-a-vis other member states in the Bangladesh-Bhutan-India-Nepal-China-Vietnam sub-region:

Table 3: Export Performance of the Regional Countries

Indicators	Bangladesh	Bhutan	India	Nepal	China	Vietnam
Rank out of 190 economies	168	89	62	94	32	70
Time to export: Border compliance (hours)	168	5	52.12	11	20.7	55
Cost to export: Border compliance (US\$)	408.2	59.2	21	103	256.2	290
Time to export: Documentary compliance (hours)	147	9	12	43	9	50
Cost to export: Documentary compliance (US\$)	370	50	100	80	77.25	182.5

Source: World Bank Doing Business database 2020, World Bank, 2021

Here, the time and cost required for exporting from Bangladesh is way higher than those of her neighbors.

2.2.4 Major Gaps in Simplification of Customs Procedures for Import

Over the past years, the import procedures have become comparatively simple. Here, simplification refers to number of documentation and approval/signature required, and time and cost required to obtain each documentation and approval. For example, in 1999, it used to require 25 signatures, whereas, by 2005 the requirement came down to 5 signatures, as claimed in a presentation titled, "Implementation Status of Bangladesh towards Paperless Trade", jointly made by Ms. Rama Dewan, then then Joint Chief of Bangladesh Tariff Commission, and Mr. AHM Shafiquzzaman, then then Deputy Secretary, Ministry of Commerce. The documentation requirement has also been reduced significantly over the years. For example, except for certain products, the blanket requirement for Import License is no longer required. However, facilitation of import procedures does not only depend on submission of documents and obtaining signatures, but also depend on administrative procedures, communications, inspection and release, and other mandatory steps involved in

'border compliance'. A 2020 comparative scenario compiled by the World Bank Group for the Bangladesh-Bhutan-India-Nepal-China and Vietnam region shows the following picture:

Table 4: Import Handling Situation in the Regional Countries

Indicators	Bangladesh	Bhutan	India	Nepal	China	Vietnam
Rank out of 190 economies	168	89	62	94	32	70
Time to import: Border compliance (hours)	168	5	52.1	11	21	55
Cost to import: Border compliance (US\$)	900	110	266.1	190	241.3	373
Time to import: Documentary compliance (hours)	144	8	20	48	12.8	76
Cost to import: Documentary compliance (US\$)	370	50	100	80	77.3	182.5

Source: Doing Business database 2020, World Bank, 2021

As of the present, depending on the type of importable product, a total of 39 ministries, government agencies and organizations are involved for regulating and managing import (and export) related procedures. The National Single Window, a standard practice in many countries to manage these trade related organizations and functions thereof, has been in progress, and it was supposed to become functional by 2021¹⁵, as was announced in 2018 by the National Board of Revenue (NBR), the lead agency to implement it. The initiative will offer the traders the ease of access to perform necessary tasks such as getting trade registrations, obtaining export-import permits, opening letters of credit, securing permission to unload imported goods and paying taxes, everything under one platform.

2.2.4.1 US Cotton Import

The government of Bangladesh has eased the rule of compulsory fumigation test for import of American cotton, particularly from the United States, clearing the ways for smooth import of the raw material of textile mills, the backward linkage industry for country's main export earning garments. Now, the importers would be able to bring cotton grown in Western Hemisphere or American region furnishing a sanitary and

¹⁵ <https://www.tbsnews.net/economy/trade/national-single-window-2021>

phytosanitary certificate and paper certifying that the imported consignment is free from Boll Weevil, a cotton pest in North America, issued by the competent authorities.

Otherwise, a fumigation test will be needed, the commerce ministry said in a notification issued this week by adding the new provision in the Import Policy Order 2021-24¹⁶.

Prior to the change, fumigation test was mandatory for imported American cotton, which textile millers say, caused them to spend extra for the test and wait for 5-7 days to get their consignments cleared from the ports.

2.3 Process of Trade in Land & Sea Port

National Board of Revenue released the findings of its first sector-focused Comprehensive Time Release Study (TRS). The study (TRS 2022) measures and reports average release time across different import clearance processes in three major ports of Bangladesh: Benapole Land Port, Chattogram Seaport and Dhaka Airport. The TRS 2022 was planned, designed, and conducted by a group of WCO trained Customs officials from Bangladesh Customs with the active participation of all relevant stakeholders. The TRS capacity-building project was funded by funded by State Secretariat for Economic Affairs (SECO) of the government of Switzerland through the WCO-SECO Global Trade Facilitation Programme (GTFP). The TRS is a method endorsed by the World Customs Organization (WCO) for measuring the time taken by authorities to release import/export cargo and is recognized as a means of identifying bottlenecks and improving performance in import/export processes. Since entry into force of the WTO Trade Facilitation Agreement (TFA) in February 2017, members have been required to measure and publish average release times of import/export goods (Article 7.6 of the TFA).

Bangladesh became a Contracting Party to the Revised Kyoto Conventions (RKC) in September 2012. As part of this accession, the Customs is required to undertake a set of reform initiatives to fully comply with the RKC. Against this backdrop, the National Board of Revenue is undertaking various initiatives to comply with RKC with an aim to foster trade facilitation and Customs modernization in Bangladesh. For Customs modernization, NBR is implementing its Customs Strategic Action Plan 2019 – 2022, which has the stated vision of establishing “An innovative, professional leading border agency that contributes to the security and economic prosperity of Bangladesh

¹⁶ The daily star, retrived on February 23, 2023, available at <https://www.thedailystar.net/business/economy/news/rules-eased-us-cotton-import-3255031>

through cooperation, coordination, coherence, commitment, and courage” The strategic objectives reflected in the plan are listed below:

1. Strategic Planning, Financing and Management of Modernization initiatives;
2. Human Resource Management, Governance and Integrity;
3. Policy, Legislation and Procedures;
4. Infrastructure Development with built-in Modern Business Process;
5. Customs e-environment;
6. Trade Facilitation;
7. Passenger Facilitaion;
8. Tariff Modernization/Rationalization and Strengthened Valuation;
9. Modernization of Bonded Warehouse and other Export Incentives Facilities;
10. Bilateral, Multilateral and Regional Integration and Partnerships and
11. Communication and Public Relations.

Trade-related transaction costs such as freight charges and other logistical expenses are a crucial determinant of Bangladesh’s ability to participate competitively in a global economy. Some general problems that add to the costs of trade are:

- Port congestion affecting turn-around time for feeder vessels and railway wagons.
- Complicated and duplicative Customs procedures.
- Complex and non-transparent administrative requirements, often pertaining to documentation.
- High costs for processing information resulting from limited automation.

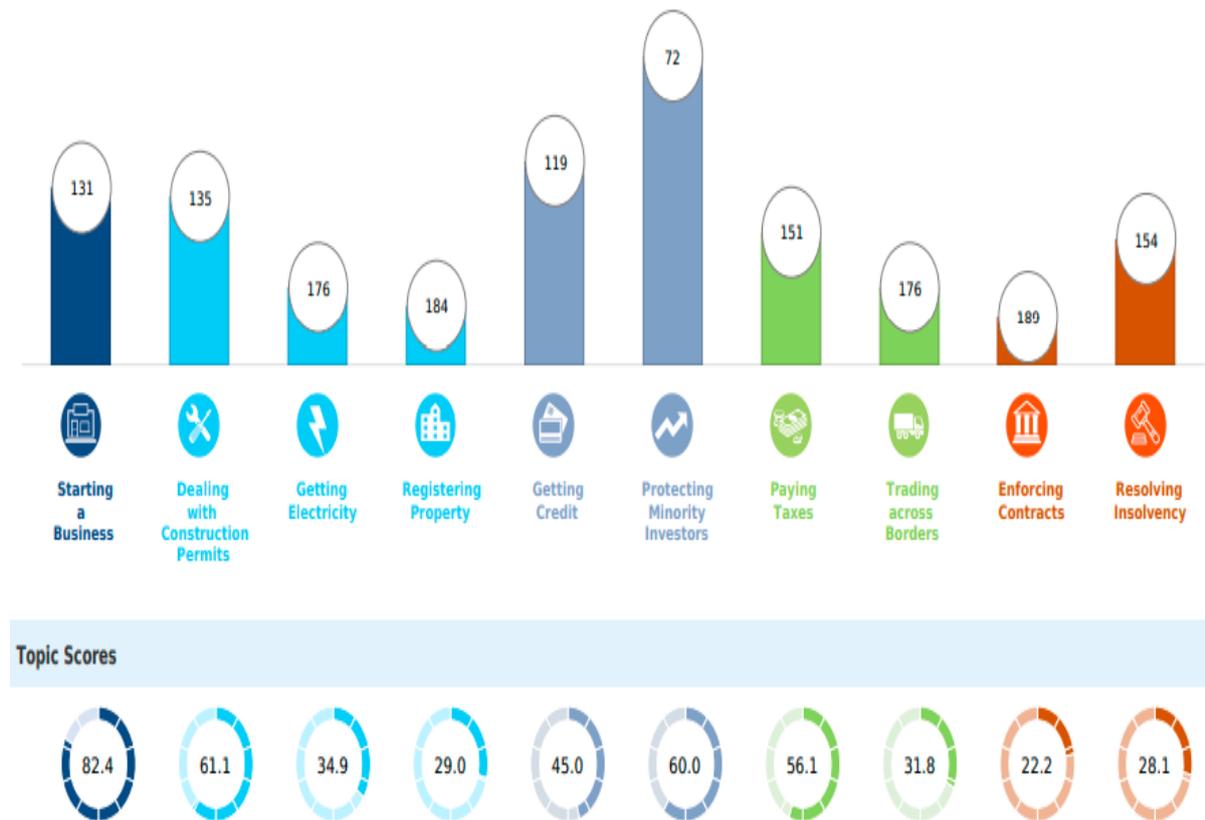
TRS of Chittagong (the largest sea port) and Benapole (the largest land port) is also a mandatory conditionality of tranche 2 of the Asian Development Bank-financed South Asia Social and Economic Cooperation (SASEC) loan program.

2.4 Ease of Doing Business Related to Trade

To improve the trading environment, Bangladesh needs to ensure easy access to Export Registration Certificate, Import Registration Certificate, back-to-back Letter of credit facilities while facilitating the International Factoring process as per the declared guideline of Bangladesh Bank. Along with this, a congenial legal environment to ease the business process like implement contracts, simplification of trade license and company registration process, etc. need to be ensured. According to World Trade Report 2015, World Trade Organization (WTO), full implementation of trade facilitation agreement has potential to reduce the cost of trade by an average of

14.3% and may expand global exports between US\$1.8 and US\$3.6 trillion¹⁷ apart from raising GDP growth, revenue and generating employment with a quality living standard. It is true that the export-led manufacturing sector reached new height with 12.7%¹⁸ growth per annum, creating ample opportunity to transform Bangladesh.

Figure 3: Rankings on Doing Business (2020) topics - Bangladesh

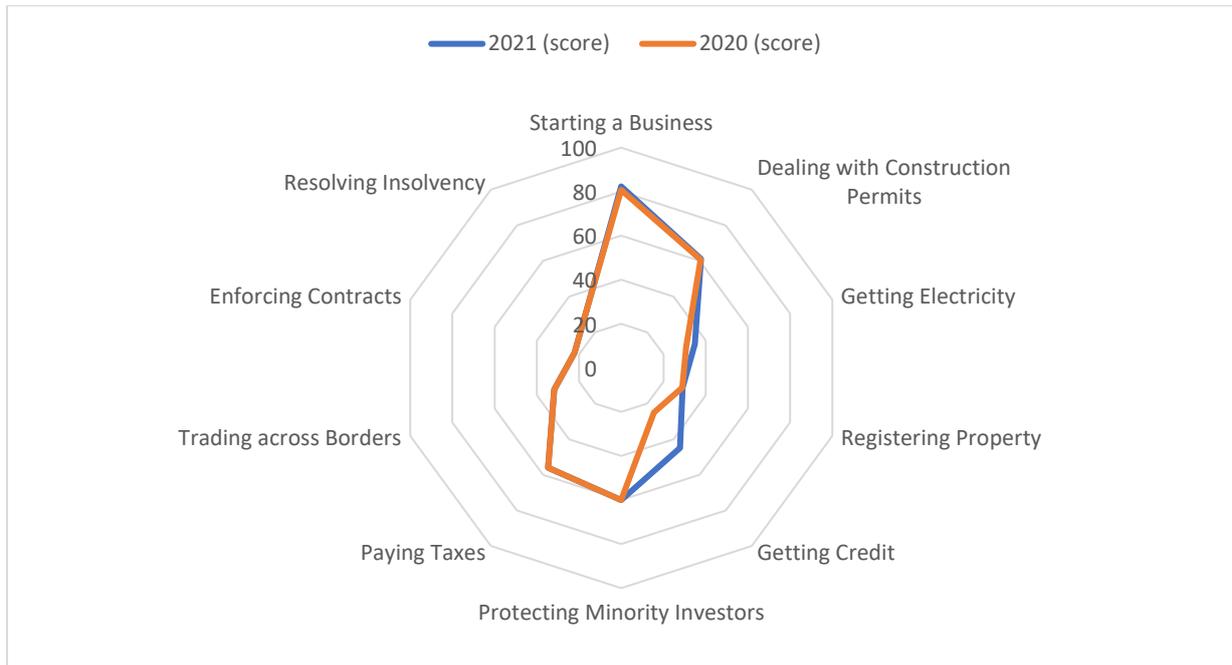


Source: Ease of Doing Business, 2020 (snapshot)

¹⁷ (World Trade Report 2015, 2015), Page 7-8

¹⁸ 8th Five Year Plan, Page xxxviii, General Economic Division (GED)

Figure 4: Ease of Doing Business Score between 2021 and 2020 for Bangladesh



Source: *Ease of Doing Business, 2020*

But the overall investment and business climate in Bangladesh remains not so optimistic. A widely accepted parameter for assessing the business climate of a country is the World Bank Group’s “Ease of Doing Business” Index, published annually. In 2021, Bangladesh ranked 168 among 190 countries. Bangladesh advanced 8 positions compared to the previous year, 2020 when Bangladesh was placed in the 176th position. As per the World Bank Report, reduced registration fees, improvement in case of getting new electricity connection and improved access to credit information helped the country to level up by 8 notches. In 2021, Bangladesh was ahead only of Afghanistan in the South Asia region. India topped the list in South Asia, as 63rd as of 2020. Weak governance, inefficient administrative procedures, lack of transparency, and slow pace of file approval are popularly considered as the key factors preventing Bangladesh from achieving a better score in the ease of doing business index.

A very recent development has occurred in regard to license renewal time frame for licenses issued by the Ministry of Commerce and agencies thereof for facilitating trade procedure simplification, the yearly license renewal period has been extended to 3 to 5 years for different organizations under the Ministry of Commerce. However, Bangladesh is not attracting substantial FDI because of multiple document submissions, and multiple agency services requirements. A report published by Global Alliance for Trade Facilitation¹⁹ (2017) found that improving the trade

¹⁹ A report from the Global Alliance for Trade Facilitation looks at how better trade facilitation can improve inclusive economic development. Available at <https://www.tradefacilitation.org/content/uploads/2018/02/trade-facilitation-2017-global-alliance-fdi-report.pdf>

facilitation environment by 1% corresponds with a 3.2% increase of FDI into manufacturing. TFA seeks to remedy trade transaction costs. It recognizes that transaction costs are wasteful and undesirable for both business and government. Proponents of trade facilitation argue that its principles can increase business competitiveness, improve efficiency and control and promote investments, both foreign and domestic.

2.4.1 Trading Across Borders

Bangladesh's roads are being improved, although border crossings continue to be a bottleneck. To make cross-border trade easier, less expensive, more predictable, and safer, Bangladesh needs to construct well-equipped customs stations and modernize ports.

Table 5: Bangladesh’s Time and Cost of Exporting & Importing Goods Scenario from 2018 to 2020

Bangladesh	2018	2019	2020
Time to export: Border compliance	99.7 hours	168 hours	168 hours
Time to export: Documentary compliance	147 hours	147 hours	147 hours
Time to import: Border compliance	183 hours	216 hours	216 hours
Time to import: Documentary compliance	144 hours	144 hours	144 hours
Cost to export: Border compliance	408.2 USD	408.2 USD	408.2 USD
Cost to export: Documentary compliance	225 USD	225 USD	225 USD
Cost to import: Border compliance	1293.8 USD	900 USD	900 USD
Cost to import: Documentary compliance	370 USD	370 USD	370 USD

Source: Historical Data, Ease of Doing Business, 2018-2020, World Bank

From the above table, Bangladesh’s border compliance export time rose from 99.7 hours to 168 hours during 2018 to 2020 and documentary compliance import time remained same on 147 hours during 2018t-2020. Bangladesh’s documentary compliance export cost also stunned at 225 USD in the same period of reference which was more than the other south Asian countries except Afghanistan (344 USD) and Maldives (300 USD). The time required have increased over a 3-year period in two of the parameters despite various efforts of reducing them.

Special attentions should be given to improve and ease the trading across the border significantly. In this backdrop, trade facilitation measures are effective to improve cargo clearance processes, including pre-arrival processing, perishable cargo handling, paperless transaction by using e-payment, and post-clearance audit. Government agencies need to do their part by strengthening policy reforms, integrating cross-border trade operations, and coordinating with neighbouring countries.

2.4.2 Logistics Performance Index (LPI)

Considering that the logistics sector is recognized as a core pillar of economic development, the World Bank has been producing since 2007 the Connecting to Compete report, which makes available numerical evidence on how easy or difficult it is in countries around the world to transport manufactured products. The aim of the report is to provide empirical information for policymakers, traders and other stakeholders on the role of logistics in growth and the policy reforms needed to support and improve logistics. The 2023 report, the latest one in the series, contains an analysis of the logistics performance of 139 countries based on six indicators:

1. The efficiency of customs and border management clearance.
2. The quality of trade and transport-related infrastructure,
3. The ease of arranging international shipments.
4. The competence and quality of logistics services.
5. The ability to track and trace consignments.
6. The frequency with which shipments reach consignees within the scheduled or expected delivery time.

The information is relevant for policymakers and the private sector seeking to identify reform priorities for “soft” and “hard” trade and logistics infrastructure.

Table 6: Bangladesh’s LPI Score during 2007 to 2023

Year	LPI Rank	LPI	Customs	Infrastructure	International shipments	Logistics competence	Tracking & tracing	Timelines
2007	87/150	2.47	2	2.29	2.46	2.33	2.46	3.33
2010	79/155	2.74	2.33	2.49	2.99	2.44	2.64	3.46
2014	108/160	2.56	2.09	2.11	2.82	2.64	2.45	3.18
2016	87/160	2.66	2.57	2.48	2.73	2.67	2.59	2.9
2018	100/160	2.58	2.3	2.39	2.56	2.48	2.79	2.92
2023	88/139	2.6	2.3	2.3	2.6	2.7	2.4	3

Source: LPI, 2023, World Bank

Improving customs and infrastructure matters most for raising the overall score of bottom performers like Bangladesh. The performance of customs and border agencies, as well as the quality of trade- and transport-related infrastructure, is particularly weak in the lowest performing countries.

Chapter 3: Status of Customs Modernization in Bangladesh and Trade Facilitation Agreement

3.1 Introduction

Cross-border trade entails moving products. This necessitates the execution of a number of steps outlined in the national legislation. Some of these protocols deal with security and standards, while others are focused on customs. Customs procedures are governed by the national legislation and implemented by customs staff that operate mostly under the Ministry of Finance. Conforming to these procedures is not costless, but these costs are often excessive. Through the implementation of laws and regulations that are in line with WTO commitments, customs administrations are expected to generate significant revenue, protect domestic producers, provide supply chain security, prevent the importation of prohibited or unsafe imports (for example, illegal weapons or out-of-date medicines), and combat the trade in narcotics. Customs administrations are supposed to achieve these goals as effectively and inexpensively as feasible for the budget and the trading community, all the while maintaining trade facilitation.

Bangladesh's economy has witnessed both macroeconomic steadiness and robust economic growth for nearly a decade, largely because to the rapidly expanding manufacturing industry. The government's comprehensive fiscal and non-fiscal assistance policy has resulted in a rapid expansion of the private sector, which has generated millions of new work opportunities and encouraged enterprises that generate revenue.

The government has also acknowledged the necessity of trade facilitation and its relations to customs modernization to attain the nation's economic well-being. The traditional role of Customs is changing to make its management more transparent, skilled, and customer-focused as a result of the global economy's gradual shift towards free and preferential trading settings. The global trade regime is changing, and Bangladesh Customs has been implementing a number of modernization and reform initiatives that are in line with these trends. These initiatives are anticipated to have a significant positive impact on trade integration, lower the variety of trading costs, and open up new market opportunities. This chapter will explore the ongoing initiatives on customs modernization and its strategic benefits along with the present situation, the prevailing gaps, areas of improvement, commitments from the government, and ongoing initiatives and future plans for improvements and reforms.

3.2 Customs Modernization

The WTO predicts that TFA will promote the simplification, modernization and harmonization of trade processes to reduce cost and time, boost trade flows and increase the world GDP growth²⁰. The complete spectrum of Customs operations is included in the modernization of Customs. Its fundamental goal is to make sure that Customs administrations stay up with changes in global trade, whether those changes are of a technological, legal, or economic nature.

The Revised Kyoto Convention is the generally accepted reference point for the key principles of Customs administration modernization. Custom modernization can eventually generate results like simplified processes and procedures; greater institutional efficiency; reduced transactions costs to government, trade and the Customs administration; and economic growth²¹. Following table shows the difference between traditional and modern customs:

Table 7: Customs Procedures/Practice in Traditional and Modern Customs

Customs Procedure/Practice	Traditional Customs	Modern Customs
1. International standards of the WCO and World Trade Organization (WTO)	Nonconformance or only partial conformity	Full conformity with all international Customs standards for classification, value and procedure
2. Customs automation	None or only partial	Full automation
3. Measures of performance	Limited output and process measures but frequently the wrong measures	Full measures of compliance and facilitation leading to improved performance
4. Tariff system	Complex and high duty rates	Simplified and reduced duties.
5. Revenue collection	Prior to entry of goods	Entry and collection separate – duties deferred and paid after entry
6. Enforcement and compliance approach	Characterized by manual inspections sometimes up to 100 percent in addition to paper reviews	Minimal inspections and paper documentation

²⁰ Inés, Marilyne, Cécile (2018) WTO's Trade Facilitation Agreement and Doing Business reforms: Are they related and how? Available at- <https://blogs.worldbank.org/developmenttalk/wto-s-trade-facilitation-agreement-and-doing-business-reforms-are-they-related-and-how>

²¹ Justin Zake (2011) Customs Administration Reform and Modernization in Anglophone Africa – Early 1990s to Mid-2010, IMF Working Paper Fiscal Affairs Department.

Customs Procedure/Practice	Traditional Customs	Modern Customs
7. Information	Provided at time of entry	Advance information prior to arrival of goods and conveyance and historical information available on request for audit purposes
8. Personnel	Poorly trained and low skilled	Highly trained and professional
9. Appeals of Customs decisions and transparency	Limited or unknown appeals process, limited publication notices of rules and practices	Fully defined appeals process within and beyond Customs, full transparency and cooperation with trade
10. Bottom line	Low and unknown compliance, high cost for government and industry, and poor facilitation	High and measured compliance, lower costs for government and industry, vastly improved facilitation and framework for continued improvement

Source: Customs Administration Reform and Modernization in Anglophone Africa, IMF Working Paper (2011)

The duties of customs are constantly changing. Customs offices are now more frequently recognized as "the major border agencies" in charge of all dealings involving problems brought on by people and products crossing borders. Some of these tasks are carried out closely in concert with other national organizations. Modernizing customs procedures has become the most crucial activity for complying with WTO's TFA.

3.3 A Review of Customs Practices in Bangladesh

Bangladesh Customs works under the umbrella of the National Board of Revenue (NBR), the apex body for direct and indirect tax revenue in Bangladesh and is part of the Internal Resources Division (IRD) under the Ministry of Finance. The Customs wing of the NBR formulates policy concerning levy and collection of customs duty and customs-related taxes/charges, and administration.

Bangladesh Customs is the lead agency in Bangladesh to facilitate seamless international trade by streamlining and simplifying border clearance procedures. The agency has also contributed enormously to meeting Bangladesh's development vision of increasing shared prosperity and achieving greater economic efficiency.

Customs is the most crucial agency in trade facilitation since they deal with the movement of goods and people directly. Given that the global economy has been progressively gravitating towards free and preferential trading settings, the traditional role of Customs is evolving to make its management more transparent, adept and service-oriented. Bangladesh Customs has also been implementing several

modernization and reform initiatives aligning with the changing trends of the global trade regime which is expected to bring significant benefits in terms of reducing the variety of trading costs, opening and creating new market opportunities and prioritizing trade Integration

The National Board of Revenue (NBR) has initiated the planned approach to simplify and modernize the customs operations. All modernization and reform programs primarily focus on several cornerstone issues, trade facilitation, automation, capacity enhancement and Infrastructure development. NBR has prepared Strategic Action Plan to ensure the execution of all reform interventions in an orderly manner.

Bangladesh Customs has achieved some remarkable progress by introducing ICT applications and trade-friendly innovative undertakings into customs operations. The agency has rolled out the Authorized Economic Operator (AEO) Program, established National Enquiry Point (NEP) for customs, introduced the Advance Ruling (AR) System, and set up Central Risk Management (RM) Directorate. Besides, the preparation of the new Customs Act, the establishment of the Customs Portal and provisions of Pre-Arrival Processing (PAP) of imported goods are considered as major attainments of the ongoing reform interventions.

The National Single Window (NSW), which will greatly improve trade operations by removing paperwork and cutting down on processing times, was also established by NBR through the signing of MoUs with 38 agencies.

3.3.1 History of Tariff Liberalization in Bangladesh

After independence in 1971, Bangladesh had a highly restricted trade regime characterized by high tariffs and non-tariff barriers to trade and an exchange rate system designed to encourage an import-substitution industrialization strategy. This policy was pursued with the objectives of improving the balance of payment position of the country and creating a protected domestic market for manufacturing industries (Bhuyan and Rashid, 1993). The trade regime experienced a major shift in the mid-1980s, after the introduction of a moderate liberalization. However, in the early 1990s, large-scale liberalization of trade was implemented. Since then, successive Governments have reaffirmed their commitment to the development of a more liberal trade regime²². Between 1991-1992 and 2004-2005 the unweighted average tariff rate fell from 70 per cent to 13.5 per cent. Much of this reduced protection was achieved through the reduction in the maximum rate.

In 2022, the weighted mean tariff rate stands at 11.1%. Bangladesh tariff rates for 2020 was 10.99%, a 2.35% increase from 2019. Bangladesh tariff rates for 2019 was 8.64%, a

²² (Raihan, S) <https://repository.unescap.org/bitstream/handle/20.500.12870/1431/ESCAP-2008-WP-Trade-liberalization-and-poverty-in-Bangladesh.pdf?sequence=1&isAllowed=y>

2.08% decline from 2016. Bangladesh tariff rates for 2016 was 10.72%, a 1.1% decline from 2015. Bangladesh tariff rates for 2015 was 11.82%, a 0.27% decline from 2013²³. Customs Duty (CD) presents tariff rates of 2 to 5% for basic raw materials and capital goods, 10% for intermediate goods, and the top rate of 25% for final goods (mostly on products that are produced domestically) in general. Apart from CD, other duties and taxes including Regulatory Duty (RD), Supplementary Duty (SD), Value Added Tax (VAT), Advance Income Tax (AIT), Advance Trade VAT (ATV) may be imposed depending on the nature of goods for importation in Bangladesh²⁴.

3.3.2 Evaluation of Tariff Reform in Bangladesh

The early 1990s saw additional reinforcement of the late 1980s-era program of tariff changes and rationalization of tariff structures. The first attempt to rationalize the tariff structure was made in 1985 in response to changes in the import policy order. Tariffs were restructured while preserving a hierarchy based on the degree of processing. Following then, the successive governments continued to lower tariffs in order to preserve the momentum of trade liberalization. Early in the 1990s, the process of reducing tariffs was expedited. The maximum tariff rate was decreased from as high as 350% in FY 1991–1992, to 50% in FY 1995–1996 and subsequently to 40% in FY 1998–1999. In FY 2005–06, the maximum tariff was further lowered to 25%. The maximum tariff has remained at 25% ever since.²⁵

Table 8: Pace of Tariff Structure Since 1991

Fiscal Year	Maximum Tariff (%)	No. of Duty Slabs	Un-weighted Average MFN Tariff (%)	Import Weighted Average Tariff (%)
1991-92	35.0	18	70.64	24.14
1995-96	50.0	6	28.70	17.01
2000-01	37.5	5	21.10	12.29
2005-06	25.0	4	16.39	8.09
2010-11	25.0	6	14.85	5.17
2015-16	25.0	7	14.37	5.83
2019-20	25.0	7	14.77	5.21

Source: World Bank Trade Policies in South Asia: An Overview, September 2004, Bangladesh Economic Review 2020

Even if the number of tariff slabs has increased recently to address concerns of some industries, the number of tariff slabs (including zero) has decreased from 24 in the

²³ <https://www.macrotrends.net/countries/BGD/bangladesh/tariff-rates>

²⁴ <https://bida.gov.bd/details/what-kind-tax-and-duties-are-applicable-imported-capital-machinery-and-raw-materials>

²⁵ Mostafa Abid Khan (2021), Evolution of trade policies of Bangladesh since 1972, viewed at <https://thefinancialexpress.com.bd/views/evolution-of-trade-policies-of-bangladesh-since-1972-1625238015>

1980s to only 4 in FY 2005-06. Since 1991, average duty has decreased significantly due to tariff reduction. Because of tariff reductions, the unweighted average tariff has decreased from 70.64 percent in FY 1991-1992 to only 16.39 percent in FY 2005-2006. After that, the rate of tariff reduction slowed. Only about 2 percentage points have been lost on average in tariffs between FY 2005-06 and FY 2019-20. The average import tariff will rise to some level if regulatory and supplemental charges, which are only imposed on imports, are included to the tariff. It is noteworthy that, despite a decrease in unweighted average tariff over the period, there is still a sizable difference between unweighted and import weighted average tariffs. This type of scenario may be traced to Bhutan, the SAFTA, APTA, and specific sectoral tariff exemptions and tariff concessions.

The application of other tariffs and charges placed on imports underwent frequent adjustments over the time. Beginning on July 1, 2000, the license and permit charge that had been assessed on imports since 1972 was eliminated. The VAT Act, which was introduced in 1991 and is still in effect, replaced the sales tax that had been applied on imports since 1972. Commercial imports were subject to advance trade VAT between September 2004 and June 2019. Advance VAT has been imposed on all imports since the 2012 passage of the VAT and Supplementary Duty Act. To collect money for infrastructure development between 1997 and 2007, the government imposed an Infrastructure Development Surcharge that was only applied to imports. The government eliminated the tariff value system, which had been in place since 1972, after implementing the GATT valuation system in 2000 in accordance with a WTO obligation.

But in 2015, the tariff value was reinstated in the form of a minimum import price. Despite being eliminated in 1991, the regulatory duty provision was reintroduced in the Customs Act of 2000. Additional tariffs are imposed on imported items as well. Since then, the scope of regulatory and additional duties has expanded significantly, and in FY 2020-21, nearly half and a quarter of all HS lines, respectively, are subject to these obligations. In the 80s, tariff policy reform and tariff rationalization was the main instrument for enhancing trade competitiveness. However, now, trade facilitation is the most crucial issue for trade competitiveness. Simplified tariff system and reduced is essential for seamless trading and customs operations. Although customs duty is a significant revenue source for Bangladesh and most of the developed countries increase their revenues from alternative taxation, policy reform about revenue generation can be considered since Bangladesh has to meet the requirements of the FTA regarding duty reduction.

3.4 Customs Modernization Initiatives of Bangladesh

The World Trade Organization's numerous initiatives have sparked revolutionary developments in global trade, particularly in import and export. The customs procedures have also undergone a paradigm shift in order to ensure both national security and trade liberalization. Implementing international best practices has become crucial in order to tackle this challenge and keep up with the rapidly evolving global customs landscape. With the assistance of several development partners, the National Board of Revenue of Bangladesh has implemented numerous modernization efforts and improvements in customs procedures under the WTO-Trade Facilitation Agreement (TFA). Custom Modernization Initiatives of Bangladesh involve:

- a. The new Customs law, in accordance with the Revised Kyoto Convention (RKC), WTO Trade Facilitation Agreement and SAFE Framework of Standards, worth a mention. This Act is commensurate with new trade and business horizon. The RKC presents a blueprint for modern and efficient Customs procedures in the 21st century to facilitate legitimate trade while not compromising the Customs control function. It provides a comprehensive and basic set of international Customs standards, and already covers a large portion of global trade²⁶. New custom laws of Bangladesh Customs following the revised Kyoto Convention promotes trade facilitation and effective controls through its legal provisions that detail the application of simple yet efficient procedures.
- b. The National Board of Revenue has already introduced the post-clearance audit for faster clearance of goods. Authorized Economic Operator (AEO) was incepted on pilot basis, and it is providing priority services to valued traders by releasing goods without physical examination. The number of authorized economic operators (AEO) is now 12 from 3, moreover, 51 AEO requests are now in process of approval. The AEO concept is based on the Customs-to-Business partnership introduced by the World Customs Organization (WCO). Traders who voluntarily meet a range of criteria work in close cooperation with customs authorities to assure the common objective of supply chain security are entitled to enjoy benefits throughout the trade procedures. The benefits of AEO include faster processing and clearance of cargo, deferred payment of duty, direct port delivery/entry, and benefits under Mutual Recognition arrangements (MRA).
- c. Risk Management Unit (RMU) has already been established for implementing risk-based targeting. In order to accelerate integrated faster clearance process,

²⁶ WCO,

National Single Window project has been adopted to serve with online information exchange among the relevant offices. To allow a smooth movement of goods at the border, Customs Authorities are compelled by the Revised Kyoto Convention (RKC) and Trade Facilitation Agreement (TFA) to set-up a risk management process. When applied to customs, risk management is very efficient for risk evaluation and risk treatment, its main role being to identify the consignments with the highest risk level and apply the right actions (physical inspection, documentary check, fast-track etc.). The application of customs risk management provides a wide range of benefits for customs and traders, such as: better human resource allocation; increased revenues; improved compliance with laws and regulations; improved collaboration between traders and customs; reduced release time and lower transaction costs (UNCTAD, 2008). Consequently, risk management improves overall performance, increases the transparency through widening the range of available information, as well as raises customs administrations' social responsibility and accountability. The risk management process helps customs administrations to focus on priorities and decisions on deploying limited resources to deal with the areas of highest risk²⁷.

- d. An interactive website has been launched to exchange customs-related information. Besides, National Enquiry Point (NEP) has been inaugurated to respond to customs-related queries. The WTO defines an Enquiry Point as an official or office in a member government designated to deal with enquiries from other WTO members and the public on trade facilitation issues. From Article 1 (Publication and availability of information) of the WTO Agreement on Trade Facilitation (TFA) it is stated that each Member shall, within its available resources, establish or maintain one or more enquiry points to answer reasonable enquiries of governments, traders, and other interested parties. The NBR's internet based National Enquiry Point will provide always-available, public access to the vital information required for conducting trade. In addition to an already rich source of information, it will also provide a means to submit a direct enquiry to customs which will be responded to personally by a customs officer. Each enquiry will further enrich both the quality and plenitude of the NEP. Mandatory forms and documents for importation, exportation and transit will also be provided by this NEP²⁸.

²⁷ Jovanka Biljan, Aleksandar Trajkov (2012) Risk Management and Customs Performance Improvements: The Case of the Republic of Macedonia. *Procedia - Social and Behavioral Sciences*. 44. 301–313. 10.1016/j.sbspro.2012.05.033.

²⁸ National Enquiry Point (NEP) for Customs, available at-
http://bangladeshcustoms.gov.bd/legislation/enquiry_point

- e. E-payment system has been introduced to enable electronic payment of duties and taxes. Advance Ruling system has been introduced to get information of duty-tax amount before importing goods. Customs Payment can be made from all commercial banks. Importers/C&F Agents will be able to pay the Duties & Taxes using Bangladesh Bank's RTGS national payment switch. Other commercial banks have also taken the initiatives to make Customs Payment through automated process using Bangladesh Bank's Real Time Gross Settlement (RTGS). from 1 January 2022, duties and charges of any amount can be paid electronically, affecting customs in airports, seaports and land ports. Benefits from e-Payment includes: Real time settlement, Safe, secured & faster, Importers & C&F agents both can make payment, Any amount of Customs payment from any commercial bank for any Customs office, SMS confirmation, and no manual intervention.²⁹
- f. The Time Release Study (TRS) has been conducted (2022) to determine the duration of clearance procedures. The initiatives of Expedited Shipment have been taken to accelerate the prompt release of goods. In line with the globally accepted methodology developed by the World Customs Organization, the comprehensive TRS reviewed import clearance processes and measured the actual time required for the release of goods across four commodity groups: food items, pharmaceuticals raw materials, garments raw materials, and capital machineries. The TRS enables Customs authorities and OGAs to quantify bottlenecks in the clearance and release processes through the collection of time release data that effectively measures the efficiency of the border agencies and private sector stakeholders involved in the control process, from the time the cargo arrives at the border until the physical release of the goods. Based on this detailed and comprehensive diagnostic, the relevant authorities can improve the quality of services provided and identify other potential corrective actions for areas that cause unnecessary delays. Measurement of time release is critical to assessing the impact of trade facilitation reforms. The TRS provide border agencies and the trade facilitation community with a wealth of detailed data on the efficiency and speed of the border control and clearance process. Business operators, the cargo industry, and other intermediaries greatly benefit from the publication of release times because increased transparency and predictability helps them make better business decisions and trade.³⁰
- g. The Customs Act, 1969, was amended in 2001 in line with the Revised Kyoto Convention in order to harmonise customs procedures. Risk-based clearance

²⁹ Bangladesh Customs e-Payment, Available at- <https://customs.gov.bd/files/e-PaymentQuickReference.pdf>

³⁰ The World Bank Blog (2022) Time release studies: Making trade faster and more predictable in Europe and Central Asia, available at- <https://blogs.worldbank.org/trade/time-release-studies-making-trade-faster-and-more-predictable-europe-and-central-asia>

has been introduced on a limited scale in customs houses through green, yellow and red channels. In particular, customs clearance of passenger baggage in airports has been simplified, and more than 95% of passengers pass through the green channel without any intervention and delays by Customs.

- h. Significant progress in computerization of customs procedures has been made in recent times. The latest version of ASYCUDA software, i.e., ASYCUDA World, has been put in place in all of the custom stations across the country. With over 30 years of experience and having been implemented in more than 90 countries worldwide, ASYCUDA world helped reduce clearance time from 18 hours to 1.5 hours in one beneficiary country for instance. In addition, as an online computerized system, ASYCUDA world allows for a reduction by half in the number of forms to be filled in by importers and exporters. ASYCUDA also encourages trading countries to recognize their respective clearance forms - thereby reducing time and compliance issues for entrepreneurs. Another positive aspect of ASYCUDA that is particularly relevant to governments is that it allows Customs departments to have a clear overview of revenue collected through clearance. ASYCUDA contributes to transparency, is a good tool in the fight against corruption and allows for reliable data collection on imports and exports.³¹
- i. Customs Notifications are published in the National Gazette and Statutory Regulatory Orders (SRO) in compliance with GATT Article X. The Government consults with the private sector and studies proposals from that sector particularly prior to the annual budget preparation. Sharing important notification and information by the Customs authority help achieve the transparency and simplification goals in accordance with TFA. With the updated rules and regulations, traders become well aware of changes and can comply with customs rules in better ways. Moreover, SROs remove ambiguities in customs processes and newly developed rules providing clear guidelines for the traders.
- j. NBR has also signed MoUs for National Single Window (NSW) with 38 agencies, which will significantly enhance trade operations by eliminating paperwork and reducing processing time. Around 319,000 traders (exporters and importers) are anticipated to profit from the National Single Window for Trade in Bangladesh in the fifth year of the solution's operation. In the same year, it is anticipated that the average processing time for imports will drop to 122 hours and the average processing time for exports will drop to 88 hours.

³¹ UNCTAD, ASYCUDA: Delivering goods across borders in the digital era, available at- <https://unctad.org/topic/youth/asycuda-and-youth-entrepreneurship>

For Government the benefits of NSW include: Effective & Efficient Deployment of Resources, Correct Revenue Yield, Improved Trader Compliance, Enhanced Security. For Traders benefits NSW lies in Increased Integrity & Transparency, Cutting Costs through Reducing Delays, Faster Clearance & Release, Predictable Application and Explanation of Rules, Effective & Efficient Deployment of Resources and Increased Transparency.³²

- k. Bonded warehouse facility is provided by the Customs Authority in Bangladesh in order to facilitate exports. Bonded Warehousing is the term used to describe the facility offered to export-oriented enterprises for the duty- and tax-free importation of inputs/raw materials and packaging materials. To promote export-oriented industrialization and ease exports, the National Board of Revenue (NBR) offers Bonded Warehousing benefits to a variety of sectors. For industries focused on exports, using the bonded warehouse facility is crucial as it increases their export competitiveness. Bonded Warehousing facilities are granted in accordance with the terms of Sections 84–119 of the Customs Act, 1969 (Chapter 11), as well as different rules and orders periodically issued by the NBR. The NBR and the Customs Bond Commissionerates have issued a sizable number of SROs/standing orders and office orders to efficiently oversee bonded warehouse operations. A key component of the customs modernization project that started in 1999 is to address the loss of revenue created by the operation of the SBW facilities. The main initiatives include centralized management of the SBW facilities, relicensing of the SBW operators (which reduced the number of licenses by 20 percent), and the electronic tracking of the goods using the ASYCUDA computer system. Both direct exporters and deemed exporters benefit from the Bonded Warehousing facility. The term "deemed exporters" refers to businesses that outsource their export-related work and obtain payment in foreign currency via local back-to-back letters of credit rather than conducting direct export operations.³³
- l. The National Board of Revenue has implemented the advance ruling system in Bangladesh, as part of its customs modernization program. The facility is currently available only for classification of goods. The system has been in force since June 02, 2016 vide the Customs_Advance Ruling Rules 2016. Advance ruling enables traders to apply for a ruling that specifies which classification code or H.S. Code will be applied for a specific goods or item. Such advance

³² UNESCAP (2012) Single Window Implementation: Benefits and Key Success Factors, available at- <https://unnex.unescap.org/sites/default/files/switajik-sangwon.pdf>

³³ Bangladesh Customs, National Board of Revenue- Bonded Warehouse, Available at- http://bangladeshcustoms.gov.bd/trade_info/bonded_warehouse_ti

ruling provides importers and exporters certainty or how their goods will be treated by Customs nationwide, allowing the trade community to include tariff costs into their business plans.³⁴

- m. Customs authority has developed procedures for handling the potential import and export of radioactive materials and of goods having radio-active content. In the case of import or export of consignments that have the presence of radioactive materials, customs do not allow clearance until the radioactive materials are removed. In order to detect if there is any radioactive material or content in any consignment, Chittagong Custom House has installed two types of radiation detection devices, such as the Radioactive Portal Monitoring (RPM) and the portable equipment at four gates of Chittagong port. This radiation detection equipment is used to scan cargo containers for nuclear and other radioactive materials. The equipment deters, detects, and interdicts illicit shipments of nuclear and other radioactive materials that might move through the Port of Chittagong.³⁵
- n. Customs has adopted Non-Intrusive Inspection system (scanner) as a part of its modernization approach. Reformed customs act 197B outlines that “Unless exempted by official order, no consignment shall be cleared from customs control in any customs port or customs station without electronic scanning, and where electronic scanning system is not installed or functional, competent authority may allow clearance of such consignment by performing physical examination”³⁶. For verifying the nature of the goods, use of non-intrusive equipment allows scanning the merchandise inside a container, cargo unit, packaging, package or any other object, without having to unload it, in order to compare with the information in the customs declaration and verify compliance with the applicable regulations. Non-Intrusive Inspection can help reduce risks in inspection, detect contraband (e.g., narcotics and weapons) and materials that pose potential threats, and will reduce inspection, clearance time consequently. NBR has procured 9 Scanners which are now being installed in the Chittagong, Benapole and Mongla port.
- o. Provision of Promissory Note: Goods are not detained longer due to customs testing, rather importers can release their goods by issuing a promissory note to the customs.
- p. For finished export products to be shipped using the same imported raw materials trailers, organizations may apply to the customs board for approval.

³⁴ Customs House Benapole-Advance Ruling, Viewed at-
<http://www.bch.gov.bd/page/76/Advance%20Ruling>

³⁵ Bangladesh Customs, Radiation Detection Procedure, available at-
http://bangladeshcustoms.gov.bd/procedures/radiation_detection/123

³⁶ The Customs Act, 1969, ACT NO. IV OF 1969, CHAPTER XX, viewed at-
<http://bdlaws.minlaw.gov.bd/act-354/section-49186.html>

3.5 Overview of Customs Modernization Strategic Action Plan

A thorough development strategy for Bangladesh Customs is laid out in the Customs Modernization Strategic Action Plan 2019–2022, which also includes performance measurement metrics and time-bound targeted interventions. The National Board of Revenue (NBR) has created an action plan that complies with the SAFE Framework of Standards, the Revised Kyoto Convention (RKC), and the WTO Trade Facilitation Agreement (SAFE FOS). It takes into account the Bangladeshi government's technology-driven 'Digital Bangladesh' theme which leads to 'Smart Bangladesh'.

In order to maintain export-led growth and boost the competitiveness of domestic export-oriented sectors, Bangladesh Customs recognizes the highly competitive nature of the international trade sphere. To facilitate local products' entry into the global trade landscape, improve revenue performance, and safeguard society, the agency needs to adhere to a progressive modernization roadmap that will support a complete overhaul of its operational procedures in line with international best practices. NBR also requires a plan to guarantee the continuity and systematic execution of ongoing reform initiatives. NBR decided to create a new Strategic Action Plan for 2019–2022, which will serve as a national framework for all efforts related to customs modernization during that time, after taking the challenges into consideration.

The CusMod SAP's (Customs Modernization Strategic Action Plan) program areas, strategies, and priorities were designed in conjunction with customs officials, stakeholder agencies, and development partners in the belief that a more extensive consultation could produce the desired results. With assistance from the development partners, NBR is the focal party that takes the lead in implementing CusMod SAP. The strategic action plan involves following thematic areas for upgradation, reform and modernization:

- a. **Strategic Planning, Financing and Management of Modernization Initiatives:** In order to implement plans, manage finances and modernization initiatives, the strategic action plan aims to create a professional Customs service that will deliver business outcomes in line with international best practices and national socio-economic environment. For this, specific efforts like guiding, monitoring and supervising modernization initiatives, assessing, collating and report progress and impact of modernization initiatives, developing organizational structure or team and prepare ToRs for activities like AEO, NEP, RM, NSW, NII, establishing dedicated Customs ICT Team/ Directorate, preparing TOR and strengthen their capacity with sufficient resource allocation and organizational structure etc. are ongoing.
- b. **Human Resources Management, Governance and Integrity:** Ensuring organizational structures and human resources practices conducive to

effectiveness and integrity in Customs administration along with proper governance are essential for customs modernization and administrative reforms. In this regard, the action plan aims to establish an HR system that would enable and stimulate functioning of a professional Customs service through good governance and integrity. Initiatives like Conducting a Human Resource Development (HRD) needs assessment to build capacity for the implementation of modernization and reform needs, establishing an equitable rotation policy with a succession plan, Development of specialized skills for Customs Officials; Areas include: calcification, valuation, risk assessment, AEO, IPR etc. are adopted and ongoing in this context.

- c. **Policy, Legislation and Procedures:** Robust and modernization supportive customs acts rules and regulation are crucial for trade facilitation and customs modernization so CusMod SAP aims to establish a legal framework that is in line with international best practice enabling provision of a high-quality service to the community. NBR has reviewed the Customs Act, Rules Regulations and other elements in the regulatory framework identify gaps in the regulatory framework and strengthen the framework as required, drafted and issued policy guidelines, manuals and office orders related to modernization initiatives as required and has been publishing SROs, Orders and Guidelines accordingly.
- d. **Infrastructure Development with built-in Modern Business Process:** Modernization should simplify customs procedures and reduce hassles faced by the businesses or stakeholders connected with customs, so the action planned is designed to develop and establish a system of modern infrastructure to facilitate the delivery of high-level service to all stakeholders. NBR has taken initiatives to Conduct a BPA and BPR of Customs Procedure at key Custom Houses and LC Stations and introduce procedures that are in line with international best practices, prepare a Customs departmental infrastructure plan and implement efficient and effective use of Non-Intrusive Inspection technology in this regard.
- e. **Customs e-environment:** An efficient customs administration that uses technology can gain from increased security, efficiency, and transparency. However, the failure to streamline customs procedures has occasionally undermined the advantages that may be gained from a greater dependence on ICT, leading to a process where antiquated manual techniques coexist with automated practices. Although ICT for customs administration is neither a cure-all or a goal in and of itself, when integrated into a larger modernization effort, it can significantly help to successful customs administration and operations. Digital Bangladesh 2021 created the foundation for a **Smart Bangladesh** and to keep pace with the digitized government services, the

modernization action plan intends to establish an e-Customs environment aiming at strengthening the GoB e-Governance initiative. Practices like Risk Management Module, modern infrastructure development e-Auction module, e-Learning modules, Customs Automated Systems Audit are going on to achieve and comprehensive customs e-environment.

- f. **Trade Facilitation:** Bangladesh has been carrying out trade facilitation strategies to enhance export diversification and competitiveness by improving the quality of exports, signing bilateral trade and investment cooperation agreements, and promoting trade through better coordination among border agencies and private stakeholders³⁷. Tracking the TFA objectives the action plan signified approaches to facilitate legitimate and compliant cross border trade while strengthening sanctions for non-compliant trade. Required TFA actions like ensuring clearance procedures, regulatory requirements, notifications etc. are published on Customs Website, NEP and Bangladesh Trade Portal, establishing e-Payment for all fees, charges, duties and taxes, implementing Pre-arrival Processing of cargo, implementing Risk-based clearance at all CHS and LC stations, establishing a National Single Window (NSW) are in progress.
- g. **Passenger Facilitation:** Customs reform and modernization involves more than the introduction of a set of new techniques for processing cargo and passengers. In this respect, CusMod SAP's objective is to ensure facilitated clearance for legitimate and compliant travelers entering and exiting Bangladesh. Customs aims to introduce the dual-channel clearance system at all entry and exit points, implement e-currency and e-unaccompanied baggage declaration system for passengers and develop infrastructure facilities for passengers at all entry and exit points in this regard.
- h. **Tariff Modernization/Rationalization and Strengthened Valuation:** Tariff-rationalization includes some continuous efforts to promote investments and prevent misdeclarations, and eliminate distortions through, maintaining the same duty rate for products within the same HS heading, simplifying the First Schedule to remove unnecessary HS codes, and creating specific HS codes for products with voluminous trade. However, the 2019-22 strategic modernization plan aims to establish a rational tariff structure and valuation system to enhance competitiveness of domestic industries securing legitimate revenue and to create investment-friendly business environment.
- i. **Modernization of Bonded Warehouse and other Export Incentive Facilities:** Concessions like duty drawback and special bonded warehouses are provided to facilitate exports of import-dependent Bangladeshi producers for the

³⁷ ADB (2022) ADB Supports Trade Facilitation in Bangladesh, retrieved from: <https://www.adb.org/news/adb-supports-trade-facilitation-bangladesh>

purpose of facilitating exports. The Ready-Made Garments (RMG) industry in Bangladesh is significant and primarily depends on the utilization of the special bonded warehouse (SBW) facilities. RMG items are made from raw materials that are duty-free imported into SBW, produced into completed apparel, then exported. The strategic plan aims to strengthen the Bonded Warehousing system, ensuring sustenance and greater contribution to exports. Establish an effective Valuation Database following importers' compliance to responsive declaration as per form 2011 Ka of SRO 57 and confirmation by customs, Develop the skills/analytical capacity of Customs officials for proper valuation of imported goods, enhance effective functioning of Investment Promotion Team (IPT), implementation of Tariff Specific Code (TSC) etc. are some of the measures taken in this respect.

- j. **Bilateral, Multilateral & Regional Integration and Partnerships:** Multilateral or bilateral trading commitments generally entail preferential tariff treatment of goods using defined rules of origin. The ability to manage the diversity of rules of origin and predictability for customs administration and traders become crucial challenges in situations where a country is committed to many trading agreements, each with different requirements. Generally speaking, a capacity shortage makes tariff management more difficult and presents opportunities for origin fraud and abuse. The solution appears to lie in better inter-customs administration cooperation, supplemented by strong intelligence and risk management approaches, and robust information technology systems, as members of the various regional trade agreements are unlikely to withdraw from them and there is also likely little chance of harmonizing rules of origin. Considering these circumstances, the strategic plan aims to strengthen Bangladesh's efforts for regional and global trade integration with a view to maximizing trade growth and resolving of trade-related disputes. Modernization actions like implementation of the automated system for Bonded Warehouse Module (BWM), application of risk-based compliance, Audit and the Trusted Trader (TT) Concept, integration of BWM with other systems like ASYCUDA World, BGMEA/BKMEA, Bangladesh Bank, BEZA, BEPZA system have been taken by the NBR.
- k. **Communications and Public Relations:** Customs modernization handbook outlines that Information and Communications Technology Promotes Customs Modernization³⁸. In addition, a good communications system is needed to interconnect the various customs offices, and to permit the gradual integration of the various participants into the trade transaction through the implementation of the "single window" concept. Moreover, National rollout of such integrative communication mechanism requires a major public relations

³⁸ The World Bank (2005) Customs Modernization Handbook

and education campaign. Considering the significance of multi-dimensional communication effectiveness, the CusMod SAP intends to create an outreach mechanism and strengthen current communication channels to promote the reputation and goodwill of Customs, locally; regionally and internationally. Efforts like developing and strengthening bilateral customs cooperation arrangement with strategically potential countries, strengthening relationships with regional organizations such as SASEC, SAARC, BIMSTEC, JGOC, D8, BBIN, APTA etc., strengthening International Coordination, Relationship with International Organizations like WCO, WTO, IATA, ICAO, CITES, RILO-AP, WIPO, UNODC, UN, OPCW, Interpol etc. are taken in this regard.

3.6 Implementation Status of Customs Modernization Action Plan

NBR has been implementing several modernization and reform initiatives for some years to simplify, harmonize and modernize the entire cross-border trading process. Customs Modernization Plan is in line with the WTO Trade Facilitation Agreement, which aims at introducing online trading facilities in order to reduce the cost of doing business and reduce the number of steps in business procedures. The CusMod SAP or Customs Modernization Strategic Plan outlined myriad actions and interventions taken by the customs authority or NBR to modernize the customs procedures as well as reform the custom administration for ensuring trade facilitation. The progress or current status of the customs modernization initiatives is outlined in the following table:

Table 9: Implementation Status of Customs Modernization Action Plan

A. Strategic Planning, Financing and Management of Modernization Initiatives		
Objective: To create a professional Customs service that will deliver business outcomes in line with international best practices and national socio-economic environment.		
Sl.	Actions/ activities and initiatives taken	Present Status
1.	Finalization of the modernization plan with allocation of resources	Action plan completed and published by the due date/set timeline.
2.	Guide, monitor and supervise modernization initiatives	Completion or achievement of the set target by the due date under each action item in the plan are reviewed accordingly.
3.	Assess, collate and report progress and impact of modernization initiatives	Monthly Progress reports are published at a set interval.
4.	Develop organizational structure/ team and prepare ToRs for activities like AEO, NEP, RM, NSW, NII etc.	Individual team has been formed for activities like AEO, NEP, RM, NSW, NII. ToRs have been prepared accordingly.

5.	Establish dedicated Customs ICT Team/ Directorate, prepare TOR and strengthen their capacity with sufficient resource allocation and organizational structure	National ICT team has been formed. Other ICT teams are formed on ad hoc basis.
6.	Coordinate with Development Partners	Coordination meetings are continuously ongoing and NBR is working closely with development partners like USAID, JICA, WB UNESCAP etc.
B. Human Resources Management, Governance and Integrity		
Objective: To establish an HR system that would enable and stimulate functioning of a professional Customs service through good governance and integrity.		
Sl.	Actions/ activities and initiatives taken	Present Status
1.	Conduct a Human Resource Development (HRD) needs assessment to build capacity for the implementation of modernization and reform needs	Assessment study has been conducted and a report with findings a recommendation was submitted to NBR.
2.	Establish an equitable rotation policy with a succession plan	Rotation policy has been drafted, reviewed and implemented
3.	Establish a performance management, reward and incentive system	Performance management and incentive system have been drafted, reviewed, approved and implemented.
4.	Development of specialized skills for Customs Officials; Areas include: calcification, valuation, risk assessment, AEO, IPR etc.	Core group of officials (number to be fixed by management) has been identified who will receive a fixed number of trainings on each of area identified. The officials in the group trains the other customs officials on the selected areas. A certain number of trainings are conducted each year by the core group and reviewed annually.
5.	Design and initiate a customs officials' capacity development project Actions/ Activities	Bangladesh Customs Capacity Building: Need, Strategy and Action Plan has been developed ³⁹ .
6.	Implement a software solution for HRM purposes covering all HR related activities such as rotation, deployment and performance appraisals etc.	Efforts for developing the software solution is ongoing.
7.	Capacity Building of the Training Academy including the regional customs academy in Rajshahi, Jashore & Chuadanga (for sepoy training)	Regional training centers have been suggested to be set up in Darshana, Birol, Jashore, Chuadanga or Rajshahi or any other suitable locations. For the

³⁹ Available at: https://www.nbr.gov.bd/uploads/public-notice/Bangladesh_Customs_Capacity_Building_need,_strategy_and_action_plan.pdf

		establishment of regional training centers NBR will start the preliminary work shortly.
8.	Staff health safety precaution measures (i.e., Preventive measures examination and ship ridding & rummaging etc.)	Bangladesh Customs, Excise and VAT Training Academy (CEVTA) is working on Safety, health and well-being of the community and Customs staff.

C. Policy, Legislation and Procedures

Objective: To establish a legal framework that is in line with international best practice enabling provision of a high-quality service to the community.

Sl.	Actions/ activities and initiatives taken	Present Status
1.	Review the Customs Act, Rules Regulations and other elements in the regulatory framework identify gaps in the regulatory framework and strengthen the framework as required	Customs Act has been enacted and put into force.
2.	Draft and issue policy guidelines, manuals and office orders related to modernization initiatives as required	Number of guidelines, manuals, office orders issued against the number identified as required. Guidelines, SROs, manuals and office orders will be issued in time to implement the new Customs Act, if the national parliament finally approves it for enactment.
3.	Compilation of SROs, Orders, and Guidelines Actions/ Activities	SROs are developed and provided regularly on ad hoc basis on activities related to modernization or other changes.
4.	Preparation and update of Citizen Charter including services provided for each Custom House and Commissionerate as well as NBR	Citizen Charters have been developed for each Custom House and Commissionerate as well as NBR

D. Infrastructure Development with built-in Modern Business Process:

Objective: To develop and establish a system of modern infrastructure to facilitate the delivery of high-level service to all stakeholders.

Sl.	Actions/ activities and initiatives taken	Present Status
1.	Conduct a BPA and BPR of Customs Procedure at key Custom Houses and LC Stations and introduce procedures that are in line with international best practices	A project for conducting BPA and BPR under USAID is ongoing. Typically, BPR is conducted on a piecemeal basis based on needs and changes.
2.	Assess infrastructure facility needs (including detection tools, equipment, labs etc.) across the organization covering all CHS and LC stations taking into account priority and feasibility	A project under World Bank's financing is going on for infrastructural development of Chittagong port. DPP has been completed and planning is underway.
3.	Prepare a Customs departmental infrastructure plan that includes:	Infrastructure plan is in place.

	<ul style="list-style-type: none"> • Independent Planning Cell for Customs with manpower from relevant departments • Develop an infrastructure management and improvement plan that includes: Prepare an integrated plan to construct building for each of the Custom House Office equipped with furniture, physical and electronic infrastructure with a full-fledged Dog Squad, Warehouses for Customs Auction Goods, with appropriate Physical Infrastructure, logistics and HR for soft component of WTO TFA, Checkpoint security (centrally monitored CCTV cameras etc.), Customs vehicles, Non-intrusive inspection technology (Spectrophotometer, scanner, Human Scanner, X-rays, weigh bridge etc. Drug and chemical analysis equipment, procurement of high-speed marine or navigational vehicles like speedboat, helicopters etc. from NBR. Special plan to construct office buildings and accommodation in each Land Customs (LC) stations. • Strengthening Customs academy: (i) Develop infrastructure and facilities of existing Customs & VAT Training Academy. (ii) Prepare a plan to establish a specialized customs-training academy on drugs, narcotics, dog squad and environment. (iii) Create existing Customs & VAT Training Academy to a regional Customs training academy of the World Customs Organization (WCO) as the connecting hub of regional partnership 	<p>NBR has planned to develop infrastructure of Custom Houses in following preferred order:</p> <ol style="list-style-type: none"> 1) Custom House, Chattogram 2) Custom House, Dhaka 3) Custom House, Benapole 4) Custom House, ICD, Kamalapur 5) Custom House, Mongla 6) Custom House, Pangaon <p>Also, NBR has decided to develop infrastructure of LCs in following preferred order:</p> <ol style="list-style-type: none"> 1) Bhomra 2) Banglabandha 3) Burimari 4) Hili 5) Sonamasjid 6) Akhaura 7) Tamabil 8) Teknaf 9) Darshana 10) Nakugaon 11) Sonarhat 12) Sheola 13) Haluaghat 14) Bibirbazar 15) Others
4.	<p>Efficient and effective use of Non-Intrusive Inspection technology</p> <ul style="list-style-type: none"> • Develop and implement a technology review and acquisition program, particularly for NII • Electronic infrastructure for archiving of NII data and interfacing NII data to the Risk Management software • Prepare an image analysis lab for NII 	<p>Preparation for implementing Non-Intrusive Inspection technology is ongoing. NBR has procured 9 Scanners which are now being installed in the Chittagong, Benapole and Mongla port.</p>

	<ul style="list-style-type: none"> • Maintain and/or upgrade Non-Intrusive Inspection • technology at airports, major seaports and border crossing points • Capacity enhancement of officials for effective use of NID/Scanners/ RFID and other sophisticated electronic equipment devices • Monitoring ECTS (Electronic Cargo Tracking System) and reporting 	
5.	<p>Strengthening Customs Laboratory</p> <ul style="list-style-type: none"> • The customs laboratory should have all the facilities to conduct each type of chemical, mechanical and other standards analysis • Prepare a plan to establish laboratory for analysis of drugs, chemicals and radioactivity in all of the customs Houses and 16 of NBR's top LC stations with a Head quarter to manage of all types of logistics measures and HR management • Each active LCS should have basic facility to conduct chemical Analysis 	No initiatives have been taken so far on strengthening the customs laboratory. Plans have been made but nothing has been implemented yet.
E. Customs e-environment		
Objective: To establish an e-Customs environment aiming at strengthening the GoB e-Governance initiative.		
Sl.	Actions/ activities and initiatives taken	Present Status
1.	Establish e-filing in all CHS and LC stations as per GoB mandate	e-filing is available in NBR as per GoB mandate.
2.	Create a Customs Intranet enabling transparent and timely communication across the organization	No dedicated Customs Intranet is available yet.
3.	Draft a Central Archiving and Records Management Policy and implement the policy to ensure archiving of all records and documents	ASYCUDA archive has been created to ensure archiving of all records and documents.
4.	Assess logistics and equipment requirements for e-Customs environment (e.g., handheld devices for Smart Inspections) and identify resources for procurement and use	Qualitative and quantitative assessment of the equipment that enables uninterrupted functioning of e-Customs has been identified. UNODC (United Nations Office on Drugs and Crime) has provided some

		spectrometer and relevant devices for use.
5.	Conduct a human resource capacity needs assessment to implement e-Customs environment	Trainings are provided on ad hoc basis, however, presently training programs are ongoing on cross border paperless trade for capacity building.
6.	Risk Management Module	Risk management system has been implemented in ASYCUDA and available in all custom houses and ports. However, Bangladesh customs does not have any green channel in its ASYCUDA. Only the Red and Yellow channel is available. The green channel is only available for airport passengers.
7.	Audit Module for PCA	Comprehensive Valuation database has been developed & updated periodically & providing audit trail to Audit team.
8.	Valuation Module	All auction activities are conducted through e-Auction system now.
9.	e-Auction Module	Academy now offers various courses both for customs officers and trade bodies (C&F, Importers etc.)
10.	e-Learning modules	Planning is underway.
11.	Customs Automated Systems Audit	No Automated Systems Audit has been conducted yet.
12.	Agents' Licensing Module	Initiatives are ongoing.

F. Trade Facilitation

Objective: To facilitate legitimate and compliant cross border trade while strengthening sanctions for non-compliant trade

Sl.	Actions/ activities and initiatives taken	Present Status
1.	Ensure the Customs Act is enacted and once enacted, translated into English	Customs Act is being enacted and translated into English.
2.	Ensure clearance procedures, regulatory requirements, notifications etc. are published on Customs Website, NEP and Bangladesh Trade Portal	Comprehensiveness information are published on the Customs website, NEP and BTP in comparison to requirements of the TFA.
3.	Establish a formal procedure for consultation with all stakeholders and publish the procedure	At least one consultation every quarter in each CH and LC station is held.
4.	Review current schedule of fees and charges applied by Customs and ensure fees and charges are commensurate with the administrative cost incurred for providing the service	Fees and charges are usually reviewed annually and the list is published.

5.	Establish e-Payment for all fees, charges, duties and taxes	All fees and charges are payable through e-payment system now.
6.	Implement Pre-arrival Processing of cargo	Pre-arrival processing option is made available in all CHS and LC stations now.
7.	Implement Risk-based clearance at all CHS and LC stations	30% GDS Green Lane, 60% Yellow Lane and 10% Red Lane across the board have been implemented.
8.	Establish PCA as the main compliance assessment tool and strengthen the compliance assessment regime	PCAs are available in all Customs houses but they are not standardized.
9.	Draw up a plan to conduct Time Release Studies (TRS) in CCH, DCH, ICD & BCH at least once in two years and publish results	One TRS was conducted in Chittagong port, Benapole land port and Dhaka airport in 2022, and results have been published next TRS will be conducted in two years.
10.	Draft a policy and guidelines to establish a Trusted Trader (TT) and Authorised Operator (AO) regime	TT and AO program was revised and implemented.
11.	Draft and implement procedures to provide simplified clearance for perishable cargo and shipments requiring expedited clearance	Simplified clearance procedure was implemented at each CH and LC station.
12.	Establish Coordinated Border Management (CBM) at CCH, DCH, ICD and BCH enabling trade related activities to be performed in a coordinated manner by the Customs and other border agencies to facilitate cross-border trade	Coordinated efforts by border agencies are now promoted to facilitate cross-border trade.
13.	Establish a National Single Window (NSW)	38 agencies have signed MoUs for being included in the NSW. Bidding for tender of NSW software development has been done.
14.	Review the current Inward and Outward Processing procedures to ensure that appropriate checks and balances are in place	Procedures for Inward and Outward processing are reviewed regularly.
15.	Establish a monitoring mechanism to assess the modifications needed for implemented reforms	Order needs to be issued from NBR Modernization desk

G. Passenger Facilitation

Objective: To ensure facilitated clearance for legitimate and compliant travelers entering and exiting Bangladesh.

Sl.	Actions/ activities and initiatives taken	Present Status
1.	Introduce API and PNR and other passenger control measures (e.g., GTAS) at the international airports	API has been procured for Hazrat Shahjalal International Airport & will be initiated soon. Planning is ongoing for introducing PNR use at all international airports.

2.	Introduce the dual-channel clearance system at all entry and exit points	Dual channel clearance are yet to be planned and implemented.
3.	Implement e-currency and e-unaccompanied baggage declaration system for passengers	e-currency and e-unaccompanied baggage declaration system are yet to be planned.
4.	Develop infrastructure facilities for passengers at all entry and exit points	Initiatives for improving infrastructure facilities for passengers are underway.

H. Tariff Modernization/Rationalization and Strengthened Valuation:

Objective: To establish a rational tariff structure and valuation system to enhance competitiveness of domestic industries securing legitimate revenue and to create investment-friendly business environment.

Sl.	Actions/ activities and initiatives taken	Present Status
1.	Carry out regular analysis of the impacts of tariff structure on overall trade, exports, investment and economic growth and implement phased reform measures as appropriate	One analysis is conducted each year before the budget. As it is a continuous process, it is done at least twice in a fiscal year
2.	Develop capacity of selected officers on revenue modelling and tariff simulation	Trainings are initiated for reviewing Revenue modelling and tariff simulation which are in practice
3.	Develop the analytical capacity of Customs officials at the policy and operational levels	At least one capacity building/ training session is held each year to train 10 officers from each level.
4.	Enhance effective functioning of Investment Promotion Team (IPT)	Quarterly meeting with stakeholders (BIDA, BB etc.) is held to analyze investment status.
5.	Establish an effective Valuation Database following importers' compliance to responsive declaration as per form 2011 Ka of SRO 57 and confirmation by customs	Valuation database is now operational on piloting basis.
6.	Develop the skills/analytical capacity of Customs officials for proper valuation of imported goods	SOP on Valuation Officers posted in Customs Stations are now trained on Valuation Rules
7.	Ensure effective evaluation and monitoring by Central Valuation Committee	Quarterly evaluation is done.
8.	Ensure Valuation Commissionerate to be member of all possible international Value journals	Quarterly evaluation of Value related dispute settlements is done accordingly.

I. Modernization of Bonded Warehouse and other Export Incentive Facilities

Objective: To strengthen the Bonded Warehousing system, ensuring sustenance and greater contribution to exports.

Sl.	Actions/ activities and initiatives taken	Present Status
1.	Review the existing legal framework and business process related to bonded warehouse management	Submission of revised legal framework and procedures for BWM was done by December 2019

2.	Develop the legal framework and business process for all activities like Licensing, Renewal, Audit, Entitlement and Reconciliation etc. conducive for an automated environment and international best practices	Regulatory framework was revised, required SRO and rules were issued by Sept 30, 2020
3.	Acquisition, installation and piloting of integrated bond automated software to automate the key functions for bonded warehouse management	Acquisition and Installation of BWM system has been completed, registration has started on piloting stage.
4.	Implementation of the automated system for Bonded Warehouse Module (BWM)	BWM is ready for operation
5.	Application of risk-based compliance, Audit and the Trusted Trader (TT) Concept	Risk-based compliance and TT program was implemented for Bonded Warehouses.
6.	Integration of BWM with other systems like ASYCUDA World, BGMEA/BKMEA, Bangladesh Bank, BEZA, BEPZA system	BWM is ready to integrate to the compatible software of the stakeholders
7.	Develop Standard Operating Procedures (SOP) and provide training to enable staff and stakeholders to utilize the new bond administration business process and IT system	SOP is being developed and training will be conducted.

J. Bilateral, Multilateral & Regional Integration and Partnerships

Objective: To strengthen Bangladesh's efforts for regional and global trade integration with a view to maximizing trade growth and resolving of trade-related disputes.

Sl.	Actions/ activities and initiatives taken	Present Status
1.	Review and take stock of existing and potential trade agreements	Review report was prepared by 31 Dec 2020
2.	Set up a Decision Support System for trade negotiations	System was set up by 01 Jan 2021
3.	Establish a stakeholder outreach program	Regular consultation and awareness program are initiated, Meeting minutes issued to relevant agencies and stakeholders.
4.	Developing and strengthening bilateral customs cooperation arrangement with strategically potential countries.	Initiatives are ongoing for Agreement signing with new countries and conducting and attending in meetings regularly
5.	Strengthen International Coordination, Relationship with International Organizations like WCO, WTO, IATA, ICAO, CITES, RILO-AP, WIPO, UNODC, UN, OPCW, Interpol etc.	Regular participation in the key events including capacity development activities.
6.	Strengthen relationships with regional organizations such as SASEC, SAARC, BIMSTEC, JGOC, D8, BBIN, APTA etc.	Participation in the meetings and other events on regular basis

K. Communications and Public Relations

Objective: To promote the reputation and goodwill of Customs, locally; regionally and internationally

Sl.	Actions/ activities and initiatives taken	Present Status
1.	Develop a communication strategy for the modernization initiatives	Strategy developed and implementation commenced by 01 Jan 2020
2.	Establish a regular system to measure impacts and develop communication pieces (Op-Eds, Case Studies, Articles)	Impact of communication assessed through a survey conducted by end 2019 and 2020
3.	Ensure the Customs Newsletter and other publications are published at regular intervals (e.g. Fiscal Frontier)	Customs Newsletter published every quarter, customs journal published once in a year.
4.	Ensure Customs presence in International Rankings, Publications, Websites and Fora.	Number of visits by user and number of responses from clients Feedback assessment by client and organizers are analyzed for improvement.
5.	Celebrate the International Customs Day	International Customs Day are celebrated each year with thematic discussions.
6.	Establishment of a Customs Communications Cell and media center	Initiatives are ongoing.
7.	Develop Mobile Apps where necessary information will be available to the user	Initiatives are ongoing.
8.	Ensure vibrant presence of customs in social media i.e. Facebook, LinkedIn, Twitter, Viber etc.	Updates and news are shared in relevant social media.
9.	Develop documentaries and other multi-media presentations	Initiatives are ongoing.
10.	Ensure visible media presence through Talk Show and organizing other programs regarding current customs issues	Initiatives are ongoing.

3.7 Bangladesh's Implementation Commitments of TFA

Against the backdrop of serious macroeconomic imbalances during the early 1980s and stagnating export performance, the policy of reforms for stabilization and structural adjustment was undertaken by the Government. This adjustment programme put forward a wide range of policy reforms in Bangladesh which included reforms in trade policy, industrial policy, monetary and fiscal policy, exchange rate policy, privatization of the state-owned enterprises, and promotion of foreign direct investment. The widespread recognition that outward-oriented policies had carved the East Asian 'miracle', and the world-wide turn against the import-substituting development policies also contributed to the decision over a policy reversal in the context of Bangladesh.

However, by the early 1990s, a large-scale liberalization program was implemented. Since then, successive governments have shown their commitments to more liberal trade regimes. These programs led to a remarkable decline in quantitative restrictions,

notable opening up of trade in many restricted items, significant rationalization and diminution of import tariffs and complete liberalization of the foreign exchange regime. Another important element of trade policy reform was the introduction of generous promotional measures for exports. While import and exchange rate liberalization were intended to correct the domestic incentive structure in the form of reduced protection for import-substituting sectors, export promotion schemes were undertaken to provide exporters with an environment in which the erstwhile bias against export-oriented investment could be reduced significantly. Important export incentive schemes that were made available include, inter alia, subsidized rates of interest on bank loans, duty free import of machinery and intermediate inputs, cash subsidies, and exemption from value-added and excise taxes. The tariff regime was also liberalized and much of the un-weighted average rate of tariff was reduced in the maximum rate.

3.7.1 Status of Implementation Commitments

When the World Trade Organization (WTO) formally agreed to open the Trade Facilitation Agreement (TFA) for acceptance in November 2014, outlining a total of 36 technical measures of trade facilitation for the member states to comply with, and set priorities on the deadline of compliance, the World Bank Group came up with technical assistance to Bangladesh to identify the gaps in compliance, single out the measures for which Bangladesh was ready to comply with readily, and prepare an implementation plan for future.

During the course of the last couple of years, some progresses have been made, and others are in the process. Some of the measures implanted during the period are listed below:

Table 10: TFA Commitments and Implementation Status in Bangladesh

Category Commitments under the Agreements on Trade Facilitation	Articles	Category	Implementation Status and Gaps
Publication and Information Available through Internet	1.1-1.2	A	Laws, rules, regulations, and orders are circulated via the official gazette, which is available mostly in hard copy form. As it has been identified as a priority, agencies' websites have made this information publicly available. Two such examples are the Ministry of Commerce's NTP, which was launched as the Bangladesh Trade Portal, and the NBR's Customs Portal, which includes data, information, forms, and application procedures pertinent to trade. While the extent to which such information is publicly available varies between agencies, the aforementioned

Category Commitments under the Agreements on Trade Facilitation	Articles	Category	Implementation Status and Gaps
			portals have filled some of the information gap. The goal for the NTP is to provide a one-stop shop for respective stakeholders to access the necessary information. This said, consistency among the various agencies would have substantial benefits and should be emphasized.
Enquiry Points	1.3	C	The NBR launched a national enquiry point on 6 September 2018. The Ministry of Commerce is also exploring the possibility of establishing an enquiry point as it would be useful for trade experts and relevant stakeholders. Implementing this across agency offices would require substantial time and monetary resources. Should the government look to approach this in stages, regulatory border agencies should get priority.
Opportunity to Comment and Information before Entry into Force	2.1	B	The majority of Bangladesh government agencies, ministries, and departments involved with trade are providing feedback prior to the enactment or amendment of relevant laws. The Ministry of Commerce and the NBR have been active in facilitating opportunities for these discussions and in making related information publicly available. A large extent of the rules and laws for trade-related activities has been developed by the Ministry of Commerce and the NBR.
Consultation	2.2	B	The Ministry of Commerce and the NBR engaged think tanks, members of the trade community, and related associations (e.g., chambers of commerce, Bangladesh Garment Manufacturers and Export Association, and the Bangladesh Reconditioned Vehicle Import Association) prior to enacting any laws or regulations.
Advance Ruling	3	A	The NBR introduced regulation to implement advance ruling in 2016. There is a rule pertaining specifically to the application process, time-bound response, subjects covered, and review formalities. While this represents progress, in order to facilitate stakeholders' ability to obtain an

Category Commitments under the Agreements on Trade Facilitation	Articles	Category	Implementation Status and Gaps
			advance ruling, other government agencies should introduce this system via the necessary legal provisions.
Procedures for Appeal or Review	4	A	Bangladesh Customs has in place functional, thorough, and effective procedures for appeal and/or review. The procedures include an alternative dispute resolution forum for representatives from the private sector in order to reduce the number of customs disputes. Other agencies do not have similar processes in place, and thus the necessary platforms or appellate forums need to be created, relevant legal provisions have to be enacted, and related procedures have to be laid down. To ensure that this takes place, inputs from relevant stakeholders need to be gathered, which will require time and rigorous investment on the agencies' part. To enable this, a change in the existing business processes of the relevant border agencies will be necessary.
Notification on Enhanced Controls or Inspections	5.1	B	To implement this provision, Bangladesh will need to revisit existing procedures to develop a more unified set of processes and ensure coordination among the border agencies. These procedural changes can be catalyzed through legislation; impacted stakeholders will need to be identified and consulted, and their roles should be clearly defined.
Detention	5.2	A	Bangladesh Customs has been practicing detention for a number of years. Specific procedures are followed by customs officials under the relevant provision of the Customs Act, 1969. The proposed new Customs Act also includes this provision.
Test Procedures	5.3	C	Specific rules have to be formulated with respect to testing and inspection procedures in order to accommodate the requests of importers for a second test of the goods under question. This will likely be a time-intensive process.
General Disciplines on Fees and Charges Imposed on or in Connection with	6.1	B	The schedule of fees for the services provided by the port authority, customs, BSTI, quarantine divisions, etc. has been rationalized over the years, and published

Category Commitments under the Agreements on Trade Facilitation	Articles	Category	Implementation Status and Gaps
Importation and Exportation			<p>every year in accessible forms, both in the web sites and in print forms.</p> <p>Fees and charges are well defined and circulated in the official gazette in Bangladesh. However, revisions to fees and charges are not published prior to their effective date.</p>
Specific Discipline on Fees and Charges for Customs Processing Imposed on or in Connection with Importation and Exportation	6.2	B	Bangladesh Customs levies only a minimal amount of fees and charges for customs processing on the basis of the services rendered.
Penalty Discipline	6.3	B	The provisions for penalties are well defined and specified in the Customs Act, 1969. Yet, some penalty provisions are missing the necessary rationalization. Identifying the rationale for these provisions has been completed and the next step is to incorporate these provisions into the proposed new Customs Act.
Pre-Arrival Processing	7.1	C	<p>Legal provisions have been amended in the Customs Act 1969 to allow provisions for pre-arrival processing for assessment of duties, but it is exercised only in case of reputable importers.</p> <p>Bangladesh Customs, with support from USAID, has implemented pre-arrival declaration of the import general manifest.</p>
Electronic Payment	7.2	B	<p>Legal provisions have been amended in the Customs Act 1969 to allow provisions for electronic payment for customs duties, carried out through ASYCUDA World software.</p> <p>Bangladesh Customs' ASYCUDA World is now interfaced with the payment receiving bank and has introduced an e-payment system.</p>
Separation of Release from Final Determination of Customs Duties, Taxes, Fees, and Charges	7.3	A	Customs Act, 1969 provisions on provisional assessment provide the legal basis for the allowing the release of goods prior to the final determination of duties, taxes, fees and charges against a bank

Category Commitments under the Agreements on Trade Facilitation	Articles	Category	Implementation Status and Gaps
			<p>guarantee. Otherwise, importers can suffer delays.</p> <p>The implementation of Bangladesh Customs' Provisional Assessment effectively managed this process, and the Customs Act, 1969 provides guidance to follow. Bangladesh has identified this provision as completed.</p>
Risk Management	7.4	C	<p>Although the NBR has formed and ensured the training of a Committee on Central Risk Management and the Risk Management Team, additional time is needed to ensure this is effectively operational at all customs stations. This requires coordination between the Risk Management Team and concerned offices. The NBR has been working with development partners on implementation, and a risk management directorate is proposed to be set up. Risk management is regarded as high priority by the NBR and therefore could be categorized as a short-term priority. For other organizations, risk management systems are not followed as per standards. To develop such a system, it will require more time and technical assistance from development partners.</p>
Post-Clearance Audit	7.5	C	<p>This provision applies to the customs audit process, which is managed by Bangladesh Customs. With technical assistance from ADB and USAID, the NBR has been working on implementing both systems-based audit and transaction-based audit. Officials have been trained by development partners on standard operating procedures through manuals and training packages. To meet the necessary best practice standards for systems-based audit, additional time and technical assistance are needed.</p>
Establishment and Publication of Average Release Times	7.6	A	<p>The Time Release Study (TRS) has been conducted (2022) to determine the duration of clearance procedures. Next time release is scheduled to be published after 2 years from 2022 TRS.</p>
Trade Facilitation Measures for	7.7	C	<p>Legal provisions have been amended in the Customs Act 1969 to allow provisions</p>

Category Commitments under the Agreements on Trade Facilitation	Articles	Category	Implementation Status and Gaps
Authorized Economic Operator			<p>for pre-arrival processing for assessment of duties, but it is exercised only in case of reputable importers.</p> <p>The NBR has committed to establishing the AEO program. ADB and USAID are assisting the NBR in designing the necessary guidelines, training, and base documents, in addition to offering capacity building workshops. The NBR has given high priority to this but it is anticipated that full implementation will take some time. The rule was issued in 2018 and the provision was initially incorporated in the Customs Act, 1969. The number of authorized economic operators (AEO) is now 12 from 3, moreover, more than 50 AEO requests are now in process of approval.</p>
Perishable Goods	7.9	C	<p>No such provision or rule has been established to handle the quick release of perishable goods. Border agencies try to expedite their release, but no rule or procedure is available to follow or provide the framework for coordination among the various border agencies. To date, no progress has been observed in addressing this issue. A draft provision on the expedited handling of perishable goods, prepared with support from ADB, has been submitted and could be implemented under the new Customs Act when it is enacted. The border agencies would need to discuss the appropriate procedures needed to implement this provision.</p>
Border Agency Cooperation	8	C	<p>This provision requires a set of arrangements among the border agencies, enabling them to work together in a cohesive and coordinated way to facilitate trade. Currently, there is a lack of a framework and governance structure to ensure border agency cooperation. The NTTFC could potentially address this issue through coordinated border management (CBM), which is an ongoing initiative with support from the World Bank. Another challenge under the area of cross-border agency cooperation is</p>

Category Commitments under the Agreements on Trade Facilitation	Articles	Category	Implementation Status and Gaps
			ensuring consistency among all border agencies during bilateral discussions with regional partner countries. As a result, the government has included this under Category C and signaled that assistance might be sought from development partners.
Movement of Goods Intended for Import under Customs Control	9	A	This provision is prevalent in Bangladesh Customs. Thus, Bangladesh has identified it under Category A. Procedures established in the areas of monitoring and supervision has also seen significant improvement.
Formalities and Documentation Requirements	10.1	C	It will be necessary for Bangladesh to revisit this provision. Bangladesh Customs has initiated the relevant work; however, other border agencies will also need to contribute to this effort.
Acceptance of Copies	10.2	A	Bangladesh is compliant with this provision. Now there are now systems available for acceptance of copies, and electronic versions of various reports and copies, which created scopes of replacing the mandatory requirement for original hard copy, and has thus expedited the goods release process at some procedural steps, but hard copies are still required at many other steps. For instance, even ASW made BOE submission electronic, importers are required to submit signed AWB (hard copy) to Customs for initiating assessment, hence, hard copies are still required for customs clearance and port authority release. Also, Customs has implemented electronic gateways to pay duty and taxes. However, the Port authorities still depend on manual payment systems, causing a delay in payment processing.
Use of International Standards	10.3	A	Bangladesh follows international standards as they pertain to the business processes of Bangladesh Customs and the activities of the Ministry of Commerce and other relevant agencies. Bangladesh is a signatory to international conventions such as the RKC, SAFE Framework, and

Category Commitments under the Agreements on Trade Facilitation	Articles	Category	Implementation Status and Gaps
			the International Convention on the Harmonized Commodity Description and Coding System, and thus is compliant with this provision.
Single Window	10.4	C	Bangladesh is in the process of implementing the NSW with support from the World Bank. The NBR is now spearheading the project. Bangladesh will need additional time to implement the NSW under Category C.
Pre-Shipment Inspection	10.5.1	A	Bangladesh Customs no longer has an active pre-shipment inspection system. However, there are other types of pre-shipment inspection requirements for imported goods that have been imposed by the Ministry of Commerce, which will continue to oversee the implementation of these provisions as a medium-term priority.
Use of Customs Brokers	10.6	A	Bangladesh has complied with this provision with the use of a self-clearance system. This said, the use of a customs broker is not mandatory.
Common Border Procedures and Uniform Documentation Requirements	10.7	A	Through regular and periodic joint meetings of customs groups between Bangladesh and India, it has been possible to agree upon common customs procedures and documentation, based on international standards of risk management and WCO standards. Bangladesh Customs follows common procedures and documentation processes across its customs stations. Other border agencies are also compliant with a uniform system; thus, the country is compliant with this provision. Through regular and periodic joint meetings of customs groups between Bangladesh and India, it has been possible to agree upon common customs procedures and documentation, based on international standards of risk management and WCO standards.
Rejected Goods	10.8	A	Special provision has been included in the Customs Act, 1969 for handling rejected goods. Further, detailed procedures guide

Category Commitments under the Agreements on Trade Facilitation	Articles	Category	Implementation Status and Gaps
			the implementation of the provision in this article.
Temporary Admission of Goods	10.9	B	Bangladesh Customs has a provision as well as procedures that pertain to the temporary admission of goods. However, the regulations will need to be revisited and updated. The government has classified this under Category B and it could fall under Bangladesh's short-term priorities.
Inward and Outward Processing	10.9	B	Bangladesh Customs follows international practice regarding this provision. However, additional modification will be necessary to enforce the Import Policy Order of Bangladesh.
Freedom of Transit	11	C	Bangladesh is committed to accommodating the freedom of transit of commercial goods across national borders. There is a clear protocol on river routes that is fully functional. Provisions pertaining to the BBIN MVA are also underway and expected to be implemented in the near future. The Customs Act, 1969 has also incorporated the necessary transit provisions. Bangladesh has classified some provisions under Category A. For some activities specifically mentioned in this article that pertain to transit facilitation-such as establishing dedicated berths and lanes, building infrastructure for roadways, upgrading ICT facilities, and creating a national coordination body-compliance needs to be ensured. To achieve this, technical assistance from development partners may be needed.
Customs Cooperation	12	B	Bangladesh complies with some of the components mentioned in this article. Bangladesh has been participating as a member of various international customs forums and been active in exchanging information with neighboring countries. To fully comply with this provision, mutual partnerships and capacity building efforts will need to be strengthened among participating countries.

3.7.2 Bangladesh Trade Portal

The Bangladesh Trade Portal (BTP) is an official source of all regulatory information relevant to traders who wish to import goods into Bangladesh or export to other countries. The Ministry of Commerce of the Bangladesh Government has established the Portal in order to improve the predictability and transparency of the country's trading laws and processes.

The Portal is also a one-stop point for information relating to export from and import into Bangladesh. Click on the relevant links on this page to look for the Tariffs relating to each commodity, any special measures, the procedures for applying for permits, licenses and Customs clearance, and much more. The Guide to Export-Import, on the top menu of this page, provides a comprehensive set of instructions and guidelines in plain language and conveniently organized by topic. The Trade Portal is in line with the government's commitment to facilitating information sharing, the 8th Five Year Plan which focuses on accelerating economic growth, as well as compliance with Article 1 of the Trade Facilitation Agreement with the World Trade Organization.

With thousands of links between its content elements, as well as external links to relevant ministries and online services, BTP is not only presented traders with comprehensive trade-related information, but it also acts as a tool for the Government and other stakeholders to help reduce, modernize and simplify regulations in accordance with international best practice. The portal provides an accessible, logical, helpful window for traders to access important regulatory and procedural information needed to export and import. This is in line with the government's commitment to facilitating information sharing, the 7th Five Year Plan which focuses on accelerating economic growth, as well as compliance with Article 1 of the Trade Facilitation Agreement with the World Trade Organization.

3.7.3 Current Status of National Single Window (NSW) and its impacts

A comprehensive form trade facilitation approach for traders includes National Single Window (NSW). Bangladesh submitted its WTO TFA (World Trade Organization Trade Facilitation Agreement) instrument of ratification in September 2016 with which it committed to implementing 37 measures of facilitating legitimate trade. The National Single Window is under Article 10.4, that states "members shall endeavour to establish a single window." The most commonly accepted definition of a Single Window (SW) is the one provided by UNECE Recommendation No.-33 that describes the SW as "a facility that allows parties involved in trade and transport to lodge standardized information and documents with a single-entry point to fulfill all

import, export, and transit-related regulatory requirements." "If information is electronic, then individual data elements should only be submitted once"⁴⁰.

For National Single Window Implementation and Strengthening Customs Modernization, The Government of the People's Republic of Bangladesh has received an USD 150 million Credit from the International Development Association (IDA) - a member of the World Bank Group - for financing the cost of the Bangladesh Regional Connectivity Project 1(BRCP-1), being jointly implemented by the Bangladesh Land Port Authority (BLPA), National Board of Revenue (NBR) and Ministry of Commerce.

In order to enhance trade volume with the neighboring nations, the Bangladeshi government has adopted a more comprehensive strategy for trade reform and established a coordination platform. The Project's goal is to improve infrastructure and trade-friendly conditions along strategically significant regional transport corridors while reducing the time and costs associated with trade. Ministry of Commerce (WTO Wing), Ministry of Shipping (BLPA), and Ministry of Finance (NBR) all work together to carry out the project.

An important component (component-c) of this project is- National Single Window Implementation and Strengthening Customs Modernization (IDA USD 65 million, managed by Bangladesh Customs of National Board of Revenue)⁴¹. National Single Window (NSW), through the introduction of an electronic, online solution, will facilitate faster and more transparent international trade procedures. NSW will also reduce transaction costs borne by traders and provide consistency and certainty to the total process.

The Government of Bangladesh has committed to the implementation of a National Single Window (NSW) system and the accompanying reform and modernization of customs and other border control agency needs in accordance with international standards following the WTO Trade facilitation agreement. When fully operational, the system will enable traders to submit all import, export, and transit data needed by customs and other important regulatory agencies through a single electronic gateway rather than repeatedly submitting the same data to various government agencies, many of which still heavily rely on paper-based processing systems.

The Ministry of Finance's Internal Resource division's NBR, the project's lead implementation agency, oversees the project's overall implementation, management, and monitoring⁴². As a part of One stop Service System, NBR's national single window

⁴⁰ United Nations, Trade Facilitation and Implementation Guide- The Single Window concept, viewed at- <https://tfig.unece.org/contents/single-window-for-trade.htm>

⁴¹ Bangladesh Regional Connectivity Project-1, Component-3 viewed at- <http://brcp-1.gov.bd/about-brcp-1/>

⁴² Available at- https://nbr.gov.bd/uploads/tender-notice/TOR_NPC.pdf

project is under way and once initiated it will benefit Bangladeshi traders significantly by reducing time and cost of trading. The NSW implementation project started in July 2017 and was primarily scheduled to be completed by June 2020. Later, it was revised and the time was extended to December 2023. The average processing time for imports and exports is expected to be reduced substantially. With the implementation of NSW traders will be able to submit all of their trade-related documentation on a single digital platform rather than depending on numerous government agencies, which will reduce paperwork and facilitate trade substantially.

With implementation of National Single Window for trade in Bangladesh, 319,000 traders (exporters and importers) are expected to be benefitted from reduced time and cost for trade in the fifth year of the operation of the solution. During the same year, the average processing time for import is expected to be reduced to 122 hours and average processing time for export is expected to be reduced to 88 hours.

However, it is not yet possible to implement the National Single Window fully now. The status of the National Single Window (NSW) is in a preliminary stage. Without modifying and updating the relevant policy, the implementation of the National Single Window is not possible. So far, PIU for NSW has been formed, officers have been assigned, a work plan has been developed, and procurements have been initiated. NBR has signed an MOU with 38 ministries and government agencies. Design specifications drafted for 2016 are being updated. Bidding for tender of NSW software development has been done and the pilot program will be initiated shortly. Inadequate coordination between Stakeholders, Organization and human resistance to change, Lack of automation of NSW relevant stakeholders, lack of technically skilled human resources, etc. are some of the challenges associated with the NSW implementation.

Bangladesh's National Board of Revenue or NBR was yet to prepare the basic layout design of its National Single Window system. The project which was launched on 11 April, 2019 to modernise the customs authority even if the revenue authorities have recently sent a proposal to the Finance Ministry seeking further extension of the NSW project deadline to 31 December, 2026. However, the deadline of completion of the project is 2024, and NBR has called a tender for vendor support to develop the basic layout design of the NSW system.

Table 11: Bangladesh’s Trade Facilitation Score from 2017 to 2021⁴³

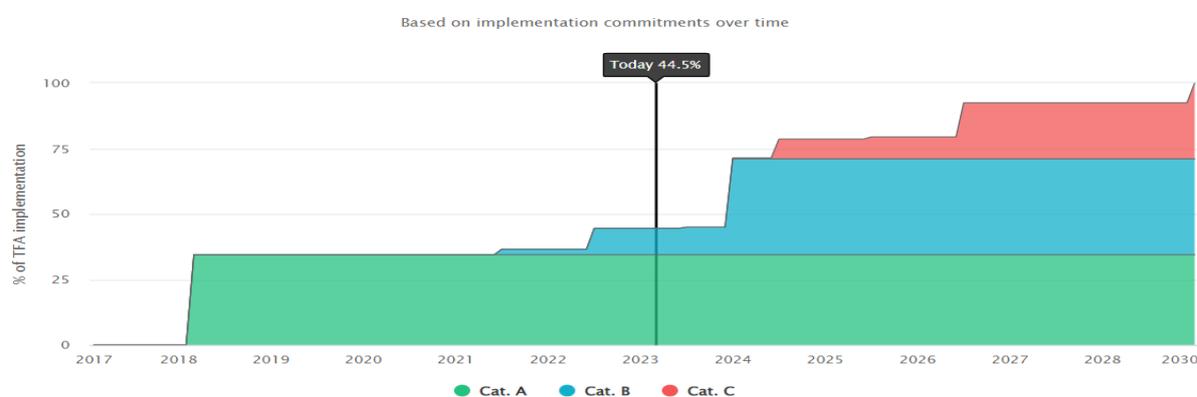
Year	Trade Facilitation Score	Particulars
2021	64.52%	<ul style="list-style-type: none"> • Transparency: 86.67%; • Formalities: 83.33%; • Institutional Arrangement and Cooperation: 66.67%; • Paperless Trade: 59.26%; • Cross-Border Paperless Trade: 27.78%.
2019	52.69%	<ul style="list-style-type: none"> • Transparency: 73.33%; • Formalities: 66.67%; • Institutional Arrangement and Cooperation: 66.67%; • Paperless Trade: 40.74%; • Cross-Border Paperless Trade: 27.78%.
2017	35.48%	<ul style="list-style-type: none"> • Transparency: 53.33%; • Formalities: 50%; • Institutional Arrangement and Cooperation: 55.56%; • Paperless Trade: 22.22%; • Cross-Border Paperless Trade: 11.11%.

This table shows that over the years Bangladesh’s implementation rate of trade facilitation increased gradually. In the year 2017 the country had a trade facilitation score of 35.48% whereas in 2021 it has become 64.52%. Also, the country has achieved 86.67% transparency and 83.33% formalities in 2021.

3.7.4 Future TFA Implementation Commitments of Bangladesh

As of February 2023, Bangladesh has been able to implement 44.5% of all commitments under the TFA, as shown in the Figure 5 below:

Figure 5: Timeline of Implementation Commitments of Bangladesh



Source: WTO Trade Facilitation Agreement Database- Bangladesh, accessed at 20 Feb 2023.⁴⁴

⁴³ UN global survey on digital and sustainable trade facilitation

⁴⁴ Trade Facilitation Agreement Database, available at- <https://tfadatabase.org/en/members/bangladesh#information-for-traders>

Bangladesh has notified the notification 66.7% & 33.3% under category B and C respectively. 100% comments and information before entry into force notified under category C, 100% Notifications for enhanced controls or inspections notified under category C, 100% general disciplines on fees and charges notified under category B, 100% specific disciplines on fees and charges notified under category B, 100% penalty Disciplines notified under category B, 100% Temporary admission of goods and inward and outward processing under category B. As the TFA agenda is not fully implemented and practiced yet those criteria are not being practiced rigorously by the authority. Following table illustrates the TFA implementation status based on notifications:

Table 12: Implementation Commitment Status

Article	Detailed notification breakdown	Category	Indicative implementation date	Definitive implementation date
1.1	Publication	A	from 22 February 2018 to 20 February 2020	from 22 February 2018 to 31 December 2023
1.2	Information available through internet	A	from 22 February 2018 to 20 February 2022	from 22 February 2018 to 31 December 2023
1.3	Enquiry points	C	by 30 June 2026	by 30 June 2026
1.4	Notification	B	from 20 February 2020 to 30 June 2026	by 31 December 2023
2.1	Comments and information before entry into force	B	by 20 February 2020	by 30 June 2022
2.2	Consultations	B	by 20 February 2020	by 30 June 2022
3	Advance rulings	A		by 22 February 2018
4	Procedures for appeal or review	A	from 22 February 2018 to 20 February 2020	from 22 February 2018 to 31 December 2023
5.1	Notifications for enhanced controls or inspections	B	by 20 February 2020	by 31 December 2023
5.2	Detention	A		by 22 February 2018
5.3	Test procedures	C	by 30 June 2030	by 30 June 2030
6.1	General disciplines on fees and charges	B	by 20 February 2020	by 30 June 2021
6.2	Specific disciplines on fees and charges	B	by 20 February 2020	by 31 December 2023
6.3	Penalty Disciplines	B	by 20 February 2020	by 30 June 2022
7.1	Pre-arrival processing	C	by 30 June 2025	by 30 June 2025
7.2	Electronic payment	B	by 20 February 2020	by 30 June 2022
7.3	Separation of release	A		by 22 February 2018

Article	Detailed notification breakdown	Category	Indicative implementation date	Definitive implementation date
7.4	Risk management	C	by 30 June 2030	by 30 June 2026
7.5	Post-clearance audit	C	by 30 June 2026	by 30 June 2026
7.6	Average release times	A		by 22 February 2018
7.7	Authorized operators	C	by 30 June 2026	by 30 June 2024
7.8	Expedited shipments	C	by 30 June 2026	by 30 June 2026
7.9	Perishable goods	C	by 30 June 2030	by 30 June 2026
8	Border Agency Cooperation	C	by 30 June 2030	by 30 June 2030
9	Movement of goods	A		by 22 February 2018
10.1	Formalities	A	from 22 February 2018 to 30 June 2030	from 22 February 2018 to 30 June 2026
10.2	Acceptance of copies	A	from 22 February 2018 to 20 February 2020	from 22 February 2018 to 30 June 2022
10.3	Use of international standards	A		by 22 February 2018
10.4	Single window	C	by 30 June 2030	by 30 June 2030
10.5	Pre-shipment inspection	A	from 22 February 2018 to 20 February 2020	from 22 February 2018 to 31 December 2023
10.6	Use of customs brokers	A		by 22 February 2018
10.7	Common border procedures	A		by 22 February 2018
10.8	Rejected Goods	A		by 22 February 2018
10.9	Temporary admission of goods and inward and outward processing	B	by 20 February 2020	by 30 June 2022
11	Transit	C	from 22 February 2018 to 30 June 2030	from 22 February 2018 to 30 June 2030
12	Customs cooperation	B	by 20 February 2020	by 31 December 2023

Source: TFA Database

A= Notified in Category A; B= Notified in Category B; C= Notified in Category C

Developing and LDC Members can request more time and capacity building support to implement the Agreement. To benefit from these flexibilities, they must designate all measures into categories A, B and/or C which have the following implementation timings:

- CATEGORY A = developing Members will implement the measure by 22/02/2017 and LDCs by 22/02/2018
- CATEGORY B = Members will need additional time to implement the measure

- CATEGORY C = Members will need additional time and capacity building support to implement the measure

Besides the notification of categories, A, B and C designations, the TFA sets out different timelines for the notification of indicative and definitive dates for implementation of categories B and C commitments as well as the technical assistance required for the implementation of category C commitments⁴⁵.

3.7.5 Customs Issues Associated with TFA Implementation

Bangladesh Customs plays important role to implement the measures of Trade Facilitation Agreement (TFA) of World Trade Organization (WTO). The TFA comprises 12 articles and 38 measures to implement. Bangladesh Customs is the lead agency as it is responsible for implementation of 37 measures out of 38. Bangladesh government itself with its own resources and in many cases with assistance from development partners has undertaken a good number of effective and timely initiatives to implement the TFA measures. Even a lot of mentioned notification issues are directly or indirectly customs related. The following table represent key TFA implementation issues associated with customs:

• Enquiry points	• Separation of release
• Advance rulings	• Risk management
• Notifications for enhanced controls or inspections	• Average release times
• Detention	• Authorized operators
• Pre-arrival processing	• Perishable goods
• Electronic payment	• Acceptance of copies
• Single window	• Pre-shipment inspection
• Use of customs brokers	• Customs cooperation

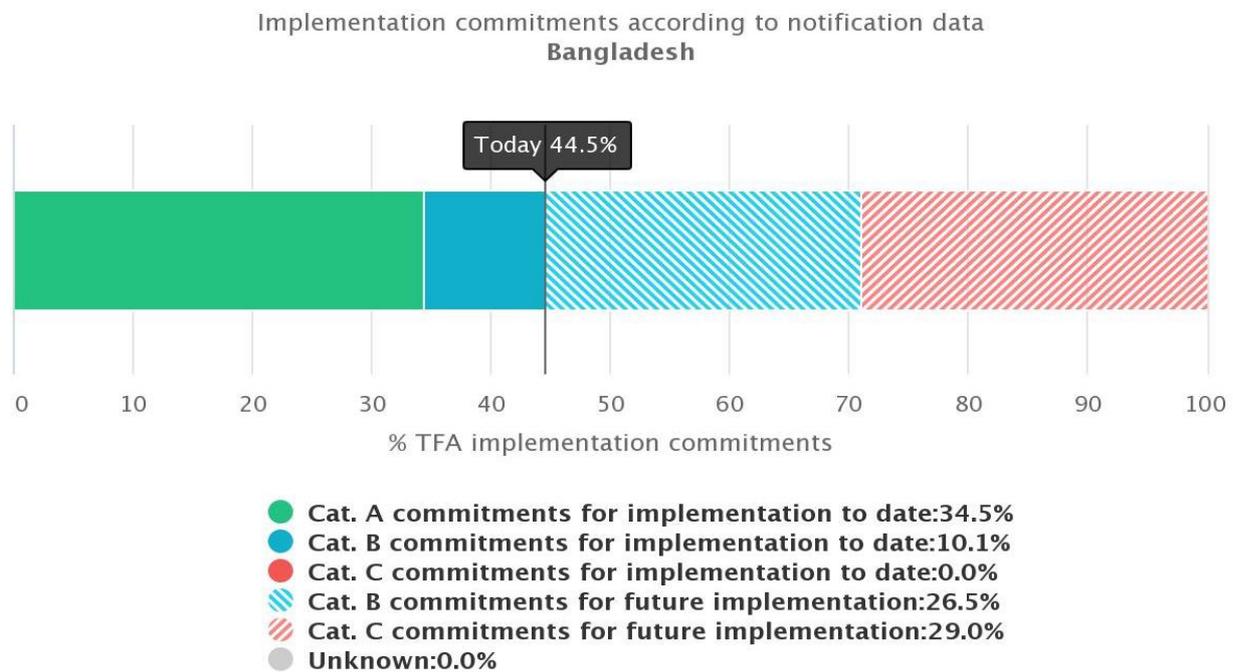
To ensure international best practices for facilitating trade, Bangladesh Customs has initiated the implementation of a new Customs website, systematic PCA environment, Advance Ruling, National Enquiry Point (NEP), Authorized Economic Operator (AEO), Systematic Risk Management environment, Expedited shipments, enforcement of de minimis, Pre-arrival Processing (PAP), Advance Passenger Information (API)/Passenger Name Record (PNR), Modernizing customs intelligence mechanism, Time Release Study, National Single Window (NSW), etc. Advance ruling, Electronic Payment Gateway, formulation of manual and standing order of system based and transaction-based post clearance audit, withdrawal of Mandatory (Pre-shipment Inspection) PSI system, 'Joint Group of Customs' initiative with India,

⁴⁵ WTO TFA Implementation Notifications (ABC), viewed at- <https://tfadatabase.org/en/notifications/implementation>

Nepal and Bhutan, agreements like BBIN MVA, BIMSTEC MVA, inland water transit protocol with India etc. are also some of the initiatives undertaken by NBR to implement TFA different measures.⁴⁶

For Bangladesh, there are outstanding commitments under Category B and Category C, to be fulfilled by 2030. There are some commitments under Category B which are to be fulfilled by December 2023. Based on TFA Notified all category ABC designations data, 34.5% of Bangladesh’s notifications are under category A, 36.6% of Bangladesh’s notifications are under category B, 29.0% of Bangladesh’s notifications are under category C and 0.0% are not yet notified. Following figure depicts the present status of TFA implementation commitments:

Figure 6: Status of Implementation Commitments of Bangladesh



TFAD (Trade Facilitation Agreement Database) www.tfadatabase.org

Source: TFA Database accessed on 20 February 2023

Based on the current commitment of implementing TFA measures, it has been estimated that within 2030 Bangladesh will achieve 100% commitment in TFA implementation. The following figure shows the expected level of TFA implementation in coming years:

⁴⁶ NBR (2018), Customs Modernisation & International Trade, Bangladesh Customs Initiatives on Implementation of WTO Trade Facilitation Agreement (TFA), available at- https://nbr.gov.bd/uploads/public-notice/Newsletter_issue_01.pdf

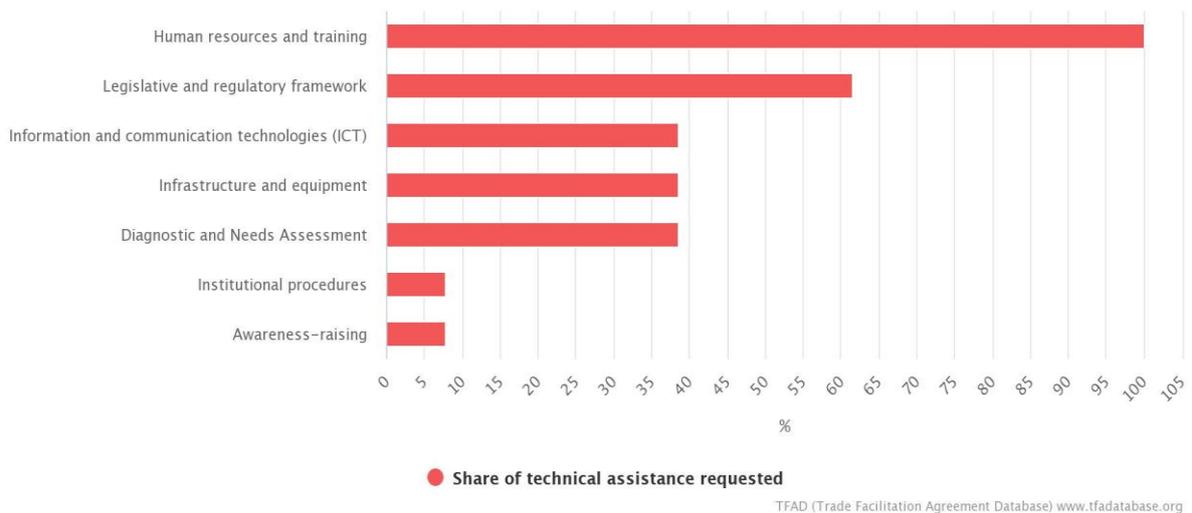
Figure 7: Timeline of Implementation Commitments of Bangladesh



Source: TFA Database

Technical assistance for trade facilitation is provided by the WTO, WTO members and other intergovernmental organizations, including the World Bank, the World Customs Organization and the United Nations Conference on Trade and Development (UNCTAD)⁴⁷. In July 2014, the WTO announced the launch of the Trade Facilitation Agreement Facility, which will assist developing and least-developed countries in implementing the WTO's Trade Facilitation Agreement. Following figure shows the type of technical assistant requested by Bangladesh:

Figure 8: Type of Technical Assistant Requested by Bangladesh



Source: TFA Database

The assistance is intended to address implementation gaps and needs, particularly those related to developing and least developed countries' category C commitments. The Trade Facilitation Agreement's (TFA) technical assistance provisions are special. They make it easier to match needs to available funding and to better monitor the actual help provisions. They consequently support the Special and Differential Treatment (S&DT) chapter's goal of developing implementation capacity before committing to carrying it out legally. On the other hand, developing and least developed country members must evaluate the need for implementation capability,

⁴⁷ Technical assistance and capacity building, available at- https://www.wto.org/english/tratop_e/tradfa_e/ta_capac_build_negoti_e.htm

plan for it, and track its development⁴⁸. So as a least developed country, Bangladesh needs to evaluate the requirement for implementation capability, strategize, and monitor its progress.

3.7.6 Policy Gaps in Implementing the Agreement

Some important observations were identified by the stakeholders and respondents during the study, on the policy gaps while implementing the Trade Facilitation Agreement. The identified gaps are as follows:

- WTO Trade Facilitation measures involve Customs & Other Border/Government Agencies (OGAs) that are involved in trade, though Customs is implementing of its own modernization and implementation of TFA measures, other OGAs in Bangladesh are not quite at par in initiating such measures. Therefore, implementation of TFA measures remains a critical challenge for OGAs like Chief Controller of Import & Export, Plant Quarantine Department, Atomic Energy Commission, Drug Administration Directorate, Bangladesh Standard Testing Institute, Bangladesh Export Processing Zone Authority, and Port authorities. However, OGAs are gradually becoming involved in TFA implementing measures. For instance, 38 OGAs have signed MOU to integrate services in the NSW. Moreover, coordination among OGAs is increasing as customs, port authorities, and certification authorities are integrating their services for making business procedures easier. Nevertheless, the lack of automation among OGAs is hindering the interagency coordination required for seamless TFA implementation.
- As no risk-based testing criteria are mentioned in the import policy order (IPO), every relevant cargo is subject to OGA interventions that creates redundancy and lag in trade. OGAs (e.g., BSTI, BAEC, Plant Quarantine, and Fisheries and Livestock), in consultation with the concerned ministries, should adopt a risk-based testing policy and have their risk criteria integrated within the ASYCUDA World selectivity module.
- Integration of export and import policy and alignment of executive orders with NBR's SROs are often not updated, causing delays in decision making by the respective officials.
- Even if there are policies and regulations in place, there are absence of Standard Operating Procedures (SOPs) in implementing them. This means, new policies and regulations are not implemented, and things are done in old ways in absence of new SOPs in place.

⁴⁸ United Nations, Trade Facilitation Implementation Guideline, accessed at- <https://tfig.unece.org/contents/technical-assistance.html>

- The clearance and customs procedures must be modernized. It must be implemented without delay. The Commerce Ministry has previously ratified WTO about this. Establishing testing procedures and their flexibility is required per WCO regulations. Consultation with the government is also required in the event that any modifications are required for the WTO's TFA agreement section 2.2. A customized dashboard and tracking system for monitoring the actions can elevate this trading technique to an entirely new level. An efficient transport and shipping infrastructure will facilitate trade-related activities.
- About Non-appliance in WCO Procedures in many areas, including standards-WCO sets a certain time frame in each and every area implementation in WCO Procedures. From Bangladesh's perspective, actions taken within this timeframe that is not much noticeable. initiatives are lagging behind in implementing some area but not like time is up and Bangladesh failed to do those.
- Partial use of technology already available due to reasons on untrained manpower to operate them. Most border points do not have the skilled manpower to properly run ASYCUDA software.

3.7.7 Institutional Framework for Implementation

Bangladesh ratified the WTO's Trade Facilitation Agreement (TFA) on 27 September 2016. Since then, the Ministry of Commerce has played a key role in mobilizing various government agencies to determine the path forward for the implementation of Bangladesh's TFA commitments. The National Trade and Transport Facilitation Committee (NTTFC) was established in January 2018 under the leadership of the Ministry of Commerce to coordinate all trade and transport-related policies and actions in Bangladesh as well as to administer all activities and initiatives linked to the TFA. The NTTFC, which consists of 31 members, including high-ranking officials and representatives of pertinent ministries, departments, and trade associations provides policy direction to the relevant agencies.

The Ministry of Commerce and its subsidiary offices-the Tariff Commission, Export Promotion Bureau, Chief Controller of Import and Export, and WTO Cell-along with the NBR, trade bodies, research organizations, academia, and relevant agencies all contributed to designing the framework and laying the foundation for how Bangladesh would tackle this challenge. The involvement of these agencies in various bilateral and multilateral trade discussions has been one of the essential building bricks for Bangladesh. This has improved access to and knowledge of the most significant international trade issues and practices.

Major activities aimed at advancing trade facilitation in Bangladesh have been supported by initiatives taken by development partners, including the United States

Agency for International Development (USAID), the World Bank, the Asian Development Bank (ADB), the International Finance Corporation (IFC), the United Nations Conference on Trade and Development (UNCTAD), and the United Nations Economic and Social Commission for Asia and the Pacific. However, many of the projects backed by institutions like the World Bank and ADB have a strong focus on transportation (such as road construction), which has substantial spillover effects on trade⁴⁹.

When the TFA entered into force on 22 February 2017, the Ministry of Commerce was entrusted with the role of being the nodal ministry for activities relating to the TFA. As such, the ministry involved relevant agencies to analyze the 36 measures of the TFA to determine the combination of Categories A, B, and C that Bangladesh would commit to as part of its accession. Other relevant agencies are listed below:

- National Board of Revenue;
- Ministry of Shipping;
- Ministry of Road Transport and Bridges;
- Ministry of Railways;
- Ministry of Civil Aviation and Tourism;
- Ministry of Agriculture;
- Ministry of Industries;
- Ministry of Shipping;
- Ministry of Power, Energy, and Mineral Resources;
- Ministry of Fisheries and Livestock; and
- Bangladesh Bank (central bank).

These organizations are adjusting their current laws, policies, practices, and procedures to comply with the new TFA's criteria. To do this, they have identified the gaps in trade facilitation and capacity-building as well as the technical help needed to close or narrow these gaps. Bangladesh informed the WTO of its category commitments under the TFA on February 20, 2018. The National Trade and Transport Facilitation Committee NTTFC and the Ministry of Commerce are working together to coordinate the hiring of the appropriate agencies to carry out the provisions and measures under each of these headings. As previously indicated, throughout the past ten years, the Government of Bangladesh, more specifically the Ministry of Commerce, has collaborated with numerous multilateral organizations on a number of programs aimed at promoting and facilitating trade.

⁴⁹ WTO Cell, Ministry of Commerce Bangladesh Regional Connectivity Project-1 (2020) Study On How Comparable Countries are Addressing Implementation of TFA, available at- <http://brcp-1.gov.bd/wp-content/uploads/2020/08/Report-3.pdf>

Since previously formed NTFC and NTTFC have almost the same scope of work and members, it was agreed in the 4th meeting of NTFC to merge the two committees and reconstitute the National Trade Facilitation Committee (NTFC) to form one committee. The institutional framework for implementation is very wide and loosely strung between various ministries and agencies thereof - a total of 39 of them who are directly involved in regulating, administering, and implementing the trade and trade related procedures. Private sector entities often play an important supporting role. For example, non-preference Certificate of Origin is issued by 7 chambers of commerce authorized by the Ministry of Commerce. Besides, there are testing laboratories in the private sector. The institutions engaged in trade and services related to trade facilitation are specifically identified by the study through a stakeholder mapping exercise. However, multilevel stakeholders like one group from all relevant government ministries/agencies, one group from the private sector (trade bodies/chambers/associations) and another group from independent research organizations can be included to build a platform to lead the implementation of the TFA as well as suggest new ideas & raising issues regarding trade facilitation.

The terms of reference of the NTFC includes:

- The Committee will make necessary recommendations and guidelines to expedite the implementation of various provisions of the WTO Trade Facilitation Agreement;
- Provide necessary recommendations and guidance to ensure the introduction, proper implementation and continuous development of an up-to-date trade facilitation system in the country;
- Review and simplify the rules and procedures related to the transit and communication system of the country in the interest of trade liberalization;
- Review bilateral communication arrangements and transit agreements with neighboring countries and advise on their further implementation;
- The committee will discuss issues related to Trade Facilitation activities among all concerned Ministries/Organizations;
- Undertake initiatives to further expand the scope of cooperation in trade, communication and transit facilitation at the regional and sub-regional levels;
- The Committee can regularly review the trade facilitation system and provide necessary recommendations and directions;
- Advising on improving traffic systems to reduce transit time and accidents;
- Identifying barriers and taking steps to remove them to improve national and inter-transport communication systems.

8 working groups for NTFC, women's trade/economic empowerment, agro trade, NSW, land port, Standard, IPRs and connectivity are at work for improving trade environment and facilitating trade through multidimensional efforts. NTFC is actively

enabling institutions to meet the TFA requirements. However, bottlenecks or issues like individual agenda and mandate of the agencies, distorted efforts towards TFA goals, lack of interagency coordination etc. hinder the NTFC's capacity to work smoothly for TFA implementation.

Chapter 4: Identification of Acts, Rules and Policies to Supports Simplification of Trade Procedure, Documentation, Automation and Paperless Trade

4.1 Introduction

Bangladesh has transformed itself from an agriculture dependent country to a trade-dependent country. The Government of Bangladesh declared its objectives to boost employment and income generation for the increasing population, and to reduce the poverty level to half, through expansion of trade. Thus, it is working to create an enabling environment for facilitating internal and foreign trade, expanding export, and increasing capacity. And in modern days, especially being a member of the WTO and having other international commitments, a country's domestic laws, regulations and trade related policies need to be aligned with those of the international community especially with Trade Facilitation Agreement (TFA). This chapter, within the limited scope of the study, attempts to capture some of the major laws directly related to trade in terms of their applications and coverage, with a view to looking at the areas of improvement for trade procedures.

4.2 Major Acts, Rules and Policies regarding Trade Procedure, Documentation, Automation and Paperless Trade

To exploit the global market before and after graduation, there need to be policy support so that the regulatory regime of trade and investment become business friendly. Therefore, the major acts, rules and policies regarding trade procedure, documentation, automation and paperless trade need to be updated and moderated as per the goal of trade facilitation.

4.2.1 Imports and Exports Control Act, 1950

This Act was promulgated in 1950 to prohibit, restrict or otherwise control imports into and exports from Bangladesh. Under the provisions of the Act, the Government is empowered to regulate all practices and procedures connected with the import or export of goods, and may also provide for applications for licenses under the act including the charging of fees, etc.

4.2.2. Import Policy Order 2021-2024

The Import Policy Order (IPO) is issued under the provision of the 'Imports and Exports (control) Act 1950' and contains procedural details for the importation of goods from a foreign country. The IPO addresses the current and emerging issues,

such as, post-LDC graduation, COVID-19 recovery, the 8th five-year plan, the perspective plan 2021-2041 and the fourth industrial revolution. It contains concrete objectives, and measures to achieve those objectives, consistent with the goals pertaining to the aforementioned plans and strategies. Some of the key features of the IPO are:

- Importation of products through confirmed agreements instead of opening Letter of Credit (LC) documents is allowed.
- Apparel exporters are allowed to keep bond goods for six months instead of 4 months.
- Local manufacturing industries are also allowed to enjoy duty-free facility through the bonded-warehouse mechanism.
- Local industries are allowed to import raw materials against partial export order through 100-percent bank guarantee.
- Accordingly, the earlier provisions of importation of two tons of old blankets, and 6 tons of sweaters, ladies' cardigans, zipper jackets (men's), and men's trousers, by an importer have been halved.
- A maximum of one ton of synthetic branded shirts are allowed to be imported instead of two tons.
- The motorcycle fuel CC is increased for manufacturing companies to import together with different freight facilities of the shipping lines.
- Import of cruise ship is allowed.
- Provision to protect the local bitumen- industry is incorporated.
- The list of restricted import products is not made longer due to WTO rules.

Further, the IPO places special emphasis on easing the imports of raw materials for use in export-oriented industries. The order further stressed that country of origin must be noted on all products, product packaging, or containers. However, for imports of coal, cotton, aluminium, and export-oriented garment and industrial-related raw materials, the country of origin is not required. Nuclear radiation tests are mandatory for imported milk, dairy, edible oil, vegetable seeds, grains, and other food products.

The IPO includes a list of import prohibited and import controlled products. Except the prohibited/controlled goods, all other goods are importable freely subject to payment of customs and other duties.

4.2.3 Export Policy 2021-24

The export policy is issued by the Government under the provisions of Section 3(1) of the 'Imports and Exports (control) Act 1950'. It has been prepared keeping in view the contemporary developments in the global and regional trade regimes that include,

among others, the world trade scenario, depression in the developed countries, probable sub-regional connectivity (Bangladesh-India-Nepal-Bhutan), One-Belt-One-Road initiative of China, BREXIT, etc. In addition, it puts special emphasis on further liberalizing trade and making the trade regime suitable for current global trends, also keeping consistency with the need of time. It also emphasizes on Bangladesh's transformation to developing nations club, effectively addressing the challenges of the Fourth Industrial Revolution (4IR), and offsetting the potential impacts on the economy posed by the pandemic⁵⁰. In addition, it prioritizes capacity building efforts in view of Bangladesh's emergence as a developing country as well as visualizing the Middle-Income Country (MIC) status.

The main objectives of the policy are:

- Attain sustainable development of export trade by 2024;
- Achieve exports of US\$ 80 billion by 2024;
- Increase exports of labour-intensive and non-traditional items;
- Improve quality verification and certification system to global standards;
- Ensure compliance and best practices to enhance exports;
- Enhanced participation women and small entrepreneurs in export-oriented industries and trade;
- Attach top priority to service sector including ICT, e-commerce and e-governance;
- Adopt strategies of fourth industrial revolution (4IR) for expansion and dynamism of exports;
- Formulate strategies to address the challenges of graduation from LDC to developing nation;
- Attract FDI in the export sector for high-value products; etc.

Top priority sectors with untapped exports potential for promotion of exports under the policy include: High-Value Added RMG; Man-made Fibre; Garments Accessories; Pharmaceuticals products; Plastic products; Footwear and Leather products; Jute and Diversified Jute Products; Agro- and processed agro-products (fruits, cut-flower); Light Engineering products (Auto parts, bi-cycle, motor-cycle, battery); etc.

In addition, the policy includes a special development sector comprising of products having export potential, but the basis of their production, supply and export is not well-organized. Such products are: electrical, electronics, and ceramic products; value-added frozen fishes; printing and packaging; cutting and polished diamond and jewelry; paper and paper products; rubber and rubber products; silk materials;

⁵⁰ Chowdhury, N.H., The New Export Policy 2021-2024: How it would Boost up the Export Target of Bangladesh, published by the Korea Institute for International Economic Policy, 2022

handloom and handicraft products; photovoltaic modules; crabs; cashew nuts; toys; halal fashion; halal meat and meat products; auger; etc.

Further, the policy newly introduced top priority service sector which include software and IT-enabled services; ICT products; Business Process Outsourcing (BPO); and Free Lancing. Likewise, the special development service sector includes tourism industry; architecture engineering and consultancy services. Moreover, considering the LDC graduation, the export policy indicated that proper measures would be taken to address the establishment and creation of Active Pharmaceutical Ingredient (API) in Dhaka and Chittagong, as well as increasing foreign investment in pharmaceuticals through various attractive incentives. Also, export incentives and policies for API and reagents will be prioritized and Mutual Recognition Agreement (MRA) may be in place with countries like USA, Philippines and other exporting markets.

The policy also provides for several special benefits for the top priority sector and special development sector, such as:

- Project loans at a reduced interest rate;
- Income tax rebates;
- Financial assistance or subsidies in conformity with the WTO Agreement on Agriculture, and Agreement on Subsidies and Counter-veiling Measures in case of utility services;
- Export credits at simplified procedures and reduced interest rates;
- Prioritized treatments for air travel;
- Tax refund and bond facility;
- Tax-free importation of equipment for setting up compliant industries;
- Assistance in exploring overseas markets; etc.

On the other hand, products prohibited for exports under the policy include: petroleum and petroleum products; jute seeds and sun-hemp seeds; firearms and ammunitions; radio-active products; archeological relics; all types of pulses; garlic, onion, and ginger; human skeleton and products made of human blood; all types frogs and frog-legs; etc.

4.2.4 The Customs Act, 1969

The Customs Administration under the National Board of Revenue conducts its operations following the provisions delineated in the Customs Act, 1969. The Act contains provisions relating to the levy and collection of customs duties on goods and other allied matters. Under the Act, the term 'Goods' mean all movable goods and include conveyance, stores and materials, baggage, and currency and negotiable instruments, while the Customs-Area means the limits of the customs-station specified under Section 10 and includes any area in which imported goods or goods

for export are ordinarily kept before clearance by the customs authorities. The Act was amended several times allowing provisions on anti-dumping and countervailing rules and safeguard rules, to introduce transaction values as the basis for customs valuation, and more importantly, to meet international standards and best practices particularly the Revised KYOTO Convention (RKC), and the SAFE Framework of Standards, which was also adopted in June 2005 by the World Customs Organization (WCO) Council⁵¹. However, a new Customs Act is under process to be drafted in order to accommodate the trade facilitation provisions of the WCO RKC and the WTO Trade Facilitation Agreement.

4.2.5 Value Added Tax (VAT) and Supplementary Duty Act 2012

This act is prepared to expand the areas of imposing value added tax, supplementary duty and turnover tax, Advance Tax (AT) and to consolidate and simplify the provisions relating to collection procedures thereof. The purposes of the introduction of the new VAT were to replace the old age sales tax, mobilize more internal revenue, to introduce a single flat rate covering a wide range of goods and services production, and ensure equity by bringing transparency and accountability in the taxation system of Bangladesh⁵². VAT introduced in Bangladesh in its initial form was a sort of consumption tax (by allowing the purchase of capital goods as input), which extended its coverage up to the level of import, production or manufacture, and service rendering but not to export (which is zero-rated), wholesale or retail level. However, because of some inherent defects in its application, the old VAT Act has been replaced by The VAT and Supplementary Duty Act, 2012 came into effect from 1 July 2019.

In the Preamble of the new VAT law, four objectives have been articulated; namely, expansion of tax-base, simplification of VAT collection procedure, integration of procedure and making other relevant provisions. Simplification has been an important objective of the new VAT law which appears elusive in the current central registration regime. VAT management system in Bangladesh has a number of steps:

- Registration for VAT;
- Declaration of value of manufactured commodities;
- Assessment of duty and taxes;
- Payment of duties and taxes;
- Delivery of goods and services; and
- Submission of return along with VAT payment.

⁵¹Asian Development Bank, Regulatory Impact Analysis Report on the Current Customs Regulatory Framework in Bangladesh, Mandaluyong City, Philippines, 2015

⁵² Lalarukh, F., & Salahuddin, C. M. (2013). Contribution of VAT to the GDP of Bangladesh: A Trend Study. *Journal of Business*, 34, 131-141.

In VAT management, first it requires making a list of the sellers which is called registration. Then, the sellers require keeping records of sale, purchase, VAT payment etc., so that the regulatory authority can check from time to time the appropriateness of payment of VAT. The sellers are of different types; such as: individuals, proprietorship firms, partnership firms, limited companies, trusts, societies, non-government organisations (NGOs), government enterprises etc., with one, several or dozens of points of manufacturing, warehousing, sale, trading, service rendering and management offices.

So, there arose the concept of unit registration and central registration. Registering one unit at one place is called unit registration and registering multiple units together is called central registration. Every entity has an account or Business Identification Number (BIN). An entity with one or multiple units maintains an account incorporating all transactions. Most documents of an entity require to be maintained under company law and VAT law. These documents are the evidences of purchase and sale, income and expenditure, profit and loss. So, one entity/company, one Business Identification Number (BIN) was adopted as the basic principle of registration.

4.3 Acts, Rules and Policies to Simplify Trade Procedure & Documentation

The current Customs Act does not meet international standards despite the government's signing of several international legal instruments. The current procedures are not adequately efficient, accountable, or transparent due to the lack of information and communication technology (ICT) applications as required in the system. The procedures are not integrated and hence require more processing time and cost.

4.3.1 Sections to be Simplified in The Custom Act 1969

The Customs Act 1969 is being modified annually which creates some uncertainty to prepare policy for investment. Especially, imposing two times to four times percent⁵³ penalty due to wrong HS Code is a hindrance to trade rather than a way to facilitate the trade procedure. According to section 156 of Table 14, if any person commits an offence under section 32⁵⁴: **Untrue statement, error, etc.**, such person shall be liable to a penalty at least twice but not exceeding four times the amount of the tax evaded in respect of which such offence is committed and such goods shall be liable to confiscation; and upon conviction by a Magistrate such person shall further be liable

⁵³ The entry was substituted by section 11 of অর্থ আইন, ২০২০ (২০২০ সনের ৯ নং আইন)।

⁵⁴ Untrue statement, error, etc.: Section 32 LEVY OF, EXEMPTION FROM AND REPAYMENT OF, CUSTOMS-DUTIES

to rigorous imprisonment for a term not exceeding five years or to a fine not exceeding Taka fifty thousand or to both. Major Area of the Law of the Custom Act 1969 needed to be changed are as follows:

Section 79 (C) on Registered users: The prescribed process for registering to Customs computer system currently involves excessive steps and discretion of Commissioner which may discourage people from joining the system. There should be prescribed rules for registering to the customs computer system and applications should be made online rather than in writing as this will help create an umbrella database for everyone and ease the process of trade and business from every aspect.

Section 82A- The provision states that if goods are not assessed and released within 7 days of providing bill of entry, the owner may serve notice to the Commissioner for the process to be completed within 3 working days. This may cause delay in the process. The provision might instead state that goods must be assessed and released within 7 days and for any delay, the concerned officers may be served show cause notice.

Section 112: allows seizing goods or machinery from the owner's plant may cause hindrance in the operation of his business. Rather, the Commissioner could first serve a notice stating that the duty must be paid within a specified time and if the owner fails to do so, then they may seize goods/machinery from the owner's plant.

Section 26: states that the Customs Authority should maintain a centralized database where the documents mentioned in section 26 can be uploaded by importers or exporters faster. Along with this, in Section 26A (1a): depicts that the list of documents to be provided may be pre-determined. This will save time and allow for faster remedy. And, uploading documents on the database, as recommended above, could also save costs for both Customs Authority and Businesses.

As the law state that in 26 (b) (requisition to produce documents), goods have been seized under this Act, an officer of Customs not below the rank of an Assistant Commissioner may, by notice in writing, require that person or any person whom the officer suspects to be or to have been the owner, importer or exporter of those goods, or agent thereof, as the case may be, as and when required, to produce and deliver to the officer or to any other specified Customs officer all books of account, invoice books, or other books, records or documents in which any entry or memorandum appears or may be supposed to appear in respect of the purchase, importation, exportation, cost, or value of, or payment for, the goods and any other goods so imported or exported or otherwise dealt with within a period of three years preceding the date of the notice.

The review of the Customs Act, the authority requires the interaction and coordination of different institutions and actors in Bangladesh. Under the proposed provisions, the NBR will be the main coordinator and implementer of the act. Customs officers may require training and capacity- building activities to ensure more professionalism and accountability in their daily work. Stakeholders affected by the legal amendments and users will need to be clearly informed about new customs practices and procedures.

Table 13: Proposed Changed in Major section of the Custom Act 1969

Proposed Provision	Law	Existing Law Provision (If Any)	Which Problem it will Address	Options Explored	Probable Impact (Benefit, Cost)
Unless it is determined impracticable, unnecessary, or contrary to public interest, the Board shall publish rules in draft form to allow stakeholders the opportunity to provide input (section 14).		Section 219: Board has general power to make rules, and is required to lay such rules at the table of the Parliament.	No formal mechanism for stakeholders to provide input on proposed rules implementing the Customs Act	Leave to Board discretion to obtain stakeholder input	increased transparency, predictability, and compliance
Board shall have authority to <ul style="list-style-type: none"> • Designate documents or payments that may be submitted or effected electronically, • Designate or appoint computer systems for transmission of such documents or payments, • Require use of electronic communication for specified documents or payments, • Prescribe technical and procedural requirements for electronic 		section 79a, 79(d), 79(e): Board authorized to accept electronic bills of entry and related documents	Inadequate legal authority to establish electronic communication for customs documents other than bill of entry (goods declaration)		-Ensured expedited customs clearance - Establishment of electronic audit trail to facilitate audit-based controls

Proposed Law Provision	Existing Law Provision (If Any)	Which Problem it will Address	Options Explored	Probable Impact (Benefit, Cost)
communication. (sections 26 and 32)				
<ul style="list-style-type: none"> • Customs valuation of imported goods shall be determined by WTO valuation rules. • Customs valuation of export goods shall be based on FOB price, inclusive of transport and related costs to move goods to the Bangladesh port of shipment. (Section 46 and fourth schedule) 	section 25: General rules for customs valuation based on the GATT Article VII (rather than WTO agreement) and containing provision for establishment of minimum prices ⁵⁵	Use of minimum price system for imported goods inconsistent with WTO rules		increased transparency and predictability - Requires increased audit-based controls that need training
Period for making refund claim extended from 6 months to 3 years (Section 53)	section 33: Period for claiming refund is 6 months from date of payment.	Limited period for discovery and correction of errors		Level playing field between reassessment (3 years) and refund (now also at 3 years)
General rules for customs guarantee defined for all customs operations and processes, including <ul style="list-style-type: none"> • Acceptable forms of guarantees (cash deposit, bank guarantee, bond); • Limitations on who may act as guarantor; • Rules for determining amount of 	Sections 86, 86A: Rules on bonds and guarantees generally only in the context of use of customs warehouses	Lack of clarity with respect to requirements and use of guarantees in customs operations, other than the customs warehouse procedure		Positive impact on cash flows of traders

⁵⁵ Section 25 (3) Notwithstanding anything contained in this section, the Government may, by notification in the official Gazette, fix, for the purpose of levying customs duties, tariff values [or minimum values] for any goods imported or exported as chargeable with customs-duty ad valorem:

Proposed Law Provision	Existing Law Provision (If Any)	Which Problem it will Address	Options Explored	Probable Impact (Benefit, Cost)
<p>guarantee, based on risk; and</p> <ul style="list-style-type: none"> Requirements for prompt release of guarantees upon satisfactory completion of the customs operation or process. (chapter IX) 				
<p>Owners or operators of conveyances (vessels, aircraft, road, or rail vehicles) are required to provide cargo and conveyance information to Customs prior to arrival to Bangladesh (section 67)</p>	<p>sections 43–44: Vessels and aircraft required to submit manifests after arrival to Bangladesh</p>	<p>Lack of advance warning of incoming cargo and conveyances sufficient to carry out safety and security risk assessment</p>		<p>improved risk assessment and revenue protection</p> <ul style="list-style-type: none"> - Initial increase in trade cost due to required uptake of technology, which will pay off in the long run through more transparency and reduced risk - Updates of information technology system required (time and cost impact)
<p>A goods declaration for import shall be made by the importer, and a declaration for export shall be made by the exporter. The terms importer and exporter are broadly defined to include the owner or anyone</p>	<p>sections 79 and 131: Bill of entry and bill of export to be made by “owner” of the goods</p>	<p>Overly restrictive definition of persons who may make a bill of entry or bill of export</p>		<p>Impact on other laws referring to “owner” rather than “importer” or “exporter</p>

Proposed Law Provision	Existing Law Provision (If Any)	Which Problem it will Address	Options Explored	Probable Impact (Benefit, Cost)
in possession of or with a beneficial interest in the goods. (Sections 2[u], 2[bb], and 101)				
Importer or exporter may amend declaration as a matter of right unless error has already been or would be discovered by Customs or goods have been released (section 106).	Section 205: Customs officer, in his discretion, may allow amendment of documents subject to payment of a fee.	Current law discourages importers and exporters from voluntarily correcting mistakes and thus encourages bad declaration of data		Increased transparency and predictability - Increased integrity due to a reduced level of discretion and negotiation
Conditions for use of a temporary import procedure, as well as duty and tax consequences and obligations of persons using the procedure, are defined (chapter XV).	Section 21(a): Board provided discretion to allow temporary import of any goods without payment of duty, in general or specific cases as it determined.	Unstructured and sporadic provisions, which reduced the transparency and predictability of the use of the temporary import procedure	Increased transparency and predictability - Increased integrity due to a reduced level of discretion	
Removed	sections 25a-25c: Authorization for use of pre-shipment inspection	Conformity with WTO Trade Facilitation Agreement		Increased transparency and predictability - Increased integrity due to a reduced level of discretion

Authorized Economic Operators: Authorised Economic Operators (AEO) was included in the law and for this some provisions have been created following trade facilitation agreement. Customs Act 2018; Chapter 12 (Section 107) and SRO No. 214/AIN/ 2018/37/Customs have already implemented to allow the provision of

AEO. Three pharmaceutical companies (Beximco, Incepta and Square) have been recognised as AEOs before 2022. The revenue authorities have taken a fresh move to put in operation the globally-practised trade facilitation system, authorised economic operator (AEO), in Bangladesh but the complex conditions make the opportunities limited to few industries. If the benefit is provided, SMEs would enjoy simplified import process and raw materials import, which would help them gain overall competitiveness. It would also help them to support the large industries as backward linkages. AEO for small businesses and homogenous industries that are using similar raw materials for production can be chalked out⁵⁶.

4.3.2 Rules to be Changed in VAT and SD Act 2012

However, the new VAT law is a compromise outcome entailing fundamental and sometimes arbitrary changes to the original VAT Act 2012 as part of government's understanding with the business communities. The new VAT law was made fully effective from July 1, 2019 bringing changes through Finance Act, 2019.

The original 2012 VAT Act intended to reduce dependence on supplementary duty and also lower the level of domestic protection by reducing the long list of items subject to supplementary duty (SD) and applying the SD rates equally on both domestic and imported goods and services. In the event, the new VAT law maintained the discriminatory nature of SD by applying it primarily on imports. As a result, instead of reducing the degree of protection offered through SDs, the level of protection further increased. Besides, the National Board of Revenue continues to make changes in the law to fine tune it and full fill the demands of the business community as the VAT wing of the NBR issued so many statutory regulatory orders, special orders, general orders, and directives amending the provisions of the law. It creates policy uncertainty for the businessmen to invest for long run-in specific industry.

First, the most important change is with respect to introduction of multiple VAT rates. Under the amendments in 2019 to the new VAT Act 2012, the government moves away from a uniform 15 percent VAT rate envisaged in the VAT and Supplementary Duty Act 2012 and instead introduced many VAT rates: 15 percent at the import stage; 10 percent at domestic manufacturing stage; 7.5 percent at wholesale stage; 5.0 percent at retail stage under the new system. One saving grace is that, domestic manufacturer, wholesalers and retailers may still opt for the original 15 percent VAT rate with full input tax credit, if they consider that advantageous from their business point of view. Many countries have multiple VAT rates but that generally ranges between 3 - 5 rates and are applied at different rates on different products and services taking into

⁵⁶ Customs Act 2018; Chapter 12 (Section 107) and SRO No. 214/AIN/ 2018/37/

account socio-economic and health-related issues. But Mansur (2019) simply states that Bangladesh is now an individual country in the world where different VAT rates will be applied to same products at different stages of processing or sales⁵⁷.

Secondly, reliance on advance collection of VAT in the form Advance Tax (AT) at the import stage has further increased burden under the new VAT law which need to be changed. As huge amount of capital of a businessmen stuck up in the VAT office as Advance Tax, which needs to be refunded and carry forward for long time. Moreover, the following section need to be revised to ease the process of business:

Table 14: Proposed Changed in Major section of the VAT & SD Act 2012

Proposed Law Provision	Existing Law Provision (If Any)	Which Problem it will Address	Options Explored	Probable Impact (Benefit, Cost)
(b) The commissioner shall refund the amount, on application in the form and manner prescribed, within 1 (one) month after the date of the application.	As per section 68 Carry forward and refund of negative net amount for a tax period (4) If part or all of the excess amount has been carried forward for 6 (six) tax periods without being credited – (b) in any other case, the commissioner shall refund the amount, on application in the form and manner prescribed, within 3 (three) months after the date of the application.	Duration of paying refund from 3 months to 1 month will reduce the cost of doing import for businessmen.		Reduce cost of doing business
An importer should to pay 1% Advance Tax on Capital Machineries in import	According 31 section of VAT & SD Act 2012, An importer has to pay 4% Advance Tax on Capital Machineries in import	For getting exemption from paying, Advance Tax on Capital Machineries, an individual has to pay VAT Registration Form 2.3 , Input		Reduce cost of doing business

⁵⁷ Mansur, A. H. (2020). Bangladesh: Impediments to Enhanced Revenue Mobilization and Equitable and Efficient Spending. CGD Policy Paper 167, Center for Global Development. <https://www.cgdev.org/publication/bangladesh-impediments-enhanced-revenue-mobilization-and-equitable-and-efficient>

Proposed Law Provision	Existing Law Provision (If Any)	Which Problem it will Address	Options Explored	Probable Impact (Benefit, Cost)
		Output Coefficient Form 4.3 and previous 12 months VAT return submission documents.		
Proper submission system should be developed for input-output coefficient (Form 4.3) submission through online.	Furthermore, the monthly online VAT Return is complicated and till now input-output coefficient (Form 4.3) cannot be submitted through online.	It will reduce the cost of export and import of businessmen		Reduce cost of doing business

4.3.3 Provision to be Changed in Export Policy 2021-24

The following Recommendations need to be changed and implemented to ease the process of business and trade in Bangladesh:

Existing Policy	Proposed Recommendations	Possible Impact
Provision 4.4.8.1: In the case of bonded warehouses, clearance for release and re-export will be provided by the customs authorities on the basis of the certification of the relevant lien bank in the case of the return of ready-made garments and other items after export due to defects or due to any other reason.	<ul style="list-style-type: none"> • Clearance for release and re-export will be provided by the customs authorities on the basis of the buyer's confirmation of letter. 	Expediting the release of goods upon arrival.
Provision 4.7: In the case of the export of all products, for which the quality control certificate is mandatory, the certificate issued by the appropriate authority (Bangladesh Standards and	<ul style="list-style-type: none"> • The time requirement for providing certificate should be specifically mentioned in the policy to strengthen the system for quality certification and verification 	Enhance impartiality, non-discrimination and transparency in

Existing Policy	Proposed Recommendations	Possible Impact
Testing Institution / Department of Fisheries / Department of Agricultural Extension / Bangladesh Council of Scientific and Industrial Research / Bangladesh Atomic Energy Commission/ Department of Livestock Services, others) should be submitted to the Customs authorities.	as per international standards.	case of export and import.

4.3.4 Provisions to be modified in Import policy order 2021-24

Bangladesh is going to graduate from its current LDCs status. Trade facilitation is a major issue to address as a developing country. This will necessitate a new shift in trade policy regime for enhancing productive capacity and competitiveness.

Table 15: Proposed Changed in Major Provisions of Import Policy Order 2021-24

Proposed Provision	Existing Provision (If Any)	Which Problem it will Address	Probable Impact (Benefit, Cost)
The rates and fees like surcharge for not renewing licenses and separate fees for indentors, VAT on the license in the policy etc. may not be predetermined in the IPO.	Chapter-2, clause (16): In case of import-related fees, primary registration for import, export and indenting license and its renewal and related fees will be announced by the government through gazette notification from time to time	The proposed measure can help reduce uncertainty for businesses.	In the case of fixed rates, whatever the amount or rates, businesses could get a decision regarding their business costs.
Define the HS code numbers clearly and consistently throughout the policy according World Customs Organization (WCO)	Chapter-1, clause (2-11): The HS code will mean the first schedule of the Customs Act and the number would be eight or more digits. HS codes for certain products, some are four digits, some are six, (in Annex-3 and 4). Similarly, a list of BSTI-approved BDS standards is attached as Annex-4 with different HS codes	Dispute of HS Code will be reduced. Difficulties may reduce in earmarking the exact products and cross-checking its standards.	It will remove misdeclaration problem and increase transparency.

Proposed Provision	Existing Provision (If Any)	Which Problem it will Address	Probable Impact (Benefit, Cost)
Removing the 5% value addition requirement for Entre-port could be recommended.	A definition of Entre-port in section 2 (1) imposed condition of value addition of minimum 5%.	Bangladesh is going to graduate from its current LDCs status. Trade facilitation is a major issue to address as a developing country. This will necessitate a new shift in trade policy regime for enhancing productive capacity and competitiveness. So, removing value addition requirement for Entre-port can improve entre-port business environment.	This will facilitate easier trade, improve release time and help achieve TFA criteria in Article 9 and 10.9
Section 5(4)(b)- could be removed. could have been avoided as it creates additional hassle for the importers.	Section 5(4)(b)- in the case of importation of untied goods in the private sector for aid, price quotation from at least 2 different countries and 3 suppliers or indenters should be obtained and goods should be imported at the most competitive price	The provision could have been avoided as it creates additional hassle for the importers.	It may ensure ease of import process, transparency and reduce formalities (addressing TFA article 10.1, 5)
For re-exported products, the requirement Made in Bangladesh could be removed	Section 13(8)- the words "Made in Bangladesh" and the date of expiration of the product, the details of the packing material shall be written or printed on the package or wrapper of the re-exported product	The provision can be removed as it is not a common global practice to change country of origin of re-exported products and for easing the re-export process.	It will ensure trade simplification and remove formalities following international standards.

Proposed Provision	Existing Provision (If Any)	Which Problem it will Address	Probable Impact (Benefit, Cost)
De Minimis limit can be increased and valued in USD.	De Minimis limit is only BDT 2000 in the country	If increased, it can give some relief to the non-RMG and non-traditional new exporters.	It may ensure expedited customs clearance, reduce formalities. (TFA article 7.8)
The IPO 2021-24 could have addressed the issue of the creation of Free Trade Agreement (FTAs) and Preferential Trade Agreement (PTAs). It could address the issue of standard of product, mutual recognition of the standard of different countries, issue related to intellectual property rights and others.	PTAs, FTAs or IPR issues are not well reflected in the IPO 2021-24	The IPO could address these issues as the country is already late to initiate these reforms to prepare for FTA and to face global competition after graduating from LDC.	It will prepare the country with seamless trading for sustainable graduation.
Name of getting permission/NOC/approval from a concerned government organization should be mentioned in the policy.	In the policy, in several places there is mention of getting permission/NOC/approval from a concerned government organization; in some cases, their names are mentioned, however, in most cases these are not mentioned.	New traders and foreign investors may face problems in this respect, so it needs to be clarified.	It will ensure transparency, information availability and clarity

4.3.5 Rules to be Changed in Bangladesh Land Port Authority Act

The Bangladesh Land Port Authority Act, 2001 (BLPA) does not make any clear provisions regarding the modality of engagement and modus operandi of a coordination mechanism between different ministries and agencies involved in cross border trade. A separate section in the Act is needed to clarify this position including given roles of the Bangladesh Land Port Authority in the overall trade promotion and management process of the country. Accordingly, given the fact that land port

management as part of the country's overall trade economic advancement now adopts a broad, comprehensive approach, composition of the Board should be expanded to ensure greater participation of other agencies involved in the process. Automation is also an essential to ensure speed and accuracy of port management activities. It is currently indispensable if one wants to keep pace with the world regarding Trade facilitation. To reform existing BLPA 2011, a study namely 'reviewing and reforming the Bangladesh Land Port Authority Act, 2001' (2022) conducted by BFTI and initiated by BRCP-1 is recommended to consider.

4.4 Acts, Rules and Policies to Simplify Automation and Paperless Trade

Modernisation of customs activities and integration of off-dock and on-dock activities have long been discussed but this has not improved as much as expected. Ensuring coordination among shipping agents, Automated System for Customs Data (ASYCUDA) and Chattogram Port Authority (CPA) in a bid to keep the port authority and custom officials operational 24-hours has been among some of the requests from the private sector response taken by BFTI survey team. Introduction of more on-line connectivity could pave the way for simplification.

At present, ASYCUDA could not be implemented properly because of lack of connectivity outside the docks. Port Authority and Chattogram Customs need to be connected in order to provide all kind of support services quickly for import and export procedures. A number of countries have opted for online connectivity and it has simplified the customs procedures for them but the processes for its implementation in Chittagong port are delayed because of internal link between ASYCUDA software and Chittagong port software.

Amendment of the IGM, which is important for import of goods, has not happened either. The document explains prices, amount and many other details. At the moment, importers and exporters need to go to the banks several times. This leads to waste of time and other resources for them. Hard copy of IGM and LC submission should be eliminated and all these procedures can be completed by the entrepreneurs themselves. It will help to reduce cost of doing business also. A committee in Bangladesh Bank was formed to take opinions in this regard. Chattogram Custom House (CCH) needs to properly explain that IGM and LC hardcopy submission system were eliminated. At the same time, custom authority can ensure that the e-payment will also have to become mandatory to reduce hassles for businesses.

Chapter 5: Institutional Weakness and Procedural Hindrance

5.1 Introduction

This section covers the information, opinions, and data obtained from the various study instruments used in the study on the key institutions engaged in trade facilitation. The exact or standard matrix for Strength, Opportunity, Weakness, and Threat (SWOT) is not presented here, but the same parameters are briefly highlighted for each of the institutions covered.

5.2 Major Institutions Related to Trade Facilitation

Trade facilitation efforts, such as simplifying required paperwork, modernizing procedures and harmonizing customs requirements, can slash the costs and time needed to export and import goods⁵⁸. The main objective of trade facilitations is making international trade (imports and exports) safer, faster, cheaper, and more predictable. Focusing on the simplification and harmonization of formalities, procedures, and the information and document exchange connected to them among the numerous supply chain participants trade facilitation aims to make international trade easier and speedier. The related information flows are just as crucial to the trade facilitation process as the actual movement of items in a supply chain. The institutional framework for implementation is very wide and loosely strung between various ministries and agencies thereof - a total of 39 of them who are directly involved in regulating, administering, and implementing the trade and trade related procedures. Private sector entities often play an important supporting role. For example, non-preference Certificate of Origin is issued by 7 chambers of commerce authorized by the Ministry of Commerce. Besides, there are testing laboratories in the private sector.

Additionally, it includes all governmental organizations that interfere with the movement of products as well as the many commercial organizations that operate⁵⁹. From the government sector following institutions are related to the trade facilitation in Bangladesh⁶⁰:

⁵⁸Trade facilitation — Cutting “red tape” at the border
https://www.wto.org/english/tratop_e/tradfa_e/tradfa_introduction_e.htm

⁵⁹ Trade Facilitation Implementation Guide- United Nations

⁶⁰ Trade and Transport Facilitation Audit Bangladesh Country Report- South Asia Watch on Trade, Economics and Environment (SAWTEE), 2017

Table 16: Major Institutions Related to Trade Facilitation

Ministry of Commerce <ul style="list-style-type: none">• Export Promotion Bureau (EPB)• Foreign Trade Agreement (FTA) Wing• World Trade Organization (WTO) wing• Imports and Internal Trade (IIT) Wing• Office of the Chief Controller of Imports and Exports (CCI&E)• Office of the Register of Joint Stock Companies (RJSC) and Firms• Bangladesh Trade and Tariff Commission (BTTC)
Ministry of Finance <ul style="list-style-type: none">• National Board of Revenue (NBR)
Ministry of Industry <ul style="list-style-type: none">• Bangladesh Standards and Testing Institution (BSTI)
Ministry of Shipping <ul style="list-style-type: none">• Bangladesh Land Port Authority (BLPA)• Chittagong Port Authority (CPA)• Mongla Port Authority• Bangladesh Inland Water Transport Authority (BIWTA)
Road Transport and Highways Division <ul style="list-style-type: none">• Bangladesh Railway (BR)• Bangladesh Road Transport Authority (BRTA)
Department of Agricultural Extension <ul style="list-style-type: none">• Plant Quarantine Wing
Ministry of Livestock and Fisheries <ul style="list-style-type: none">• Department of Fisheries• Department of Livestock Services (DLS)
Bangladesh Atomic Energy Commission
Bangladesh Investment Development Authority (BIDA)

Source: South Asia Watch on Trade, Economics and Environment

From government to operational level service-related cross border management organizations in ports, major trade facilitation related institutes can be classified into the two clusters as service providers (supply side) and service receivers (demand sides). These clusters are represented in the table below:

Table 17: Major Institutions Related to Trade Facilitation and in Ports

Service providers (Supply side)	Service receivers (Demand side)
<ol style="list-style-type: none"> 1. Export Promotion Bureau (EPB) 2. Foreign Trade Agreement (FTA) Wing 3. World Trade Organization (WTO) wing 4. Imports and Internal Trade (IIT) Wing 5. Office of the Chief Controller of Imports and Exports (CCI&E) 6. Bangladesh Trade and Tariff Commission (BTTC) 7. National Board of Revenue (NBR)-Customs 8. Bangladesh Railway (BR) 9. Bangladesh Road Transport Authority (BRTA) 10. Bangladesh Land Port Authority (BLPA) 11. Chittagong Port Authority 12. Mongla Port Authority 13. Payra Port Authority 14. Port Operator 15. Certification and Quality Control Authorities (BSTI, Plant Quarantine and Bangladesh Atomic Energy Commission) 16. Bank 17. Immigration 18. Border Guard Bangladesh (BGB) 19. Department of Agricultural Extension 20. Department of Fisheries 21. Department of Livestock Services (DLS) 	<ol style="list-style-type: none"> 1. Exporters 2. Importers 3. Transport and Logistics Company 4. C&F Agents

Source: BFTI Analysis

Service provider organizations or institutions related to Trade Facilitation and Cross-Border management in Bangladesh are:

Export Promotion Bureau (EPB)

Export Promotion Bureau (EPB), Bangladesh under the Ministry of Commerce is a government agency of the country, entrusted with the responsibilities of promoting export of the country. For export growth EPB carries out a wide range of activities like coordinating export development efforts at different sectors and production levels, formulating and adopting of policy and program for active promotion of exports, Coordinating, monitoring and evaluating national export performance and analyzing export trends. EPB also issues GSP, SAFTA, APTA related CO certificates. In land port trade, EPB is actively engaged in export promotion and facilitating trade across ports for instance some new business owners from Chapai Nawabganj and Bogra have

begun exporting their goods as a result of promotional actions done by the Export Promotion Bureau, Rajshahi. These exporters are presently exporting Readymade garments, Jute and jute goods, Nylon, Water pump, Impeller, Pump shaft, round coupling flinch, Grand flinch, Bearing guard etc. under SAFTA scheme to India. The existing issue with shipping these goods to India via Benapole and Sonamaszid land port has been resolved. Also, to address the current issues with rubber export from Bangladesh to India, the Export Promotion Bureau engaged with the Bangladesh Forest Development Corporation, Bangladesh Rubber Board, Chittagong Hill Tracts, and Rubber Garden Owners Association. In order to remove obstacles to the export of rubber from Bangladesh to India, EPB informed the Ministry of Commerce and the National Board of Revenue to permit Petrapole Land Port as well as Nava Sheva and Chennai ports in India. It also requested that the H. S. Code of Rubber be harmonized⁶¹.

FTA Wing Ministry of Commerce

One of the crucial departments under the Ministry of Commerce is the Foreign Trade Agreement (FTA) Wing. It is in charge of regional, multilateral, bilateral, and free trade agreements with other nations. Protecting national interests and ensuring increased market access for Bangladeshi exports to other nations are the main goals of this wing. Bangladesh has already been associated with some Regional Trade Agreements and Bilateral Trade Agreements with different countries for enhancing its trade. Some of its key trade agreements that includes landlocked countries are South Asian Free Trade Area (SAFTA and Bay of Bengal Initiatives for Multi Sectoral Technical and Economic Cooperation (BIMSTEC). With suitable policies and efforts, role of FTA wing is crucial in regional trade development and facilitation with border countries like Nepal, Bhutan, and India under different trade agreements.

India-Bangladesh Joint Working Group (JWG) on Trade is facilitated by the wing. There are some agenda which are leaded by India and some are by Bangladesh. In its 14th meeting held on 2-3 March 202 at New Delhi. The 15th meting might be held in Bangladesh in 2023. The agenda are mostly related to ports, Statutory Regulatory Order (SRO) for LCs, trade process simplification, documentation, restrictions, banking issues, study, transportation, etc. It is mainly dealing with very specific issues. The JWG meeting is held annually between the countries.

World Trade Organization (WTO) Wing

The WTO wing, established under the Ministry of Commerce, conducts activities under the World Trade Organization (WTO) by maintaining regular contact with the Bangladesh Mission in Geneva on all matters related to the WTO. Among these

⁶¹ EPB Annual Report (2020-21)

activities, assisting in the enforcement of WTO rules in the field of international trade, working to increase overall capacity in WTO related matters, working to achieve more market benefits including preserving the country's interests in the international trade system, participating in negotiations by determining the country's position on various issues. , regular exchange of views on various issues with stakeholders, completion of studies, surveys, surveys or needs assessments on various issues of international trade. Also, this wing is involved in activities related to increasing market access (especially tariff-free and quota-free) for goods and services under the WTO, acting as a “National Inquiry Point” to provide information on Sanitary Phyto-Sanitary (SPS) Measures and Rules-Regulations of Bangladesh as per the requirements of other countries, performing functions related to trade facilitation, protecting the interests of domestic industries under WTO rules and so on.

Imports and Internal Trade (IIT) Wing

IIT wing is involved in functions related to formulation, amendment and implementation of import policy orders. This wing is also responsible for carrying out following activities:

- Regular reviewing and revising of list of prohibited and import restricted products.
- Performing functions relating to import contracts;
- Regulating procedures relating to determining the manner of importation of goods under the Special Trade Agreement (STA).
- Liaising with National Board of Revenue on imposition, remission and reduction/increase of import duty
- Clearance of goods under baggage rules.
- Engaging in Tariff Policy and Tariff Valuation and operational functions of Tariff Commission.
- Providing permission to import goods by diplomatic/foreign beneficiaries or individuals/missions, various institutions and so on.

Bangladesh Trade and Tariff Commission (BTTC)

BTTC's main duty is to formulate recommendations for policies that will protect domestic industries, foster a healthy environment for industrial production, make the best use of industrial resources, encourage exports of domestic products, take action to stop unfair trade practices like dumping when importing and selling foreign goods, and expand domestic industries' access to international, regional, and national markets. Any issue the government refers to must be investigated by the Commission. When carrying out its duties, the Commission must take four crucial factors into account: the market economy, the economic environment, bilateral and international trade agreements, and public opinion.

BTTC carries out studies and formulates policies for rationalization of tariff, liberalization of import regime and development of an incentive structure for strengthening the domestic production and export base. A list of prohibited items and a list of restricted items are both included in the government's import policy (that can be imported only on under certain specified conditions). The Commission keeps an eye on the output of industrial units that are protected by such prohibitions and restrictions. If the items' quality declines, their prices are not kept at a reasonable level, or if production levels falter and underutilize available capacity, the Commission may recommend to the Ministry of Commerce that the prohibition be lifted. The Commission keeps an eye on the costs of the prohibited or restricted goods. BTTC can influence the trade aspects like import, export, restricted items in the land port trade⁶².

Office of the Chief Controller of Imports and Exports (CCI&E)

CCI&E mainly provides direct assistance to the Ministry of Commerce in the formulation and publication of import policy orders and its implementation. Also, some of the key functionalities of this department are:

- Issuance of Indenting Certificate in favor of importers, exporters and indentors (Registration) Orders, 1981, suspension / revocation of Registration Certificate for non-regulatory work;
- Supervision of registration and renewal fee collection and collection and storage of related statistics;
- Work related to preparation of Parliamentary Q&A on import and export
- Work related to import permit/export permit/clearance permit/import permit/export work import permit on return basis;
- Work related to issuance of permits for international and regional fairs;
- Work of Committee on Import Trade Control Schedule (ITC);
- Analysis of import and export information and notification accordingly;
- Resolve issues arising from importers with customs authorities on other issues including disputes over HS code numbers, product classification or details;
- Provide any complex explanation that arises regarding the provisions of the import policy order and so on.

Bangladesh Railway (BR)

The government-owned rail transportation company in Bangladesh is titled Bangladesh Railway. The Directorate General of Bangladesh Railway is in charge of managing, operating, and maintaining all of the nation's railroads. Bangladesh Railway has a total of 2955.53 km of routes. As railways are an important land transport system for connecting one end of the country to another, the overall

⁶² Bangladesh Trade and Tariff Commission, viewed at- <http://www.btc.gov.bd/site/page/2832fd79-43d1-487c-ad53-e86dcb620665/->

development of railways plays an important role in the economic development of the country. Stakeholders expressed that the railway can be crucial for the transport of goods through borders and within the country. Railway connections with the landlocked countries can help develop efficient transport and logistics management. For instance, traders hope that by the proper development and utilization of Benapole-Petrapole railway not only will there be a manifold increase in import trade, but also new opportunities for the export of domestic products to India will be created.

Bangladesh Road Transport Authority (BRTA)

Bangladesh Road Transport Authority (BRTA) is a statutory government body under the Department of Road Transport and Highways. Notable activities of BRTA include issuance and renewal of driving license of motorists, issuance and renewal of instructor licence, driving school registration, issuance of motor vehicle registration, issuance and renewal of Trax Token, issue and renewal of ridesharing enlistment certificate, transfer of ownership of motor vehicle, issuance of fitness certificate and Renewal, Renewal of Route Permit Certificate issue, issuance of Government Motor Vehicle Repair Inspection Report, Accident Vehicle Inspection etc., which are directly related to road safety. BRTA's rules & regulations impact land port transport management and logistics service providers as well as all traders.

Bangladesh Land Port Authority

BLPA was established as a statutory regulatory agency in 2001 under the BLPA Act. The goal of BLPA is to make land-based export-import activities faster and easier while also ensuring their safety, efficiency, and sustainability. Its goals include improving storage facilities, developing and modernizing infrastructure, and ensuring effective freight handling. BLPA's also aims to meet the trade facilitation agenda through ease of doing business in the land ports. For instance, new administrative buildings are now being built by BLPA in different land ports for implementing one-stop services by converging different offices of different agencies within one building for facilitating land port trade. BLPA is working for improving interborder cooperation for trade facilitation for instance, agreements with Indian authorities for establishing common gate and port space expansion initiatives are taken by BLPA to facilitate trade via land ports. The authority is also putting efforts on improving interagency coordination as it is now increasing interconnection with other agencies like customs, BSTI, Plant quarantine etc. In the southern region of country, the land ports like Bhomra land port is likely to face higher traffic due to the impact of the Padma bridge and land ports need to be prepared to handle the growing capacity effectively. Masterplan has been made by BLPA along with the BRCP-1 project for converging computers, logistics and servers at every land port for implementing automated services.

BLPA's general operations are governed and overseen by a Board. Additionally, an advisory committee headed by the state or federal minister of shipping gives the land ports the required guidance for their growth and overall development. According to the Act, the BLPA's primary duties are:

- Drafting regulations for the establishment, administration, growth, operation, and maintenance of all land ports
- Appointing operators to receive, maintain, and send cargoes at a land port
- Creating a schedule of tariffs, tolls, rates, and fees applicable to port users with the government's previous consent;
- Signing contracts with anybody to achieve the Act's goals;
- Build, maintain and repair roads near to borders to facilitate the transit of commodities, and provide the yards and shade needed for the temporary storage of cargo and loaded trucks, etc.

The designation of 12 land ports marked the beginning of BLPA's operations. 12 additional land customs stations have since been designated as land ports. BLPA is working to develop infrastructural facilities of the land ports. BLPA aims to establish efficient, safe and environment friendly world class land port. BLPA is also engaged in promoting export-import trade through the use of modern technology in cargo handling, storage and infrastructural development of land ports. For instance, automation System is being implemented at the land ports in phases with a view to building Digital Bangladesh and has been executed at Benapole Land Port. Additionally, Burimari Land Port is now implementing the e-port management system as part of e-service initiative. For other land ports, the initiative to implement automation has also been accepted.

Customs

One of the three tax collection wing that report to the National Board of Revenue is Customs. The VAT and Income Tax are the other two wings. Planning, formulation, implementation, and revaluation of policies on customs-related issues are all tasks that fall under the purview of the Customs wing. Its main functions are-

- Collection of duties and taxes at the import stage
- Protection of domestic industry
- Trade liberalization
- Facilitation of trade
- Prevention of smuggling
- Interdiction of prohibited goods narcotics and objects detrimental to national security prevention of money laundering.

Offices under the Customs wing carry out the NBR's policy recommendations, collect customs and taxes from importers, implement pertinent laws and regulations, and ensure trade facilitation⁶³. There are several operational land Customs stations as well as six Custom Houses (Chittagong, Dhaka, Mongla, ICD Kamalapur, Benapole, and Pangaon). There are also two Customs Bond Commissionerates (Dhaka and Chittagong), one Customs Intelligence and Investigation Directorate, one Customs Valuation and Internal Audit Commissionerate, and one Customs Valuation and Investigation Directorate. Although there are 57 land custom stations, so far selected 24 operational Land Customs Stations have been declared as Land Ports. In land ports, customs duties, VAT, supplemental duties, and other taxes and fees imposed on imported or exported products are primarily assessed and collected by the customs authorities. Smuggling prevention, Imports and Exports (Control) Act implementation, and Foreign Exchange Regulation enforcement are some of its ancillary duties. The customs authority also upholds the security measures mandated by several regulations as part of its other responsibilities. Customs also responsible for activities like inspecting consignments documents and assigning duty, ASYCUDA recording, advance ruling services and release orders issuance.

Certification and Quality Control Authority

For importing or exporting goods, different certificates are required from respective authorities. VAT certificate, country of origin certificate, phytosanitary certificate, No Objection Certificate, customs transit declaration, Quarantine certificate, import permit, IRC, ERC, ISO certificates are collected from various authorities and certification boards like BSTI, Plant Quarantine, Banks, Customs, Office of the chief controller of Imports and Exports, Export Promotion Bureau, chambers of commerce and so on.

However, the designated quality-control authority of Bangladesh is Bangladesh Standards and Testing Institution (BSTI). **BSTI** is engaged in testing of products, standardization of goods and services, adoption of national standards, implementation of the international system of weights and measures, promotion of quality assurance initiatives and provision of testing facilities for goods and services. The institution playing an important role in developing and promoting industrial standardization all over the country and preparing the country in meeting the international standards properly.

Plant Quarantine is another important authority associated with foreign trade as it regulates the import of plants or plant products, beneficial organisms and packing materials for preventing the introduction of quarantine pests into Bangladesh from other countries. As a WTO signatory, Bangladesh is required to abide by the WTO-

⁶³ Custom Wing- NBR

SPS (Sanitary and Phytosanitary Measures) Agreement in order to conduct activities involving the import and export of plants and plant products. When it comes to protecting Bangladeshi agriculture, plant quarantine is active in the ports to assure the prevention of quarantine pest introduction with the importation of plants and plants' products, beneficial organisms, and packing materials. Additionally, it serves as a regulatory body to promote and maintain the export of plants, plant products, beneficial organisms, and packaging materials in accordance with international agreements and the phytosanitary criteria of the importing country. Under the direction of this Plant quarantine wing of Department of Agricultural Extension (DAE), the introduction of the e-phytosanitary certification system and modernization of the quarantine laboratories at plant quarantine stations are being carried out in order to bring Bangladesh's plant quarantine activities up to international standards.

Another noteworthy testing agency is **Atomic Energy Commission**. Bangladesh Atomic Energy Commission (BAEC) was established in 1973 as a multidisciplinary R&D organization with the view of promoting peaceful uses of nuclear energy in Bangladesh. From the very beginning of its formation, BAEC started R&D works in areas covering physical science, bioscience, engineering and nuclear medicine for human welfare and economic uplift of the country. Bangladesh Atomic Energy Commission (BAEC) provide Radiation Certificate for permitting import of radioactive material and Nuclear Reactors & its parts entering through ports.

Port Operators

A port operator is an organization or port authority that has a contract with the port authority to move cargo through a port at a predetermined minimum rate of productivity. They could be privately or state-owned-run, especially for port authorities. Operator's work involves reducing the amount of time a transport spends in port, and overseeing the transportation of cargo containers between, lorries, and freight trains as well as streamlining the flow of commodities through customs. Gantry cranes, berths, canals, roads, storage facilities, communication equipment, computer systems, and dockworkers' union contracts all are managed and upgraded by operator to maintain efficiency. In addition, the port operator oversees leasing, safety, and security. Five of the declared land ports – Benapole, Bhomra, Burimari, Akhaura, and Nakugaon – are operated by the BLPA under its own management. Sonamosjid, Hili, Teknaf, Bibirbazar, and Banglabandha Land Ports, on the other hand, are run on a BOT (Build, Operate, and Transfer) basis by Private Port Operators. Additionally, a Private Port Operator has been chosen to design and run the Birol Land Port. Panama Sonamasjid, Hili Port Link Ltd, United Land Port Teknaf Ltd Banglabandha Land Port Limited are some of the private operators who are currently running the respective land ports.

Bank

Banks facilitate cross border trade by providing financing and guarantees to importers and exporters. They can offer additional assistance in setting up outside financial institutions to repatriate early payments, including agreements to pay for exports under open account. LC documentation facilities, NOC (No Objection Certificate) type documents are provided by banks and most transactions of land port trades are carried out through banks. Distance and availability of sufficient commercial banks can make cross border trade challenging, for instance the nearest bank of Burimari landport is about 2 km faraway which hinders its trade convenience.

Immigration

A salient feature of land ports is immigration offices that facilitates cross border movement of people. Besides transit visa and VOA facilities, immigrations check posts also sustain integrity of port security by preventing trespassing. Between Benapole and Petrapole, there is a border checkpoint on the land route. 10,000 passengers pass via this path on average, and under customs inspection, a number of reformations are brought in. With a proper job schedule immigration system is currently broker-less after 47 years of liberation. Once a location of numerous troubles, land port immigration centres are now a place to breathe with trust and rest while entering and leaving India while passenger harassment was a common occurrence here. Beside Benapole, Akhaura, Banglabandha, Burimari, Shonamashjid, Bhomra ports now have immigration office facilities.

Border Guard Bangladesh (BGB)

Border Guard Bangladesh (BGB) is a renowned, exemplary, and heroic paramilitary force. Known professionally as the "ever vigilant sentinels of the border," BGB is in charge of securing the Bangladeshi border, conducting anti-smuggling and anti-narcotics operations, stopping the trafficking of women and children, stopping various transnational crimes, and maintaining internal security. The force's tasks and responsibilities have grown significantly now, and operating tactics now take into account multiple factors. BGB is governed by the Ministry of Home Affairs the force has special jurisdiction in National border patrol, security, and integrity. Since land ports are tied with the borders, additionally, this group is in charge of preventing smuggling and other border crimes. BGB also checks goods and consignments that enter or exit the country through the borders and hence has a role in the trade operation of the land ports.

Transport and Logistics Company

A crucial part of foreign or cross border trade is transport and logistics. Companies of these sectors ensures flow of goods and supply chain efficiency for enhancing trade

performance in terms of costs, time and quality. Lack of harmonization of transportation and storage facilities and their unavailability can be impediment to smooth country transit. The most crucial issues associated with road transport surround trade facilitation issues and border crossing efficiency⁶⁴. A lot of freight forwarding and logistic companies work in land ports but their service performances are often subjected to infrastructural capacities of ports.

C&F Agents

Clearing and forwarding (C&F) agencies are professionals at facilitating the clearance of products through customs procedures, working with the carrier, and managing all shipping and delivery-related tasks. Services provided by C&F agents are:

- Transportation of goods to docks and arrangement of warehousing at port.
- Providing Warehousing facilities before the goods are transported to ports. Arrangement for loading of goods on board.
- Preparation and processing of shipping documents, Bills of Lading, port Receipt, Export Declarations, Consular Invoice, Certificate of Origin, etc.
- Forwarding of banking collection papers.

A lot of C&F agents work in land ports of Bangladesh and their role is considerable in smooth trade processes and cross border trade facilitation.

Exporter and Importer

Exporters and importers are the service receivers of the land ports and the trade facilitation initiatives are taken to help make trade across borders (imports and exports) faster, and cheaper and more predictable, whilst ensuring its safety and security. Usually, exporters and importers use the services of C&F agents. Simplifying and harmonizing formalities, procedures, and the related exchange of information and documents between the various partners in the supply chain can help importer-exporters or traders to maintain and enhance their trading activities seamlessly. However, knowledge gap in trade procedures and customs formalities often hinder trade facilitation measures. Implementing trade facilitation reforms entails a number of direct benefits for a country's human and institutional development through associated investments in capacity-building and public sector reforms⁶⁵.

Land ports are good means of regional connectivity and trade growth as the trade between Bangladesh, Bhutan, India, and Nepal grew six times from 2015 to 2019, the unexploited potential for regional trade is estimated at 93 percent for Bangladesh⁶⁶.

⁶⁴ Role of Transportation and Logistics on International Trade- USAID

⁶⁵ Trade facilitation and development- Driving trade competitiveness, border agency effectiveness and strengthened governance- UNCTAD, 2016

⁶⁶ Regional Trade and Connectivity in South Asia Gets More Than \$1 Billion Boost from World Bank- The World Bank

However, BLPA's vision include facilitating export-import through land routes through infrastructure development, efficient cargo handling, improvement of storage facilities, fostering public-private partnership for effective and better service delivery. Trade facilitation objectives in land ports can be achieved successfully only when issues of importers and exporters are addressed and resolved in relevant ports.

Civil Aviation Authority of Bangladesh (CAAB):

CAAB, as the Designated Authority of the Government of Bangladesh, formulates and monitors the necessary national standards, regulations in accordance with the International Civil Aviation Organization (ICAO) Conventions and Annexes on behalf of the Government of Bangladesh. In addition, CAAB also provides all other air navigation services related to aviation including construction and management of airports and air traffic control services. Bangladesh Civil Aviation Authority is a high technology technical service organization under the transport sector. This authority is responsible for ensuring the safety and security of all aircrafts flying and landing in the airspace and airports of Bangladesh. In order to carry out the said duties and responsibilities, the Authority manages, maintains and develops existing airports, aviation facilities, and ATM centres, installs radio navigation aids, Communications, navigation and surveillance (CNS) equipments and constructs new airports and ATM centres⁶⁷. For facilitating trade, a 3rd terminal is being built at the Dhaka airport. Also, two additional terminals for import and export are being developed for facilitating airway trading. Additionally, 3 warehouses with space of 1 lakh sq feet are being developed for handling air cargo. Civil aviation only handles the scanning part of the export cargo. The scanning facility is sufficient and working properly.

Bangladesh Investment Development Authority (BIDA)

Bangladesh Investment Development Authority (BIDA) has been coordinating targeted reforms for the World Bank's Ease of Doing Business with technical assistance from the International Finance Corporation (IFC). Currently at the 168th position, Bangladesh has been unwavering in its goal to achieve double-digit ranking for the economy. Working with BIDA, government agencies have implemented a series of systematic reforms⁶⁸. The Bangladesh Investment Development Authority (BIDA) Act 2016, created on September 1, 2016, mandated BIDA to provide diversified promotional and facilitating services with a view to accelerating the industrial development of the country. BIDA's functions can be broadly categorized as investment promotion, investment facilitation and policy advocacy.

- Pre-investment counseling services
- Registration and approval of private industrial projects

⁶⁷ Civil Aviation Authority of Bangladesh, Annual report- 2021-22

⁶⁸ Bangladesh Investment Development Authority (BIDA), retrieved from <https://bida.gov.bd/doing-business>

- Approval of branch/liaison/representative offices
- Visa recommendations, work permits for foreign nationals
- Approval of royalty remittances, technical know-how, technical assistance fees
- Facilitation of import of capital machinery and raw materials
- Approvals of foreign loans and supplier credits
- Aftercare facilities

Certification Given by Livestock Department:

Department of Livestock provided a number of certificate related SPS and TBT issues such as Issuance of license for import, storage and marketing of fodder Issuance of No Objection Certificate of Import/Export of Animal feed materials, vaccines; Issuance of No Objection Certificate for Import of Cow, Buffalo, Goat, Sheep, Camel, Dumba, Rabbit, Embryo, Frozen Semen; Issuance of No Objection Certificate for export of Cow, Buffalo, Goat, Sheep, Camel, Dumba, Rabbit, Embryo, Frozen Semen; Issuance of no-objection certificate for import of chicks (including turkeys); Issuance of veterinary health certificate sanitary certificate in case of import and export of animals and animal products and Issuance of no-objection certificate for import and export of domestic animals Chemical Analysis of Animal Feeds. The process certification and time required for the service are described.

Chambers & Associations

These trade bodies provide direct and indirect support to the traders and manufacturers, and policy support to the government.

- Bangladesh Garments Manufacturers & Exporters Association (BGMEA)
- Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA)
- Bangladesh Textile Mills Association (BTMA)
- Federation of Bangladesh Chambers of Commerce and Industry (FBCCI)
- International Chamber of Commerce Bangladesh (ICCB)
- Metropolitan Chamber of Commerce and Industry (MCCI)
- Chittagong Chamber of Commerce & Industry (CCCI)
- Bangladesh Chamber of Industries (BCIC)
- Dhaka Chamber of Commerce & Industry (DCCI)
- Bangladesh Association of Pharmaceutical Industries (BAPI)
- Leather goods & Footwear Manufacturers & Exporters Association of Bangladesh (LFMEAB)
- Bangladesh Plastic Goods Manufacturers & Exporters Association (BPGMEA)
- Bangladesh Association of Software and Information Services (BASIS)
- Bangladesh Women Chamber of Commerce and Industry (BWCCI)
- e-Commerce Association of Bangladesh (e-CAB)

Research Organizations

Provides policy and research support in making strategic decisions related to trade, employment, and growth.

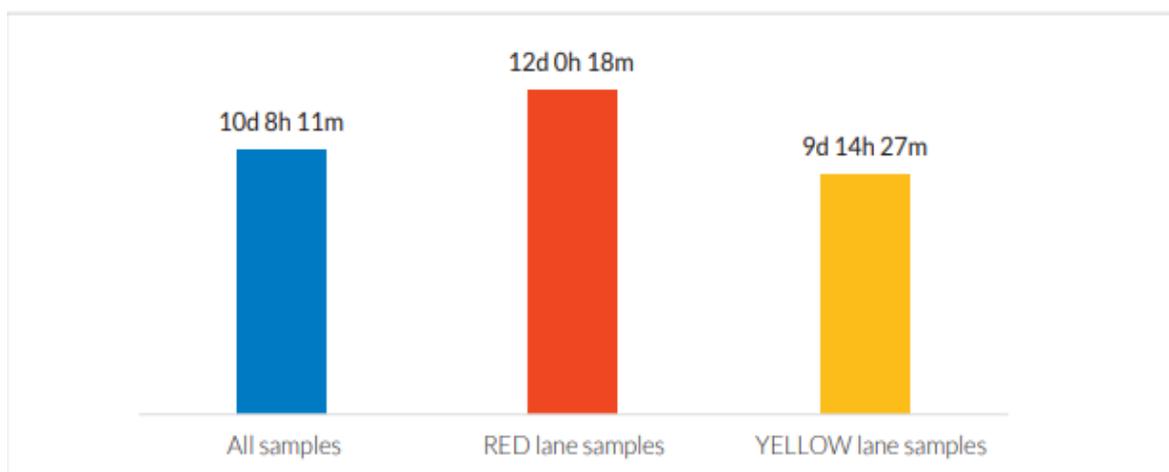
- Bangladesh Institute of Development Studies (BIDS)
- South Asian Network on Economic Modeling (SANEM)
- Policy Research Institute of Bangladesh (PRI)
- Centre for Policy Dialogue (CPD)

Benapole Land Port and findings from Time Release Study (TRS) 2022:

Comprehensive 'Time Release Study-2022' reveals that, Benapole port is the largest land port and Custom House, Benapole (BCH) is the 2nd largest Customs station (in terms of total import volume and revenue collection) in Bangladesh. The port manages 300-350 trucks per day but as per the capacity of Petrapole, the port could process 750 trucks per day provided necessary infrastructure and automation was there. Over the past decade or so, the number of trucks handled by Benapole land port clocked a steep increase – from about 87,000 in fiscal year (FY) 2013 to more than 1,08,000 in FY21. Besides cargo-loaded trucks, the port also manages about 8,000 passengers per day.

For the surveyed samples, the average time required to complete the import clearance process starting from arrival of the truck at the Benapole port to the final release of the goods is 10 days 8 hours 11 minutes (maximum time 35 days 8 hours 26 minutes, minimum time 1 hour 39 minutes). The average release time (ART) for the consignments going through RED and YELLOW lane is 12 days 0 hour 18 minutes and 9 days 14 hours 27 minutes, respectively.

Figure 9: Average Release Time (in days-minutes)-Benapole



Source: TRS 2022 Survey

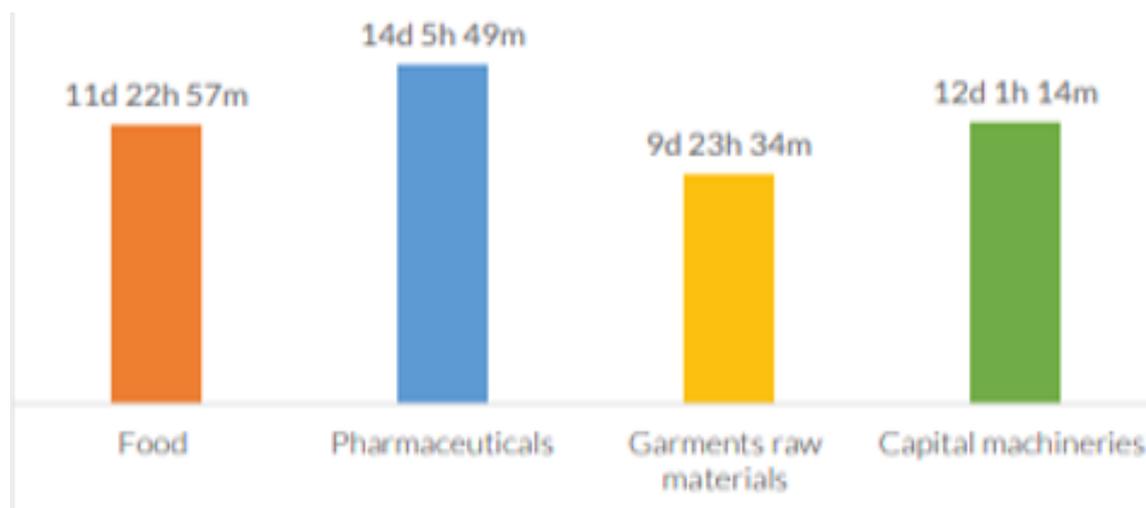
In case of commodity wise average release time in Benapole port, the food consignments are the fastest among all the four types of consignments with an average release time of 5 days 1 hour 33 minutes. In contrast, the corresponding time for capital machineries is 12 days 1 hour 53 minutes, the longest release time among the surveyed commodities. The average release time for pharmaceuticals and garments raw materials are 9 days 16 hours 51 minutes and 10 days 3 hours 34 minutes, respectively.

Chattogram Seaport and findings from Time Release Study (TRS) 2022:

Comprehensive ‘Time Release Study-2022’ reveals that, the Chattogram port is the largest seaport in Bangladesh and processes nearly 90% of total import cargos and 85% of total export cargos of the country. The Chattogram Port Authority (CPA) manages the port. The port is fully automated with the Computerised Container Terminal Management System (CTMS), which has been upgraded to a Terminal Operating System (TOS). During FY13-FY22, the number of containers handled by the Chattogram Seaport more than doubled. In 2021, container handling was 3.25 million TEUs (twenty-foot equivalent units), a growth of 13.19%, and handled general cargo of around 116 million tonnes.

At Chattogram, total 602 bill of entries (B/Es) are taken as samples. For the surveyed samples, the average time required to complete the import clearance process (from the arrival of ship to final release of the goods) is 11 days 6 hours 23 minutes (maximum time 49 days 5 hours 30 minutes, minimum time 1 day 5 hours 46 minutes).

Figure 10: Commodity Wise Average Release Time (in days-hours-minutes) - Chattogram



Source: TRS 2022 Survey

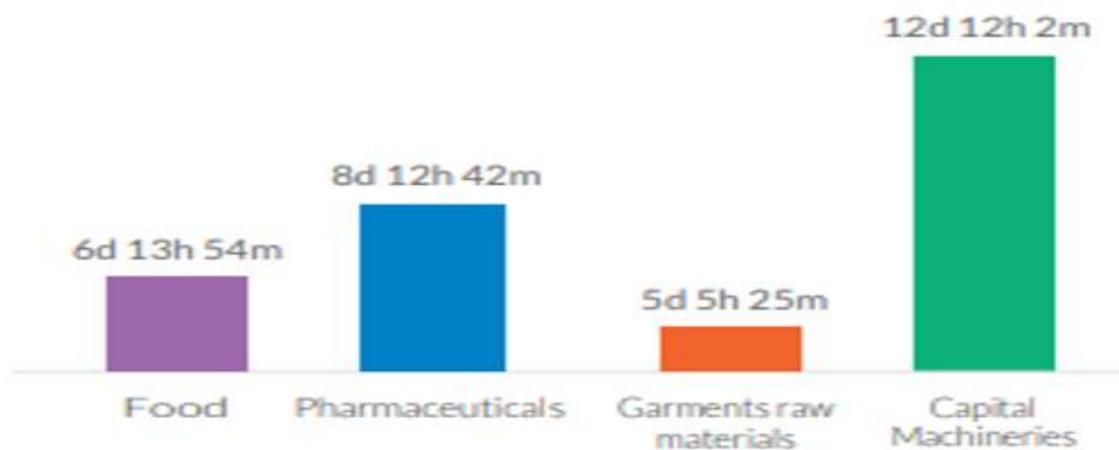
Amongst the surveyed commodities, the average release time is lowest for garments raw materials (9 days 23 hours 34 minutes) and highest for pharmaceuticals (14 days

5 hours 49 minutes). For food and capital machineries, the required time is 11 days 22 hours 57 minutes and 12 days 1 hour 14 minutes, respectively.

Dhaka Airport and findings from Time Release Study (TRS) 2022:

Comprehensive ‘Time Release Study-2022’ reveals that, Dhaka Airport, officially known as Hazrat Shahjalal International Airport (HSIA), is the largest international airport in Bangladesh. The Civil Aviation Authority of Bangladesh (CAAB) operates and maintains the airport. At Dhaka, total 359 B/Es are taken as samples for the study across four types of commodities - food, pharmaceuticals, garments raw materials and capital machineries.

Figure 11: Commodity Wise Average Release Time (in days-hours-minutes) - Dhaka



Source: TRS 2022 Survey

In case of commodity wise average release time, the consignments of garments raw materials consume the least amount of time (5 days 5 hours 25 minutes) across all four types of commodities, whereas the consignments of capital machineries take the longest time (12 days 12 hours 2 minutes) to get released from the airport. On average, food consignments take 6 days 13 hours 54 minutes. RED lane food consignments take the highest release - 18 days 23 hours 13 minutes. It is due to the testing requirement by OGAs. For pharmaceutical consignments, the average release time is 8 days 12 hours 42 minutes though no B/E was subject to RED lane treatment.

5.3 Major Weaknesses of the Institutions

Inadequate manpower, lack of skills or training are the common weaknesses mentioned by the stakeholders about almost all of the institutions, weak governance and lack of transparency are perceived as major threats. However, recent initiatives in developing physical infrastructure, and drive for automation at most of these

organizations are appreciated as major strengths, while development of Standard Operating Procedures (SOPs) are considered as major opportunities.

The opinions, feedback, and experience shared by the stakeholders at various consultation sessions have been captured in the section below for identifying the prevailing institutional weaknesses:

Table 18: Major Weaknesses to Related Institutions

Institutions	Major Weakness
Export Promotion Bureau (EPB)	<ul style="list-style-type: none"> • EPB is following both manual and online delivery as well as payment methods for providing certificates. As per FTA commitments, electronic payment method should be introduced in all forms of payment; • Regional registration and certification facilities by the EPB need to be introduced; • Lack of automation and documentation in number of the export processes; • Fewer initiatives to diversify export destinations (market diversification).
Plant Quarantine Wing	<ul style="list-style-type: none"> • Lack of adequate manpower; • Insufficient lab equipment and a labor scarcity for lab testing procedure in plant Quarantine Station Plant Quarantine Wing does not have adequate control measure system for the introduction of exotic pests, diseases and weeds in terms of laboratory facilities, technical support, and logistic support at the plant quarantine station at the land port. • Quarantine service centers lack efficient and expert personnel. • Inadequate logistic and technical staff support especially in Bhomra, Akhaura and other land port create extra barrier to facilitate export;
BGB	<ul style="list-style-type: none"> • BGB cargo and passenger checking takes long time.
CCI&E	<ul style="list-style-type: none"> • Lack of manpower.
Bank	Lack of coordination between central bank (Bangladesh Bank) and private Bank.
Immigration	<ul style="list-style-type: none"> • Inadequate support service in the immigration; • Insufficient infrastructure facility for the passengers.
Customs brokers (C&F Agents)	<ul style="list-style-type: none"> • Lack of understanding on HS code system for specific products. • Lack awareness of Maximum Residue Levels (MRL) and pests or other quarantine issues.

Institutions	Major Weakness
Civil Aviation Authority of Bangladesh	<ul style="list-style-type: none"> • Inadequate shedding facilities at Hazrat Shahjalal International Airport, Dhaka, • Lack of proper infrastructure development and handling support.
Bangladesh Customs	<ul style="list-style-type: none"> • ASYCUDA world software sometimes does not get connected due to poor internet connection; • Custom House of Chittagong (CHC) lacks enough manpower as per the following 2011's organogram. Since the number of bills of entry is three times more than that of in 2011 now, it's working with one-sixth of the required manpower; • Delays in obtaining decisions from customs and lack of clarity and transparency in customs decisions; • Customs generally collects more documents than they required; • Lack of interlink between port and customs authority software. • Information and letters received from the NBR are often hard to understand by businesses.
Bangladesh Investment Development Authority (BIDA)	<ul style="list-style-type: none"> • Lack of simplification procedure for providing the certificates to Commercial Industry, Local Industry and Foreign Industry by BIDA in different forms.
Bangladesh Standards and Testing Institution (BSTI) and Quarantine Authority	<ul style="list-style-type: none"> • There is a limited number of accredited laboratories approved by the government; • Lack of skilled chemists, facility for food and chemical testing; • BSTI, Animal Quarantine and Plant quarantine lack sufficient manpower in many ports for instance, there is no plant quarantine office in Belonia land port.
Bangladesh Land Port Authority	<ul style="list-style-type: none"> • Lack of adequate port space; • Separate bypasses for Indian and Bangladeshi vehicles are disorganized; • Inadequate port infrastructure for example: lack of port management systems, lack of port buildings, and lack of adequate number of warehouses; • Lack of parking area in the port; • Lack of automation process and sufficient equipment for weighting facilities in the port; • Poor infrastructure condition of the land port roads; • Lack of required scanning facilities in the land port area. • Shedding facilities are insufficient • Lack of sufficient digital scales, multi-modal service

Institutions	Major Weakness
	for coming and going, and 24/7 electricity supply. <ul style="list-style-type: none"> • Lack of automation process and necessary equipment in land ports. • Lack of sophisticated training among the administrative officials

Source: BFTI KII, FGD and PC

5.4 Problem of Coordination among Different Agencies in Implementing TFA

In Bangladesh, delays in international trade processes are often caused and aggravated by a lack of coordination and cooperation among agencies. As explained above, in addition to Customs, a large number of agencies are involved in trade processes. Customs department under the NBR has undergone significant changes since the early 1990s through many donor-funded reform programmes funded by the World Customs Organisation (WCO), the World Bank Group (WBG), the Asian Development Bank (ADB) and the United States Agency for International Development (USAID). As a result, Customs is more advanced in terms of implementation of such reforms. But a large number of other government agencies (OGAs) are also involved in trade processes, which include – the MoC, Office of Chief Controller of Imports and Exports (CCI&E), Ministry of Agriculture, Plant Quarantine Department, Ministry of Shipping, Ministry of Industries, Bangladesh Standards and Testing Institute (BSTI), Bangladesh Land Port Authority, Chittagong and Mongla Port Authorities, Bangladesh Civil Aviation Authority, Border Guard Bangladesh, Bangladesh Atomic Energy Commission (BAEC), Directorate of Drug Administration, and Bangladesh Bank. The OGAs are not as advanced as Customs in terms of modernisation and trade facilitation reforms. KII with representatives from the OGAs revealed that these are ill-equipped in terms of implementation of TFA measures. In some cases, they are not even aware what reform programmes they would have to undertake. Again, unlike the Customs department, the OGAs are neglected in terms of receiving proper attention from development partners. This will be a major challenge in implementing paperless trade.

As explained above, in addition to Customs, a large number of agencies are involved in trade processes. Especially in country cases, these agencies have different mandates with regard to goods and people crossing the borders (Jain, 2012). Such mandates vary from revenue assurance, migration, phytosanitary, radiological, transport, ecological and food safety controls (Polner, 2011). Hence, they tend to work independently, without a clear understanding and knowledge of what other agencies are doing, often leading to multiple inspections of the same goods and considerable harassment for traders. Continuation of such problems will make it difficult for Bangladesh to make

any meaningful progress towards implementation of single window and other paperless trade reforms.

Several stakeholder consultation sessions indicate that a high share in overall release time is due to an overwhelming presence of manual processes. These include, amongst others, collection of required documents from various government and non-government organizations, i.e., Banks, BGMEA, BEPZA, CCI&E etc., hardcopy submission of B/Es, assigning assessment officers manually, absence of automated jetty marking process and assignment of jetty examination officers, manual reporting of examination findings, and manual coordination of OGAs and ports. Stakeholder consultation sessions also reveal that importers cannot track the consignment status due to the absence of a consignment tracking system. This has a significant impact on the processes involved. Reducing such time would be extremely difficult without a major breakthrough in automation across the processes and agencies.

5.5 Procedural hindrances in implementing TFA

Importing and exporting through land ports are bestowed with different procedural hindrances. Some noticeable hindrances in the trade procedure including customs inspection, assessment and other activities are:

- Lack of information availability and lack of information flow among the stakeholders is a crucial challenge for the TFA implementation in Bangladesh. Sometimes, ministries and agencies often cannot provide accurate information timely.
- Supporting infrastructure development is missing for coordination. For instance, in many land ports offices of different agencies are spread around the premise instead of under a single rooftop.
- Despite the general use of transaction value for customs valuation, in the case of some goods, the government often fixes tariff values or minimum values for the purpose of levying customs duties. Also, valuation often differs from customs station to customs station.
- In the assessment process of trade, decisions made by the Assistant Revenue Officer are always forwarded to the Revenue Officer, while judgments made by the Revenue Officer are frequently forwarded to the Assistant Commissioner. Higher echelons of management may also be consulted on decisions made by the assistant commissioner. This reflects a duplication of work in the Customs procedures.
- Since few border agency employees wear uniforms, it becomes difficult to distinguish between border management employees and traders or other members of the general public.

- C&F Agents have direct access to customs officers who are involved in the evaluation, classification, and valuation processes directly.
- The process of unloading an Indian vehicle and then putting the product onto a Bangladeshi truck is time-consuming, labor-intensive, and expensive for the merchant.
- Other governmental organizations carry out their examination whenever it is convenient for both them and the C&F agents. These are not always carried out simultaneously with Customs.
- Both online and manual registers are kept in the customs stations or ports, notwithstanding the introduction of ASYCUDA World at land ports. One of the main issues preventing ASYCUDA World from being effectively operationalized is a lack of consistent internet access.
- The release procedures can occasionally take longer due to a lack of coordination between Customs and other border agencies in concluding inspections of import shipments. For instance, even after inspection, many Importers and C&F agents do not pay their duties timely which increases the overall release time.
- Automation system of different agencies lacks interoperability, automation does not always bring simplified process because multiple documents are still required.
- Ports cannot be kept open 24/7 due to lack of sufficient personnel of different organization including bank.
- Trucks reaching Bangladesh from Nepal and Bhutan are delayed by the Indian side interventions. Also, Bangladeshi trucks cannot reach Nepal or Bhutan directly through India.
- If different trucks of the same invoice shipment reach at different times in the port, the clearance gets delayed as the partial shipment is not provided. However, if the exporter informs the customs commissioner, then these problems are released seamlessly. But this problem exists on the Indian side.
- Bangladeshi buyers can purchase products from foreign e-commerce sites like Alibaba but cannot sell products online to overseas markets through e-commerce sites because of payment problems. LC and payment collection become prime issues in the case of cross-border e-commerce.

From the KII findings, Cross border management in case of trading or export-imports, following procedural hindrances can be noticed:

Table 19: Import-Export Procedural Hindrances

Institutions	Procedural Hindrance
Export Promotion Bureau (EPB)	The central office of EPB controls the first registration, which is a very time-consuming process that takes roughly 10 to 15 days to complete.
Office of the Chief Controller of Imports and Exports (CCI&E)	<ul style="list-style-type: none"> • When IRC or ERC is submitted by the Office of the chief controller of Imports and Exports (CCI&E), they check the membership certificate which creates hindrance in trade. • All the certificates provided by CCI&E online through OLM system which lessens the procedural hindrances.
Plant quarantine Wing under Ministry of Agriculture	<ul style="list-style-type: none"> • Plant quarantine wing takes minimum four days even more to give the import permit, export PC certificate and release order. • The overall competency of the quarantine personnel is not always at their best because of frequent transfers from Plant Quarantine Wing to another wing when the tenure comes. • Insufficient financial and logistics supports create barriers for quarantine stations officer to work efficiently and provide quality services.
BIDA	<ul style="list-style-type: none"> • Most of the processes of service delivery, for example, issuance of certificate for release of capital machinery from customs, and recommendation to CCI&E for issuance of 2nd Ad hoc industrial IRC are manual processes. • Responsible for registering manufacturing sector and all foreign investments. The certificates provided by BIDA for Commercial Industry, Local Industry and Foreign Industry by BIDA in different forms where some procedural simplifications are required.
Customs	<ul style="list-style-type: none"> • According to the NBR, online submission system of major documents is available at all major customs stations, and the clearing and forwarding agents are to blame for not being able to submit the necessary documents on time. • Customs documentation process are delayed due to the interruption of electricity • Sometimes, vehicles are released without receiving proper documents. Later the vehicles are stuck again due to the lack of proper documents. This creates congestions in the ports. • A lot of time is being wasted on this process of rotating files in the table. It becomes difficult for traders to pay the assessed duty of goods in the evening or night since often they receive assessment reports after banking hours.

Institutions	Procedural Hindrance
	<ul style="list-style-type: none"> • Letters/reports from various departments under the Public Administration and NBR are needed to provide any service which is a lengthy process⁶⁹. • Through some land ports, there is significant potential for exporting animals and fish but Customs has restrictions of exporting such items. • Adding new HS codes in opened order or LC is very complex in the existing customs system. • In some ports imported chemicals require long time to be cleared because of slow customs testing services. This increased trade and production costs for the importers. • Lack of regional offices in port for settling any dispute for example: for solving the HS Code related debate, port officers from different regions have to go NBR offices in Dhaka;
Chattogram Port Authority	Cargo tracking system and effective cargo handling system are not apparent in the Chattogram port.
Civil Aviation Authority of Bangladesh (CAAB)	<ul style="list-style-type: none"> • Hazrat Shahjalal International Airport' is handling RMG materials without any shedding facilities, and during the rainy season, the demurrage for the RMG owners gets high; not even insurance claims are settled in this regard.
Bangladesh Standards and Testing Institution (BSTI)	<ul style="list-style-type: none"> • BSTI's equipment and manpower crisis, delay in testing or sampling, etc. are apparent hindrances in its service delivery. • BSTI certification is required for human food. Imports and exports are not possible without this BSTI authorization. But there is a limited number of laboratories approved by the government. In this regard, there is no gazette approved by the government. Lack of skilled chemists, facility for food testing, chemicals for testing, interrupted electricity supply, etc. are hindrances.
Bangladesh Land Port Authority	<ul style="list-style-type: none"> • Lack of institutional competencies & coordination; • Some fees are taken manually which is a time-consuming procedure. • Outdated rules and regulations that can hamper facilitate trade. • Lack of automation system in documentation process. • Lack of One stop or integrated services center in most land ports that hinders timely service. • Operating hours are not matched with counterpart land ports of India

⁶⁹https://nbr.gov.bd/uploads/citizen-charter/IMG_20210323_0001.pdf

Institutions	Procedural Hindrance
	<ul style="list-style-type: none"> • BLPA does not have access to the ASYCUDA world software and data sharing is hindered as BLPA is not interlinked with customs. • Automation is not apparent in other land ports (except Benapole and Burimari), as a part of the automated approach, the implementation of only automated weigh scales is visible in other land ports. Import General Manifest (IGM) entry is still done manually on paper at the entry point in other ports. • Land port operational guideline is only available for Benapole Land port and other ports follow that. A uniform operational guideline for land port management is yet to be developed.

Source: KII findings of BFTI

Besides, additional hindrances in the trade processes are:

- Implementation of infrastructure development initiatives are not sufficient as per requirement of service standard.
- Security system is not robust in ports due to insufficient CCTV cameras.
- Time requirement for detention vehicles to release is high and importers have to pay large amount of demurrage.
- The weigh scales are misplaced and reweighing the same shipment consumes release time.
- Fire stations and accredited labs or testing facilities are far from ports and not up to required standards that hinders port procedures.
- Parking facilities are very limited for inbound or outbound transports so transportation delays trade procedures in the port.
- Ports cannot stay fully operation 24/7 due to manpower shortage.
- There is problem in existing software for recording entry-exit vehicle tracking system. It only records entry time but not departure time that hinders tracking of shipment.
- The Plant quarantine certificate is issued from Dhaka; IP certificates cannot be obtained promptly which increases time delay in trade.
- Lack of token system for the passengers and manual que management at immigration creates congestions in immigration procedure.
- Lack of proper one stop service center and help desks.
- BGB checking is done thrice and the checking time by BGB is much time consuming. These unnecessary checking procedures hinder time efficiency.

- In export, when Bangladeshi drivers reach India, the Indian authority takes much time to check trucks and divers which delays the land port trade.
- Some consignments are delayed in port release due to the BSTI laboratory testing time requirements.
- After the assessment, for duty, there is now an e-payment system available since 1st January 2022 and it takes a maximum of one and half a minute to pay duty tax. However, after the assessment of duty, duty payers often pay after 2 or more days for various reasons that increase the time of goods release.
- From the bill of entry to the issue of the release order, Customs usually takes a maximum of one day time, but this process gets delayed due to delayed payments by the importers or C&F agents.
- Although Banks have interconnectivity with Customs and ASYCUDA, the ASYCUDA system is not available in all land ports, so online system does not work there and hard copies of documents are still required there.
- Export permission form (EXP form) is digitalized and its hardcopy is not usually required but in the land ports, still, the practice of hardcopy submission is apparent.

Some trade, customs, documentation, immigration and port agency related procedural hindrances are:

- Absence of an elaborate policy, a detailed procedural guideline and a strategic management plan on Risk Management (RM), Customs tends to examine a large number of consignments.
- Due to customs testing, inspection and final clearance report, the time for the release of goods often increases. Customs testing facility is only available in very few ports. Testing process in the customs examination increases release time.
- Needless formality in documentation exists.
- There are numerous document submission requirements without any justification.
- The majority of the time, border agents (BGB, customs, BLPA) reject copies of documents and only accept originals.
- Very few facilities (cold storage, sheds) are available for storing perishable commodities prior to release. There are no legal provisions or processes enabling for speedier release of perishable items.
- Regarding the movement of persons and products across borders, different border authorities have varied responsibilities. These requirements range from controls on revenue assurance, migration, phytosanitary, radiological, transport, and food safety. Due to the fact that these organizations frequently operate independently,

they frequently conduct several inspections of the same products and subject traders to a great deal of harassment.

- Immigration facilities often face congestion due to lack of proper que management systems.
- Travelers coming from India in Benapole ports has to face 3 times BGP checking. Once in zero-point entry, once after the immigration process and once at Amrakhali region while selecting appropriate transport. This multiple checking creates hassles for travelers.

Chapter 6: Implementation of TFA in Regional Countries

6.1 Introduction

The importance of trade facilitation has been widely discussed and recognized concept in the global, regional, and national levels. Trade facilitation in particular has been identified as a tool for increased and smoother trade between countries. Trade facilitation is largely used by institutions that seek to improve the regulatory interface between government bodies and traders at national borders. Trade facilitation has emerged as a key factor for international trade efficiency and the economic development of countries. This is due to its impact on competitiveness and market integration and its increasing importance in attracting foreign direct investments. The primary goal of trade facilitation is to help make trade across borders (imports and exports) faster, cheaper and more predictable, whilst ensuring its safety and security. In terms of focus, it is about simplifying and harmonizing formalities, procedures, and the related exchange of information and documents between the various partners in the supply chain. International trade has increased and manufacturing has become more global, with developing, emerging and transition economies connecting with international supply and value chains in terms of both their exports and imports. Implementation of the TFA is expected to increase trade by reducing costs, rapidly releasing goods, and increasing predictability.

The World Trade Organization (WTO) included the topic of trade facilitation in its negotiating agenda in 2004. After 10 years of negotiations, the Agreement on Trade Facilitation was reached and in November 2014, a protocol of amendment to insert the agreement into annex 1A of the WTO agreement was adopted. In 2013, members of the WTO finalized negotiations of the WTO Trade Facilitation Agreement (TFA), which set multilateral rules that seek to address specific procedural hurdles in order to facilitate trade procedures. The TFA entered into force in 2017, and represents a significant opportunity for countries to reap the economic benefits from improving the speed and efficiency of border procedures. WTO's TFA creates standard rules that customs and other appropriate authorities must follow to be more transparent and streamline import, export, and transit processes for all WTO members. Bangladesh has ratified WTO TFA on 27th September 2016⁷⁰.

⁷⁰ WTO website, retrieved on February 09, 2023, available at https://www.wto.org/english/news_e/news16_e/fac_27sep16_e.htm.

6.2 Present Scenario of TFA

In a globalized world where goods often cross borders many times as both intermediate and final products, trade facilitation helps lower overall trade costs and increase economic welfare, in particular for developing and emerging economies. Trade facilitation can reduce trade costs by up to 24% which can increase the country's competitiveness regardless of DFQF and preferential treatment loss. Bangladesh can even mitigate its trade loss by GSP expiration after LDC graduation by improving trade facilitation activities. Important measures have been taken in Bangladesh to advance trade facilitation. The most important is Bangladesh's ratification of the WTO TFA on 27 September 2016 which aims to expedite the movement, release and clearance of goods, including goods in transit.

The Trade Facilitation Agreement requires Members to provide a number of notifications to the WTO Trade Facilitation Committee. These can be broadly classified into three groups. The groups are as follows:

- 1) Implementation notifications (categories A, B, C)
- 2) Transparency notifications
- 3) Information on technical assistance and capacity building

Developing and LDC Members can request more time and capacity building support to implement the Agreement. To benefit from these flexibilities, member countries must designate all measures into categories A, B and C which have the following implementation timings:

Category A = developing Members will implement the measure by 22/02/2017 and LDCs by 22/02/2018

Category B = Members will need additional time to implement the measure

Category C = Members will need additional time and capacity building support to implement the measure

Table 20: Progress on Implementation Commitments Status of Various Countries⁷¹

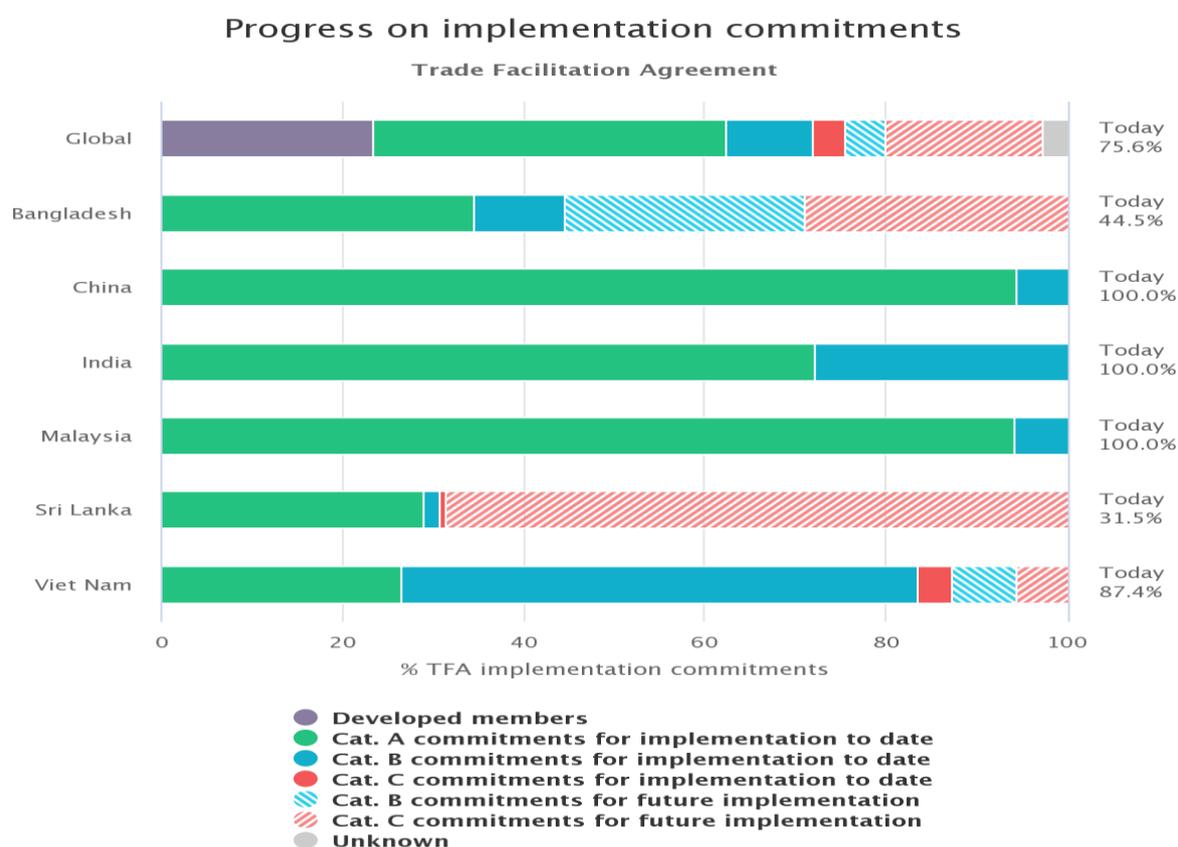
Country Name	Implementation percentage (%)
Bangladesh	44.5
China	100.0
Malaysia	100.0
India	100
Sri Lanka	31.5
Viet Nam	84.9

Among regional countries, Bangladesh's implementation commitments are 44.5% while Sri Lanka's implementation commitments are 31.5%. Whereas China, India and

⁷¹ <https://tfadatabase.org/en/implementation/comparisons?country=13>

Malaysia’s implementation commitments are 100% and Viet Nam’s implementation commitments are 84.9%.

Figure 12: Comparison on Progress on Implementation Commitments Among Global and Regional Countries



TFAD (Trade Facilitation Agreement Database) www.tfadatabase.org

Source: <https://tfadatabase.org/en/implementation/comparisons?country=13>
Implementation commitments are compared among the countries named Bangladesh, China, India, Malaysia, Sri Lanka and Viet Nam. China, India and Malaysia’s notifications commitments are fully implemented which is 100%. While Viet Nam, Bangladesh and Sri Lanka ’s implementation commitments are 84.9%, 44.5% and 31.5% respectively.

6.2.1 China’s Implementation of Trade Facilitation Measures

Between 2016 and 2018, China’s score of trade across borders was stagnant at 70.7. In 2021, China was ranked 31 out of 190 countries, with a score is 77.9⁷², entailing a significant improvement. China’s overall LPI (Logistics Performance Index) score in

⁷² <https://archive.doingbusiness.org/en/data/exploreconomies/china>

2023 was 3.7 where customs scored 3.3. The table below shows how China has improved on trade across borders from 2018 to 2020.

Table 21: China’s Improvement from 2018 to 2020 on the Time and Cost of Exporting & Importing Goods

China	2018	2019	2020
Time to export: Border compliance	25.9 hours	25.9 hours	18 hours
Time to export: Documentary compliance	21.2 hours	8.6 hours	8 hours
Time to import: Border compliance	92.3 hours	48 hours	37 hours
Time to import: Documentary compliance	65.7 hours	24 hours	11 hours
Cost to export: Border compliance	484.1 USD	314 USD	249 USD
Cost to export: Documentary compliance	84.6 USD	73.6 USD	70 USD
Cost to import: Border compliance	745 USD	326 USD	230 USD
Cost to import: Documentary compliance	170.9 USD	122.3 USD	75 USD

Source: World Bank, “Doing Business: Measuring Business Regulations”: Historical Data Sets and Trends Data

The above table shows that China’s border compliance export time is 18 hours in 2020 which is comparatively lower than the time 25.9 hours in 2018. China’s documentary compliance export cost is 70 USD which is comparatively lower than the cost 73.6 USD in 2019.

China has recently launched a new initiative to speed up customs clearance and optimize the business environment at ports (Notice on Accelerating the Level of Customs Clearance Facilitation, jointly issued by the General Administration of Customs, the Ministry of Finance, the Ministry of Commerce and other 7 Ministries of China). 10 specific measures have been proposed including simplifying documents, optimizing processes, improving automation, and reducing charges. Some examples are as follows⁷³:

Article 7: Optimizing Processes - a pilot simplified import declaration was launched on 31 Aug 2019. It involved a summarized “two-step declaration” customs clearance mode. Before the end of 2019, the port administration formulated the time limit standards for the operation of port service enterprises. Two “green channels” for the rapid clearance of agricultural products were opened.

Article 10: Simplifying Documents - 86 documents have been reduced to 46 in 2018, and two more food-related documents were withdrawn from port inspection before 30 Sep 2019. Import and export regulatory documents were fully implemented for online declaration and processing by the end of 2019, except in the case of special circumstances such as those involving confidentiality and security considerations.

⁷³ <https://unctad.org/news/chinas-efforts-improve-trade-facilitation>

Article 10.4: Improving Automation - The single window platform enabled information sharing between 25 ministries and running online cooperation projects between 68 departments, covering all ports in the country and meeting the requirements of business for a "one-stop" operation. China is in the process of building of the single window for international trade, reinforcing the cooperation with financial institutions and transportation agencies, and strengthening international information exchange.

Table 22: China's Trade Facilitation Score from 2017 to 2021⁷⁴

Year	Trade Facilitation Score	Particulars
2021	91.4%	<ul style="list-style-type: none"> • Transparency: 100%; • Formalities: 95.83%; • Institutional Arrangement and Cooperation: 88.89%; • Paperless Trade: 96.3%; • Cross-Border Paperless Trade: 72.22%.
2019	82.8%	<ul style="list-style-type: none"> • Transparency: 93.33%; • Formalities: 91.67%; • Institutional Arrangement and Cooperation: 55.56%; • Paperless Trade: 85.19%; • Cross-Border Paperless Trade: 72.22%.
2017	82.8%	<ul style="list-style-type: none"> • Transparency: 93.33%; • Formalities: 91.67%; • Institutional Arrangement and Cooperation: 55.56%; • Paperless Trade: 85.19%; • Cross-Border Paperless Trade: 72.22%.

This table indicates that over the years China's implementation rate of trade facilitation increased gradually. In the year 2017 the country had a trade facilitation score of 82.8% whereas in 2021 it has become 91.4%. The country has achieved 100% transparency and 95.83% formalities in 2021. China has achieved 88.89% institutional arrangement and cooperation and 96.3% paperless trade.

6.2.2 Bhutan's Implementation of Trade Facilitation Measures

A 2017 baseline study carried out by UNESCAP outlined some specific measures to be taken to further enhance trade facilitation⁷⁵. In the short term, the key measures include 1). electronic filing and exchange of documents; 2) harmonization of data and

⁷⁴ UN global survey on digital and sustainable trade facilitation

⁷⁵ <https://www.unescap.org/sites/default/d8files/knowledge-products/03%20Bhutan%20TTFMM%203.pdf>

information and standardization of documents; 3) removal of redundant or repetitive procedures and documents; 4) enhance availability and accuracy of information on rules, regulations and guidelines; 5) continue the efforts towards customs automation; 6) enhance payment remittance and 7) more active role of the private sector. The long-term interventions include 1) further development of transport and logistics infrastructure in Phuentsholing and 2) strengthen transport and transit in India. Transit in India is fundamentally important for enhancing trade and transport efficiency for Bhutan’s imports. The study shows that 67% of the import cost is directly attributed to transport (which does not include maritime transport from other countries to Kolkata) and transit clearance. Efforts from India and coordination at SASEC level are important.

Table 23: Bhutan’s Time and Cost of Exporting & Importing Goods Scenario from 2018 to 2020

Bhutan	2018	2019	2020
Time to export: Border compliance	5 hours	5 hours	5 hours
Time to export: Documentary compliance	9 hours	9 hours	9 hours
Time to import: Border compliance	5 hours	5 hours	5 hours
Time to import: Documentary compliance	8 hours	8 hours	8 hours
Cost to export: Border compliance	59 USD	59 USD	59 USD
Cost to export: Documentary compliance	50 USD	50 USD	50 USD
Cost to import: Border compliance	110 USD	110 USD	110 USD
Cost to import: Documentary compliance	50 USD	50 USD	50 USD

Source: World Bank, “Doing Business: Measuring Business Regulations”: Historical Data Sets and Trends Data

The table indicates that Bhutan’s border compliance export time is 5 hours in 2020 and documentary compliance import time is 8 hours in 2019. Bhutan’s time and cost of exporting & importing goods scenario is static from 2018 to 2020 year.

Table 24: Bhutan’s Trade Facilitation Score from 2017 to 2021⁷⁶

Year	Trade Facilitation Score	Particulars
2021	60.22%	<ul style="list-style-type: none"> • Transparency: 66.67%; • Formalities: 75%; • Institutional Arrangement and Cooperation: 66.67%; • Paperless Trade: 59.26%; • Cross-Border Paperless Trade: 33.33%.

⁷⁶ UN global survey on digital and sustainable trade facilitation

Year	Trade Facilitation Score	Particulars
2019	35.48%	<ul style="list-style-type: none"> • Transparency: 66.67%; • Formalities: 41.67%; • Institutional Arrangement and Cooperation: 44.44%; • Paperless Trade: 18.52%; • Cross-Border Paperless Trade: 22.22%
2017	26.88%	<ul style="list-style-type: none"> • Transparency: 60%; • Formalities: 16.67%; • Institutional Arrangement and Cooperation: 44.44%; • Paperless Trade: 14.81%; • Cross-Border Paperless Trade: 11.11%.

This table indicates that over the years Bhutan's implementation rate of trade facilitation increased gradually. In the year 2017 the country had a trade facilitation score of 26.88% whereas in 2021 it has become 60.22%. Also, the country has achieved 66.67% transparency and 75% formalities in 2021.

6.2.3 Sri Lanka's Implementation of Trade Facilitation Measures

In the Ease of Doing Business 2020 report, Sri Lanka ranked 99th and scored 61.8. Sri Lanka's overall LPI score in 2018 was 2.60 where customs scored 2.58. Sri Lanka's government has taken steps to improve trade facilitation in line with the WTO Trade Facilitation Agreement. A National Trade Facilitation Committee (NTFC) was established in 2016. Sri Lanka launched an online trade information portal in July 2018. All required trade related information is available on the portal as of November 2020⁷⁷. It would mean all those 34 agencies involved in publishing trade-related information would begin to cooperate more effectively. In keeping with the spirit of the country's new Right to Information Act, they would have to build a relationship of transparency and accountability with the trading communities and businesses they interact with. Once there is clarity on regulations and the process itself, the government will have an opportunity to streamline the way it works, undoing unnecessary duplication of work while promoting efficiency and service delivery⁷⁸.

⁷⁷ <https://www.trade.gov/country-commercial-guides/sri-lanka-trade-barriers>

⁷⁸ <https://blogs.worldbank.org/endpovertyinsouthasia/trade-facilitation-reform-sri-lanka-can-drive-change-culture>

Table 25: Sri Lanka’s Static Time and Cost of Exporting & Importing Goods from 2018 to 2020

Sri Lanka	2018	2019	2020
Time to export: Border compliance	43 hours	43 hours	43 hours
Time to export: Documentary compliance	48 hours	48 hours	48 hours
Time to import: Border compliance	72 hours	72 hours	72 hours
Time to import: Documentary compliance	48 hours	48 hours	48 hours
Cost to export: Border compliance	366 USD	366 USD	366 USD
Cost to export: Documentary compliance	58 USD	58 USD	58 USD
Cost to import: Border compliance	300 USD	300 USD	300 USD
Cost to import: Documentary compliance	283 USD	283 USD	283 USD

Source: World Bank, “Doing Business: Measuring Business Regulations”: Historical Data Sets and Trends Data

Sri Lanka’s time and cost of exporting & importing goods scenario is static from 2018 to 2020 year. The table indicates that the border compliance export time is 43 hours from the time 2018 to 2020. Sri Lanka’s documentary compliance export cost is 58 USD from the time 2018 to 2020.

Table 26: Sri Lanka’s Trade Facilitation Score from 2017 to 2021⁷⁹

Year	Trade Facilitation Score	Particulars
2021	60.22%	<ul style="list-style-type: none"> • Transparency: 66.67%; • Formalities: 75%; • Institutional Arrangement and Cooperation: 66.67%; • Paperless Trade: 59.26%; • Cross-Border Paperless Trade: 33.33%.
2019	51.61%	<ul style="list-style-type: none"> • Transparency: 66.67%; • Formalities: 66.67%; • Institutional Arrangement and Cooperation: 55.56%; • Paperless Trade: 48.15%; • Cross-Border Paperless Trade: 22.22%
2017	48.39%	<ul style="list-style-type: none"> • Transparency: 53.33%; • Formalities: 62.5%; • Institutional Arrangement and Cooperation: 55.56%; • Paperless Trade: 48.15%; • Cross-Border Paperless Trade: 22.22%.

⁷⁹UN global survey on digital and sustainable trade facilitation

This table indicates that over the years Sri Lanka's implementation of trade facilitation increased gradually. In the year 2017 the country had a trade facilitation score of 48.39% whereas in 2021 it has become 60.22%. Also, the country has achieved 66.67% transparency and 75% formalities in 2021.

6.2.4 Vietnam's Implementation of Trade Facilitation Measures

In Vietnam, under the context of its active participation in international economic integration, trade has played an increasingly important role in the country's social and economic development. Therefore, Vietnam has made substantial attempts to reduce trade costs and time to facilitate trade activities. Especially within the framework of the ASEAN Economic Community (AEC), Vietnam has facilitated strongly border administration and logistic activities to promote trade (Nguyen et al. 2015). As a result, in 2017, Vietnam made improvement in business environment when being ranked 68th among 190 economies with 67.93/100 points, increasing from the rank of 82rd of 190 economies in the previous year (World Bank 2016, 2017a, 2018). This improvement has created a strong incentive for Vietnam to accelerate trade. In 2017, total trade flows of Vietnam reached a peak of more than USD 490 billion (ITC 2018), equivalent to an increase by 40% compared to 2016's trade level and nearly five times of 2007's level⁸⁰. Border Administration sub-index. In fact, score of this sub-index increased dramatically from 3.6 in 2008 to 4.2 in 2016 because Vietnam has successful at decreasing substantially time and costs for imports and exports, and improving custom services. Moreover, Vietnam's approach to trade-led investment emphasizing trade facilitation has improved the country's overall trade environment.

In 2014, the Vietnam National Assembly passed a revised Customs Law, which came to effect on January 1st 2015. Simplification of procedures has been put a high priority and undertaken through VNACCS/VCIS System (Vietnam Automated Cargo and Port Consolidated System/Vietnam Customs Intelligence Information System), which is an automated customs clearance and risk management system. Application of VNACCS/VCIS officially started from April 2015 and includes software on e-Declaration, e-Manifest, e-Invoice, e-Payment, e-C/O (Certificate of Origin), e-P/L (Packing List), selectivity, and goods clearance. VNACCS/VCIS system also creates a mechanism to facilitate National Single Window (NSW) through connecting and sharing information among Vietnam Customs, ministries and other agencies such as banks, tax organizations, and logistics enterprises (Cao 2013). It has been reported that Vietnam has actively implemented VNACC/VCIS and been assessed to achieve

⁸⁰ https://repository.vnu.edu.vn/bitstream/VNU_123/136802/1/KY_20211109234145.pdf

notable results in reducing clearance time and documents for exports and imports, and establishing National and ASEAN Single Window (ASW) (Nguyen et al. 2015).

Table 27: Viet Nam’s Time and Cost of Exporting & Importing Goods Scenario from 2018 to 2020

Viet Nam	2018	2019	2020
Time to export: Border compliance	55 hours	55 hours	55 hours
Time to export: Documentary compliance	50 hours	50 hours	50 hours
Time to import: Border compliance	56 hours	56 hours	56 hours
Time to import: Documentary compliance	76 hours	76 hours	76 hours
Cost to export: Border compliance	290 USD	290 USD	290 USD
Cost to export: Documentary compliance	139 USD	139 USD	139 USD
Cost to import: Border compliance	373 USD	373 USD	373 USD
Cost to import: Documentary compliance	183 USD	183 USD	183 USD

Source: World Bank, “Doing Business: Measuring Business Regulations”: Historical Data Sets and Trends Data

The above table shows that Viet Nam’s time and cost of exporting & importing goods scenario from 2018 to 2020 are static over time. In 2020, border compliance export time is 55 hours and documentary compliance import time is 76 hours. The table also indicates that border compliance import cost is 373 USD and documentary compliance import cost is 183 USD in 2020.

Table 28: Vietnam’s Trade Facilitation Score from 2015 to 2021⁸¹

Year	Trade Facilitation Score	Particulars
2021	66.67%	<ul style="list-style-type: none"> • Transparency: 86.67%; • Formalities: 75%; • Institutional Arrangement and Cooperation: 66.67%; • Paperless Trade: 59.26%; • Cross-Border Paperless Trade: 50%.
2019	61.29%	<ul style="list-style-type: none"> • Transparency: 86.67%; • Formalities: 75%; • Institutional Arrangement and Cooperation: 44.44%; • Paperless Trade: 48.15%; • Cross-Border Paperless Trade: 50%
2017	51.61%	<ul style="list-style-type: none"> • Transparency: 73.33%; • Formalities: 75%;

⁸¹ UN global survey on digital and sustainable trade facilitation

Year	Trade Facilitation Score	Particulars
		<ul style="list-style-type: none"> • Institutional Arrangement and Cooperation: 44.44%; • Paperless Trade: 33.33%; • Cross-Border Paperless Trade: 33.33%.

This table indicates that over the years Viet Nam's implementation rate of trade facilitation increased gradually. In the year 2017 the country had a trade facilitation score of 51.61% whereas in 2021 it has become 66.67%. Also, the country has achieved 75% formalities and 59.26% paperless trade in 2017.

6.2.5 Malaysia's Implementation of Trade Facilitation Measures

With a trade to gross domestic product (GDP) ratio that has been well above 100% since 1979 (reaching more than 200% during the early 2000s), seamless trade facilitation is a major anchor of Malaysia's drive towards becoming an advanced nation. Enhancing Malaysia's presence in the regional supply chains of major multinational corporations (e.g. Western Digital, Dell, Schlumberger, and Siemens) entails efficient logistics services and trade facilitation.

Based on the UN global survey on digital and sustainable trade facilitation, Malaysia achieved a trade facilitation score of 86.02% in 2021⁸². The following table represents Malaysia's trade facilitation score over previous years:

Table 29: Malaysia's Improvement from 2018 to 2020 on the Time and Cost of Exporting & Importing goods

Malaysia	2018	2019	2020
Time to export: Border compliance	45 hours	28 hours	28 hours
Time to export: Documentary compliance	10 hours	10 hours	10 hours
Time to import: Border compliance	69 hours	36 hours	36 hours
Time to import: Documentary compliance	10 hours	7 hours	7 hours
Cost to export: Border compliance	321 USD	213 USD	213 USD
Cost to export: Documentary compliance	45 USD	35 USD	35 USD
Cost to import: Border compliance	321 USD	213 USD	213 USD
Cost to import: Documentary compliance	60 USD	60 USD	60 USD

Source: World Bank, "Doing Business: Measuring Business Regulations": Historical Data Sets and Trends Data

⁸² <https://www.untfsurvey.org/economy?id=MYS>

The table shows that the border compliance export time is 45 hours in 2018 which is reduced in 2020 by 17 hours. Malaysia’s documentary compliance import cost is 60 USD from the years 2018 to 2020.

Table 30: Malaysia’s Trade Facilitation Score from 2015 to 2021⁸³

Year	Trade Facilitation Score	Particulars
2021	86.02%	<ul style="list-style-type: none"> • Transparency: 100%; • Formalities: 100%; • Institutional Arrangement and Cooperation: 77.78%; • Paperless Trade: 85.19%; • Cross-Border Paperless Trade: 61.11%.
2019	82.8%	<ul style="list-style-type: none"> • Transparency: 100%; • Formalities: 95.83%; • Institutional Arrangement and Cooperation: 77.78%; • Paperless Trade: 81.48%; • Cross-Border Paperless Trade: 55.56%
2017	80.65%	<ul style="list-style-type: none"> • Transparency: 100%; • Formalities: 95.83%; • Institutional Arrangement and Cooperation: 77.78%; • Paperless Trade: 81.48%; • Cross-Border Paperless Trade: 44.44%.

This table indicates that over the years Malaysia’s implementation rate of trade facilitation increased gradually. In the year 2017 the country had a trade facilitation score of 80.65% whereas in 2021 it has become 86.02%. Also, the country has achieved 100% transparency since 2017 and 100% formalities compared to the previous years. Malaysia’s overall LPI score in 2018 was 3.22⁸⁴ where customs scored 2.90, infrastructure 3.15, international shipments 3.35, logistics quality and competence 3.30, tracking and tracing 3.15, and timeliness 3.46⁸⁵. The picture of trade facilitation in the country, from the views and perceptions of logistics professionals (global freight forwarders and express carriers) based in Malaysia, is much more mixed and less downbeat than the results of the international LPI on customs.

Malaysia has seen excellent performance under ‘Communication with and active engagement of the private sector component. It has a well-functioning mechanism for the National Trade Facilitation Committee, as well as structures for stakeholder

⁸³UN global survey on digital and sustainable trade facilitation

⁸⁴ World Bank (2018), International Logistic Performance Index

⁸⁵ World Bank (2018), International Logistic Performance Index

consultations that also cater to micro, small, and medium-sized enterprises. The Trade Facilitation Cluster Working Group (TFCWG) was established to assume the role of the National Trade Facilitation Committee, as required by the World Trade Organization Trade Facilitation Agreement.

Malaysia receives a generally high evaluation on release and clearance formalities, although it varies in terms of the subcomponents. Amongst the highest evaluations, risk management, post-clearance audits (PCAs), electronic payments (e-payments), appeal and review mechanisms, and advanced rulings stood out. The Royal Malaysian Customs Department (RMCD) has also implemented pre-arrival processing (PAP) nationwide for trade facilitation.

Malaysia was an early adopter of the National Single Window (NSW) in ASEAN. The process started with the linking of the home-grown Dagang Net with the RMCD's system 'Sistem Maklumat Kastam' (SMK) - automating customs procedures for shippers, carriers, and third-party logistics companies. The resulting SMK+Dagang Net handled all matters pertaining to export-import declarations and clearances. The nationwide roll-out of the SMK+Dagang Net was completed in 2004. In 2009, all permit-issuing agencies were linked to the SMK+Dagang Net, which became the NSW, with the RMCD (Ministry of Finance) as the NSW lead agency and the MITI as the ASEAN Single Window (ASW) lead agency for Malaysia. The SMK+Dagang Net has delivered well for Malaysia since its inception, indicating the benefits of the automation and integration of system and information flows. Based on a study in 1996, documentation error rates fell from 40% to 5% after the activation of the SMK+Dagang Net, while cargo turnaround times dropped from 4 days to 2 days and by 2004, to only 1 day⁸⁶.

6.3 Discussion on Best Practices

The examples of Singapore, Malaysia, India, Vietnam and Greece are provided below which show that the publication, availability of information through internet, automation, as easing customs procedures and risk management, following the procedures of the WCO are the low-hanging fruits from which Bangladesh can benefit without much delay.

Single Window of Singapore, Malaysia, and India:

Single Window (SW) generally refers to an electronic facility that allows parties involved in international trade and transport to submit all information needed to fulfil trade-related regulatory requirements at once and at a single-entry point. This digital trade facilitation measure aims at reducing the regulatory burden for traders when

⁸⁶ Trade Facilitation in Malaysia and Result of the ASTFI Baseline Study (2021)

completing import, export and transit-related procedures. It has emerged more than a decade ago and has become a core component of trade facilitation reforms. The World Trade Organization Trade Facilitation Agreement, which entered into force in February 2017, has dedicated provisions on SW⁸⁷.

A number of countries in the Asia Pacific region have either already established, or are in the process of establishing national (SW) facilities. A Single Window helps to simplify trade processes and procedures and improve transparency and predictability in international trade transactions. This means fewer complexities, less delays and lower costs of trade that can ultimately lead to improved competitiveness and more trade. Details on implementing Singapore, Malaysia and India's single window initiative are provided in the box below:

Box 1: Singapore Introduced Trade Net for Implementing Single Window

Singapore's TradeNet as a best practice case in implementing a Single Window environment. TradeNet is regarded as a successful case not only in the region but also in the world.

Singapore introduced their TradeNet (<https://www.customs.gov.sg/businesses/national-single-window/tradenet>) in 1989. The first transaction on TradeNet was a shipping application submitted on 1 Jan 1989. Due to overwhelming response, Singapore Trade Development Board (STDB) changed the date for the use of TradeNet for all transactions to be made mandatory from early 1993 to early 1991. By mid-1991, 1,800 subscribers were using TradeNet to process 95% of trade documentation requirements.

One of the main benefits of TradeNet was a reduction in the turnaround time for processing typical trade documents, which was reduced from 2-4 days to as little as 15 minutes. Most transactions were actually completed in less than 10 minutes. This resulted in productivity improvements. Studies suggest that TradeNet reduced trade documentation processing costs by 20% or more. Users of TradeNet found that there were significant savings accruing from filling out single online form versus over 20 paper forms in the past. TradeNet streamlined trade procedures and protocols, which made the entire trading community more competitive internationally¹.

Singapore's Best Practices are as follows

- TradeNet as a best practice case in implementing a Single Window;
- Reducing time for processing typical trade documents and
- Productivity improvements

⁸⁷https://www.unescap.org/sites/default/files/Regional%20Best%20Practices%20of%20Single%20Windows_updated.pdf

Box 2: Malaysia's Trade Facilitation Implementation

With a trade-to-gross domestic product (GDP) ratio that has been well above 100% since 1979 (reaching more than 200% during the early 2000s), seamless trade facilitation is a major anchor of Malaysia's drive towards becoming an advanced nation. Malaysia has increased the efficiency of trade facilitation mechanisms, particularly through improvements in the cargo clearance system, paperless trading, and security of trade documents. For enhancing the capabilities of service providers by strengthening internal capabilities and external readiness to enable them to compete at the global level, Malaysia has adopted various TFA measures that can be counted as best practices. Some of these are:

National Single Window: In Malaysia, the backbone of such electronic-based trade ecosystem is the National Single Window (NSW) for Trade Facilitation which is an one's top Trade Facilitation system linking the trading community with relevant Government agencies and various other trade and logistics parties through one single window, which allows for a seamless and transparent process. The NSW for Trade Facilitation system in Malaysia, an initiative of the Malaysian government spearheaded by the Ministry of Finance, was introduced in 2009 with the goal of streamlining clearance processes, facilitating the electronic exchange of trade-related data, lowering operating costs, and ultimately boosting trade efficiency and national competitiveness. Currently Malaysia's NSW:

- Connects more than 25,000 users
- Processes more than 100 million electronic transactions annually
- Connected with more than 30 Permit Issuing Agencies, 50 authorities, 10 banks, 160 Customs stations
- Comprises 6 core eServices and they are ePCO, ePermit, ePermitSTA, eManifest, eDeclare and ePayment¹.

Authorized economic Operators (AEO): The AEO programme continues to play an important role in securing and facilitating trade, as well as in increasing operational efficiency. Since January 2010, Malaysian customs has operated a fully functional Authorized Economic Operator (AEO) program. The Government announced in the 2021 budget speech that it would simplify the AEO accreditation process and broaden the AEO programme to include logistics services providers and approved warehouse operators. As of 31 August 2022, there were 114 AEOs in Malaysia, up from 94 AEOs in 2021.

¹Kassim, Erne & Bakar, Fazidah. (2015). *Malaysian Government Transformation Towards Effective Supply Chain Management: The Case of IT-Based Trade Facilitation*. Springer International Publishing

Transparency and information on laws, regulations, and procedures: The availability of information from major agencies is made convenient by the RMCD (Royal Malaysian Customs Department) properly. The RCMD has a variety of information channels such as Facebook, Twitter, Instagram, and the RMCD website. The RMCD website has a platform for the public to address complaints and customs call center for general enquires. If information related to transit and trans-shipment is needed, the public can find information/seek advice from/via the RMCD website and customs call center. Malaysia's National Trade Repository also provides comprehensive information, while the ASEAN Trade Repository provides links to relevant pages of Malaysia's National Trade Repository.

Communication with and active engagement of the private sector: Malaysia has a well-functioning mechanism for the National Trade Facilitation Committee, as well as structures for stakeholder consultations that also cater to micro, small, and medium-sized enterprises. The Trade Facilitation Cluster Working Group (TFCWG) was established to assume the role of the National Trade Facilitation Committee, as required by the World Trade Organization Trade Facilitation Agreement.

ASEAN Single Window: At the regional level, Malaysia is pursuing several initiatives to facilitate trade together with other ASEAN members, notably the ASEAN Single Window (ASW), the ASEAN-wide Self-Certification Scheme (AWSC), and the ASEAN Customs Transit System (ACTS). The ASW integrates each member's NSW and allows the electronic exchange of trade documents. By the end of 2019, all 10 ASEAN members were connected through the ASW network².

Customs Appeal Tribunal: Concerning Malaysia's appeals system, under the current provisions in the Customs Act 1967, any person aggrieved by the decision of the Director General of Customs may apply for a review of the decision within 30 days from the date of notification of the decision, provided that the appeal of the same decision has not been made to the Customs Appeal Tribunal (CAT). Upon such application, the Director General of Customs shall carry out the review, where practicable, within 60 days from the date the application is received. The current provisions also allow any person aggrieved by the decision resulting from the review to file an appeal to CAT within 30 days from the date of notification of the said decision in writing.

Switzerland 2015, Supply Chain Design and Management for Emerging Markets 87-116. 10.1007/978-3-319-05765-1_4.

²WTO (2022) Trade Policy Review- Malaysia, available at- https://www.wto.org/english/tratop_e/tpr_e/s436_e.pdf

Cross-border coordination: Given that the RMCD is one of the implementing agencies for the 2018 cross-border transport agreement between Malaysia and Thailand, there is institutional coordination amongst border authorities. Operational coordination at border crossings is also in place because to the RMCD's (Royal Malaysian Customs Department) cross-border collaboration with neighbors and synchronization of working hours with their governments. In addition, MAQIS and the MOH carry out considerable operational cross-border coordination (joint controls).

Transit facilitation: A computerised transit system is being pilot tested under the ASEAN Customs Transit System (ACTS). A computerised transit guarantee mechanism is also in place, with cross-border exchange of data. Malaysia provides simplified procedures for authorised transit traders on the Bukit Kayu Hitam border with Thailand and at Johor (Bangunan Sultan Iskandar and Kompleks Sultan Abdul Bakar) with Singapore. The simplified procedures are as determined by the contracting parties (Malaysia and its two neighbours)

E-payment: The RMCD and all other relevant agencies use e-payments. Virtually all agencies accept online payments, except for the import and export authorisation of dangerous drugs and psychotropic substances, which need to be applied for and paid manually. The MITI Ministry of International Trade and Industry) does not appear to charge any fees for its services, so e-payments are not required.

Time Release Study: The RMCD conducts the Time Release Study (TRS) according to the World Customs Organization method regularly (every 2 years) at the main port. The TRS result was published in a journal in 2011, along with two exit conferences where the dwell time result is published. The consultation validation meeting with the RMCD indicated that the dwell time was published at two exit conferences which were held in 2014 and 2015 with the Asian Development Bank and the World Customs Organization's Regional Office for Capacity Building, where the documents (including the publication of dwell time results) were distributed at seminars. The Release Study 2018 of East Malaysia was conducted on sea mode located Sandakan and Tawau, Sabah, whilst road mode located at Sungai Tujoh and Tebedu, Sarawak³. Malaysia is currently carrying out a TRS in 5 five major Customs ports in cooperation with other cross border regulatory agencies and the private sector under the leadership of the Royal Malaysian Customs Department. The result of the TRS will be used by the Economic Research Institute for ASEAN and East Asia to conduct a further study on trade transaction costs in the region⁴.

³Royal Malaysian Customs Department (2018) Summary of the time Release Study 2018, available at-
<http://www.customs.gov.my/ms/Documents/SUMMARY%20OF%20TRS%20EAST%20MY%202018.pdf>

⁴WCO, WCO supports Time Release Study (TRS) in Malaysia viewed at-
<https://www.wcoomd.org/en/media/newsroom/2020/september/wco-supports-time-release-study-trs-in-malaysia.aspx>

Box 3: India's Trade Facilitation Implementation

India has put a lot of effort into trade policy reform since its economy was opened up in 1991, and as a result, average tariffs have been significantly reduced, the tariff and quota systems have been streamlined, and a number of import restrictions have been lifted. As a member of the UN, WCO and WTO, India has benefited from the tools and best practices developed by these organizations, which have served as the basis for introducing trade facilitation initiatives.

Various trade facilitation measures have been taken by Indian Customs over the times. Some of the major initiatives include:

Development and implementation of National Trade Facilitation Action Plan:

India has developed comprehensive National Trade Facilitation action plan 2020-2023 and implementing it accordingly. This plan envisions to transform the cross-border clearance ecosystem through efficient, transparent, risk based, coordinated, digital, seamless and technology driven procedures which are supported by state-of-the-art seaports, airports, land border crossings, rail, road and other logistics infrastructure¹. This plan is put into motion for achieving specific targets like:

- To bring down the overall cargo release time within 24 hours for Sea Cargo, Inland Container Depots and Land Customs Stations and 12 hours for Air Cargo (both import and export).
- Improve India's ranking on the Trading Across Borders indicator of the World Bank's Doing Business ranking under 50.
- Establish transparent and predictable legal regime and so on.

Introduction of Revised Authorised Economic Programme (AEO): greater facilitation and self-certification The Indian AEO Programme, which started in 2011, has come a long way in the last few years. It was designed to set standards to secure and to facilitate the ever-growing flow of goods in international trade. Today, the programme has a membership of nearly 5,000 AEO entities. That is 5,000 economic entities which have actively collaborated with Indian Customs to ensure safety and security in the Supply Chain. And in return, they are reaping benefits of an ever-widening set of benefits from Indian Customs such as faster processing and clearance of cargo, deferred payment of duty, direct port delivery/entry¹.

Source:

1. National Committee on Trade Facilitation, available at- <https://www.cbic.gov.in/resources//htdocs-cbec/implmntin-trade-facilitation/NTFAP2020-23jk.pdf>

2. Indian Customs, AEO program, available at- <https://aeoindia.gov.in/>

Trade Portal: A trade portal is considered to be crucial for promoting transparency and facilitating trade. Better compliance requires easy access to information, which is a crucial prerequisite. Therefore, it is desirable to establish a single portal where data relating to trade and all agencies involved in trade is compiled and made accessible online for evaluation. To address this demand and help traders identify trade possibilities around the world, the Department of Commerce in India commissioned a trade portal. The Federation of Indian Export Organizations is in charge of maintaining the portal. Businesses can use the trade portal to look for, choose, and contact Indian suppliers (with data on around 80,000 companies from various industry sectors). Indian trade portal also provides information like India's export-related acts and export procedures, item-wise export and import policy conditions in India, Foreign trade policy conditions and so on.

Indian Customs Single Window Project –Online message exchange: Indian Customs has introduced SWIFT (Single Window Interface for Facilitating Trade) on 1 April 2017. for ensuring ease of doing business. Under Indian Customs Single Window Project, the importers electronically lodge their Customs clearance documents at a single point only with the Customs. SWIFT automatically identifies goods that require clearance by participating government agencies and routes them online to the relevant agencies for regulatory clearance. The implementation of SWIFT is being accompanied by the use of risk-based selective examination and testing, significantly reducing the number of consignments that need mandatory testing or certification.

Risk Management System: Another program that makes it easier to conduct business is India's Risk Management System (RMS), which identifies transactions that are riskier and may need closer examination by customs officials. The declarations are analyzed by the RMS and an electronic advice is produced once they are sent electronically to ICES. The decision to act on the declaration or to allow the cargo to be cleared without assistance is made based on this recommendation.

Relaxation in Insurance cover/Bond/BG: Requirement of Insurance cover to be taken by Customs Cargo Service Providers (CCSP) in respect of goods stored in Customs Areas has been brought down from 30 days to 10 days.

Reduction in mandatory documents for imports and export: In order to simplify procedures to facilitate genuine trade, CBEC has reduced the number of mandatory documents and prescribed only three mandatory documents for general import/export. The packing list and commercial invoice have been merged into a single document for Customs purposes.

Adoption of Digital Signature: In order to encourage paperless working and dispense with the requirement of physical submission of documents 'Digital Signature' has been introduced for importers, exporters, airlines, shipping lines etc.

Special Valuation Branches: The procedure for handling related party transactions and those involving special relationships is completely revamped. Extra Duty Deposits waived and the provisions for renewal of SVB orders have also been dispensed.

The facility of deferred payment: Import Duty payment not required at the time of customs clearance.

Easy Renewal: CBIC abolish renewals of License/Registration in Customs Brokers Licensing Regulations, 2021 and Sea Cargo Manifest and Transshipment Regulations, 2018

Online Module to update Bank account details: IEC Holders has become able to update bank account number for Government Incentive disbursement -IGST Refund
Others mentionable TFA measures are:

- Online Filing of BE Amendment
- 24x7 Customs Clearance
- Abolition of Mate Receipt
- With the automation of Customs procedures, manual issuance of mate receipt for containerized cargo has become redundant and therefore dispensed with.
- Single Window Interface for Facilitation of Trade has now been extended to Export.
- No requirement to seek periodic renewal of AEO-T1 certification: circular No. 18/2021-Customs dated July 31st, 2021. There are three tiers of certification namely AEO-T1 for 2 years, AEO-T2 for 3 years and AEO-T3 for 5 years
- The facility for filing the amendment online through ICEGATE has been operationalized.

Automated Customs procedures: Customs procedures have been fully automated since 2007. Import declarations are processed electronically (eDeclare) for the assessment and payment of duties, and customs release. Most import licences are paperless, and they may be attached electronically to the customs declarations.⁴ Customs has no facility to enable electronic submission of other supporting documents (e.g., invoice, bill of lading) with the import/export declaration.

Vietnam's holistic efforts on Trade Facilitation

Vietnam has undertaken a range of initiatives to facilitate trade. The reform process has been driven by the government and not from outside donors. The policy changes have been secured at a strategic level through international commitments. The WTO accession with its obligations has accelerated the reforms, in particular the modifications of laws. Moreover, the reforms have been supported by several donors such as the World Bank and the EU.

Box 4: Measures on Custom Modernization for Trade Facilitation in Vietnam

For simplification goal, in 1998 the government in Vietnam initiated a reform of the customs administration, which was part of the wider master plan for the public administrations reform. In 2001 the first customs law was passed by the National Assembly and the new law paved the way for a modern customs administration with the use of information technology.

For transparency, to facilitate access to information the Vietnam's customs administration has created a website where information about trade and legal documents can be found. According to the customs administration all legal documents are published on the website. Since 2002, drafts of resolutions and decrees must be published in the mass media and on the internet. Legal instruments have to be published at least 15 days before they come into validity. Furthermore, the customs law has been drafted in five different languages to assist foreign traders and to increase transparency. 47 Every customs checkpoint is equipped with a phone line and email address to which traders can send criticism and suggestions about customs procedures and the behavior of customs officers in order to discourage bribery practices.

For harmonization, The Vietnamese government has harmonized the regulations on customs procedures to international practices and standards compatible with the Kyoto Convention on simplification and harmonization of custom procedures. Amendments of the customs law in 2005 were adopted to enable full compliance with that convention. The amendments came into effect in January 2006 and resulted in more transparent and simple custom procedures.

Vietnam also adopted necessary technologies for facilitating trade, during the ongoing World Bank project for customs modernization, the customs procedures were analyzed to be simplified at a later stage. Initiatives were taken to develop electronic declarations to allow for traders to submit customs declarations electronically. In 2006, e-customs procedures were piloted at a few local customs departments around Vietnam. In the same year traders were able to submit the certificate of origin documents electronically.

Vietnam's Best Practices are as follows:

- Reform of the customs administration;
- Creation of a website where information about trade and legal documents are available;
- Harmonization of the regulations on customs procedures to international practices and standards;
- Develop electronic declarations to allow for traders and
- Develop e-customs procedures

Development of national Trade Facilitation Strategy by Greece

Box 5: Measures on Custom Modernization for Trade Facilitation in Greece

The trigger for developing the Greek Trade Facilitation Strategy was the economic adjustment programme the Greek authorities agreed to as a condition for and following the bailout funding received from international lenders since May 2010. Jointly with its international partners, the Government designed and put in place a series of reform initiatives. In 2011, the EU Commission set up the Task Force for Greece (TFGR) to provide technical assistance to the Greek authorities. The simplification of customs and pre-customs procedures was flagged as a priority area of intervention. The country developed a road map for overall trade facilitation keeping specific objectives in mind. The roadmap was a joint document of the Ministry of Finance, Ministry of Foreign Affairs, Ministry of Development, Competitiveness, Infrastructure, Transport and Networks, Ministry of Rural Development and Food, with cooperation from other ministries. Following the roadmap, Greece eventually improved its LPI performance and ease of doing business status.

Greece's Best Practices are as follows:

- Economic adjustment programme;
- Set up the Task Force for Greece (TFGR) to provide technical assistance;
- Simplification of customs and pre-customs procedures and
- Develop a joint road map for overall trade facilitation including all ministries/organizations.

6.4 Centralized Implementation Plan

A centralized framework, often done through a regional body, such as, SAFTA, can set up a data repository, under Article 1 of the WTO TFA, providing information about trade procedures and formalities of member countries. This one-point data repository may help traders to collect information from one place. This regional body can further set up a regional enquiry point, which should be a platform for exporters and importers to gather relevant information regarding rules, fees and charges, regulations and procedures of doing cross border trade.

Similarly, regional body can make laws and regulations as per consensus of member countries for harmonizing working days and hours of border management agencies, align the procedures and formalities across the countries, under Article VII of the WTO TFA. Article 11 of the WTO TFA deals with freedom of transit and holds an

immense importance in a regional context. It states that transit rules should be implemented in a manner that they do not disguise restrictions on traffic in transit. Customs is the key border agency responsible for all international trade transactions and a central government administration responsible for implementing the TFA. With that in mind, in the past the WCO has continuously encouraged its members to take an active approach in the WTO Trade Facilitation negotiations. Article 23.2 of the TFA requires each Member to establish and/or maintain a national committee on trade facilitation or designate an existing mechanism to facilitate both domestic coordination and implementation of TFA provisions. Having in mind the central role of Customs for successful national TFA implementation, it is necessary for Customs administrations to take an active role in this Committee.

Developing a centralized repository and dissemination system of trade regulations can be effective. For TF implementation. As many agencies are involved to varying degrees in issuing trade regulations, a centralized system has to be developed so that the trading community can be informed timely regarding the changes in the regulatory requirements of any relevant agency. The customs authority generally takes the lead in establishing such a system but collaborative arrangements with chambers of commerce and industry can also be established to aid information dissemination and organization of training workshops⁸⁸. By establishing enquiry points for trade regulation information, in addition to publishing regulations through a centralized system, the authorities can move one step forward and provide enquiry points for traders to approach when they seek information and clarification. Centralized legislation database and single government gazette is also required for centralized implementation of trade facilitation measures.

From the draft working paper of 6th minutes of the National Trade Facilitation Committee (NTFC) meeting, the centralized implementation plans for Bangladesh is as follows:

1. National Board of Revenue (NBR), Bangladesh is working on notifying the requirements to the importers immediately after online submission of Bill of Entry or Bill of Export in ASYCUDA World.
2. National Board of Revenue (NBR), Bangladesh is deploying customs convoy or customs escorts based on risk of the consignment.
3. NBR has amended Customs Act, 1969 (Section 83E) to accommodate Authorities Economic Operators (AEO).

6.5 Decentralized Implementation

A number of trade facilitation measures cannot be implemented under a centralized implementation framework due to inadequate economies of scale even if necessary investments for infrastructure development are made. At the same time, substantial

⁸⁸ <https://www.adb.org/sites/default/files/publication/27530/trade-facilitation-reference-book-2013.pdf>

human resources and good domestic infrastructure are required for such reforms. Trade facilitation measures that can be fulfilled through a decentralized plan are as follows:

Establishment of a single window system in a country and its enforcement does not require the consent of others. Some of the BBIN countries have already set up single window system for speedy clearance of cargoes at their ports. Moreover, each country is taking steps to connect with relevant trade bodies in order to develop a single platform for conducting international trade. Keeping this framework in mind, the BBIN countries can also create a similar platform for exchange of automated information without a regional body.

A similar approach can be applied to provisions made under 'Trade Facilitation Measures for Authorized Economic Operators' (AEO). Except provision 7.7.5 of the WTO TFA, where cross-country cooperation requires mutual recognition of Authorized Economic Operators, all other provisions can be implemented exclusively by a member country. The BBIN countries can consider developing guidelines to "ensure common understanding and uniform application of the customs legislation". However, it is an exclusive responsibility of each BBIN country to apply for operating the AEO mechanism.

From the draft working paper of 6th minutes of the National Trade Facilitation Committee (NTFC) meeting, the decentralized implementation plans for Bangladesh is as follows:

1. Border agencies have been providing the Electronic Payment facilities to pay duties, taxes and charges at import & export stage. National Board of Revenue (NBR), Bangladesh has made it mandatory to use e-payment for the payment of duties and charges collected by customs.
2. National Board of Revenue (NBR), Bangladesh is also working on electronic data interchange through NSW (National Single Window) project.
3. Automated risk management software (ARMS) procurement has also been initiated under NSW project.
4. Bangladesh customs has adopted the options of appointing the national transit coordinator. NBR will appoint the transit coordinator soon.
5. Bangladesh Customs is allowing the opportunities of conducting second test based on the request of the importer/exporters. They are working on setting up highly equipped laboratory in their important Customs Stations and Custom Houses. Development partners are including ADB and WB-IFC. They require the continuity of this assistance from their development partners.
6. NBR has amended the relevant sections of the Customs Act, 1969 (Section 43 & 44) and issued a circular to make Pre-arrival Processing (PAP) operational in sea and air routes. But the number of importers availing this opportunity is very low. NBR is working on making it operational in land routes.

6.6 Shared Implementation

Article VIII and its subsections (Border Agency Cooperation) of the WTO TFA states that: “each of its authorities and agencies responsible for border controls and procedures dealing with the importation, exportation, and transit of goods, must cooperate with one another and coordinate their activities in order to facilitate trade”. Articles X and XV of the BBIN MVA emphasize cross-border cooperation and importance of national laws and regulations with regard to export and import of goods. The role of a regional body on border agency cooperation will be critical in this regard.

Provisions 1, 2 and 4 under Article VII of the WTO TFA deal with “Release and Clearance of Goods” and can be implemented jointly by a member country and a regional body, such as SAARC, or BBIN, if consensus is reached among the member states. A technical team under a regional body can develop software for lodging documents and making payments electronically. For the enforcement of these trade facilitation measures, a regional body can provide capacity building training to customs and other border management officials on how to operate software systems, etc. Similarly, for “Risk Management”, the technical team of a regional body can invent a uniform risk management system for all countries. Each member country then adopts this system for customs control. For its proper functioning and enforcement, the technical team can conduct training programmes to capacitate customs officials.

Some of the provisions of the TFA require individual actions by customs and/or other governmental agencies. However, close cooperation, coordination and collaboration with other stakeholders, especially other border agencies are pertinent for successful implementation of many of the provisions of the TFA.

According to Article I on Publication and Availability of Information: It is necessary to have an arrangement in place to identify the agencies responsible for publication of trade information, to define the scope of their responsibilities and the mechanism to coordinate publication activities so that traders and other interested parties can get coherent and contextualized information. Regarding enquiry points, the provisions require governments to designate the authority responsible for setting up and operating enquiry points. Different models are possible: one where each border agency has its own enquiry point and another where there is a centralized platform that handles all enquiries or acts as a “switchboard” to the individual enquiry points. Based on Article 2 on Opportunity to Comment, Information before Entry into Force and Consultations, Article 2.2 envisages a process by which border agencies obtain the views of traders and other stakeholders on matters affecting them. So, border

agencies must hold regular consultations with traders and other stakeholders, as appropriate. Depending on national circumstances and on topics to be discussed, it might be an option to consider joint consultations with traders wherever appropriate. Article 8 on Border Agency Cooperation is one of the most obvious measures requiring collaboration amongst border agencies not only at national, but also at international level. The latter refers mainly to Members sharing common borders and requires coordinating procedures at border crossings, which may include alignment of working days and hours, alignment of procedures and formalities, development and sharing of common facilities, joint controls and establishment of one stop border post controls.

Many of the TF measures under Article 7 would require collaboration amongst relevant border agencies. These include in particular provisions on pre-arrival processing, electronic payment, risk management, establishment and publication of average release times and perishable goods. Also based on Article 11 on Transit, transit requires cooperation amongst Customs, other border agencies, the ministry of transport and other stakeholders. Moreover, for Article 10 on Formalities Connected with Importation, Exportation and Transit, the TF measure that requires the most complex collaborative approach is Single Window (Article 10.4). However, other provisions, such as those that foresee periodical review of formalities and documentation requirements (Article 10.1), acceptance of copies (Article 10.2), use of international standards (Article 10.3) and common border procedures and uniform documentation requirements (Article 10.7) would equally benefit greatly from a collaborative approach⁸⁹. All of these TF approaches are collaborative in nature and requires shared implications by the relevant agencies or stakeholders.

From the draft working paper of 6th minutes of the National Trade Facilitation Committee (NTFC) meeting, the shared implementation plans for Bangladesh is as follows:

1. Trade Related Ministries & Organizations have their own website for easy excess to information involved with trade procedures. Fees & charges are published there on regular basis.
2. Website of trade related ministries & organizations provide information of procedure for appeal or review.
3. Trade related notifications are published on regular basis in the website of relevant ministries & organizations.
4. Bangladesh allows the Temporary Admission of Goods and Inward and Outward Processing.
5. Bangladesh customs has bilateral Customs Manual Administrative Assistance Agreement (CMAA) with Turkey and Saudi Arabia. Internal procedures for

⁸⁹ http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/wto-atf/omd_wto_tfa_web_en.PDF?la=en

CMAA with Mexico have been concluded and it is waiting for signing. Negotiation for CMAA with Sri Lanka, Japan, Russia and Iran is almost at final stage.

6. Ministry of Commerce, Bangladesh established a Bangladesh Trade Portal (BTP) - link: <https://bangladeshtradeportal.gov.bd> or www.bangladeshtradeportal.gov.bd BTP was launched on March 13, 2016 and version-2 has been live from January 31, 2018. The role of BTP is to promote and facilitate trade by improving transference and liaison between local and foreign traders.
7. Bangladesh Customs has already established a National Enquiry Point (NEP) and it was officially inaugurated on 06/09/18 (link: <http://bangladeshcustoms.gov.bd/nep/>). People are taking the benefit of fulfilling their queries through the icon of web-based National Enquiry Point.
8. NBR has developed a transaction based Post-clearance Audit (PCA) Manual with the assistance of USAID and all custom house as well as LCS are expected to follow this manual in near future.

Chapter 7 : Insights Gathering from Survey, KII, FGD and Public Consultation

7.1 Introduction

The study is based on the insights received from the multiple consultation sessions with the stakeholders. This consultation process was held in form of KIIs, FGD, public consultation, and a field survey. The summary of key insights from each of these consultation process has been documented, analyzed, and provided in this chapter in a brief manner.

7.2 Survey Instrument

BFTI conducted the survey to assess issue of the implementation of trade facilitation. purposive sampling techniques were used to select the samples. Samples were selected from the five ports of Bangladesh including Benapole land port, Akhaura land port, Banglabandha land port, Chattogram seaport and Shah Jalal airport. For required data collection, the port officials, exporters, importers and service providers, C&F agents were surveyed. Data were collected through face-to-face interviews using a well-designed semi-structured questionnaire as attached at Appendix 2.

7.2.1 Survey Participants

A total of 202 participants have participated in this study. Detailed list of the participants is attached at Appendix 3. However, 61 participants from C&F agent made up 30% of the total respondents among the 202 participants. In addition to others, there are 31 exporters, 29 importers, 13 port officials, 11 customs officials, 7 freight forwarders, 7 bank officials, and 2 shipping agents among the participants. Following table represents the elaborated responses of survey participants:

Table 31: Sample Distribution

Respondent's Category	Freq.	Percent
Freight Forwarder	7	3%
C&F Agent	61	30%
Transport & Logistics Company Official	7	3%
Driver	5	2%
Exporter	31	15%
Importer	29	14%
Port Official	13	6%
Labor Union Representative	8	4%
Bank official	7	3%
Certification Authority Official	7	3%

Respondent's Category	Freq.	Percent
Customs Official	11	5%
Indenting Agent	8	4%
Shipping Agents	2	1%
Others	6	3%
Total	202	100%

7.2.2 Survey Findings

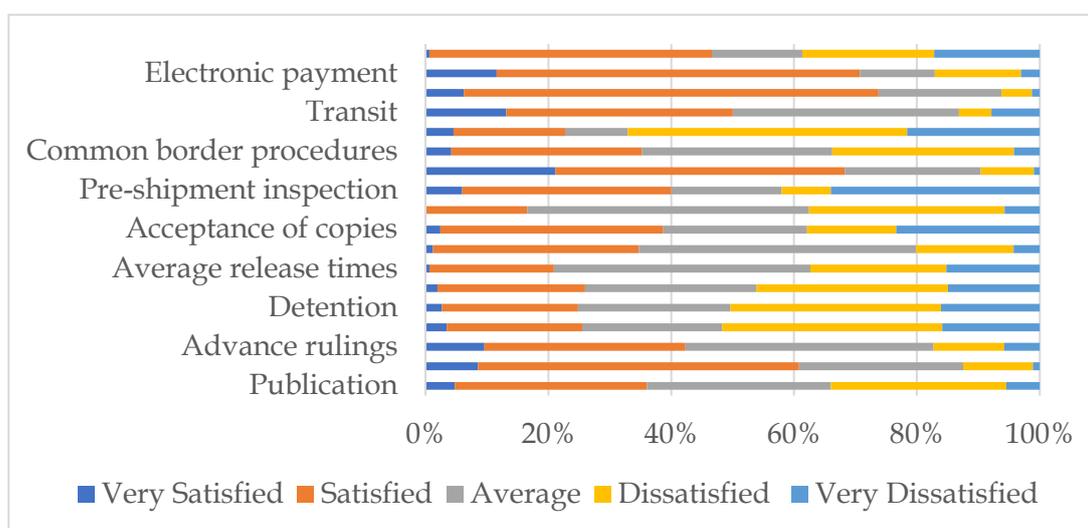
Participants were asked to assess the status of Bangladesh in implementing the Trade Facilitation Agreement (TFA). Their responses were mixed in nature. Many Participants answered the questions from a neutral standpoint. The majority of the respondents expressed their general satisfaction with the quality of services and progress in TFA implementation. 31 % of respondents were satisfied with the indicator 'Publication', 52% of respondents were satisfied with the indicator 'Information available through the internet', 40 % showed average satisfaction with the indicator 'Advance rulings', 36% showed dissatisfaction with the indicator 'Procedures for appeal or review', 46% are shown average satisfaction at the indicator 'Use of international standards', 34% are showed satisfaction at the indicator 'Pre-shipment inspection', 47% are showed satisfaction at 'Use of customs brokers', 31% are showed satisfaction at the indicator 'Common border procedures', 45% are showed dissatisfaction at the indicator 'Rejected goods', 37% are showed satisfaction at the indicator 'Transit'. The majority of respondents (68%) were satisfied with the indicator 'Consultations', 59% were satisfied with the 'Electronic payment' in implementing the TFA indicators and 46% were satisfied with the indicator 'Customs cooperation'. The highest 23% showed dissatisfaction with the TFA indicator Acceptance of copies. Following table and graph represents the elaborated responses of survey participants:

Table 32: Trade Facilitation Agreement (TFA) Indicators Status of Bangladesh in Implementing TFA

Measures	Very Satisfied	Satisfied	Average	Dissatisfied	Very Dissatisfied
Publication	5%	31%	30%	29%	5%
Information available through internet	9%	52%	27%	11%	1%
Advance rulings	10%	33%	40%	12%	6%
Procedures for appeal or review	3%	22%	23%	36%	16%
Detention	3%	22%	25%	34%	16%
Separation of release	2%	24%	28%	31%	15%

Measures	Very Satisfied	Satisfied	Average	Dissatisfied	Very Dissatisfied
Average release times	1%	20%	42%	22%	15%
Movement of goods	1%	34%	45%	16%	4%
Acceptance of copies	2%	36%	23%	15%	23%
Use of international standards	0%	17%	46%	32%	6%
Pre-shipment inspection	6%	34%	18%	8%	34%
Use of customs brokers	21%	47%	22%	9%	1%
Common border procedures	4%	31%	31%	30%	4%
Rejected goods	5%	18%	10%	45%	22%
Transit	13%	37%	37%	5%	8%
Consultations	6%	68%	20%	5%	1%
Electronic payment	12%	59%	12%	14%	3%
Customs cooperation	1%	46%	15%	21%	17%

Figure 13: Status of Bangladesh in Implementing the Trade Facilitation Agreement (TFA)



Participants were asked to indicate which areas they thought should receive more attention in order to facilitate trade for example port efficiency, automation and electronic data interchange, customs modernization and border crossing-environment, streamlining of documentary requirements and information flows, logistics and transport services, transit and multimodal transport, transport security, regulation and competitiveness and others. 167 participants emphasized on 'Infrastructure investment' 157 participants emphasized on 'Port efficiency', 101

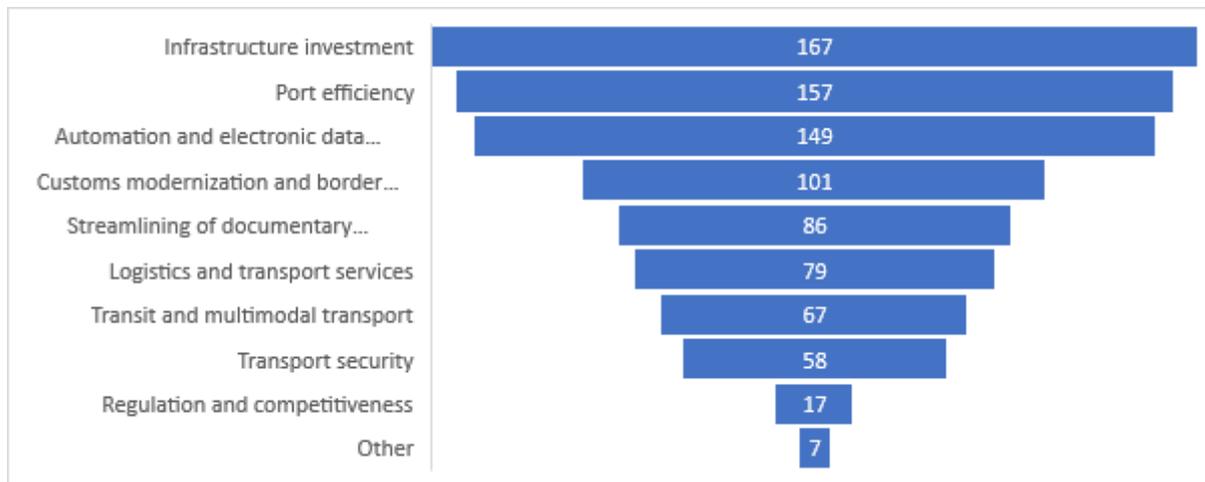
participants emphasized on ‘Customs modernization and border crossing-environment’, 86 participants emphasized on ‘Streamlining of documentary requirements and information flows’ 79 participants emphasized on ‘Logistics and transport services’, 58 participants emphasized on ‘Transport security’ and 17 participants emphasized on ‘Regulation and competitiveness’.

Following table and graph represents the elaborated responses of survey participants:

Table 33: Area to Emphasize More for Trade Facilitation

Area to Emphasize More for Trade Facilitation	Frequency
Infrastructure investment	167
Port efficiency	157
Automation and electronic data interchange	149
Customs modernization and border crossing-environment	101
Streamlining of documentary requirements and information flows	86
Logistics and transport services	79
Transit and multimodal transport	67
Transport security	58
Regulation and competitiveness	17
Other	7

Figure 14: Area to Emphasize More for Trade Facilitation



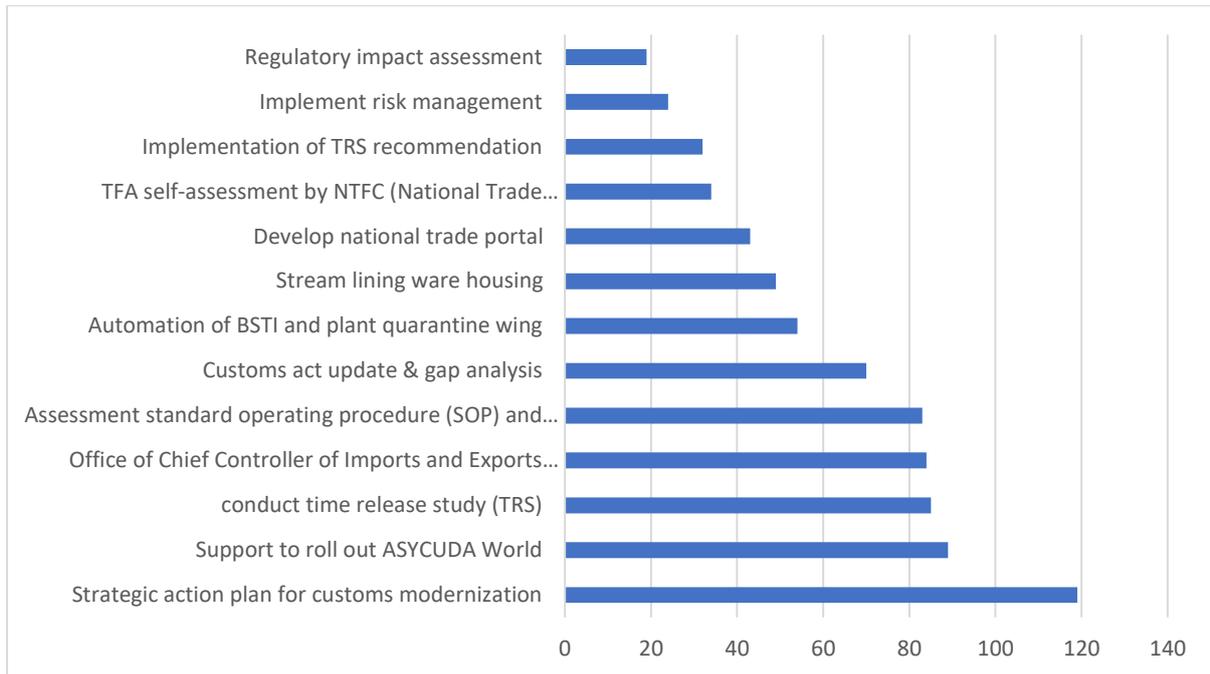
Participants were asked to select five (5) important customs modernization activities. Most of the participants (119) selected the ‘Strategic action plan’ for customs modernization activities. 89 participants selected ‘Support to roll out ASYCUDA World’, 85 participants selected conduct time release study (TRS), 84 participants selected ‘Office of Chief Controller of Imports and Exports (CCI&E) Automation for ERC and IRC’ 83 participants selected ‘Assessment standard operating procedure (SOP)’ 70 participants selected ‘Customs act update & gap analysis’ 54 participants selected ‘Automation of BSTI and plant quarantine wing’ 49 participants selected

'Stream lining warehousing' 43 participants selected 'Develop national trade portal', 34 participants selected 'TFA self-assessment by NTFC (National Trade Facilitation Committee)', 32 participants selected 'Implementation of TRS recommendation', 24 participants selected 'Implement risk management' and 19 participants selected 'Regulatory impact assessment'. Following table and graph represents the elaborated responses of survey participants:

Table 34: More Important Customs Modernization Activities

More Important Customs Modernization Activities	Frequency
Strategic action plan for customs modernization	119
Support to roll out ASYCUDA World	89
conduct time release study (TRS)	85
Office of Chief Controller of Imports and Exports (CCI&E) Automation for ERC and IRC	84
Assessment standard operating procedure (SOP) and valuation	83
Customs act update & gap analysis	70
Automation of BSTI and plant quarantine wing	54
Stream lining ware housing	49
Develop national trade portal	43
TFA self-assessment by NTFC (National Trade Facilitation Committee)	34
Implementation of TRS recommendation	32
Implement risk management	24
Regulatory impact assessment	19

Figure 15: More Important Customs Modernization Activities



Participants were asked whether an authorized Economic Operator (AEO) is necessary or not. In response, 92 participants (46%) responded positively. Among these participants re Freight Forwarders, Exporters, C&F Agents, Quality Control Officers, Customs Officers, Indenting Agents, Importers, Customs Officers. However, 108 participants responded that they don't know whether AEO is necessary or not. On the other hand, a small number of participants found the AEO unreasonable.

Table 35: Authorized Economic Operator (AEO) Necessary

Authorized Economic Operator (AEO)	Freq.	%
Yes	92	46%
No	2	1%
Don't Know	108	53%
Total	202	100%

Reasons for Authorized Economic Operator (AEO):

- AEO may be a technique to reduce the difficulty and cost of overcoming trade barriers.
- AEO making business easier and trade more competitive.
- AEO can facilitate import and export without corruption.

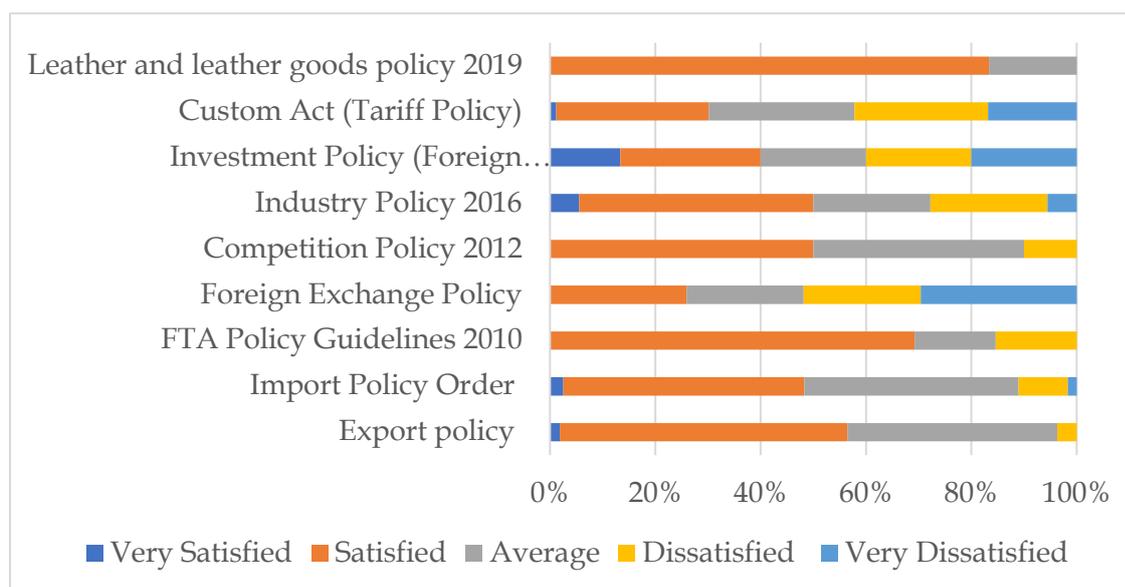
Participants were asked to evaluate the various trade policies adopted by the government beneficial to business facilitation. Most of the participants thought that

Export Policy, Import Policy, and FTA Policy Guideline 2010 need to be changed while a major portion of the respondents expressed their general satisfaction with the efficiency of various trade policies adopted by the government. 55% of respondents were satisfied with 'The Export Policy of Bangladesh', 46% of respondents were satisfied with 'Import Policy Order', a substantial portion of respondents (69%) are satisfied with 'FTA Policy Guidelines 2010', 50% were satisfied with 'Competition Policy 2012', 28% respondents were satisfied with 'Custom Act (Tariff Policy)', 26% were satisfied with 'Foreign Exchange Policy' while 30 % were very dissatisfied with this policy, 44% were satisfied with 'Industry Policy 2016', 27% were satisfied with 'Investment Policy (Foreign Investment and Promotion Act 1980)' and highest portion of respondents (83%) were satisfied with 'Leather and leather goods policy 2019'. Following table and figure represents the elaborated responses of survey participants:

Table 36: Evaluate Various Business Policies Adopted by the Government Beneficial to Business facilitation

Measures	Very Satisfied	Satisfied	Average	Dissatisfied	Very Dissatisfied
Export policy	2%	55%	40%	4%	0%
Import Policy Order	3%	46%	41%	9%	2%
FTA Policy Guidelines 2010	0%	69%	15%	15%	0%
Foreign Exchange Policy	0%	26%	22%	22%	30%
Competition Policy 2012	0%	50%	40%	10%	0%
Industry Policy 2016	6%	44%	22%	22%	6%
Investment Policy (Foreign Investment and Promotion Act 1980)	13%	27%	20%	20%	20%
Custom Act (Tariff Policy)	1%	29%	28%	25%	17%
Leather and leather goods policy 2019	0%	83%	17%	0%	0%

Figure 16: Evaluate Various Business Policies Adopted by the Government Beneficial to Business facilitation



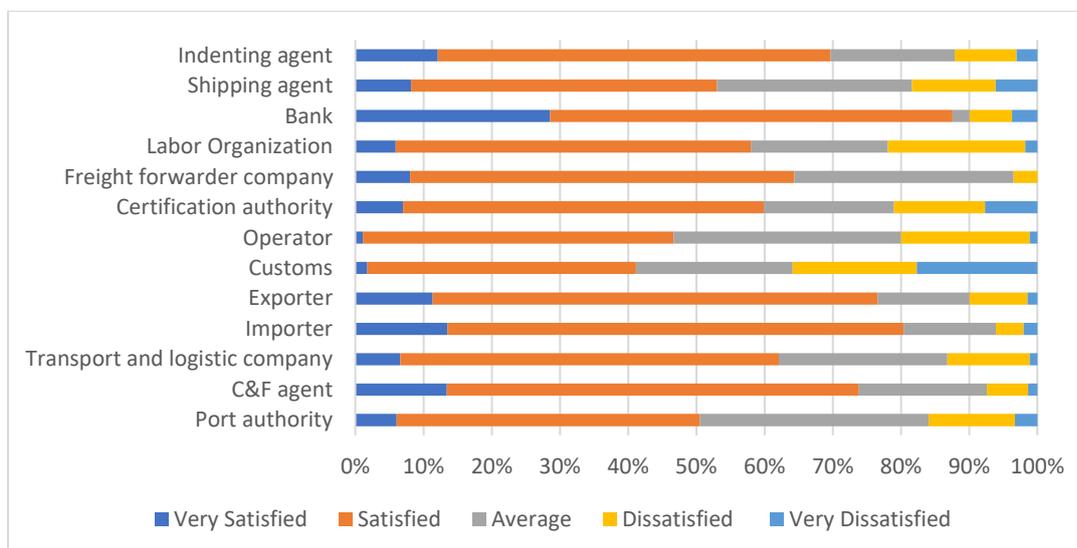
In response to the evaluation of institutional capacity & weakness to trade facilitation, 81 participants were satisfied with the activities of 'Port authority', 90 were satisfied with the activities of 'C&F agent', 101 were satisfied with the activities of 'Transport and logistic company', 99 were satisfied with the activities of 'Importers', 92 were satisfied the activities of 'Exporter', 92 were satisfied with the activities of 'Customs', 41 participants were satisfied with the activities of 'Operators', 83 were satisfied with the activities of 'Certification authority', 49 were satisfied with the activities of 'Freight forwarder company', 88 were satisfied with the activities of the 'Labor Organization', 95 were satisfied with the activities of 'Bank', 22 were satisfied with the activities of the 'Shipping agent', 19 were satisfied with the activities of 'Indenting agent'. Following table and figure represents the elaborated responses of survey participants:

Table 37: Evaluate Institutional Capacity & Weakness to Trade Facilitation

Measures	Very Satisfied	Satisfied	Average	Dissatisfied	Very Dissatisfied	Total
Port authority	11	81	61	23	6	182
C&F agent	20	90	28	9	2	149
Transport and logistic company	12	101	45	22	2	182
Importer	20	99	20	6	3	148
Exporter	16	92	19	12	2	141
Customs	3	67	39	31	30	170
Operator	1	41	30	17	1	90

Measures	Very Satisfied	Satisfied	Average	Dissatisfied	Very Dissatisfied	Total
Certification authority	11	83	30	21	12	157
Freight forwarder company	7	49	28	3		87
Labor Organization	10	88	34	34	3	169
Bank	46	95	4	10	6	161
Shipping agent	4	22	14	6	3	49
Indenting agent	4	19	6	3	1	33

Figure 17: Evaluate Institutional Capacity & Weakness



This survey also revealed the following information:

- Port needs to have uninterrupted electricity supply to continue the automation process.
- Sufficient truck terminals are required in every port for facilitating the trade.
- Joint border coordination is required in every port.
- Ports need skilled manpower and should increase manpower for smooth management in trade system.
- Ports need to adopt modern technology and equipment i.e., automation of the traffic system, e-payment system, automation on documentation, one stop service, efficient Logistic Support, Land port worker monitoring system, Crain and Fork-lift.

- In order to prevent free trade from being hindered, the syndicate's power must be lessened between Bangladesh and India.
- Infrastructural improvements are required for the land port, strong security system including more BSTI stations, hospitals, and warehouses.
- In order to support the importers, Statutory Regulatory Orders (SRO) should be appropriately applied for products. In order to implement TFA, Port must develop a policy of zero tolerance for corruption.

7.3 Insights from Insights from KIIs, FGD and Public Consultation (PC)

KII data were collected through face-to-face interviews using a well-designed semi-structured questionnaire as attached at Appendix 4. A list of participants is attached at Appendix 5 for the KII. At the same fashion, a list of participants for FGD and PC is attached at Appendix 6 and Appendix 7 consecutively.

Summary of their inputs, expressions, and opinions are presented in different thematic areas in the following section:

Objectives	Primary Data Collection Sources	Comment from Stakeholders
Current and future implementation commitments of TFA	KII	<ul style="list-style-type: none"> • For efficient trade facilitation, it is necessary to have facilities such as ASYCUDA world software, paperless trade and automation systems, and alignment to the RKC (Revised Kyoto Convention), coordination between customs and ports, e-payment services, Statutory Regulatory Order (SRO) and Registered Exporters System (REX). • TFA commitments need to be expedited and fulfilled for implementing National Single Window by simplifying the documentation. • Bangladesh Govt. can start a time-sensitive digital customs solution and be strict about implementing it into action.
	FGD	<ul style="list-style-type: none"> • A customized dashboard and tracking system for monitoring the actions can elevate the trading technique to an entirely new level. An efficient transport and shipping infrastructure may facilitate trade-related activities. • Paperless procedure for the Bill of Entry (BOE) needs to be introduced. • When it comes to addressing the issue of implementing the Time Release Study (TRS) recommendation into practice, the majority of the recommendations made are generally not wise since they are made in the framework of a broad

Objectives	Primary Data Collection Sources	Comment from Stakeholders
		<p>category rather than precisely to help with its implementation.</p> <ul style="list-style-type: none"> The same Container Freight Station (CFS) officer demands a second certificate for short shipments, which delays the trade process. This type of certifications needs to be reduced.
	Public Consultation	<ul style="list-style-type: none"> Assessment of Standard Operating Procedure (SOP) for custom clearance needs to be introduced. The syndicate's influence must be curtailed at the border between Bangladesh and India. Automation and overall technological development like port scanner systems should be installed.
Policy gaps between the obligation of the Trade Facilitation Agreement (TFA) and present situation in implementation of the TFA in Bangladesh	KII	<ul style="list-style-type: none"> Imports and exports are not possible without this BSTI authorization. But there is a limited number of laboratories of BSTI approved by the government. In the gazette there should be the inclusion of private & governmental institutions that have the capacity to test the products. It will cost less time and less money to testify the product.
	FGD	<ul style="list-style-type: none"> According to WCO (World Customs Organization) standards, testing procedures must be established, along with a degree of freedom. If any changes to any section of the WTO TFA agreement are necessary, consultation with the government is also necessary.
	Public Consultation	<ul style="list-style-type: none"> C&F and commercial officers have inefficiency and are reluctant to follow rules and regulations, so proper training and knowledge sharing are needed.
The policy/Act/Rules to support simplification of trade procedure, documentation, automation and paperless trade according to the international standards	KII	<ul style="list-style-type: none"> It is necessary to update the FTA Policy Guidelines from 2010, the Foreign Exchange Policy, the Investment Policy, the Custom Act (Tariff Policy), and the Leather and Leather Products Policy 2019. Implementing Bangladesh Competition Commission (Enquiry, Investigation, Review and Appeal) Regulations, 2022 Bangladesh is more vital than changing the legislation. The export and import policies should be integrated, and executive orders should be in accordance with NBR's SROs.
	FGD	<ul style="list-style-type: none"> To implement Bangladesh Bank's shipping line policy, Custom must cooperate with the Bangladesh bank. Policies may be complied with WTO trade facilitation rules.
	Public Consultation	<ul style="list-style-type: none"> A small change in tariff can result in a significant amount of loss when products are diversified.

Objectives	Primary Data Collection Sources	Comment from Stakeholders
		<p>Bangladesh may therefore lessen policy uncertainty and tariff changes each year and evaluate every minute values for enhancing the trade efficiency.</p> <ul style="list-style-type: none"> Processes for providing cash incentives needs to be simplified. Import Permission (IP) is one of the main non-tariff obstacles that should be reduced to facilitate trade because when a Chittagong-based company needs obtain his IP from Dhaka rather than the regional office of Chittagong.
Institutional weakness and procedural hindrance	KII	<ul style="list-style-type: none"> Institutional competencies & coordination, providing training on key documents and laws, transparency and accountability of the organizations are required. Skilled chemists, facilities for food testing, chemicals for testing, interrupted electricity supply, money exchange facilities in Akhaura land port etc. should be available.
	FGD	<ul style="list-style-type: none"> The trade portal must be updated every month to get information available. BOE, E-payment digitalize done, Authorized Economic Operator (AEO), Risk Management (RM), National Single Window (NSW), Advance Ruling (AR), publishing information (Website), National Enquiry Point (NEP), Post Clearance Audit (PCA), release time of goods, PAP, API/PNR, expedited shipment, etc. are need to be updated. A roadmap is required for the implementation of the trade facilitation agreement. It can increase the speed of work in trade management.
	Public Consultation	<ul style="list-style-type: none"> Double certification issue needs to be avoided and complexity of VAT and tax issues needs to be reduced. The main focus of all trade-related seminars should have a comprehensive discussion of all trade-related challenges, including the Customs issues, logistical issues, policy-related uncertainty, port-related issues, etc. Regional registration and certification facilities by the EPB need to be introduced.
Best practice of the regional countries in implementation of TFA	KII	India has more advanced port management systems and well-developed vehicle parking management systems. Bangladesh may be implemented these management systems to facilitate trade.
	FGD	Singapore Customs acts as the gate keeper for the nation in terms of entry and exit of people, goods and

Objectives	Primary Data Collection Sources	Comment from Stakeholders
		services. Its paradigm shift to securing and facilitating global trade at the border and behind the border has brought about ease, fairness and security through enhanced transparency (Publication and Availability of Information), coordination and consultation; and Innovation pillars. Singapore Customs promotes trade facilitation through a risk-based approach ⁹⁰ . It may be followed for implementing TFA.
	Public Consultation	Facilitating paperless trade, the Chinese "two-step declaration" customs clearance mode may be applied for online declaration. In the mode of "two-step declaration", importers don't have to submit all declaration documents one-off and can finish their declaration process in two steps (not twice): first, make a summary declaration and take delivery of goods by only submitting the bill of lading; second, submit all other information documents and make duty payment as required within 14 days after declared entry of transport means. Thus, the two-step mode helps reduce import demurrage and improve clearance efficiency. ⁹¹

7.4 Summary Findings from Field Survey, KII, FGD and Public Consultation:

BFTI conducted the survey to assess the issues of the implementation of trade facilitation. The survey was developed to explore the real concerns of field-level stakeholders, such as traders and border officials, C&F agents, Custom officials, and NBR officials. The survey question mainly disseminated the following issues: satisfaction level on services and TFA implementation, satisfaction level of various policy frameworks, satisfaction level of institutional capacity, priority area identified for TFA implementation, customs modernization, and role of 'Authorized Economic Operators in implementing TFA. The respondents identified automation and infrastructure development as the top priority areas for TFA implementation. Priorities also included boosting productivity and lessening bottlenecks at all ports.

⁹⁰ Trade Policy Dialogue on Trade Facilitation Agreement (TFA) Category B and C Commitments, page 8, retrieved from <https://www.apec.org/docs/default-source/Publications/2019/3/Trade-Policy-Dialogue-on-Trade-Facilitation-Agreement-TFA-Category-B-and-C-Commitments/219CTITrade-Policy-Dialogue-on-Trade-Facilitation-Agreement-TFA-Category-B-and-C-Commitments.pdf>

⁹¹ The General Administration of Customs of the People's Republic of China (GACC) retrieved from <http://english.customs.gov.cn/statics/1e5f4abc-020e-4e04-8656-c6f8e29eee59.html>

The KII sessions highlighted procedural delays and documentation problems at port. In the KII session, it was also made clear that there is still a long way to go until a paperless system is developed and that automation levels are still just partial at the port. Albeit "Tariff modernization" is a process that is still very much in progress, once Bangladesh leaves the LDC category in 2026, the problems with para-tariffs in the form of supplemental and regulatory duties need to be solved. Moreover, poor internet and networking system create digital documentation systems more cumbersome.

The stakeholders in FGD expressed that land ports lack sufficient infrastructure and space, for example, there are not enough warehouse, shed, and weighing scale facilities, trollies, cranes, and forklifts and existing ones do not function well, also lighting, electricity, internet services, and security is not up to the mark in the ports.

FGD also pointed out that, Bill of entry submission takes a lot of time and this issue should be resolved. Concerns were expressed about the withdrawal of international support in implementing TFA once Bangladesh graduates from the LDC status in 2026. It was recommended that technical and financial support from the development partners in these matters.

Public Consultation also reveals that integrated port management is an important issue now. Product release time is longer in ports and as a result, it increases costs, so efforts should be given to reduce this release time. Stakeholders also typified that the government should stop any harassment of the businessmen, contributing to the economy with export as businesses are facing harassment from VAT and Tax issues from NBR officials that can discourage the young generation to become new entrepreneurs. The stakeholders also emphasized the point that, following the WTO Trade facilitation agreement, the Government of Bangladesh has committed to the implementation of a National Single Window (NSW) system and the concurrent reform and modernization of customs and other border control agencies.

Chapter 8 : Recommendations and Conclusion

8.1 Recommendations related to Simplification of Trade Procedures

The recommendations are based on the summary of opinions and views of the stakeholders expressed during FGDs, KIIs, and public consultations. The issue based major recommendations are compiled in the first part, and the second part tallies some detailed recommendations on specific issues:

a) **Gradual Full Automation and Digitalization of Services and Documentation:** Gradual steps should be taken to implement full automation and digitalization of services and documentation. This will require a proper plan after carrying out a needs assessment, adequate investments and infrastructure, and skills training for the operators, officers, service providers, and private sector. Some key areas and issues related to automation systems are:

- Integrated automation is necessary for seamless information sharing among different agencies. Land ports should be equipped with automated services and equipment. Import General Manifest (IGM) entry should be made online instead of manually.
- Automation and modernization should be made mandatory for all ports now to meet the TFA obligations by 2030. As well as full implementation of The Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific is required.

International supports or investment can be sought for automating the land ports of the country.

b) **Expediting the National Single Window:** The process of implementing the National Single Window should be expedited. This will require dedicated manpower at the NBR, and assigned dedicated officials at all the partner organizations, with a starkly spelled out description of their respective roles and responsibilities. NSW and risk management should be notched before 2026.

c) **Implementation of the Recommendations of Time Release Study:** It will be better if the recommendations from the Time Release Study recently carried out for Dhaka Airport, Chattogram sea port, and Benapole Land Port are considered, implemented properly, and reviewed at regular intervals. Such include eliminating manual manifest collection and submission of manual bill of entry (B/E) and establishing a computer-based joint CARPASS system at Benapole land port, etc. The prominent measures can help a country reduce goods release time which are implementing time

release study recommendations, off-peak hours operation and efficient and cost-effective practices. Ministry of Shipping, Ministry of Commerce, port authorities, BCSIR, BSTI, BAEC, NBR, and other relevant stakeholders should proactively work together to establish an integrated testing facility for all certification agencies near the port vicinity. To make this work, it would require, amongst others, allocating land/space, developing infrastructure, and providing necessary logistics support. In addition, the integrated testing facility should be equipped with modern equipment and a skilled workforce to meet the evolving needs of OGAs. Moreover, for proper, digitalization is imperative that ASYCUDA World and NSW introduce an option that can enable document uploading by the concerned stakeholders (banks, importers and OGAs). Such an option will help accelerate the transition to paperless trade by eliminating manual document collection and submission requirements. In addition, NBR and the concerned government organizations should take coordinated policy measure to simplify the relevant policy/regulations to reduce unnecessary document requirements for assessment/examination purposes. This may result in significant decrease of trade time.

d) **Integration:** Integration between the infrastructure and facilities of different agencies, particularly those of Customs and Bangladesh Land Port Authority should be encouraged to enhance functional efficiency and use of resources; Policy level cooperation at the highest level will be required for that. BLPA and other port agencies should enhance interconnection with other agencies like customs, BSTI, Plant quarantine etc.

e) **Capacity Development:** In order to comply with the TFA agreement, the capacity of all relevant Ministries and institutions should be strengthened. Every organization should meet its respective TFA obligation(s) timely. Customs automation and digitalization process should be integrated and interoperated among other border agencies.

f) **Renewal of License Period:** The renewal of license period might be extended for 3 to 5 years and might have provision of autorenewal for different organizations to facilitate trade procedure simplification.

8.2 Recommendations Related to Customs Modernization

The following recommendations are made for customs modernization and should be completed preferably by the end of 2024:

Serial No.	Customs Issues	Recommendation
1	Resolving HS code dispute	There should be a classification committee in every custom house and station and customs officials will examine the H.S dispute and send it to the committee. After examining every document and sample, they will give classification decision and issue classification ruling. If importer does not agree, they can apply to NBR. NBR will have a high expert committee on H.S classification. The classification decision given by the committee will be circulated through classification ruling. So, it can be used in future for resolving disputes on classification issues. Also, The HS code misdeclaration problem can be resolved if the importers try to correct the HS code before the goods arrive in the country. HS code declaration issues should be solved within 2 months of LC opening. Classification dispute settlement issues and processes should be known by the importers-exporters for avoiding customs issues. In case of HS code declaration problems, goods should be allowed to be released by proving an undertaking or promissory note and PCA can address further.
2	Implementation of WTO and WCO Rules for Customs Procedures and Clearance	Bangladesh has already ratified various rules of WTO and WCO regarding customs clearance and procedures, and should expedite implementing them. Some reforms are needed in the existing Customs Law and Procedures for effective implementation of the WTO and WCO Rules; some infrastructure and capacity building will also be required - to follow standard risk management procedures, for example, will need scanners to be in place. For example, Bangladesh is yet to fully implement the standard risk management protocols of customs inspection, which is often due to lack of adequate infrastructure and testing facilities.
3	Automation	ASYCUDA World software should be put in its full use, by making all of its 6 modules fully functional, by employing trained personnel and ensuring secured and uninterrupted internet and power supply.
4	Paperless Trade Documentation	More and more procedural steps, e.g., uploading Bill of Entry, Manifest, Payment, etc. should be brought under automated environment, with digital

Serial No.	Customs Issues	Recommendation
		signature/authorization options, and thus reducing the transaction time in each step.
5	Dissemination of Notifications	Any new rules, changes, etc. are published and uploaded in the customs web site on a regular basis, but some system notifications, should be sent out to the registered users, i.e., C&F agents, etc., so that surprises can be avoided.
6	Interagency Cooperation	The modernization efforts of the customs wing should be aligned with the provisions/procedures of the NBR in general, the Port Authority, and also with those of Bangladesh Bank, and Ministry of Finance; a high-powered coordination committee should be set up to harmonize the changes and reforms.
7	Tariff system	Simplified and reduced duty should be ensured. customs duty (CD) should be rationalized, though customs duty is a significant revenue source for Bangladesh till now. Most of the developed countries increase their revenues from alternative taxation. NBR's policy reform about revenue generation is needed since Bangladesh has to meet the requirements of the FTA regarding duty reduction. The process of tax payment should also be automated.
8.	Customs testing and laboratories	The number of customs testing facilities and laboratories should be increased. Major ports and customs stations should be equipped with proper laboratories and testing facilities. Also, goods are often not detained longer due to customs testing, rather importers can release their goods by issuing a promissory note to the customs. Moreover, A pre-testing facility can be initiated so that customs can pre-test a sample and release the bulk shipment when it arrives. Customs can utilize third-party labs owned by private businesses which are accredited by BAB and ILAC for providing time bound testing services. Establishment of labs on joint venture basis with trading partners may be suggested also.
9.	HS code dispute settlement and classification	HS code dispute settlement results and classification rulings information should be made available public so that any trader can use that information to avoid similar problems or resolve similar issues. This classification ruling information can be made available online on the trade portal or NBRs website.
10.	Policy reform and capacity development of customs	Through some NBR should allow fish and animal export through ports where significant potential for exporting animals and fish exist. NBRs' SRO or policy reform is needed in this regard. Also, Government should focus more on developing the capacity of NBR specially customs wing as it is associated with revenue-

Serial No.	Customs Issues	Recommendation
		earning activities. VAT, TAX should be clarified and charged uniformly. There may be provisions for adding new HS codes in opened order or LC during trade.
11	Appeal system	An appeal system should be there for challenging NBR's rulings or the assessment committee's decisions. Customs valuation and assessment should be simplified.
12	Port charges	Port charge and fees might be uniform fees in every land ports.

8.3 Recommendations related to Enhanced Trade Facilitation

Although the indicative implementation date for commitments in TFA regarding single window, Border Agency Cooperation, Test procedures, Risk management, Perishable goods, and formalities is 30 June 2030 for Bangladesh. Those need to be implemented as soon as possible to facilitate trade. Non-tariff barriers can be reduced by implementing TFA measures like pre-shipment inspection, customs rules for valuation rules, etc. For ensuring trade facilitation through reducing the complexity of regulatory regime, the regulatory authorities need to make customs formalities and procedures simpler, more transparent and more efficient. Similarly, expansion of the opportunities for Authorised Economic Operator (AEO) system and the implementation of National Single Window (NSW) to be available for traders, setting up a Risk Management (RM) Directorate as well as rolling out the Customs Modernization Action Plan 2019-22. Among the TFA components, NSW and Risk management systems should be implemented quickly for trade facilitation. The number of AEOs should be increased for TFA implementation.

It is strongly recommended that more cargo-handling equipment should be put to use at all border crossing points. A needs assessment study can be initiated to correctly estimate the types and number of equipment needed in each port. Moreover, for improving ease of doing business, measures like making administrative procedures speedy, ensuring transparency, and fast file approval through digitalization and automation can be considered. Some specific recommendations gathered from the stakeholders' views are summarized as follows:

(i) Cooperation in Risk Management: Bangladesh has commitment towards efficient risk management under Article 7.4 of the TFA of the WTO. Bangladesh has a Category C commitment with unspecified date requiring technical assistance. The present software systems installed at both sides of the border are sufficiently advanced but lacks proper implementation, due to lack of existing protocol, scanning equipment, and inadequate number of trained personnel. Automated risk management software (ARMS) can be applied for better risk management at the border point. It is strongly

recommended that joint protocols for integrated risk management should be drafted and discussed for agreement between the concerned authorities. Besides select specific products based on Risk Based Management System to develop complete test procedure by 2030 as per requirement of Category C. Integrated risk management system may be developed by NBR and BSTI's policy reform and areas of reform should be explored. Automated risk management software (ARMS) can be applied by customs for better risk management at the border point. BSTI needs to stabilize the risk management system following international best practices and ensure training for the risk management committee members. Other relevant agencies may incorporate risk management policies. Moreover, capacity development of surveillance mechanism, establishment of pest risk analysis (PRA) procedure, technical support on risk assessment and mitigation, preparation of some SOPs and manuals for risk management issues are also needed in this regard.

(ii) Border Agency Cooperation: In addition to the bi-annual meeting between the Joint-Commissioners (customs) and Joint-Secretaries (Ministry of Commerce), Deputy & Assistant Commissioner (Customs) level fortnightly and monthly meetings should be organized at Petrapole-Benapole and Ghojadnaga-Bhomra BCPs to sort out the outstanding issues requiring mutual cooperation and assistance, and refer the unresolved issue for interventions by their respective higher authorities. This is a specific recommendation valid for Bangladesh-India trade only. Agreements with Indian authorities for establishing common gate and port space expansion should be made and relevant activities should start promptly to improve land port trade activities. Non-tariff barriers should be reduced for enhancing regional trade with Nepal and Bhutan. Also, trade issues with Indian side may be presented in the joint group of customs meetings with India for mutual beneficiary resolutions. Proactive role of Joint Working Group (JWG) meeting between Bangladesh and India, activate BBIN and initiate bilateral agreements that may enhance the border agency cooperation. Port restriction issues can be addressed under JWG meeting. Regular joint group of customs (JGC) meetings may be held to reduce Customs related trade barriers and facilitate the exchange of information and relevant Customs documents for selected commodities in all major Customs stations. Initiatives should be taken where all clearing and forwarding agents, transport authorities, service providers, and port authorities of both countries will coordinate to fast-track Customs clearance to ease congestion along the border.

(iii) Inter-Agency Cooperation: Coordination among different port agencies is necessary for meeting TFA obligations. Integration between the infrastructure and facilities of different agencies, particularly those of Customs and Bangladesh Land Port Authority should be encouraged to enhance functional efficiency and use of

resources; Policy level cooperation at the highest level will be required for that. For example, out of all the trade-related documents, only custom gets LC related information from Bangladesh Bank's server. Other documents are collected from other various agencies by the C&F agents and submitted to Customs in an unstructured way, and mostly manually, hence it takes more time for the clearance and approval procedures at all stages and at all office. If all the documents get through online, it will reduce the time & cost of the trading process. Also, BLPA may be granted access to the ASYCUDA world for information sharing, e-port management system with data sharing mechanism introduced in Benapole and Burimari land ports can be replicated to other major land ports. Since institutional weaknesses are interlinked, supporting infrastructure development is necessary for overcoming weaknesses and increasing coordination. For instance, one stop service center in land ports can help facilitate trade.

(iv) Planned Investment: Any future investment decision for port development should take into consideration the ongoing regional connectivity initiatives, such as, Asian Highway Network; Miscellaneous bilateral India-Bangladesh agreements on trade, investment, connectivity, transportation, and so forth; BBIN Motor Vehicle Agreement, BIMSTEC, and a close look at the development initiatives in the North East States of India, and various regional and sub-regional integration initiatives involving BBIN and SASEC countries. FDI should be attracted removing issues like multiple document submissions, and multiple agency services requirements.

(v) Logistics improvement: Port efficiency and an improved logistics ecosystem should be increased for smooth trade facilitation. The multimodal transport system, ICDs, and supporting roadways should be ensured for improving the trade environment. An integrated approach covering different modes of networks, transport logistics, the facilitation of intermodal and multimodal transport, multimodal freight transport and the use of an electronic cargo tracking system are crucial for improving TFA and logistics performance score. Besides customs, other agencies and their cooperation, and coordination for efficient port management is also crucial for meeting TFA obligations. Introducing a system of shipping finished export product using the same trailers used for raw material imports can reduce trade costs. Also, for exporting perishable/vegetable products through public airways may be made less costly. A central warehouse can be developed in the importing countries for handling goods seamlessly. Cold storage and cold chain system can be developed for improving logistics efficiency for perishable products as well as packs houses can be developed in the nearby airport area, specially dedicated warehouses or shed facilities should be developed in the airport and other ports and quarantine officials and checking should be there with the civil aviation scanning system in the airport.

Introducing green channel in existing ASYCUDA system can help in reducing clearance constraints and ensuring faster clearance as well as customs processing that may lead to trade facilitation and ease of doing business. Moreover, a introducing a Digital Transport Corridor (DTC) with neighbouring countries that outlines a set of data-related services across physical cross-country transport corridors for end-to-end information exchange at all stages of transportation – air, road, rail and sea can also be effective for logistics improvement and cross border trade facilitation. Additionally, a logistics policy may be developed under Prime Minister’s Office (PMO) for improving overall logistics services.

8.4 Recommendations from Policies, Acts, and Rules of Bangladesh to Support Simplification of Trade Procedure, Documentation, Automation and Paperless Trade

- The 14th table under section 156 need to be revised so that due to misdeclaration of HS code, such person shall be liable to a penalty at least twice the amount of the tax evaded in respect of which such offence is committed and such goods shall be liable to confiscation.
- Unless it is determined impracticable, unnecessary, or contrary to public interest, the board shall publish rules in draft form to allow stakeholders the opportunity to provide input under Custom Act 1969 (section 14) to create a formal mechanism for stakeholders to provide input on proposed rules & implementing the Customs Act.
- Remove the sections 25a-25c Customs Act 1969 for eliminating the condition of pre-shipment inspection so that the domestic rules become complied with WTO Trade Facilitation Agreement.
- If any person commits an offence under section 32 of Customs Act 1969: untrue statement, error, etc., such person shall be liable to a penalty at least twice but not exceeding four times; Resolving HS code disputes through facilitating advance ruling and reduce penalties from 200% to 400% due to HS code misdeclaration.
- Under section 79a, 79(d), 79(e) of Custom act, Board could define - designate documents or payments that may be submitted or effected electronically and prescribe technical and procedural requirements for electronic communication that will ease the trade procedure.
- Ease the condition of Authorized Economic Operator (AEO) so that honest businessmen can easily take the license and make it easier for small businesses and homogenous industries.
- Ease monthly Online Return of VAT System and the automatic upload of invoice and Bill of lading should be an in-built feature of the online VAT return

system. And for the import of samples there should not be a requirement of L/C and import of samples.

- The Import Policy Order (IPO) could refer to the HS Code administered by World Customs Organization (WCO) which is updated every five years to serve as the foundation for the import and export classification systems used by many trading partner countries for uniformity rather than the HS Code declared by NBR in Bangladesh.
- Strengthen the connectivity, interlink between port and custom authority software and internet connection in port and outside the docks, so that ASYCUDA world could be implemented properly.
- De Minimis limit could be increased from BDT 2000 to BDT 5000 in the country, giving some relief to the non-RMG and non-traditional new exporters, and should be expressed in terms of equivalent dollars.
- Automation should be ensured at all places to stop irregularities and tax collection system for ensuring systemic transparency and expanding competitive capacity. Once the automation program is fully completed, it will be easy to eliminate the majority of institutional flaws, and the problems will be fixed in a matter of time. Following the example of Bhomra Land Port, which has received a Taka 10 crore assistance from Swisscontact for automation, other ports and agencies can seek similar support from international development partners.
- Customs policy should be revised and prepared regarding the trade facilitation agreement and here, Bangladesh Trade and Tariff Commission needs to be empowered. Along with this in Custom ACT 2018, there need some modification for easing the business process for trade facilitation.
- To facilitate better coordination at the policy level, a National Committee may be constituted involving concerned ministries/divisions, trade organizations, think-tank organizations, intelligentsia, etc.
- Arrange stakeholder consultations before any acts/rules/policies related to trade facilitation placed to the parliament;
- The Bangladesh Land Port Authority Act 2001 may define the exact role of the BLPA by incorporating its specific functions in the country's overall trade promotion and management process.
- Proper alignment and harmonization with all relevant stakeholders' applicable rules, regulations, acts, SRO, import-export policies, etc. to harmonize & develop less paper requirements for traders.
- Land port operational guideline or SOP should be reformed and corrected for developing a uniform land port operational guideline that can be applied to all land ports.
- Capacity should be increased in policy reform implementation and enforcement. Private sectors comprising traders, exporters importers, etc.

should be included in the policy reform dialogue and implementation so that reforms are in line with the private sector's expectations.

- Policy support is needed for cross-border e-commerce facilitation. Cross-border eCommerce policy development initiatives has been taken and drafted for facilitating cross-border e-commerce.

8.5 Recommendations related to Institutional Capacity Building

Assessment of institutional capacity building for each major institution directly involved in managing, regulating, and administering trade procedures is a complex, and challenging task, and would require separate engagement. In this section, the views and opinions expressed by the stakeholders are summarized in general format at first, and then some specific recommendations are listed:

8.5.1 General Recommendations for Institutional Capacity Building

The stakeholders expressed the following general recommendations for major organizations directly related to management, administration, and governance of trade procedure and implementation of the same, e.g., Customs, Port Authorities and CCI&E:

- Physical and soft infrastructure development on the basis of priority needs.
- Develop time-bound training plan for all relevant staff and officers, and offer training at regular intervals.
- Recruit personnel at vacant positions.
- Implement full automation at all possible fields and areas of service.
- Publish a charter of fees for all services, and time of delivery.
- Improve knowledge of WTO rules, laws, and regulations for ensuring better compliance with them.

8.5.2 Specific Recommendations for Institutional Capacity Building

- Administrative buildings should be built in different land ports for implementing one-stop services by converging different offices of different agencies within one building.
- The issues related to cross border coordination and trade may be resolve in India-Bangladesh Joint Working Group (JWG) on Trade Meeting.
- 8 working groups for NTFC, women's trade/economic empowerment, agro trade, NSW, land port, Standard, IPRs and connectivity are at work under NTFC which should be accelerated by timely implementing the agenda. The capacity of the NTFC working group should be enhanced.

- As it becomes difficult for traders to pay the assessed duty of goods in the evening or night since often, they receive assessment reports after banking hours. Formulating Standard Operating Procedures (SOP) and Memorandum of Understanding (MoU) among agencies may address the issue.
- Set up necessary chemical testing laboratory of the customs as the customs does not have adequate number of trained manpower, and does not have the facility for testing major chemicals imported, particularly for textile dyeing industry.
- Certifications should be provided online so that document submission in the trade process can be reduced.
- BSTI should establish enough testing facilities in all its 6 divisional branches.
- Require adequate laboratory facilities and manpower for the quarantine stations located at ports;
- Develop multi-modal transit/transshipment and linkage with land port, road, rail, sea and air connectivity are crucial for trade facilitation;
- Need sufficient shedding facilities for goods at Hazrat Shahjalal International Airport, Dhaka;
- For, CCIE, all services related to IRC-ERC, should be provided locally, at least from the divisional offices.
- Custom house of Chittagong lacks enough manpower as per the following 2011's organogram. Since the number of bill of entry is three times more than that of in 2011 now, it's working with one-sixth of the required manpower. The type of people or manpower required in Chattogram port and other agencies as well as the transition of officials for digitalization should be addressed.
- Introduce keyword search within documents in Bangladesh Trade Portal (BTP), and as updates and notifications are difficult to comprehend; Presently supported by the project (BRCP-1) but should have permanent establishment/under ministry. BTP should be compatible for providing real-time data of all agencies.
- Effective dissemination of notifications: The Bangladesh Trade Portal (BTP), and the site of customs wing regularly updates the notifications and changes; but they are not often decipherable by the stakeholders (traders and freight agencies).
- Land port operational guideline is only available for Benapole Land port and other ports follow that. This guideline is now being reformed and corrected for developing a uniform land port operational guideline that can be applied to all land ports.
- Future traffic and trade volumes should be assessed for all ports, and the provisions for adequate infrastructure, manpower, and automations should be planned in advance; for example, at Bhomra land port, traffic is expected to increase due to the impact of the Padma bridge.

- Recruit sufficient manpower with technical knowledge & skill by giving practical training from countries practicing fastest trade through risk-based management system.
- May introduce mandatory one stop service center with required test facilities complying relevant regulatory authority in all entry points by National Single Window (NSW).
- Establish required logistic supports to implement all functions in online (through e-application, payment gateway, D-nothi) & integrate all stakeholders with ASYCUDA & Single Window.
- Manpower shortage and requirements may be determined by analyzing past, present manpower in proportion to past and present trade volume.
- Proper utilization of diplomatic relations to improve international trade with different countries through signed Mutual Recognition Arrangement (MRA).
- Ensure international acceptance of accreditation given by Bangladesh Accreditation Board (BAB).
- Activate regional standards body like SARS to ensure global acceptance of their formulated standards.
- Trade bodies should work collaboratively with NBR for increasing the number of AEOs.
- An information hub can be developed in each customs station for meeting public queries.
- Dissemination of the report to the proper stakeholders to implement suggestions.
- The Accelerating Transport and Trade Connectivity in Eastern South Asia (ACCESS) project needs to be implemented considering and including all the relevant stakeholders.
- If different trucks of the same invoice shipment reach at different times in the port, the clearance gets delayed as the partial shipment is not provided that can be discussed in JWG.
- Information and letters issued by the NBR should be made easy to understand by businesses, like making SROs easy to understand by traders.
- As traders lack awareness of Maximum Residue Levels (MRL) and pests or other quarantine issues, training, knowledge development of SPS TBS issues, WTO e-ping etc. need to be enhanced.
- Administrative officials should be provided with more sophisticated training without giving them additional discretionary powers so that they can apply alternative methods depending on the scenario.

8.6 Roadmap Toward Trade Facilitation with Article of Customs Procedure

Trade facilitation will reduce the cost of trade by 14.6%, as per multiple studies, whereas average tariff after graduation will increase about 9%. Bangladesh should prepare a customs-related TFA roadmap for implementing TFA timely and earlier. In the section below, these issues along with respective implementation progress, associated challenges, and recommendations have been provided in a tabular format.

Table 38: Implementation Progress, Associated Challenges, and Recommendations

TFA Issue	Implementation Progress	Associated Challenges	Recommendations	Timeline
1. Customs Modernization	1.1 Amendment of the Customs Act in progress	1.1.1 Harmonization of HS codes at the national level not done regularly or in a transparent manner	1.1.1.2 Advance Ruling options should be expedited and exercised	Short-Term
	1.2 Bangladesh is a signatory of the WCO	1.2.1 Only partial implementation reflected in practice and domestic regulations	1.2.1.1 Support from development partners should be sought for rapid implementation	Short-Term
	1.3 Provision for AEOs introduced	1.3.1 Only a limited number of AEOs issued license, and many are waiting for licenses	1.3.1.1 Transparency is required for issuing licenses to the AEOs	Short-Term
	1.4 A training academy for the customs officials is in progress	1.4.1 Delay encountered	1.3.1.1 Freight forwarding and clearing agents, and commercial officers should be able to participate in relevant courses	Short- and Mid-Term
	1.5 The National Trade Portal is functional	1.5.1 No option of key word search in the portal, and hence updates and notifications are difficult to comprehend	1.5.1.2 Adequate manpower and other resources need to be allocated; if needed some parts of the services could be outsourced	Mid-Term
2. Simplifying Documentation	2.1 National Single Window initiated by 38 MoUs with OGAs and 19 services	2.1.1 TFA commitments need to be expedited and fulfilled	2.1.1.1 Systems for electronic payment and submission of documents need to be in place, for registered/authenticated users	Short- and Mid-Term

TFA Issue	Implementation Progress	Associated Challenges	Recommendations	Timeline
	2.2 NBR has signed an MOU with 38 ministries and government agencies	2.2.1 Legislation will be required for ensuring inter-agency cooperation	2.2.1.1 Empowerment to the identified authority	Short
	2.3 Paperless trade framework for the Asia Pacific Region has been signed by Bangladesh	2.3.1 No substantial progress has been made	2.3.1.2 Paperless trade can be implemented partially; key functions need to be identified; and duplication of documentation needs need to be reviewed	Mid-Term
3. Automation	3.1 ASYCUDA world in place in large ports	3.1.1 Not linked with traffic and container management software managed by port authority and container handling entities	3.1.1.1 Software need to be updated and integrated with other compatible software and databases	Short-and Mid-Term
		3.1.2 Irregularities of power and network often keeps ASYCUDA world unusable	3.1.2.1 Adequate budget for power, backup power, and internet connectivity need to be allocated for each customs station	Short-and Mid-Term
		3.1.3 Lack of adequate number of training operators at the ports	3.1.3.1 Periodic and regular training need to be provided for all relevant officials	Short-and Mid-Term
	3.2 E-Payment, and Document Upload	3.2.1 E-payment systems are partial, and not available at all customs stations and ports	3.2.1.1 E-payment systems should be updated in line with the Bangladesh Bank's payment system, submission of Bill of Lading, and Manifest should be entirely paperless	Short-and Mid-Term
4. Risk Management	4.1 WCO regulation signed by Bangladesh Government	4.1 Tendency to maintain status quo among the customs officials	4.1.1 Expedite full implementation of WCOs risk management procedure	Mid-and long-Term
	4.2 SOPs are being framed	4.2.1 Inadequate Knowledge	4.2.1.1 Receive expert support from the development partners to prepare SOPs for all risk management procedures	Short-and Mid-Term

TFA Issue	Implementation Progress	Associated Challenges	Recommendations	Timeline
5. Efficiency of Port Operations	4.3 Limited number of Scanners and Spectrometers are installed	4.3.1 Inadequate trained manpower	4.3.1.1 Efficient use of scanners need to be ensured at places where they are available, and train people	Short- and Mid-Term
	5.1 TRS done from time to time	5.1.1 Lack of initiative to implement findings of the TRS, and improve the performance	5.1.1.1 A high powered national committee to be formed to monitor implementation progress	Mid- and long-Term
	5.2 Infrastructure development in progress at many ports	5.2. Investments are not often prioritized	5.2.1.1 Software, weighing scales, parking shades are to be given top priority	Mid- and long-Term

Note: Short-Term = 1 to 2 years, Mid- Term = 3 to 5 years, Long-term = More than 5 years

8.7 Lessons from Implementation of TFA in Regional Countries

Examining some of the best practices of TFA measures and their implementation on centralized, decentralized, and shared perspectives, the following recommendations:

1. For improving LPI score, TFA implementation is required.
2. Following the “two-step declaration” customs clearance mode of China, Bangladesh can develop similar classified channels for the rapid clearance of products. Import and export regulatory documents can be fully implemented for online declarations to facilitate paperless trade.
3. An automated and integrated single window can be developed including all relevant stakeholders and agencies reinforcing the cooperation with financial institutions, transportation and other trade support agencies.
4. Customs automation, harmonization of data and information and standardization of documents, removal of redundant or repetitive procedures and documents, enhancement of availability and accuracy of the information on rules, regulations and guidelines, and further development of transport and logistics infrastructure should be sustained to ensure seamless trade environment.
5. Customs administration can be reformed with modern customs practices with the use of information technology. For transparency, information can be made easily available and accessible online. For harmonization, the regulations on customs procedures should be matched with international practices and

standards compatible with the Kyoto Convention on Simplification and Harmonization of Customs Procedures.

6. A holistic national trade facilitation strategy can be formed considering all the key stakeholders and their linkage. A Road map for overall trade facilitation should be developed for the strategical removal of present bottlenecks in trade aspects.
7. As many agencies are involved to varying degrees in issuing trade regulations, a centralized system has to be developed so that the trading community can be informed timely regarding the changes in the regulatory requirements of any relevant agency. Customs can play a major role in this regard.
8. Border Agency Cooperation should be ensured by considering integrating the services of all relevant stakeholders and service users. Measures requiring collaboration amongst border agencies should not only be at the national level but also at the international level.
9. Bangladesh may consider the examples of China, Malaysia, Vietnam and Singapore to form a high-powered central committee by the relevant ministries and organizations including the private sector representatives, to formulate and implement customs reforms and trade facilitation plans, which should be aligned with those of the major trading partners - examples of ASEAN can be considered for developing such aligned plans for SAFTA, and BBIN.
10. Vietnam's approach to trade-led investment emphasizing trade facilitation has improved the country's overall trade environment. Vietnam's TFA approaches can be followed by Bangladesh.
11. The categorization of Indian AEOs based on experience, capacity, logistics support etc. namely AEO-T1 for 2 years, AEO-T2 for 3 years and AEO-T3 for 5 years. In this case, the system of India applied for the AEO may be followed in Bangladesh.

8.8 Conclusion

It has been pointed out by the stakeholders, respondents to the survey, and observed during the field visits, that most institutions, including ports and customs stations are plagued by inadequate infrastructure, manpower, knowledge, and other resources. The respondents at the receiving end frequently mentioned the problems with administrative delay, quality of services, and lack of transparency. Many of these challenges can be resolved by framing Standard Operating Procedures (SOP), publishing a charter of services including delivery time, complaint mechanism, and introduction of full automation, and prioritizing investments.

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Appendix 1: Terms of Reference (ToR) of the Study

Terms of Reference (revised)

Consultancy/Research firm for conducting 04 studies suggested by Project Steering Committee (PSC) in FY 2021-22.

Background

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

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

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

The Ministry of Commerce intends to apply part of the IDA Credit for procuring consultancy services from qualified research/consultancy firms or institutions/individuals to conduct three studies selected from the list of studies identified under NTTFC activities of the project (Component B). These studies aim to develop in-depth understanding about three relevant areas of trade facilitation and are directly linked with the activities of three implementing agencies of the BRCP-1 umbrella project.

2. Scope of Consultancy Services:

The project will conduct the following four studies in 2020-21/2021-22 fiscal year that are critical for export promotion and trade facilitation:

- Study 1:; WTO Special and Differential Treatment (S & DT) and Graduation Challenges
- Study 2: A compiled policy and regulatory guidelines/standard operating procedures (SOP) for Cross Border Land Port Management with respect to international trade and transport formalities, procedures, documentation and related matters ;
- Study 3: Simplification of Trade Procedures, Custom Modernization ease of doing business for export promotion of Bangladesh to ensure policy coherence between national development priorities and international obligations on Trade facilitation Agreements
- Study 4 : Sanitary and Phyto-sanitary (SPS) and Technical Barrier on Trade (TBT) co-ordination and notification, certification process and infrastructure for promoting trade;

The detail scope of the proposed studies is given below:

Study 3 : Simplification of Trade Procedures, Custom modernization, ease of doing business for export promotion of Bangladesh to ensure policy coherence between national development priorities and international obligations on trade facilitation agreements

Trade facilitation covers all steps that can be taken in view of smoothing the flow of trade. The term is widely used to cover all sorts of non-tariff barriers. In WTO concept, trade facilitation is limited to “the simplification and harmonization of international trade procedures, covering the activities, practices and formalities involved in collecting, presenting, communicating and processing data required for the movement of goods in international trade”. Trade facilitation aims at developing a consistent, transparent, coherent, non-discriminatory and predictable environment for international trade transactions based on internationally accepted norms and practices resulting from simplification of formalities and procedures, standardization and improvement of physical infrastructure and facilities, harmonization of applicable laws and regulations. The main goal of trade facilitation is to reduce the transaction costs and complexity of international trade for businesses and improve the trading environment in a country, while maintaining efficient and effective levels of government control.

As a signatory of WTO’s *Trade Facilitation Agreement (TFA)* the Ministry of Commerce has played a key role in mobilizing various government agencies to determine the path forward for the implementation of Bangladesh’s TFA commitments. To coordinate all trade-and transport-related policies and activities in Bangladesh, and to manage all activities and initiatives related to the TFA, *the National Trade and Transport Facilitation Committee (NTTFC)* has been established.

It may be emphasized in the findings and recommendations that proper implementation of the TFA will promote the simplification, modernization and harmonization of trade processes to reduce cost and time, boost trade flows and increase the world GDP growth. For effective implementation of the TFA and for better cooperation, coordination and management among the relevant public and private sector agencies, the whole activities of the land ports is needed to bring under a single authority, particularly under the Bangladesh *land Port Authority (BLPA)*. Building of modern warehouses equipped with all modern loading and unloading facilities containers and other goods, providing sufficient testing facilities,

constructing spacious connected roads and introducing of automated system would contribute facilitating and augmenting the capacity of the land ports thereby enhancing the cross-border trade between Bangladesh and India and other regional countries. Efficiency of the performance of the ports would also elevate with the engagement of adequate trained manpower on port operation and management in the land ports (LPs), land Customs Stations (LCS) particularly at the sanitary and phyto-sanitary and, immigration offices etc. Simplification and integration of various documents related to import and exports and making these compatible for electronic transaction is essential to save time, cost and burden of the traders as well as the officials of all concerned . In this regard the objectives and scope of the study is to identify the following :

1. Current status of Bangladesh in Implementation of simplified trade procedures, custom modernization for ease of doing business for export promotion;
2. The policy Gaps between the obligation of the Trade facilitation agreement and present situation in implementation of the TFA in Bangladesh;
3. Identify the Policy/ Act/ Rules to support simplification of Trade Procedure , documentation , automation and Paperless Trade according to the international standards
4. Institutional weakness and procedural hindrance;
5. Best practice of the regional countries in implementation of TFA ;

Appendix 2 : Survey questionnaire

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
ডব্লিউটিও সেল, বাণিজ্য মন্ত্রণালয়
বাংলাদেশ রিজিওনাল কানেক্টিভিটি প্রজেক্ট-১
জরিপ প্রশ্নাবলী - তৃতীয় স্টাড়ির জন্য
(৪টি স্টাড়ি, পিএসসি কর্তৃক নির্ধারিত)

৩ নং স্টাড়ি: জাতীয় উন্নয়ন অগ্রাধিকার এবং বাণিজ্য সহজীকরণ চুক্তির (টিএফএ) আন্তর্জাতিক বাধ্যবাধকতার মধ্যে নীতিগত সমন্বয় নিশ্চিত করার জন্য বাণিজ্য ব্যবস্থা সহজীকরণ, শুল্ক ব্যবস্থা আধুনিকীকরণ ও বাংলাদেশের রপ্তানি বৃদ্ধিতে ব্যবসা সহজীকরণ।

(Study-৩: Simplification of Trade Procedures, Customs modernization and ease of doing business for export promotion of Bangladesh to ensure policy coherence between national development priorities and international obligation on trade facilitation agreement.)

১.০	প্রথম অংশ: উত্তরদাতার শ্রেণী						
	<input type="checkbox"/> ফ্রেইট ফরওয়ার্ডার <input type="checkbox"/> সিয়ান্ডএফ এজেন্ট <input type="checkbox"/> ট্রান্সপোর্ট ও লজিস্টিক কোম্পানির কর্মকর্তা <input type="checkbox"/> ড্রাইভার <input type="checkbox"/> রপ্তানিকারক <input type="checkbox"/> আমদানিকারক <input type="checkbox"/> বন্দরের কর্মকর্তা	<input type="checkbox"/> শ্রমিক সংগঠন এর প্রতিনিধি <input type="checkbox"/> ব্যাংক কর্মকর্তা <input type="checkbox"/> মাননিয়ন্ত্রণকারী কর্মকর্তা <input type="checkbox"/> কাস্টমস কর্মকর্তা <input type="checkbox"/> ইন্ডেন্ট এজেন্ট <input type="checkbox"/> শিপিং এজেন্ট <input type="checkbox"/> অন্যান্য (নির্দিষ্ট করুন):					
২.০	দ্বিতীয় অংশ: উত্তরদাতার পরিচিতিমূলক তথ্য						
২.১	উত্তরদাতার নাম:						
২.২	পদবী:						
২.৩	প্রতিষ্ঠানের নাম:						
২.৪	প্রতিষ্ঠানের ঠিকানা:						
২.৫	মোবাইল নম্বর :						
২.৬	ইমেইল ঠিকানা:						
২.৭	মন্ত্রণালয়/ বিভাগ (প্রযোজ্য ক্ষেত্রে):						
৩.০	তৃতীয় অংশ: বাণিজ্য সহজীকরণ (Trade Facilitation) - রপ্তানি ও আমদানি প্রক্রিয়ার সরলীকরণ, আধুনিকীকরণ এবং সমন্বয় সংক্রান্ত।						
৩.১	বাণিজ্য সহজীকরণ চুক্তি (টিএফএ) বাস্তবায়নে বাংলাদেশের গৃহীত পদক্ষেপের বর্তমান অবস্থা মূল্যায়ন করুন। (প্রাসঙ্গিক উত্তরদাতা)						
	ক্রমং	ব্যবস্থার নাম					
		১ থেকে ৫ এর মধ্যে নির্দিষ্ট করুন এবং উপযুক্ত ঘরে টিকচিহ্ন দিন (১= খুবই সন্তোষজনক, ২= সন্তোষজনক, ৩=গড়পড়তা, ৪= অসন্তোষজনক, ৫= খুবই অসন্তোষজনক)					
	১	বাণিজ্য তথ্য বিষয়ক প্রকাশনা (publication: applied rate of taxes, fees & charges, laws, regulations etc.)	১	২	৩	৪	৫
	২	ইন্টারনেটের মাধ্যমে তথ্য পাওয়া (information available through internet: steps needed for exportation and importation etc. such as national trade portal)	১	২	৩	৪	৫
	৩	অগ্রিম মূল্যায়ন বা অ্যাডভান্স রুলিংস (advance rulings)	১	২	৩	৪	৫
	৪	আপিল বা পর্যালোচনার ব্যবস্থা (Procedures for appeal or review)	১	২	৩	৪	৫
	৫	আটক (detention: promptly inform the carrier or importer in case of detention of goods declared for importation, for inspection by customs or any other competent authority)	১	২	৩	৪	৫
	৬	অবমুক্তি পৃথকীকরণ (separation of release from the final determination of customs duties, taxes, fees and charges, if such a determination is not done prior	১	২	৩	৪	৫

		to, or upon arrival, or as rapidly as possible after arrival and provided that all other regulatory requirements have been met.)	
৭	পণ্য অবমুক্তির গড় সময় (average release times: publish average release time of goods periodically and in a consistent manner, using tools such as, inter alia, the time-release study (TRS) of the World Customs Organization)		১ ২ ৩ ৪ ৫
৮	পণ্য চলাচল (movement of goods intended for import under customs control)		১ ২ ৩ ৪ ৫
৯	অনুলিপির স্বীকৃতি (acceptance of copies: accept paper or electronic copies of supporting documents required for import, export)		১ ২ ৩ ৪ ৫
১০	আন্তর্জাতিক মানের ব্যবহার (use of international standards: use relevant international standards or parts thereof as a basis for their import, export, or transit formalities and procedures)		১ ২ ৩ ৪ ৫
১১	প্রাক-জাহাজিকরণ পরিদর্শন (pre-shipment inspection: not require the use of pre-shipment inspections in relation to tariff classification and customs valuation)		১ ২ ৩ ৪ ৫
১২	শুল্ক ব্রোকারদের ব্যবহার (use of customs brokers: not introduce the mandatory use of customs brokers)		১ ২ ৩ ৪ ৫
১৩	যৌথ সীমান্ত পদ্ধতি (common border procedures: common border procedures and uniform documentation requirements)		১ ২ ৩ ৪ ৫
১৪	প্রত্যাখ্যাত পণ্য (rejected goods: allow the importer to re-consign or to return the rejected goods to the exporter or another person designated by the exporter.)		১ ২ ৩ ৪ ৫
১৫	ট্রানজিট (transit: freedom of transit)		১ ২ ৩ ৪ ৫
১৬	পরামর্শ (consultations: regular consultations between its border agencies and traders or other stakeholders located within its territory)		১ ২ ৩ ৪ ৫
১৭	ইলেকট্রনিক পেমেন্ট (Electronic payment)		১ ২ ৩ ৪ ৫
১৮	কাস্টমস সহযোগিতা (customs cooperation)		১ ২ ৩ ৪ ৫
১৯	অন্যান্য (Enquiry points, Test procedure, Pre-arrival processing, Risk management, Post-clearance audit, Authorized operators, Expedited shipments, Perishable goods, Border Agency Cooperation, Formalities, Single window)		১ ২ ৩ ৪ ৫
৩.২	বাণিজ্য সহজীকরণের জন্য কোন কোন ক্ষেত্রে আরও গুরুত্বারোপ করতে হবে তা চিহ্নিত করুন।		
	ক্র.নং	বাণিজ্য সহজীকরণের ক্ষেত্রসমূহ	৫ টি চিহ্নিত করুন (✓)
	০১.	অবকাঠামোতে বিনিয়োগ (infrastructure investment)	
	০২.	শুল্ক আধুনিকায়ন এবং সীমান্ত পারাপার পরিবেশ (customs modernization and border crossing-environment)	
	০৩.	দালিলিক প্রমাণ ও তথ্য প্রবাহ সূগম করা (streamlining of documentary requirements and information flows)	
	০৪.	অটোমেশন এবং ইলেকট্রনিক ডেটা ইন্টারচেঞ্জ (automation and electronic data interchange)	

	০৫.	পোর্টের দক্ষতা (ports efficiency)																																															
	০৬.	লজিস্টিক এবং পরিবহন পরিষেবা (logistics and transport services)																																															
	০৭.	নিয়ম এবং প্রতিযোগিতা (regulation and competitiveness)																																															
	০৮.	ট্রানজিট এবং মাল্টিমোডাল পরিবহন (transit and multimodal transport)																																															
	০৯.	পরিবহন নিরাপত্তা (transport security)																																															
	১০.	অন্যান্য (নির্দিষ্ট করুন):																																															
৩.৩	<p>রপ্তানি/আমদানিকৃত পণ্যের জন্য আপনাকে কী কী বাণিজ্য পদ্ধতি অনুসরণ করতে হয়? (বিশেষত আমদানি/রপ্তানিকারকগণবিভিন্ন পণ্যের আমদানি বা রপ্তানিতে কোন দেশের জন্য, কত সময় লাগে, আনুমানিক কেমন খরচ হয় ইত্যাদি উল্লেখ করুন।)</p> <table border="1"> <tr> <td colspan="4">বাংলাদেশ বন্দর ব্যবস্থাপনার বর্তমান চিত্র</td> </tr> <tr> <td>আমদানি/রপ্তানি প্রক্রিয়া সম্পন্ন করতে ডকুমেন্টারি কাজের জন্য কত ঘণ্টা সময় লাগে? (কাস্টমস, বন্দর ও অন্যান্য)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>আমদানি/রপ্তানি প্রক্রিয়া সম্পন্ন করতে ডকুমেন্টারি কাজের জন্য কত টাকা খরচ/ব্যয় হয়? (কাস্টমস, বন্দর ও অন্যান্য)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>স্থলবন্দরের/বিমানবন্দর/সমুদ্রবন্দর মাধ্যমে আমদানি/ রপ্তানি সম্পন্ন করতে কত ঘণ্টা সময়ের প্রয়োজন হয়?</td> <td></td> <td></td> <td></td> </tr> <tr> <td>স্থলবন্দরের/বিমানবন্দর/সমুদ্রবন্দর মাধ্যমে আমদানি/রপ্তানি সম্পন্ন করতে প্রতি ইউনিটে কত টাকা ব্যয় হয়?</td> <td>পণ্য</td> <td>ইউনিট</td> <td>ব্যয়</td> </tr> </table>				বাংলাদেশ বন্দর ব্যবস্থাপনার বর্তমান চিত্র				আমদানি/রপ্তানি প্রক্রিয়া সম্পন্ন করতে ডকুমেন্টারি কাজের জন্য কত ঘণ্টা সময় লাগে? (কাস্টমস, বন্দর ও অন্যান্য)				আমদানি/রপ্তানি প্রক্রিয়া সম্পন্ন করতে ডকুমেন্টারি কাজের জন্য কত টাকা খরচ/ব্যয় হয়? (কাস্টমস, বন্দর ও অন্যান্য)				স্থলবন্দরের/বিমানবন্দর/সমুদ্রবন্দর মাধ্যমে আমদানি/ রপ্তানি সম্পন্ন করতে কত ঘণ্টা সময়ের প্রয়োজন হয়?				স্থলবন্দরের/বিমানবন্দর/সমুদ্রবন্দর মাধ্যমে আমদানি/রপ্তানি সম্পন্ন করতে প্রতি ইউনিটে কত টাকা ব্যয় হয়?	পণ্য	ইউনিট	ব্যয়																									
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৩.৫	<p>Authorized Economic Operator (AEO)-এর প্রয়োজনীয়তা কী আছে? 'হা'/'না' উত্তরের স্বপক্ষে আপনার যুক্তি কী?</p>																																																

৩.৬	আপনি কি মনে করেন যে বর্তমানে সরকারের গৃহীত বিভিন্ন ব্যবসায় নীতিমালা ব্যবসা সহজীকরণের জন্য অনুকূল? মূল্যায়ন করুন। (প্রাসঙ্গিক উত্তরদাতা) (১ থেকে ৫ এর মধ্যে নির্দিষ্ট করুন এবং উপযুক্ত ঘরে টিকচিহ্ন দিন) [১= খুবই সন্তোষজনক, ২= সন্তোষজনক, ৩=গড়পড়তা, ৪= অসন্তোষজনক, ৫= খুবই অসন্তোষজনক]																																																																																																									
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তথ্য সংগ্রহকারীর নাম:

তারিখ:

স্বাক্ষর:

Appendix 3: List of Participants of Field Survey

(Not in order of seniority)

Sl. No.	Name	Designation	Organization
1.	A. As. M Shadul islam mamun	owner	Marsh fright Bangladesh ltd
2.	Aalhaj Nur Islam	Malik	Nisha Trade International
3.	Abdul Hamid		M/S Mitali Agency-2
4.	Abu Bakkar Siddique	Malik	Delwar Traders
5.	Abul Bashar Chowdhury	Chairman	BSM Group
6.	Ainun Nahar	General Manager	Meghna Group of Industries
7.	Al Haj Solaiman Badsha	Director	M/S Tayabia Traders
8.	Alamgir		Akhi & Brothers
9.	Alamgir Pervej	Former Director	M/S RM Enterprise
10.	Amir Hamza	Malik	Amir Hamza Traders
11.	Ashok Sen		Alam & Sons
12.	Asif Ayub	Joint Secretary General	MCCI
13.	Asif Iftekhar Hossain	Director	Everett Bangladesh (PVT) Ltd
14.	Bikash Chandra Debnath	Proprietor	Amas International
15.	Bokul Bissas (Indian)	Driver	
16.	Debasish Chowdhury	Assistant Secretary	Ctg Custom Clearing & Forwarding Agent Association
17.	Din Mohammad	Manager	Coma Creation
18.	Dr. Mohammad Omar Faruqe	Upazila livestock Officer	Ministry of Fisheries and livestock, Bangladesh
19.	Dr. Salah Uddin	Manager	Premier Cement
20.	Dr. Shalah Uddin	Manager (Sales & Distribution)	Premier Cement
21.	Eakramul Zaman	Maneger	A.K AHS kitting & dying
22.	Enamul Haque		Bismillah,s pulses mills
23.	Gazi Shamim Uddin	Proprietor	Gazi Exim
24.	Golam Azam Chowdhury	Commercial General Manager	Cotco Int ,ltd
25.	Hazi Babul	Senior Vice President	Brahmanbaria Chamber of Commerce and Industries
26.	Hazi Mohammad Alamgir	Secretary	Chittagong Port User Labour Association League
27.	Idon Mia	Proprietor	Lucky Enterprise
28.	Idris Miah	Proprietor	Ajmeer Trading Corporation
29.	Jahangir Hossain	C&F Secretary	Alliance Logistics Ltd.

Sl. No.	Name	Designation	Organization
30.	Jakir Hossen	Traffic Inspector	Akhaura Land Port
31.	Kafil Uddin		Al Rashed Trading
32.	Kamal Mostafa Chowdhury	Director	M/S Raja Corporation
33.	Kamrul Hasan	Manager	Adnan Trade International
34.	KBD Md Habibullah	Deputy Director	Plant Quarantine Station
35.	KH Safiqur Rahman	CEO	Crosslink Logistic Ltd
36.	Khandaker Helal uddin	Proprietor	Vpn Top Fabrics and Tailors,C/ A, Dhaka -1000
37.	Kishlu Alom	Manager	Rahat Trade Ltd.
38.	Lucky Begum	Assistant Director (Traffic)	Benapole Landport Authority
39.	M A Sattar	Proprietor	M/S Simky Trade International
40.	M. Abdur Rahman	Deputy Cheif	MCCI
41.	Mahbubur Rahman	Manager	Janata Bank
42.	Majharul Islam Hasan	Secretary	Chattogram Jilla Truck & Coveredvan Labor union
43.	Masud Rana	Warehouse supervisor	Benapole Land Port Authority
44.	Md Babu Shardar	Excutive Member	925 Labor Union
45.	Md Bajlur Rahman Rana	Joint Secretary (C&F welfare Trust)	Morning Star International
46.	Md Belal Hossen		
47.	Md Mizanur Rahman	Director	Civil Aviation Authority Bangladesh
48.	MD Mobarak Hossain Bhuiya	President	Customs C & F Agent Assocation, Akhaura
49.	Md Mujibur Rahman		M/S Amin Trade International
50.	Md Mustafiqur Rohman Milton	Assistant Director	Akhaura Land Port Authority
51.	Md Noab Pramanik	Examiner of Accounts	RJSC, Dhaka Office (Head Office)
52.	Md Nur Nabi		Bengal Clothing Corporation
53.	Md Rafiq		Ahmed Brothers
54.	Md, Iqbal Hossain Sumon	Proprietor	M/S Tahera & Sons
55.	Md. Abdul Ali	Assistant Revenue Officer	Bangladesh Customs
56.	Md. Abdur Roshid Mollik	Vice Chairman	925 No. Labour Union
57.	Md. Abu Daud	Traffic Inspector	Benapole Land port Authority
58.	Md. Abu Taher	Proprietor	M/S A. F. R. Trade International
59.	Md. Abul khasem	Customs (ARO)	Custom House Benapole.

Sl. No.	Name	Designation	Organization
60.	Md. Akhtar Faruque	Maneger	Sonali Bank Limite.
61.	Md. ALi (Bangladeshi)	Driver	Noeshad Er Gari
62.	Md. Ali Ahad khan	Maneger	M/S Bishal Trading.
63.	Md. Ali Monsur	Proprietor	ALi Transport Agency
64.	Md. Aminur Rahman	Maneger	National Bank Limited
65.	Md. Anisur Rahman	Manager	M/S Zaman Traders
66.	Md. Anisur Rahman	Director	AK Cargo Service
67.	Md. Arman Hossen		Freight Masters Private Limited
68.	Md. Asadul Haque Firoz	Assistant Revenue Officer	Banglabandha Land Customs Station
69.	Md. Ash wahidul Alom	Inspector	Fish Inspection & Quality control
70.	Md. aslam Kader	Accountant	Benapole land port authority
71.	Md. Babul Akter	President	Bangladesh Non Packer Frozen Foods Exporters Association
72.	Md. Golam Rosul	Managing Director	M/S. G.K Enterprise (Proprietor)
73.	Md. Hamid Rahman	Proprietor	Masudur Rahman Traders
74.	Md. Hassan tarik	Managing Director	Bangladesh Foundry and Engineering works ltd.
75.	md. Iqbal Hossain	Managing Director	Texaco ltd
76.	md. ismail emon	proprietor	m/s labiba enterprise
77.	Md. Jahangir	Proprietor	Culture Clothing Inc.
78.	md. Jashim Uddin	Executive Member	Dhaka Customs Agents Association
79.	Md. Joynal Abedin	Director	Ever Green Cargo Line
80.	Md. Kamal Hossen	Proprietor	Bimilla Sheping Laince
81.	Md. Kawsar Rahman	Labour	925 No. Labour union
82.	Md. Mahabur Rahman	Quarantine Officers	Fisheries Quarantine
83.	Md. Mahmudul Hassan Rana	Inspection Officers	BSTI
84.	Md. Maksudur Rahman		Rina C & F Centre
85.	md. mamunor rosid	malik	m/s, mamun enterprise
86.	Md. Maruf Sarker	maneger	M/S Forhad Traders
87.	Md. Mehedi Hasan	Proprietor	Save & Safety International
88.	Md. Mintu	Manager	Rupali Enterprise
89.	Md. Mir Nowshad	President	Workers & Employees League In Ctg Port (CBA)
90.	Md. Mohinuddin		Shohid Enterprise
91.	Md. Moniruzzaman(Milon)	Assistant Revenue Officer	Dhaka Customs House
92.	Md. Moshiur Rahman	Proprietor	Kapotakhy Agency

Sl. No.	Name	Designation	Organization
93.	Md. Mujibul Haque	Assistant Revenue Officer	Bangladesh Custom
94.	Md. Murad Hossen	Manager	Kazi Cargo Enterprise Ltd.
95.	Md. Ohiduzzaman	Secretary	925 Labor Union
96.	Md. Rashedul islam	Ceo	M/S Omar& Brothers
97.	md. Rezaul Karim Shaheen	Manager	M/s Hasan & Brothers
98.	Md. Rofiqul Islam Royel	Proprietor	M/S Royel Enterprise
99.	Md. Saddam Hossen	Proprietor	M/S Abu Taleb & Sons
100.	Md. Sakender ALi	Proprietor	Twenty Corporation
101.	Md. Salim Khan	Organizing secretary	Dhaka Customs agents association
102.	Md. Samaul Islam Shammu	W H Superintend	Akhaura Land Port
103.	Md. Sanowarul kabir	Deputy Commissioner	customs house dhaka.
104.	Md. sanwarul karim	Deputy Commissioner custom	Custom house ,Dhaka
105.	Md. Sayful Islam (Sagir)	Traffic Inspector	Benapole Landport Authority
106.	Md. Shabuddin Alam		M.S.A C&F Ltd
107.	Md. Shafiqul Islam	Labor	
108.	Md. Shahriar Raj	Manager	M/S YRC
109.	Md. Shariful Islam	Proprietor	J.B.C. Traders
110.	Md. Shawpan Miah	Proprietor	Shuchok Shipping International
111.	Md. Sheikh Nasir Uddin	Proprietor	M/S Samad & Sons
112.	Md. Tofayel Ahmed	Joint Commisioner	Custom House, Ctg
113.	Md. Tofazzal Hossain	Member(C&F association)	Multi Tech Trade Int.
114.	Md. Wasim Ahmed	Proprietor	Liton Enterprise
115.	Md. Yeanur Rahman	Manager	M/S Benapole International
116.	Md. Zamil	Proprietor	Public Transport
117.	md.hasmat ali	Additional Commissioner-1	Dhaka custom House
118.	Md.kamrul jamaan	Assistant Director	CAAB
119.	Md.Mehedi Hasan	Maneger	National Bank Limited
120.	Md.Oheedul Haque	owner	international techno trade ltd
121.	Md.Rafiqul Islam	Sub assistant Quarantine officer	Department of agriculture extension , ministry of agriculture
122.	Md.ziyaaur Rahman	Labour	925 No. Labour Union

Sl. No.	Name	Designation	Organization
123.	Mehedi Hossain	Traffic Inspector (1no shed)	Benapole Land Port Authority
124.	Mir Faisal Hossain	Deputy Director (Export)	Bangladesh Agricultural Development Corporation
125.	Mohammad Ziaur Rahman	malik	zia International
126.	Mohammad Azizul Moula		Chittagong Port Authority
127.	Mohammad Idris Ali	President	M/S Farman Enterprise
128.	Mohammad Nur Islam		S.k implex
129.	Mohammed Nur Alam	custom sarkar	Dhaka logistic network
130.	Monir Hossain Babul	Propreitor	M/S Pritom Enterprise
131.	Mosharraf Hossain	Proprietor	Mosharraf Brothers
132.	Mostak Ahmed	Proprietor	M/S Kohinur Transport Agency
133.	Mr. Ahsan		Ahsan Composit Ltd
134.	Mr. Ajay	Proprietor	Paragon Exports
135.	Mr. Alamgir Kabir	Director	Rina Center Ltd.
136.	Mr. Anjan Shekhar Das	Director, CCCI	M/S R.S.B Industrial Ltd
137.	Mr. Azmal Hossain	Managing Director	BRENNTAG BANGJADESH SERVICES LTD
138.	Mr. Biplob Barua	Managing Director	ASL Shipping Lines Ltd
139.	Mr. Hasan	Manager	Import Export Bd.Net
140.	Mr. Hasanul Islam	Chairman	SIFIN TEX LIMITED
141.	Mr. Kamrul Hasan Pollash	Traffic Inspector	Benapole Landport Authority
142.	Mr. Kamrul Hasan Rizvi	Proprietor	Dhaka Import Export
143.	Mr. Kh Munsurul huq	General Manager	ERBA LIMITED
144.	Mr. KrishnoKumar	Assistant Revenue Officer	Benapole Customs House.
145.	MR. MD. ESHRAK-E-ALAH	Managing partnar	Vertex international
146.	Mr. Rahaman	Proprietor	A Rahaman Traders
147.	Mr. Rahatuzzaman		Overseas Company
148.	Mr. Uzzol		Naz Enterprise
149.	Mr.M.S. Siddiquil	Owner	Bangla Chemical
150.	Mr.Reza H.A Choudhury	Managing Partner	Challenge chemical & technology
151.	N. M. Mohiuddin	Member(C&F association)	S. I. Ahmed & Sons
152.	Nasir Uddin Hazari	C & F Agent	Hazari Enterprise
153.	Nazim Uddin	Manager	Afzal Parcel And Curier

Sl. No.	Name	Designation	Organization
154.	Nazimuddin	Manager	Rampura Syndicate
155.	Nazrul Islam		Akanda Brothers
156.	noor hossain	owner	uniane fright ltd
157.	Nur Alam		Rafi C & F Ltd
158.	Nurul Alam	Chairman	ATR Food, Agro Ltd0
159.	Pradip Karan	General Manager (Operation)	City Group
160.	Rafiqul Islam	Proprietor	Sheikh Brothers
161.	Rafiqul Islam Bhuiyan	Proprietor	Progressive Trading Corporation
162.	Rajib Chowdhury	Assistant Terminal Manager	Chittagong port Authority
163.	Rajib Uddin	Proprietor	M/S Shoyeb Trade International
164.	Refazul Islam Shumon	Cashier	M/S Asif Traders
165.	Riajul kabir	Director	M/S RF Trading
166.	Rubel Barua	Junior Officer	One Bank Ltd
167.	S.M.A KHAIR	Vice president	Dhaka custom agent association
168.	Salh Ahmed chowdhury	Director	Matash international ltd
169.	Shafiqul Hasan Samuel	Proprietor	M. Biologix
170.	Shafiqul Islam	General Secretary	Importers-Exporters Association
171.	Shafiqur Rahman	President	Chattogram Truck Labour Union
172.	Shafiul Alam		AB Global Traders
173.	Shamsuddin	owner	Appololise shipping
174.	Shariful Islam Shaon	Director	Rapid trans freight ltd
175.	Shonjit Kumar Dash		Ogrodut Traders
176.	Shumon Hossen (Bangladeshi)	Driver	Gazi Transport Agency
177.	SM Nurul Alam	Proprietor	Texbd Fashion
178.	SM. Toriqul Islam	Proprietor	M/S Shaikh & Sons
179.	Subrata Chandra Sarkar	Revenue Officer	Bangladesh Customs Internal Resources Department
180.	Subrata Das	Assistant General Manager	Janata Bank Ltd
181.	Swapon Kumar Biswas		Hamim Group
182.	Syed Mahmudur Rashid	Proprietor	Bogra Trade Center
183.	Tariq Ahmed	Senior Director	TK Group of Industries
184.	Titu	Director	APL Bangladesh Ltd
185.	torikul islam sheshir	owner	step one group
186.	Unknown Person		

Sl. No.	Name	Designation	Organization
187.	Uttom Kumar Sarker (Indian)	Driver	
188.	Zr Khan	Managing Director	Agro House
189.	Md. Alamgir Hossain	Customs	
190.	Md. Alauddin Babu		Nayan International
191.	Md. Zahirul Islam		Bridge International
192.	Md. Jahangir Alam	General Secretary	Messrs. Prahor International
193.	Md. Nazrul Islam		Messrs. Habib International
194.	Md. Monirul Islam	Customs	Mahananda Valley
195.	Md. Roni Hasan	Customs	Nayan International
196.	Md. Rezaul Karim	President	Mercus Rezaul Enterprise
197.	Md. Saidur Rahman	Managing director	Shah International
198.	Mohammad Nur Alam	Customs	AK Traders
199.	Md. Saidur Rahman		Alal Poutry and Fish Feed
200.	Rizwan Rahman	President	Dhaka Chamber of Commerce & Industry
201.	Md. Enamul Hafiz Latife	Joint Secretary (Research Fellow)	BASIS
202.	Md. Jalal Uddin	Assistant General Manager	Leathergoods And Footwear Manufacturers & Exporters Association of Bangladesh (LFMEAB)

Appendix 4: Questionnaire for Key Informant Interviews

মূল তথ্যদাতা সাক্ষাৎকার-কেআইআই (KII) প্রশ্নাবলী- তৃতীয় স্টাডির জন্য

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
ডব্লিউটিও সেল, বাণিজ্য মন্ত্রণালয়
বাংলাদেশ রিজিওনাল কানেক্টিভিটি প্রজেক্ট-১
৪টি স্টাডি, পিএসসি কর্তৃক নির্ধারিত

৩ নং স্টাডি: বাণিজ্য পদ্ধতির সরলীকরণ, শুল্ক ব্যবস্থা আধুনিকীকরণ, বাংলাদেশের রপ্তানি বৃদ্ধিতে ব্যবসা সহজকরণ যা জাতীয় উন্নয়ন অগ্রাধিকার এবং বাণিজ্য সহজীকরণ চুক্তিতে (টিএফএ) আন্তর্জাতিক বাধ্যবাধকতার মধ্যে নীতিগত সমন্বয় নিশ্চিত হয়। (Study 3: Simplification of Trade Procedures, Customs modernization, ease of doing business for export promotion of Bangladesh to ensure policy coherence between national development priorities and international obligation on trade facilitation agreements)

উত্তরদাতার নাম (Name):
পদবী (Designation):
প্রতিষ্ঠানের নাম (Organization):
প্রতিষ্ঠানের ঠিকানা (Address):
মোবাইল নাম্বার (cell no.):
ইমেইল আইডি (email):
১। বাংলাদেশে বাণিজ্য পদ্ধতির কিছু জটিলতা কী কী? (What are some complexities in trade procedures excising in Bangladesh?)
২। বাংলাদেশে শুল্ক আধুনিকীকরণ বা কাগজবিহীন বাণিজ্য পদ্ধতিতে কী কী কাজ করতে হবে? (What are the things that need to do in customs modernization or paperless trade procedure in Bangladesh?)
৩। (২নং প্রশ্নের উত্তর দিলে) তা কি বাণিজ্যের আন্তর্জাতিক সেরা অনুশীলনের সাথে সামঞ্জস্যপূর্ণ? কিভাবে আমরা একটি ব্যবসা সক্ষম পরিবেশ তৈরি করতে পারি? (Do they commensurate with international best practices of trade? How can we create a business enabling environment?)
৪। বাংলাদেশে টিএফএ বাস্তবায়নে নীতিগত ব্যত্যয় কি? (What are the policy gaps in implementing TFA in Bangladesh?)
৫। বাণিজ্য পদ্ধতির সরলীকরণের জন্য কোন নীতি/অ্যাক্ট/নিয়মগুলিকে সমাধান করতে হবে? (What are the policy/act/rules that need to address for simplification of trade procedures?)

৬। অটোমেশন এবং কাগজবিহীন বাণিজ্যের মাধ্যমে বাণিজ্য সহজতর করার মূল সংস্থা কারা? (Who are the key agencies to facilitate trade by automation and paperless trade?)
৭। প্রাতিষ্ঠানিক সক্ষমতা বাড়াতে আপনার পরামর্শ কী? (What are your suggestions to enhance institutional capacity?)
৮। সেই সংস্থার দুর্বলতার সাথে সম্পর্কিত পদ্ধতিগত বাধাগুলি কী কী? (What are the procedural obstacles related to the weakness of that organization?)
৯। আপনি কি অনুগ্রহ করে টিএফএ-এর অন-ফিল্ড বাস্তবায়নের বিষয়ে আপনার অভিজ্ঞতা শেয়ার করতে পারেন। (Could you kindly share your experiences regarding the on-field implementation of TFA)
১০। বাংলাদেশে বাণিজ্য সুবিধা এবং ক্রস বর্ডার ম্যানেজমেন্টের জন্য নীতি/আইন/বিধির প্রধান আইনি ও নীতিগত সীমাবদ্ধতা এবং চ্যালেঞ্জগুলি কী কী? (What are the major legal and policy limitations and challenges of policies/acts/rules for trade facilitation and cross border management in Bangladesh?)
১১। অনুগ্রহ করে টিএফএ-তে বাস্তবায়নের ব্যত্যয় এবং পদ্ধতিগত বাধা চিহ্নিত করুন। (Please identify the implementation gaps and procedural hindrances in the TFA)
১২। আপনার রপ্তানি/আমদানি পণ্যের জন্য কি কি বাণিজ্য পদ্ধতি অনুসরণ করতে হয়? (ইজিআইআই আমদানি/রপ্তানিকারক, পণ্যের নাম, কোন দেশের জন্য, কত সময় লাগে, আনুমানিক কেমন খরচ হয় ইত্যাদি উল্লেখ করবেন) (Existing trade procedures for major products (e.g knitwear, woven wear, cotton, yarn, fabrics, jute):

<p>১৩। বাণিজ্য রসদ (trade logistics) উন্নত করার জন্য বাণিজ্য অংশীদার দেশগুলির সাথে সহযোগিতা কিভাবে সহজতর করা যায়? (How to facilitate cooperation with trade partner countries to improve trade logistics?)</p>
<p>১৪। আন্তর্জাতিক মান অনুযায়ী বাণিজ্য পদ্ধতির কিভাবে সরলীকরণ করা যায়? (Simplification of trade procedures according to the international standards)</p>
<p>১৫। আঞ্চলিক দেশগুলির মধ্যে (যেমন China, Myanmar, Bhutan, Sri Lanka, Vietnam) কোন দেশের কি বাণিজ্য সহজীকরণ পদ্ধতি অনুসরণ করা যেতে পারে? (Explore the best practices of TFA of regional countries):</p>
<p>১৬। প্রাতিষ্ঠানিক দুর্বলতা এবং পদ্ধতিগত বাধা নিরসনের জন্য আপনার সুপারিশ কি? (Recommendation for resolving institutional weakness and procedural obstacles):</p>
<p>১৭। আপনি কি COVID-19 পরিস্থিতির প্রভাবগুলি মোকাবেলায় নীতি/আইন/নিয়মের কোনও পরিবর্তনের প্রয়োজনীয়তা খুঁজে পান? Do you find the necessity of any changes in policies/acts/rules to address the impacts of the COVID-19 situation?:</p>
<p>১৮। বিষয়ের সাথে সম্পর্কিত অন্য কোন মতামত (যদি থাকে) (any other opinion related to the subject matter):</p>

তথ্য সংগ্রহকারীর নাম:

তারিখ:

স্বাক্ষর:

Appendix 5: List of Participants of Key Informant Interviews for the Study

(Not in order of seniority)

Serial No.	Name	Designation	Organization
1	Md. Mahmudul Hassan	Assistant Director	Bhomra Landport Authority
2	Md. Amir Mamun	Assistant Commissioner	Custom House
3	Md Mostafizur Rahman	Deputy Commissioner	Custom House
4	Md. Azizur Rahman	Commissioner	Custom House
5	Mizanur Rahman Chowdhury		Customs
6	Abdul Rasid Mia	Deputy Commissioner	Custom House
7	Md Moniruzzaman	Director (Traffic)	Landport Authority
8	Md Tofayel Ahmed	Joint Commissioner	Custom House
9	Abul Bashar Chowdhury	Chairman	BSM Group
10	Kazi Mahmud Imam Bilu	General Secretary	Chittagong Customs Clearing and Forwarding Agents Association
11	Hazi Babul Mia	Senior Vice President	Brahmanbaria Chamber of Commerce & Industries
12	Shahidul Islam	Revenue Officer	Banglabandha Custom Station
13	Rizwan Rahman	President	Dhaka Chamber of Commerce & Industry
14	Abdul Jolill	Deputy Director	Land port Authority
15	Md mofizur Rahman Shojon	President	Clearing & Forwarding Agent Association
16	Titumir Rahman	Senior Principal Officer	Pubali Bank
17	Mr. Mahbubul Alam	President	Chittagong Chamber of Commerce & Industry
18	Md Jahangir Alam	Immigration (O/C)	Immigration Checkpost, Bhomra
19	M. Abdur Rahman	Deputy Cheif	MCCI
20	Asif Ayub	Joint Secretary General	MCCI
21	Md. Jalal Uddin	Assistant General Manager	Leather goods And Footwear Manufacturers & Exporters Association of Bangladesh (LFMEAB)

Appendix 6: Participants of FGD are as Follows

(Not in order of seniority)

Sl.	Name	Designation	Organization
01	Mr. Md. Munir Chowdhury	National trade Expert	BRCP-1
02	Mr. Shaqib Quoreshi	Consultant	International Trade Expert, 04 Studies, BRCP-1
03	Mr. Manzur Ahmed	Advisor	FBCCI
04.	Mr. Md. Mamun-Ur-Rashid Askari	Joint Chief	BTTC
05.	Mr. Motaleb Hossen Sarder	Deputy Director	Civil Aviation Authority Bangladesh (CAAB)
06	Mr. Md Abul Kalam Azad	Deputy Secretary	MoC
07	Mr. Abdur Rahman	Deputy Chief	MCCI
08	Mr. Md. Mehedunnabi	Research Officer	EPB
09	Mr. Argha Pratim Kundu	Joint Director	Bangladesh Bank
10.	Mr. Md. Nooruzzaman	Research Associate	BUILD
11.	Mr. Md. Nazmus Sakib Khan	AD	Bangladesh Bank
12.	Ms. Tashfim Ashraf	AEs	DCCI
13.	Mr. Md. Anisur Rahman	Asst. Director	BLPA
14.	Mr. Mohiuddin Ahmed	Deputy Secretary	BTMA

Appendix 7: Participants of Public Consultation are as Follows

(Not in order of seniority)

Sl.	Name	Designation	Organization
01	Mr. Anjan Shekhar Das	Director	Chittagong Chamber of Commerce and Industry (CCCI)
02	Mr. K. Belayet Hossian	Ex. Director	Asian Group
03	Mr. Z. R Khan	Chief Executive Officer	E-corporation
04	Mr. Iftekhar Hossain	Assistant General Manager	Youngone (CEPZ) Ltd
05	Mr. Shaikh Shahinur Rahman	Managing Director	Youngone (CEPZ) Ltd
06	Mr. Abul Bashar Chowdhury	Chairman	B.S.M. Group
07	Mr. Ashraful Haque Khan Swapan,	Customs Affairs Secretary	Chittagong Customs Agent Association
08	Eng. G. Sarwar, Prantik Marine Services Ltd	Managing Director	Prantik Marine Services Ltd
09	Mr. A.N.M Shahidul Islam Chowdhur	Director	SICHO International (S.I Chowdhury & Co. limited)
10	Mr. Shahedul Azam,	Examiner of Accounts	RJSC Chittagong
11	Mr. Md. Alamin Miah	Executive Officer	Office of the Controller of Imports and Exports, Chittagong
12	Mr. Md. Tofayel Ahmed	Joint Commissioner	Custom House, Chittagong
13	Mr. Md. Habibur Rassel	Instructor (OP)	Chittagong port authority
14	Capt. Abdul Karim	General Manager	City Group
15	Mr. Md. Nurul Anwar	Officer	Chittagong Chamber of Commerce and Industry (CCCI)
16	Mr. Murshidul Haque	Assistant Director	Export Promotion Bureau (EPB)
17	Mr. K.M Mohiuddin,	Secretary	Chattogram Jilla Truck & Coveredvan Labor union
18	Mr. Asif Iftekhar Hossain	Director	Everett Bangladesh (PVT) Ltd
19	Mr. Masud Sadeque	Manager	APL Bangladesh Ltd
20	Ms. Hossain Ara Eva	Assistant Professor	BWA Girls College
21	Mr. Md. Abdul Baten	Deputy Commissioner	Customs, Excise & VAT Commissionerate, Chattogram
22	Mr. Uttam K. Das	Assistant Secretary	Chittagong Chamber of Commerce and Industry (CCCI)
23	Mr. Md. Saidul Islam	Assistant Manager	Meghna Group of Industries (MGI)

Sl.	Name	Designation	Organization
24	Mr. Touseef Emraj	Deputy Manager	Meghna Group of Industries (MGI)
25	Mr. Shumul Chakraborty	Manager	M. A. AHAD & CO. LTD
26	Mr. Md. Saifur Rahman	Operator	Chittagong Chamber of Commerce and Industry (CCCI)
27	Mr. Md. Kamal Mostafa	Manager	Raja Group
28	Mr. Swapan Kumar	Officer	Chittagong Rice Mills.
29	Mr. Biplob Barua	Managing Director	ASL Shipping Line ltd.
30	Mr. Md. Faizul Kabir	Manager	ASL Shipping Line ltd.
31	Mr. Md. Ali Asgar	Deputy Secretary	Chittagong Chamber of Commerce and Industry (CCCI)
32	Mr. Engr. Md. Faruque	Secretary Incharge	Chittagong Chamber of Commerce and Industry (CCCI)
33	Mr. Md. Mokammed Hoque Khan	Officer	Chittagong Chamber of Commerce and Industry (CCCI)

Appendix 8: Validation Workshop Proceeding

Government of the People's Republic of Bangladesh
Bangladesh Regional Connectivity Project-1
Ministry of Commerce
Level-12 (west side) Prabasi Kalyan Bhaban
71-72, Eskaton Garden, Dhaka-1000

Proceeding of Validation Workshop on

- I. **WTO Special and Differential Treatment (S & DT) and Graduation Challenges of Bangladesh; and**
- II. **Simplification of Trade Procedures, Custom Modernization, Ease of Doing Business for Export Promotion of Bangladesh to Ensure Policy Coherence between National Development Priorities and International Obligations on Trade Facilitation Agreement.**

Jointly Organized by: Bangladesh Foreign Trade Institute (BFTI) and Bangladesh Regional Connectivity Project (BRCP)-1, WTO Wing, Ministry of Commerce

Date : March 22, 2023

Venue : Bangladesh Foreign Trade Institute (BFTI) Conference Room and Class Room 2.

Introduction

Bangladesh Foreign Trade Institute (BFTI) organized a Validation Workshop on Study-1 and Study-3 of 04 studies under Bangladesh Regional Connectivity Project-1 of WTO Wing, Ministry of Commerce on March 22, 2023, at 09:30 AM in Bangladesh Foreign Trade Institute (BFTI) Conference Room and Class Room 2, BFTI, Dhaka.

Mr. Tapan Kanti Ghosh, Senior Secretary, Ministry of Commerce graced the validation workshop as the Chief Guest. Mr. Md. Obaidul Azam, Director, BFTI delivered the welcome remarks. Mr. Md. Mijanur Rahman, Project Director (Joint Secretary), Bangladesh Regional Connectivity Project (BRCP)-1 and Ms. Nusrat Jabeen Banu NDC, Additional Secretary (Director General) WTO Wing, Ministry of Commerce were present as special guests.

Dr. Md. Jafar Uddin, Chief Executive Officer (CEO), Bangladesh Foreign Trade Institute (BFTI) presided over the Validation Workshop as the chairperson.

Summary of the Opening Session

Mr. Md. Obaidul Azam, Director, BFTI welcomed the guest and shared the background of the studies, including the process on how data was collected and draft reports were prepared in consultation with relevant stakeholders. He informed that post LDC graduation challenges and potentials were taken into consideration while preparing policy recommendations of the two studies. He also mentioned that a series of review meeting has been carried out between consultants of BRCP1 and Team leader along with his co-worker of 04 Studies before finalize the draft reports.

Mr. Md. Mijanur Rahman, Project Director (Joint Secretary), Bangladesh Regional Connectivity Project (BRCP)-1 remarked that both studies are very important for overcoming the LDC graduation challenges and improving the competitiveness of the country. He encouraged the stakeholders from public and private sectors to provide specific insights about

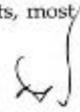
the two studies and requested to point out underlying gaps in Bangladesh's approach to LDC graduation and trade simplification. He remarked that, for the LDC-graduated countries like Samoa, Cabo Verde, etc., FDI increased after graduation but GDP declined. This phenomenon should be analyzed critically for realizing the post-graduation scenario.

Ms. Nusrat Jabeen Banu NDC Additional Secretary, WTO Wing, Ministry of Commerce stressed the importance of these two studies in the current preparatory phase of the LDC graduation context of Bangladesh. She expressed that the opinions and comments of the participants of this validation workshop would enrich the reports of the respective studies. She informed that, both of the reports will be very important for the government to formulate strategies for LDC graduation and Trade Facilitation.

Dr. Md. Jafar Uddin, Chief Executive Officer (CEO), BFTI Chairperson of the Validation workshop thanked BRCP-1 and WTO wing, as they had trusted BFTI to conduct these studies. He also expressed his heartfelt gratitude to the participants of this validation workshop for attending this workshop. He informed that Ministry of Commerce is relentlessly working for ensuring a smooth graduation of the country. He pointed out that Ministry of commerce is carrying out numerous crucial research activities in order to overcome the challenges and embrace the prospects of LDC graduation in 2026. He remarked that private sector, think tank and other public agencies like NBR, BSTI, plant quarantine dept. etc. should work in synergy with the ministry of commerce to overcome graduation related challenges effectively.

Mr. Tapan Kanti Ghosh, Senior Secretary, Ministry of Commerce remarked that the reports of these two studies incorporated all the necessary things meticulously. However, since the LDC graduation of Bangladesh is confirmed, more focus should be given to the future prospect and challenges of the graduation instead of the background and history of the graduation. Regarding 'preference scheme available after post-graduation', he said that after LDC graduation, the MFN tariff would not be applied to Bangladesh by China but Bangladesh would continue to receive APTA benefits from China. Similarly, some benefits will still prevail for Bangladesh in Australia and other markets after 2026 which should be reviewed. He informed that Bangladesh is the only country that has utilized the S&DT benefits and ISMs provided for the LDCs most efficiently compared to other LDCs like Cambodia. He expressed optimism that even though the country's 71% of trade is conducted under S&DT measures, LDC graduation will not be challenging for Bangladesh if the country can prepare well. For instance, in the USA market, Bangladesh does not have any preferential benefits and still the country's export to the USA in the last FY was worth USD 10 billion. He also added that from observing the recent trend of other countries' exports to the USA like China, Vietnam, India, Indonesia, etc., it becomes apparent that the growth of Bangladesh is outstanding. In the EU market, several years ago, the gap between the knitwear export volume of China and Bangladesh was significant, but now the gap is shrinking over time.

However, gaps still exist in woven wear since the demand for woven wear is less in the EU market. Bangladesh has also become the largest Denim exporter in the EU market. He addressed that in last year, the country's total export was USD 52 billion, of which 42 billion was contributed by the RMG sector. Because of this export dependency on a single product, two risks may arise. One is the export margin, which may decline after 2026 and another is the less diversified export basket which may reduce competitiveness. He further informed that, although Bangladesh has a diversified economy with different products, most of the products lack competitiveness for export.



Apart from the above, he added that Bangladesh has to increase the competitiveness of the potential sectors by utilizing preferential market access which may also prevail for the UK, EU, Australia, etc. after 2026. He also remarked that, for those markets where the country could lose preferential market access, FTA negotiations are ongoing for securing seamless market access. He expressed that the major problem is not about market access, rather the hindrance to improving the competitiveness of the export. Hence, Bangladesh should address the issues like lack of FDI, skills gap, lack of service process simplification of NBR, BSTI, DAE and other relevant agencies. He also added that at present utility cost and labor cost are lower in Bangladesh compared to other competing countries but after graduation labor wage may increase. He further informed that National Export Committee has been formed under the leadership of Honorable Prime Minister for increasing the export competitiveness of the different industries. He added that there are some policy compulsions exist, for instance, import duty on raw materials for RMG is eased, as RMG is 100% export-oriented industry whereas other export-oriented industries do not get the same treatment.

Moreover, he suggested that to overcome this, all industries might be transferred to special economic zones or provided special bonded warehouse facilities and bank guarantee could be provided for zero tariff raw material import for those industries. However, 0% or 1% tariff for different industries also rises the risk of revenue loss, so such tariff benefits for raw materials should be introduced only for top export potential industries. He suggested that human resources should be developed by continuous training programs and FDI is needed in this regard, as it would enhance knowledge of market intelligence. He recommended that Bangladesh should follow the international structure of trade by the WTO and ensure dignified outcomes for Bangladesh by assessing how much value addition is generated by the country's supply chain and whether the interest of the country is being exploited by exporter countries or not. He suggested that domination issues in the supply chain system should be addressed in RMG sector and fair price and human rights should be ensured for the Bangladeshi workers for export-oriented industries. He informed that, even in the sustainability compact meeting with international buyers, human rights, fair price, etc. issues were overlooked.

Finally, he recommended that achieving compliance is most crucial for Bangladesh to ensure competitiveness in the global market. He informed that Good Agriculture Practice (GAP) policy has been formulated which is yet to be implemented, though the policy should be implemented extensively to diversify our export basket. About trade facilitation, he remarked that documents submission in different business processes should be simplified. He added that the country's automation system lacks interoperability, so integrated automation is necessary for seamless information sharing, however, automation cannot always bring simplified process if multiple documents are still required. He further informed that, for facilitating trade procedure simplification, the yearly license renewal period has been extended to 3 to 5 years for different organizations. Pointing out the importance of FTA negotiations, he further suggested that customs duty should be rationalized, though customs duty is a significant revenue source for Bangladesh till now. However, most of the developed countries increase their revenues from direct taxation. He further recommended that NBR's policy reform about revenue generation is needed since Bangladesh has to meet the requirements of the FTA regarding duty reduction. Given the concern, he requested NBR to review the revenue sources that could be the best alternative to customs duty.



Technical Session-2:

Study: Simplification of Trade Procedures, Custom Modernization, Ease of Doing Business for Export Promotion of Bangladesh to Ensure Policy Coherence between National Development Priorities and International Obligations on Trade Facilitation Agreement.

Moderator: Md. Obaidul Azam, Director, BFTI.

Panel Discussant, Mr. Md. Tofayel Ahmed, First Secretary, Customs Audit and Intelligence, NBR

- ASYCUDA World is used by the customs not ASYCUDA or ASYCUDA++ and the study should update this information.
- Regarding Risk-based clearance at all CHs and LC stations, Bangladesh customs does not have any green channel in its ASYCUDA. Only the Red and Yellow channel is available. The green channel is only available for airport passengers. this information should be updated.
- Regarding Major Initiatives Undertaken for TFA, the study reflected the initiatives accurately.
- How the NTFC will work for TFA and the challenges or bottlenecks faced by this committee should be explored.
- Lack of information availability and lack of information flow among the stakeholders is a crucial challenge for the TFA implementation in Bangladesh. Sometimes ministries and agencies often cannot provide accurate information timely.
- Institutional weaknesses are interlinked. Supporting Infrastructure development is necessary for overcoming weaknesses and increasing coordination. For instance, the third terminal of Dhaka airport was built without any consultation of customs, not considering the area requirement of customs.
- Institutional weaknesses should be more specific and more smartly represented.
- Customs is the most crucial agency in Trade facilitation since they deal with the movement of goods and people directly.
- The study can mention the capability of NBR and how NBR is working over its capacities in the current situation.
- Government should focus more on developing the NBR specially customs wing as it is associated with revenue-earning activities.
- If one vehicle broke down in a convoy of 35 vehicles under one bill of entry, customs have the policy to release the rest 34 vehicles. If a car broke down, and if the exporter informs the customs commissioner, then these problems are released seamlessly. However, this problem exists on the Indian side and it may be presented in the joint group of customs meeting with India.
- For finished export products to be shipped using the same imported raw materials trailers, organizations may apply to the customs board for approval.
- Goods are not detained longer due to customs testing, rather importers can release their goods by issuing a promissory note to the customs.
- Gender and Environmental issues in the case of the implementation of TFA should be reflected in the report.



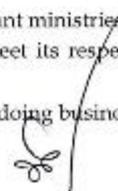
- The HS code declaration problem can be resolved if the importers try to correct the HS code before the goods arrive in the country. HS code declaration issues should be solved within 2 months of LC opening, customs bond commission oversees the HS code correction-related issues.
- Customs does not deal with non-professional people usually. Expert, C&F agents should be used for avoiding any HS code misdeclaration issues.
- Adding new HS codes in opened order or LC is very complex in the existing customs system.
- HS code and valuation simplification issues should be addressed in the report. Valuation differs from customs station to customs station.
- Classification dispute settlement issues and processes should be known by the importers-exporters for avoiding customs issues.

Panel Discussant, Dr. M. Masrur Reaz, Chairman & CEO, Policy Exchange of Bangladesh

- In the 80s, tariff policy reform and tariff rationalization was the main instrument for enhancing trade competitiveness. However, now, trade facilitation is the most crucial issue for trade competitiveness.
- Port efficiency and an improved logistics ecosystem should be increased for smooth trade facilitation. The multimodal transport system, ICDs, and supporting roadways should be ensured for improving the trade environment. NBR is not the only responsible party in trade facilitation rather other agencies and their cooperation, and coordination is also crucial.
- Trade facilitation can reduce trade costs by up to 24% which will increase our competitiveness regardless of DFQF and preferential treatment loss.
- We can mitigate our trade loss by GSP expiration after LDC graduation by improving our trade facilitation activities.
- Vietnam's approach to trade-led investment emphasizing trade facilitation has improved the country's overall trade environment. Vietnam's TFA approaches can be followed by our country.
- Our trade facilitation compliance score is good but before graduation, we have to increase this score as much as possible to make the country's trade environment competitive.
- We have to analyze our TFA score and realize why it is not higher now.
- Private sectors comprising traders, exporters importers, etc. should be included in the policy reform dialogue and implementation so that reforms are in line with the private sector's expectations.
- Our capacity should be increased in policy reform implementation and enforcement.
- Our knowledge of WTO rules, laws, and regulations should be increased for ensuring better compliance with them.

Mr. Mohammad Jahangeer Kobir, Joint Secretary, Member (Traffic), Bangladesh Land Port Authority (BLPA)

- In order to comply with the TFA agreement, the capacity of all relevant ministries and institutions should be strengthened. Every organization should meet its respective TFA obligation(s) timely.
- BLPA's goal is to meet the trade facilitation agenda through ease of doing business in the land ports.



- However, due to customs testing, inspection and final clearance report, the time for the release of goods often increases. Customs testing facility is only available in Benapole land port. Testing process in the customs examination increases release time.
- BLPA does not have access to the ASYCUDA world software and data sharing is hindered as BLPA is not interlinked with customs. However, as a part of the e-port management system data sharing mechanism has been introduced in only Benapole and Burimari land ports.
- Automation is not apparent in other land ports (except Benapole and Burimari), as a part of the automated approach, the implementation of only automated weigh scales is visible in other land ports. Import General Manifest entry is still done manually on paper at the entry point in other ports.
- New administrative buildings are now being built in different land ports for implementing one-stop services by converging different offices of different agencies within one building.
- It becomes difficult for traders to pay the assessed duty of goods in the evening or night since often they receive assessment reports after banking hours.
- Ports cannot be kept open 24/7 due to lack of sufficient personnel of different organization including bank.
- Agreements with Indian authorities for establishing common gate and port space expansion initiatives are taken by BLPA to facilitate trade via land ports.
- Trucks reaching Bangladesh from Nepal and Bhutan are delayed by the Indian side interventions. Also, Bangladeshi trucks cannot reach Nepal or Bhutan directly through India. These non-tariff barriers should be reduced for enhancing regional trade.
- BSTI, Animal Quarantine and Plant quarantine lack sufficient manpower in many ports since there is no plant quarantine office in Belonia land port.
- Through some land ports, there is significant potential for exporting animals and fish. NBR should allow fish and animal export through these land ports.
- Automation and modernization are mandatory for all ports now to meet the TFA obligations by 2030.
- In Bhomra land port, traffic will increase due to the impact of the Padma bridge. Swisscontact has provided 10 crores BDT for the automation of Bhomra land port.
- Land port operational guideline is only available for Benapole Land port and other ports follow that. This guideline is now being reformed and corrected for developing a uniform land port operational guideline that can be applied to all land ports.
- Masterplan has been made by BLPA along with the BRCP-1 project for converging computers, logistics and servers at every land port for implementing automated services.
- BLPA is now increasing interconnection with other agencies like customs, BSTI, Plant quarantine etc.
- A joint security checking system by BGB and BSF is not possible due to international policies.
- Bangladesh is not attracting substantial FDI because of multiple document submissions, and multiple agency services requirements.

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Mr. Md. Mijanur Rahman, Project Director (Joint Secretary), BRCP-1

- Coordination among different port agencies is necessary for meeting TFA obligations.
- The study reviewed import-export and other policies. However, for effective TFA implementation, which specific parts of the policy need to be reformed should be identified.
- Regarding the Risk management system, NBR and BSTI's policy reform may be required and areas of reform should be explored. Other relevant agencies may incorporate risk management policies.
- Manpower shortage issues in different agencies and organizations should be critically analyzed in light of automation initiatives.
- Analyzing the ease of doing business reports of Bangladesh, specific areas of improvement should be suggested. For instance, the recent IRS study outlined various gaps and the study can incorporate suggestions for addressing gaps and reducing trade time.

Mr. Abdur Rouf, Senior Deputy Executive Director, Walton Group

- The study covered all of the problems the traders face in the country vividly.
- If different trucks of the same invoice shipment reach at different times in the port, the clearance gets delayed as the partial shipment is not provided.
- Imported raw materials from India through trailers are returned and emptied. However, if finished export products can be shipped using the same trailers, the cost of trade would reduce.
- In Benapole port, imported chemicals require 8 days to be cleared because of slow customs testing services. This increased trade and production costs for the importers. A pre-testing facility can be initiated so that customs can pre-test a sample and release the bulk shipment when it arrives.
- Third-party labs owned by Walton, Pran-RFL, and other businesses and accredited by BAB and ILAC can be used by the government for testing.

Mr. Md. Atiqur Rahman Khan, Team Leader, 04 Studies

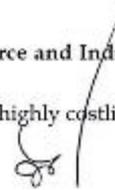
- HS code dispute settlement results and classification rulings information should be made available public so that any trader can use that information to avoid similar problems or resolve similar issues. This classification ruling information can be made available online on the trade portal or NBR's website.
- An appeal system should be there for challenging NBR's rulings or the assessment committee's decisions.

Mr. Abdullah Al Mahmud, AD Policy, Civil Aviation Authority of Bangladesh, HQ

- A 3rd terminal is being built at the Dhaka airport. Also, 2 additional terminals for import and export are being developed for facilitating airway trading. Additionally, 3 warehouses with space of 1 lakh sq feet are being developed for handling air cargo.
- Civil aviation only handles the scanning part of the export cargo. The scanning facility is sufficient and working properly.

Ms. Lily Akter Banu, Member, Bangladesh Women Chamber of Commerce and Industry (BWCCI)

- Exporting perishable/vegetable products through public airways is highly costlier.



Mr. Abdur Rahman, Deputy Chief, Investment, MCCI

- Among the TFA components, NSW and Risk management systems should be implemented quickly for trade facilitation.
- The number of AEOs should be increased for TFA implementation.
- Customs e-payment system is easing payment processes for traders.

Mr. Md. Kawser Ali, Deputy Secretary, BGMEA

- Information and letters received from the NBR are often hard to understand by businesses.
- In case of HS code declaration problems, goods should be allowed to be released by proving an undertaking or promissory note.
- A central warehouse can be developed in the importing countries for handling our goods seamlessly.
- VAT, TAX should be clarified and charged uniformly.

Mr. Mohammad Nazmul Ahsan, Co-Chairman, Government Affairs Standing Committee, Future Sky Limited (On Behalf of e-CAB)

- We can purchase products from foreign e-commerce sites like Alibaba but we cannot sell products online to overseas markets through e-commerce sites because of payment problems. LC and payment collection become prime issues in the case of cross-border e-commerce. However, policy development initiatives for facilitating cross-border e-commerce are ongoing with the collaboration of the WTO wing, Ministry of commerce.
- Policy support is needed for cross-border e-commerce facilitation.
- Policy support is needed for cross-border e-commerce facilitation.

Mr. Md. Humayun Kabir, Senior Quality Control Officer, Bangladesh Frozen Foods Exporters Association (BFFEA)

- Certifications should be provided online so that document submission in the trade process can be reduced.

Mr. Md. Hafizur Rahman, Adviser (Accounts), Bangladesh Fruits, Vegetables & Allied Products Exporter's Association (BFVAPEA)

- Traders lack awareness of Maximum Residue Levels (MRL) and pests or other quarantine issues.
- Quarantine service centers lack efficient and expert personnel.
- Lacks pack houses for packaging in our country, packs houses can be developed in the nearby airport area.
- For perishable goods, special dedicated warehouses or shed facilities should be developed in the airport and other ports.
- Quarantine officials and checking should be there with the civil aviation scanning system in the airport.

Mr. Md. Sajib Hossain, Sr. Assistant Secretary (R&D), Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA)

- Dispute settlement mechanisms and many NBR issues have been well discussed in the validation workshop.
- The number of Authorized Economic Operators (AEOs) should be increased since approved 46 AEOs are yet to be given permission.



Mr. Anup Kanti Saha, Junior Trade Specialist (Local Consultant), BRCP-1

- Regarding traditional customs and modern customs practices, the status of Bangladesh should be addressed for understanding the current situation of Bangladesh customs. Show the Bangladesh Status through another Columns in the 'Matrix of Concept of Customs modernization'
- To make a Matrix of Problems mentioned in the report and Way-out to solve the problems
- HS Code Problem facing by Importer-Exporter from Customs point of Bangladesh: Way-out;
- Problems of FDA (Foreign Direct Investment) facing by Foreign Investor and Way-out;
- Specific suggestion for Export Promotion;
- Dissemination of Report to the Proper Stakeholders to Implement suggestions.

Mr. Feroj Al Mamoon, Deputy Secretary, Ministry of Commerce

- Recommendations of this study can be represented in a matrix format with action plans.
- Along with "Digital Bangladesh" concept for customs modernization, and Smart Bangladesh concept should be added to the study.
- "Area to Emphasize More for Trade Facilitation" should be explained and simplified for the understanding of the stakeholders.
- De Minimis limit amount should be fixed on the USD rate instead of BDT and suggest a range for that.

Ms. Nusrat Irin, Deputy Secretary (IIT-2), IIT Wing, Ministry of Commerce

- The survey sampling method can be explained whether it was probability sampling on non-probability sampling.

Mr. Md. Obaidul Azam, Senior Trade Expert, 04 Studies and Director, BFTI and Moderator of the validation workshop

- Trade facilitation will reduce the cost of trade by 14.6% whereas average tariff after graduation will increase about 9%.
- If we see the paperless trade measures along with A and B category TFA measures, we can see the score of Bangladesh is 64.30 which indicates a positive picture of Bangladesh, however, the comparison with neighboring countries reveals that the score has more room for improvement.
- Category C items of TFA should be implemented before 2030 and their implementation should be sped up.
- A new target and plan for National Single Window (NSW) implementation time (project time) should be addressed in the study.
- Recommendations can be made on the specific timeline of NSW and risk management implementation.
- Manpower shortage and requirements can be determined by analyzing past, present manpower in proportion to past and present trade volume.
- The type of people or manpower required in CTG port and other agencies as well as the transition of officials for digitalization can be mentioned.
- Trade bodies can work collaboratively with NBR for increasing the number of AEOs.
- Customs should hold a mandatory training program for the C&F agents yearly.
- An information hub can be developed in each customs station for meeting public queries.



Appendix 9: Validation Workshop Participant List

Validation Workshop

Date: March 22, 2023

Venue: Bangladesh Foreign Trade Institute (BFTI) Conference Room and Class
Room 2, Time: 09:30 AM

Sl.	Name & Designation	Organizations
01	Mr. Atiqur Rahman Khan, Team Leader, 04 Studies suggested by PSC	BFTI
02	Mr. Md. Obaidul Azam, Senior Trade Expert, 04 Studies and Director	BFTI
03	Mr. Md. Tofayel Ahmed, First Secretary, Customs Audit and Intelligence	NBR
04	Mr. Mohammad Jahangeer Kobir, Joint Secretary, Member (Traffic)	Bangladesh Land Port Authority (BLPA)
05	Dr. M. Masrur Reaz, Chairman & CEO	Policy Exchange of Bangladesh
06	Mr. Md. Mijanur Rahman, Project Director (Joint Secretary)	BRCP-1
07	Mr. Rashedul Kabir, Research Manager (AC)	BFTI
08	Mr. Md. Hafizur Rahman, Adviser (Accounts)	Bangladesh Fruits, Vegetables & Allied Products Exporter's Association (BFVAPEA)
09	Mr. Abdur Rouf, Senior Deputy Executive Director	Walton Group
10	Mr. Mohammad Nazmul Ahsan, Co-Chairman, Government Affairs Standing Committee	Future Sky Limited (On Behalf of e-CAB)
11	Mr. Abdur Rahman, Deputy Chief, Investment	MCCI
12	Ms. Lily Akter Banu, Member	Bangladesh Women Chamber of Commerce and Industry (BWCCI)
13	Mr. Md. Sajib Hossain, Sr. Assistant Secretary (R&D)	Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA)
14	Mr. Md. Humayun Kabir, Senior Quality Control Officer	Bangladesh Frozen Foods Exporters Association (BFMEA)
15	Mr. Feroj Al Mamoon, Deputy Secretary, Planning-1	Ministry of Commerce (MoC)
16	Mr. Md. Kawser Ali, Deputy Secretary	BGMEA
17	Mr. Md. Zahurul Islam, Assistant Programmer	BGMEA

Sl.	Name & Designation	Organizations
18	Ms. Nusrat Irin, Deputy Secretary (IIT-2), IIT Wing	Ministry of Commerce
19	Mr. Ali Muhammad Irfan Bhuiyan, Snr. AD	Walton Group
20	Mr. Anup Kumar Saha	BRCP-1
21	Mr. Abu Azam, Squadron Leader (DD Avsec), Avsec Division	Civil Aviation Authority of Bangladesh, HQ
22	Mr. Abdullah Al Mahmud, AD Policy	Civil Aviation Authority of Bangladesh
23	Ms. Afsana Hossain, Field Officer (CM)	Bangladesh Standards and Testing Institution (BSTI)
24	Mr. Sayed Arafat, Research Office	BFTI