

## Export Policy 2018-21 Preface

The greatest Bengali of thousand years and the Father of the Nation, Bangabandhu Sheikh Mujibur Rahman, dreamt of building Bangladesh as Golden Bangla which the present government priorities to emancipate through creating a just society by eliminating poverty, providing employment for all the people and reducing income inequality. The highest priority of present government of Bangladesh is to build the country in that spirit. With such a strong determination, Bangladesh has been able to meet the conditions of becoming a developing country on March 16, 2018, through a massive development work of the present government led by the Prime Minister Sheikh Hasina, the able daughter of the Father of the Nation. In addition, the present government is marching forward in solid and fast action with a vision of promoting Bangladesh to a developed country through Vision-2041. Taking into consideration the context of implementing the UN Declaration on Sustainable Development Goals-2030 and making Bangladesh a middle income country by 2021, export policy's role is undeniable in bringing momentum in exports, enhancing trade capacity and consolidating Bangladesh's position in world trade along with making the country's economic activities fast-flourishing and sustainable.

Export Policy 2018-21 posts special emphasis on increasing production capacity of export-oriented industries, improving product quality and ensuring competitive price in export, maintaining export capacity of the country in changing world scenario, product and market diversification, determining priority of export products, further enhancing the role of Bangladesh Missions abroad to expand export in a trade-friendly manner, establishing close relation with government and business organizations of the respective countries concerned and ensuring development friendly environment for the private entrepreneurs in Bangladesh etc.

The government is firmly committed to creating a friendly environment to boost the country's export trade. For this purpose, Export Policy 2018-21 includes the issues such as: establishing more labor-intensive export industries in the country, taking timely comprehensive initiatives to enhance the efficiency and welfare of the workers, giving incentive to exporters for encouraging exports, providing easy and low interest loans, implementing mega projects for infrastructure development, ensuring international compliance in export-oriented industries, simplifying gas, electricity and water supply, adopting and implementing short and long term plan and projects for mitigating energy shortage, establishing modern laboratories for ensuring quality, establishing product-based industrial zone or cluster, implementing projects related to 100 special economic zones, promoting backward and forward linkage industries, participating in international trade fairs and sending trade delegations or expanding and exploring markets abroad, digitalizing concerned offices for continuously providing exporters with updated information about new technologies and export markets, simplifying procedures related to goods release and disburse at Chittagong and Mongla seaport and promoting a business-friendly environment for doing export related activities with easiness.

Despite economic meltdown in developed countries, various adverse situation in the domestic economy and global pressures for compliance, Bangladesh's export income increased by 9.77%, 1.72% and 5.81% during the fiscal year 2015-16, 2016-17 and 2017-18 respectively. This success has been achieved due to the appropriate implementation of the government's trade facilitating Export Policy 2015-18 and the sincere efforts of public and private entrepreneurs.

With a view to continuing the trend of export growth, export policy 2018-21 has been formulated on the basis of recommendations of the committee comprising representatives from major chamber of commerce & industries and product-based associations, research firms, concerned ministries and government departments & agencies. It is expected that if Bangladesh's export trade is conducted in the light of this export policy, it will be possible to reduce poverty and income inequality through creating employment opportunities for the huge population of the country and make Bangladesh a developing country by 2024.

The current pro-people government is about to reach the brink of the success of Vision-2021. This country has been recognized by the World Bank as a low-middle income country in 2015. Now, there is a strong conviction that Bangladesh will be a developed country through Vision 2041. In addition, the overall efforts to achieve the Sustainable Development Goals-2030, announced by the UN, have been continuing. The main objective of the Export Policy 2018-21 is to play an appropriate role for achieving these goals.

## Chapter One

### Title, Formulating Authority, Objectives, Strategies, Application and Scope

#### 1.0 Title

This Policy shall be called the Export Policy 2018-21.

1.1 **Formulating Authority:** The Government has promulgated Export Policy 2018-21 under the power conferred by section 3(1) of the Import and Export (Control) Act 1950.

#### 1.2 Objectives of the Export Policy:

- 1.2.1 To update and liberalize the trade regime in keeping with the change in global trade pattern, economic downturn in developed countries, requirements of World Trade Organization, sub-regional connectivity of the four countries (Bangladesh-India-Nepal-Bhutan), One Belt One Road initiative of China, Brexit, emergence of regional trade coalitions, establishing close trade relations with the fastest growing South Asian countries, with a view to making Bangladesh a developing country;
- 1.2.2 To undertake target oriented initiatives to raise export earnings to US\$ 60 billion by the year 2021;
- 1.2.3 To increase export, expand export markets and diversify product and improve balance of trade rationally with different countries in light of the Perspective Plan and 7th Five Year Plan, with a view to consolidating sustainable economy;
- 1.2.4 To increase export of all types of products including readymade garments, processed food products, plant and plant produces, non-traditional products and labor-intensive products, with the conviction of building a poverty-free Bangladesh through creation of employment for the large population of the country;
- 1.2.5 To arrange export of quality products at competitive price, take coordinated effort to upgrade the testing facilities to global standard, improve quality of products, encourage the use of the state-of-the-art, modern and environment-friendly technology, produce high value added exportable products and promote excellence in fashion and designs;
- 1.2.6 To ensure compliance in export oriented industries for making export trade seamless and consolidate Bangladesh's position in competitive trade;
- 1.2.7 To attach the highest priority to the services sector including ICT in export, and bring dynamism to the export trade by utilizing e-commerce and e-governance;
- 1.2.8 To enhance participation of women in trade and export oriented industry.

### 1.3. **Implementation Strategy**

- 1.3.1 Increase institutional skills and efficiency of the Export Promotion Bureau (EPB), Bangladesh Tariff Commission and Bangladesh Foreign Trade Institute (BFTI), and taking collective initiatives to assist in capacity building of the Customs Authorities, Sea and Land Port Authorities, Business Promotion Council (BPC), Department of Fisheries, Department of Agriculture Extension (DAE), BSTI, Tea Board and different trade bodies ;
- 1.3.2 Modernize and update Bangladesh Foreign Missions abroad by strengthening economic diplomacy;
- 1.3.3 Collective efforts from government and private sector for encouraging production and export of potential products and bringing dynamism in 7(seven) existing product based business promotion councils for enhancing trade and commerce of product, as well as to create more business promotion councils, if needed;
- 1.3.4 Make Bangladesh export commodities more competitive by reducing costs, increasing quality of production, and expanding market. Moreover, extending support for modernizing and updating the trade regime through implementing automation, e-commerce and e-governance with a view to reducing lead time;
- 1.3.5 Providing updated information to the exporters about export market and technology for diversifying export;
- 1.3.6 Arranging various training programs for workers, employees and managers and establishing sector wise more training institutions;
- 1.3.7 Extending support for establishing internationally recognized certification system to ensure product quality;
- 1.3.8 Giving special importance to labor rights and workplace safety;
- 1.3.9 Enhancing establishing product-based design and fashion centre for developing design and fashion for export products;
- 1.3.10 Encouraging exporters to pursue internationally accepted good practices and business ethics in trade;
- 1.3.11 Implementing National Single Window with a view to support international trade;
- 1.3.12 Providing overall support to exporters to produce organic products;
- 1.3.13 Extending special assistance to small and medium enterprises;
- 1.3.14 providing various financial incentives to exporters, including export credit at relatively low interest rates;
- 1.3.15 Reducing lead time in exports through improving port management, improving infrastructure, simplifying product release methods and developing communication

- systems. Furthermore, taking steps to increase exporters' competitiveness by reducing cost of doing business with the introduction of one-stop service;
- 1.3.16 Organizing single country Trade Fair for Bangladeshi products in different countries, sending trade missions abroad, supporting the exporters to participate in international fairs, sending and receiving trade delegations as well as taking market study program under the initiatives of exploring new market, product branding and diversification,
  - 1.3.17 Taking all necessary initiatives for achieving duty-free market access to developed and developing countries, including the United States with a view to expanding markets for Bangladeshi products and services abroad;
  - 1.3.18 Taking special initiatives to enhance exports of products and services to South East Asia, Middle East and other Asian and African countries including Brazil, Mexico, Chile, Russia, other CIS and SAARC countries;
  - 1.3.19 Awarding CIP status and National Export Trophy every year to the best exporters of different sectors in recognition to the production of new products, product diversification, accelerated export growth etc;
  - 1.3.20 Regularly reviewing the export situation of the country by the "National Committee on Export" and providing necessary directions on various issues by the committee
  - 1.3.21 Monitoring and evaluating the progress of the implementation of the decisions of the "National Committee on Export" by the "Task Force" established for this purpose;
  - 1.3.22 Forming "Export Policy Monitoring Committee" including representatives of concerned ministries and top business organizations for reviewing the implementation progress to provide necessary recommendations;
  - 1.3.23 Taking initiatives to increase negotiating capacity and institutional efficiency to conclude bilateral, multilateral and free trade agreements for expansion of export trade;
  - 1.3.24 Enhancing branding and upstream value addition of Bangladeshi products
  - 1.3.25 Encouraging Bangladesh Bank's initiatives to developing a more trade friendly banking system and factoring services to finance export trade;
  - 1.3.26 Establishing import substitute industries for the supply of raw materials to the export oriented industries for expanding export trade;
  - 1.3.27 Encouraging foreign investment in export oriented industrial sectors to increase export trade;
  - 1.3.28 Adopting new strategies and collecting and analyzing international market related information for exploring new markets for expansion of export market;
  - 1.3.29 Providing support to develop backward and forward linkages to establish trade related infrastructure for encouraging production and marketing of exportable goods;
  - 1.3.30 Conducting adequate training to develop skilled manpower to help organize international trade;
  - 1.3.31 Providing comprehensive idea to the trade associations, trade organizations, businessmen and concerned persons about the changing international trade rules and regulations;

## **1.4 Application and Scope**

- 1.4.1 Unless otherwise stated, the Export Policy 2018-21 shall be applicable to exports of all types of goods and services from Bangladesh;
- 1.4.2 The Export Policy 2018-21 shall be effective from the date of its publication in the Bangladesh Gazette, and shall remain in force until June 30, 2021. However, this Export Policy shall remain valid until the next Export Policy is issued;
- 1.4.3 This policy shall be applicable for all over Bangladesh, except Export Processing Zones (EPZs), Special Economic Zones or any Private Export Processing Zones;
- 1.4.4 Any tax/ tariff related decision reflected in the National Budget or declared by the National Board of Revenue shall prevail over the Export Policy;
- 1.4.5 Notwithstanding anything contained in this policy, any specific order related to export issued by the government through any other order shall prevail over this policy even if the said order is inconsistent with any provision of this policy; and
- 1.4.6 The Government will review the Export Policy at least once a year, and make modification, expansion and amendment, if necessary.

## Chapter Two

### Definition

#### 2.0 Definition:

- 2.1 “Law” under this policy means The Import and the Export ( Control) Act,1950;
- 2.2 “Import Price” under entre-port trade shall refer to the declared CFR (Cost and Freight) Price of the product imported at the port of Bangladesh;
- 2.3 ‘LC Authorization Form’ means the form that is prescribed for opening up the LC authorization;
- 2.4 ‘LC or Letter of Credit’ means the Letter of Credit/Debenture that is opened for importation;
- 2.5 “Sample” means limited quantity of goods which are easily identifiable and which do not have any commercial value;
- 2.6 “Gift parcel” means gift materials sent through post or courier service;
- 2.7 “Entre-port trade “means such trade that involves the export of an imported product to a third country at a price at least 5% higher than the import price, and without any change whatsoever in the quality, quantity, shape or any other aspect in this respect. Products under entre-port trade shall not be brought out of the port area. However, in case of export through another port, the products can be transported from one port to another under special permission from Ministry of Commerce;
- 2.8 “Import Price” under entre-port trade shall refer to the declared CFR (Cost and Freight)price of the product imported at the port of Bangladesh;
- 2.9 “Re-export” means the export of an imported product within a specific period of time with a value addition of at least 10% to the imported price by changing the quality or shape or both of the products by means of local reprocessing;
- 2.10 “Import Price” under re export shall refer to the declared CFR (Cost and Freight) price of the product imported at the port of Bangladesh;
- 2.11 “Buying Contract” means a signed agreement between an exporter and an importer for the purpose of exporting a product;
- 2.12 “Product” means the items that are listed in the First Schedule of the Custom Act,1969;
- 2.13 “Commercial Importers” means the persons who have got registered under the Importer, Exporters and Indentors (Registration) Order 1981, who import products for direct sale without processing;

- 2.14 “Currency” means the currency as defined in the Foreign Exchange Regulation Act, 1947;
- 2.15 “**Import and Export**” means bringing in goods or services from abroad to Bangladesh and sending out goods and services from Bangladesh to abroad respectively;
- 2.16 “Chief Controller” means the Chief Controller as defined under section 2(a) of the Import and Export( Control) Act, 1950;
- 2.17 “**Permit**” means the Authorization, Import permit, Clearing Permit, Export Permit and Export cum Import permit for any cases, issued by the export and import control authority;
- 2.18 “Deemed Export” means deemed export as defined in the Value Added Tax and Supplementary Duty Act, 2012;
- 2.19 “**Highest Priority Sectors**” refers to those sectors that have special export potentials, but these potentiality could not be utilized properly due to several reasons however, more success be attainable if adequate support is extended to them.“Special Development Sectors” refers to those sectors that have export potentials but their production, supply and export base are not consolidated;
- 2.20 “Aromatic Rice” includes Kalojira, Kalojira TPL-62, Cinigura, Cini Atop, Cinikanai, Badshavog, Katarivog, Madanvog, Radhunipagal, Banshfool, Jatabanshfool, Tolshimala, Tolshi Atop, Tolshimoni, Modhumala, Khurma, Sakkorkhurma, Nonia, BR-5( Dolavog), Bridhan-34, Bridhan-37, Bridhan-38 and Bridhan-50 -according to the SRO 149-Law/2014;

## Chapter Three

### General Provision for Export

#### **3.0 Rules and Regulations to be followed in Export of products:**

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

**3.1. Control of Export of Products:** The export of products under this policy will be controlled in the following ways, such as:

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

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

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

#### **3.2.1. Rules and regulations as stated in this policy shall not be applicable to the following cases:**

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

#### **3.2.1.2. Export of samples subject to fulfillment of the following conditions**

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

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

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

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

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

(3) If necessary, Bangladesh Bank can increase these limits examining on a case-to-case basis;

d. Subject to the approval of Bangladesh Bank, for 100% export-oriented garments and leather industry, a maximum of US\$ 20,000 worth samples of readymade garments and leather products per year;

- e. The diamond processing firms having bond licenses issue from the Customs Bond Commissionerate or diamond and diamond-studded jewelry processing firms registered as procedure with VAT Commissionerate under National Board of Revenue can send abroad cut and polished diamond/diamond-studded jewelry samples worth US\$ 60,000 annually with a view to participating in international trade fair or showcasing for export market development; the samples so send must be brought back to the country after the show. However, if the samples are sold, all sales proceeds must be repatriated through legal banking channel and the amount of the proceeds shall not be less than the value of the samples;
- f. Promotional materials (brochure, poster, leaflet, banner etc.) irrespective of value or weight;
- g. Gift parcel worth US\$ 2,000 or equivalent in Bangladeshi Taka;
- h. Bona fide baggage of travelers traveling outside Bangladesh; and
- i. Products exported by the government as relief materials.

3.2.2 If the quantity of samples exceeds the quantity declared by the exporter, the customs authority will detain the excess quantity and allow rests to send.

3.3. **Power to relaxation of export control:** The government may allow export of any prohibited product as shown in Annex-1 showing appropriate reason. Besides the government may issue authorization for export, export cum-import or re-export of any product on special consideration.

#### 3.4. **Entre-port and Re-export:**

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

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

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

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

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

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

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

**3.4.8 Clearance of goods returned after export due to defects or other reasons and re-export thereof:**

1) In the cases of return of a consignment exported under the bonded warehouse system due to defects or for any other reasons, the Customs Authorities may release or allow re-export on the basis of a certificate issued by the concerned lien banks.

2) For the readymade garments and other products made of locally produced raw materials and exported without the bonded warehouse license, and returned due to defects, the relevant enterprises can take delivery of such products from the port on submission of an undertaking that such products shall be re-exported within one year. However, in case of failure to re-export as per the undertaking, such products can be sold in the local market on payment of VAT payable at the local level and adjustment of rebate taken thereof, on execution according to the existing VAT Act (only in case of local fabrics) equivalent to the drawback received as per Mushak-11. However, in the case of frozen shrimp and fish and other consumer goods, clearance certificate has to be submitted from the concerned quality control authority.

**3.4.9 Re-export of fabrics and other goods returned due to defects or other reasons:**

1) For the defective fabrics and other articles that the supplier/exporter intend to take back and for which no foreign currency has been remitted from Bangladesh, the Customs Authorities may issue clearance permit for re-export on the basis of a certificate issued by the lien banks;

2) For the defective fabrics and other articles that the supplier/exporter intend to take back and for which foreign currency has already been remitted from Bangladesh, the Customs Authorities may allow clearance for the re-export of such goods on the basis of certificate issued the relevant lien banks, as determined by mutual consent of both the buyer and seller and recorded in an inventory, and on execution of TT or LC at sight as proof of repatriation of the foreign currency that had been paid for the goods so determined as defective, or after replacement of same quantity of goods.

3.5. Unless otherwise stated, export shall be allowed against LC established by the foreign buyers;

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

### **3.6. Temporary Export for Re-import:**

1) In the cases of sending machinery, equipment or cylinder abroad for the purpose of repairing, re-filling or maintenance etc, a bank guarantee equivalent to the value of the goods shall have to be submitted to the Customs Authorities. Government, semi-autonomous and autonomous bodies, military and police departments, shall have to obtain Export-cum-import permit from the Chief Controller of Import & Export producing permission of the concern Sponsoring Ministry .

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

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

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

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

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

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

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

a) Necessary indemnity bond has to be furnished stating that the machinery shall be brought back after the completion of the work.

b) Relevant copies of agreement and award have to be submitted to the customs authorities;

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

## **Chapter Four**

### **Export Diversification**

#### **4.1 Formation of product and service specific Business promotion councils:**

4.1.1 Several sector wise (goods and service) Business Promotion Councils have been formed under the Ministry of Commerce as a joint initiative of the government and the private sector within the scope of the Companies Act 1994 for diversifying export, ensuring improved quality of products, acquiring appropriate technologies, fulfilling compliance requirements and marketing of products etc. Necessary initiatives will be taken to strengthen and consolidate the activities of these Councils and to encourage the formation of more such Councils. Different development projects will be adopted, if required, jointly in co-operation with the development partners to accelerate product and service sector development. Such initiatives of the Ministry of Commerce will complement the export promotion and export diversification efforts of the Export Promotion Bureau.

#### **4.2. Classification of product and service sectors:**

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

#### **4.3 Highest priority sectors:**

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

- 1) High Value Added Readymade Garment, Denim and Garment Accessories;
- 2) Software and IT enable services, ICT products;
- 3) Pharmaceutical products;
- 4) Plastic products;
- 5) Footwear (leather, non-leather and synthetic) and Leather products;
- 6) Jute products;
- 7) Agro-Products & Agro-Processed products;
- 8) Ship & Ocean going fishing trawler;
- 9) Furniture;
- 10) Home Textile & Terry Towel;
- 11) Home Furnishing;
- 12) Luggage; and
- 13) Active Pharmaceutical Ingredients (API) and Laboratory Reagents.

#### **4.4. Special Development sectors:**

4.4.1. Products which have export potentials but whose production, supply and export bases are not strong will be included in the special development sectors to consolidate their export base, such as:

- 1) Diversified Jute products;
- 2) Electric & Electronic products;
- 3) Ceramic products;
- 4) Light engineering products (including Auto –parts, Bicycle, Motor cycle, Battery);
- 5) Value added frozen fish;
- 6) Pappadum;
- 7) Printing and packaging;
- 8) Rough Diamond & Jewelry;
- 9) Paper & paper products;
- 10) Rubber;
- 11) Silk products;
- 12) Handicrafts;
- 13) Handloom products including Lungi;
- 14) Coir products;
- 15) Photo Voltaic Module (Solar energy);
- 16) Cashew nut (Raw and Roasted);
- 17) Live and Processed Crab;
- 18) Toys; and
- 19) Agar.

#### **4.5 Benefits and Facilities to be provided to the Highest Priority Sectors and Special Development sectors:**

- 4.5.1 Project loan at reduced interest rates on a priority basis;
- 4.5.2 Income tax rebate;
- 4.5.3 Possible financial incentives and subsidies for utility services, such as electricity, water and gas will be extended in consistent with WTO Agreement on Agriculture, and Agreement on Subsidies and Countervailing Measures;
- 4.5.4 Export credit at lower interest rates and on soft terms;
- 4.5.5 Air transportation facilities on priority basis;
- 4.5.6 Duty draw-back/ bond facilities;
- 4.5.7 Facilities for setting up ancillary industries including infrastructural development for reducing cost of production;
- 4.5.8 Expansion of institutional and technical facilities for improving and controlling quality of products;
- 4.5.9 Duty-free import of equipment for setting up compliant enterprises;
- 4.5.10 Assistance in production and marketing of products;
- 4.5.11 Assistance in exploring markets abroad; and
- 4.5.12 Necessary initiatives to attract foreign investments.



#### **4.6. Special Development service sectors –**

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

#### **4.7 Inter-Sector project for product diversification:**

4.7.1 Inter sector projects will be adopted for product diversification. Under the project, issues such as bond system, duty draw-back, subsidies etc, will be reviewed to keep export price at a competitive level. Similarly, under these projects issues such as, product development and market expansion, trade cooperation and infrastructural constraints hindering export trade will be examined and necessary measures will be taken. In addition, project will be adopted for acquiring advanced technology for the expansion of export trade.

4.7.2 Strengthen “One District One Product (ODOP)” program with a view to producing price-competitive products depending on area-based domestic raw materials.

## Chapter Five

### General Export Facilities

#### 5.1. Use of Foreign Exchange Earned through Export:

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

#### 5.2. Export Promotion Fund-

There shall be an Export Promotion Fund (EPF) at EPB. The following facilities will be extended to the exporters from this fund:

5.2.1 Providing venture capital at reduced rates of interest and on soft terms for production of goods;

5.2.2 Providing support for obtaining foreign technical support, service and technology for the development and diversification of products;

5.2.3 Providing assistance in sending marketing missions abroad and participating in international trade fairs;

5.2.4 Providing assistance in possible cases, in setting up display-cum-sales centers as well as creating warehouse facilities abroad;

5.2.5 Providing assistance in taking part in training program abroad on product development and marketing with a view to attaining technical and marketing skills;

5.2.6 Providing assistance in other activities related to development and expansion of markets of products and services.

#### 5.3 Other Financial Facilities:

5.3.1, Studies will be conducted to examine whether exporters can be allowed to the opportunity of paying bills of services/utilities, such as electricity, gas, water, etc. at concessionary rate and whether subsidies can be provided to the exporters, instead of cash incentives;

5.3.2 Initiatives will be taken to determine price of electricity, gas and water for manufacturing sector at a reasonable level;

5.3.3 Introduction of incentives will be considered in consistent with the provisions of WTO regulations for the emerging sectors that have potentials to manufacture and have demand in international market. The present incentive system will be reviewed and measures will be taken to include or exclude products.

#### **5.4 Funding for Export:**

5.4.1 Necessary financial assistance will be provided from Export Promotion Fund (EPF) or Export Development Fund (EDF) for the expansion of export. Steps will be taken to gradually increase the amount of Export Development Fund with a view to providing fund towards all export products;

5.4.2 Facilities will be provided for opening back-to-back/usance Letter of Credit for all export items;

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

5.4.4 Establish Technology Development/Upgradation Fund (TDF/TUF) in Bangladesh Bank (Central Bank of Bangladesh) to facilitate modernization and technological development in export-oriented industry/sector as well as to provide soft term loan with lower interest rates from the fund.

5.4.5 Loan, with lower interest rates and on soft conditions, will be provided to all export-oriented industries from the Green Fund of Bangladesh Bank.

#### **5.5 Export credit:**

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

5.5.2. Online system will be widened for quick disposal of export related activities and for bringing transparency to banking sector;

5.5.3 Bangladesh Bank will take necessary steps to maintain normal credit flow in the export sector and to determine the interest rate of the loan at single digit;

5.5.4 Banks will set the exporters' cash credit limit based on the success of export earning of previous years. However, the current year's export growth potential/planning can be considered in setting credit limits;

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

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

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

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

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

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

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

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

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

#### **5.6 Concessionary Insurance premium:**

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

#### **5.7 Incentives for Export of New Industrial products:**

5.7.1 Incentives will be provided for exporting new industrial products having at least 30% value addition;

5.7.2 Fire and shipping insurance premium will be fixed at a special concessionary rate for new export oriented industries.

#### **5.8. Bond Facilities for Export oriented Industries:**

5.8.1 The National Board of Revenue will consider the issue of providing bonded warehouse facilities to all industries considered as export oriented industries,

5.8.2 Circulation of Brand name: Circulation of product brand name will be encouraged for fetching higher price. Publicity will be encouraged with a view to spreading '**Made in Bangladesh**' brand all over the world.

#### **5.9 Providing alternative incentives, instead of duty bond or duty draw-back to export oriented local textile sector, readymade garment, and garment accessories industries:**

5.9.1. Government may provide subsidies (cash incentives) as alternative incentives instead of duty bond or duty draw-back to export oriented local textile and readymade garment industries. The rate of incentive will be decided by the government. This facility may be extended to other sectors too.

#### **5.10 Simplifying drawback of VAT paid on Export facilitating services:**

5.10.1 Recommendation will be made to abolish the decision of collecting VAT from export facilitating services such as C&F service, telephone, telex, fax, electricity, gas, insurance premium, shipping agent commissions/bills.

#### **5.11 General Facilities for Export-Oriented Industries:**

5.11.1. Industries exporting at least 80% of their products will be considered as export-oriented industries and they will be eligible to receive bank loans and other financial benefits;

5.11.2 In case of industries exporting at least 80% of their products, initiatives will be taken to simplify the procedures for determining duties and taxes on remaining 20% products, and facility will be provided for marketing of such 20% products in the local market after payment of duties and taxes;

5.11.3 In order to be more compliant, exporters will be provided with loan at low interest rate and on easy terms and duty free import of compliance facilitating machineries and equipment, eco-friendly industry related machinery and innovative agricultural machinery;

5.11.4 Assistance will be provided for setting up of Central Effluent Treatment Plant (CETP) and Air Treatment Plant (ATP) in specialized areas/industrial areas. In the initiative of establishing ETP and ATP in private initiative, arrangements will be made to provide loan assistance to the concerned at lower interest rate and with easy terms. The duty free facilities will be provided in the import of chemicals used in the ETP and ATP plants;

5.11.5 Duty free import of machineries of fire safety including fire door, fire control and fire extinguisher will be allowed to all export oriented sectors; and

5.11.6 Duty free import of spare parts up to 10 % of total capital machinery will be allowed in every two years mainly for export oriented industries; and

5.11.7 Concerned authorities will take necessary steps to provide services including connection of utility services, such as electricity and gas in export-oriented industries on priority and emergency basis

5.12 Reduced air fare for the export of plants, fruits, flower including vegetables, and specially privileged products;

5.12.1 Airlines will consider providing reduced air fare for the export of plants, fruits, flowers including vegetables, and specially privileged products apart from introducing cargo service for the transportation of these products;

5.12.2 Initiative will be taken to follow Farm-to-Market policy on the basis of contract farming and Good-Agricultural Practice (GAP);

5.12.3 Initiative will be taken to ensure cooling system in an international airport including Hazrat Shahjalal International Airport in order to maintain freshness of the perishable products, such as fresh vegetables, fruits and flower;

5.12.4 Initiative will be taken to hire air cargo to make transportation system easily available and affordable;

5.12.5 Ensuring the use of carton (Corrugated Fibre Board, CFB) of international standard by all exporters to maintain quality of exportable products, and government assistance in this sector will be ensured;

### **5.13 Withdrawal of royalty for the expansion of foreign airlines' cargo service facilitates for export:**

5.13.1 No royalty is applied for transporting vegetables. Initiatives will be taken to provide similar type of incentives for specially privileged plant products including betel-leaves, flowers and fruits; and

5.13.2 Necessary initiatives will be taken for enhancing space in the foreign airlines' cargo services, and for transporting flowers, fruits, vegetables and other plant products at a reasonable fare.

### **5.14 Venture Capital Facilities for export-oriented Small and Medium Firms:**

5.14.1 Venture capital facilities will be provided to agricultural farms of at least five acres to encourage production and export of vegetables, fruits, fresh flowers, orchid, ornamental plants etc.

5.14.2 Establishment of cool chains will be encouraged to prevent quick rotting of the products. In this regard, import of reefer vans and reefer containers will be encouraged as well.

### **5.15. Research and Development:**

5.15.1 The National Board of Revenue will examine the possibility of permitting duty-free import of machinery and equipment by the export oriented industries for research and development purposes. Research institutes may be considered to avail this facility based on recommendations from the Export Promotion Bureau

### **5.16. Encouragement and Facilities for sub-contracting based export:**

5.16.1 Bangladesh Bank shall, time to time, issue necessary circulars determining maximum limit of an exporter's annual foreign currency expenditure for communication, sending representatives, traveling abroad, purchase of tender documents, etc. before getting the actual work order by considering the real needs of exporters.

5.16.2 Permission will be given for establishing offices and recruiting officials abroad; and

5.16.3 Individual professional guarantee/insurance will be provided in favour of project specialists.

#### **5.17 Multiple Entry visa and relevant assistance:**

5.17.1 Multiple entry visas will be issued to foreign investors and importers of Bangladeshi products. For this purpose, Ministry of Commerce, if necessary, may send recommendations to the commercial officials of Bangladesh Missions abroad and to the Ministry of Foreign Affairs/Bangladesh Embassies. Ministry of Commerce/ Ministry of Foreign Affairs may seek recommendation of the Export Promotion Bureau if deemed necessary in this regard;

5.17.2 EPB will provide necessary assistance to Bangladeshi exporters/businessmen in getting visas of other countries. With this view, a help desk will be opened in EPB; and

5.17.3 Bangladesh missions and Commercial Counsellors abroad will intensify their activities to increase export, and strengthen efforts to build close relation between exporters of the country and foreign importers.

#### **5.18 Foreign Trade Related Training:**

5.18.1 Bangladesh Foreign Trade Institute has been established for providing training on foreign trade. Adequate number of workshops and seminars will be organized on different trade related issues, especially on WTO issues through this Institute.

#### **5.19 Organizing Single Country Exhibitions and Participation in international Trade Fairs and other Market Promotion Program abroad:**

5.19.1 Encouraging facilities will be provided for participation in international trade fairs, single country exhibitions and other market promotion activities in different countries, and for organizing single country trade fairs abroad under joint initiatives of the government and the private sector.

#### **5.20 Strengthening Export Related Training:**

5.20.1 The Export Promotion Bureau will organize trainings, seminars and workshops in different parts of the country to inform the exporters of the rules and regulations regarding export trade;

5.20.2 Display arrangement will be made at Bangladesh Missions abroad for introducing and publicity of Bangladeshi exportable products.

#### **5.21 Construction of Permanent Fair Complex and World Trade Center:**

5.21.1 In order to expand export trade, initiatives have already been taken to establish permanent fair complex and World Trade Center in Dhaka and Chittagong. This effort will be accelerated; and

5.21.2 All out assistances will be provided from the World Trade Centers to expand and consolidate export trade through exploration of market and enhancing marketing skills.

### **5.22 General and Product Specific Fair:**

5.22.1 Both general and product-specific trade fairs of international standard will be organized in the country for meeting foreign buyers, familiarizing export products among them and thus establishing contact among buyers and sellers.

### **5.23 Shipment of Products:**

5.23.1 Initiatives will be taken to simplify shipment/transportation system of products. Government will provide necessary support if any exporter wants to charter aircraft, and

5.23.2 The best use of modern technology and automation system including one stop service will be ensured in order to expedite customs related services for clearing imports and exports.

### **5.24 Direct Air-Booking System:**

5.24.1 In order to facilitate timely transportation of fresh vegetables and other perishable products from the northern and other parts of the country to their destinations and maintain their quality, direct air booking facilities for those products from all domestic airports, including Rajshahi and Saidpur airports will continue.

### **5.25 Encouraging the Use of domestic raw materials at higher rates:**

5.25.1 Composite Knit/hosiery textiles and garment manufacturing units will be encouraged to use domestic raw materials at higher rates. In addition, other industries will be encouraged to do so.

### **5.26 Establishment of Management Information System (MIS):**

5.26.1 Trade Information Centre (TIC) of the Export Promotion Bureau will be further strengthened and modernized so that the exporters can get necessary information easily.

### **5.27 Deemed Export Facilities:**

5.27.1 Deemed export means deemed export as defined in the Value Added Tax and Supplementary Duty Act 2012. "Deemed export" would mean to include one or more of the following supplies, namely-

- a. Supply of any ingredient of a good or service in a prescribed manner against foreign exchange and destined for consumption outside Bangladesh;
- b. Supply of any good or service within the territory of Bangladesh against foreign exchange through an international tender; or
- c. Supply of any good or service within the territory of Bangladesh against foreign exchange under cover of a local letter of credit;

5.27.2 Deemed exporter will have all the privileges related to export including duty draw-back, like a direct exporter.

#### **5.28 Miscellaneous:**

5.28.1. Special arrangements/separate windows will be set up at the port/airport for importing/sending raw materials, fabrics, samples of the export-oriented industry;

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

5.28.3 A modern ICD will be arranged in a suitable location outside Dhaka City.

5.28.4 Infrastructural improvement will be made at Chittagong Port through Jetty expansion and replacing necessary equipments at New Mooring Container Terminal (NCT) along with installing sufficient crane facilities.

5.28.5 Establishment of trading houses, export houses, trade centers, including the establishment of special warehouses abroad will be encouraged;

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

5.28.7 The cost accounting standard will be ensured in the anti-dumping issue.

5.28.8 Export Registration Certificate (ERC) renewal will be checked through the designated bank.

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

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

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

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

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

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

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

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

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

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

## Chapter Six

### Product-Specific Export Facilities

#### 6.1 Readymade Garments Industry :

- 6.1.1 Steps will be taken to reduce the "lead time" for export of readymade garments by means of improvement of port management, simplification of procedures related to release and shipping of all products including LCL products, resolving electricity and gas problems etc;
- 6.1.2 Initiatives will be taken to provide necessary supports towards infrastructural development, utility facilities and waste/polluted water management in all "garment villages" situated at the different specialized industrial zones and "knit village" of Shantir Char of Narayanganj;
- 6.1.3 Steps will be taken to establish waste water treatment plants in garments villages;
- 6.1.4 Assistance will be provided to improve the working environment in the readymade garment factories to reduce risks of accident and to fulfill the compliance requirements at the factory level. Besides, initiatives will be taken to formulate an integrated and reasonable compliance regulation with the help of all stakeholders;
- 6.1.5 Initiatives will be taken to provide trainings of different tenures to the workers and staff of the garments industries to increase their productivity and facilitate diversification of products;
- 6.1.6 Emphasis will be given on diversification of products by improving skills of workers and staff, and disseminating information to the entrepreneurs on products markets and technology;
- 6.1.7 Initiatives will be taken to expand and consolidate the readymade garment market in CIS countries including Brazil, Mexico, South Africa, Turkey and Russia, Japan, Scandinavian countries, SADC countries and other countries under the programs of sending marketing missions abroad, organizing single country textile and readymade garment fairs, organizing and participating at international fairs;
- 6.1.8 Necessary steps will be taken to increase the production of cotton with a view to reducing dependence on imported cotton and to produce alternative cotton products;
- 6.1.9 Establishment of backward and forward linkage industries will be encouraged;
- 6.1.10 Subject to the submission of bank guarantee equivalent to the amount of duty for imported raw materials, the enterprises without bond license will be allowed to produce exportable hand-woven sweaters from natural and artificial wool outside the bond areas;
- 6.1.11 An Advisory Board consisting of members from Public and Private sector will be established for uninterrupted and ensured supply of cotton;

- 6.1.12 Ministry of Commerce will take necessary steps to coordinate financial and technical cooperation related to export development of different development partners; and
- 6.1.13 Government will take initiative to develop a Standard Unified Code of Compliance for the export oriented garment industries of the country by integrating the requirements of the different countries and buyers.
- 6.1.14 High emphasis will be given on Research and Development (R&D) activities to improve product qualities and competitive abilities in all exports including readymade garments and garment accessories.

## **6.2 Leather Industry**

- 6.2.1 As the second largest export sector, the benefits offered to the leather sector will be the same as to the garment industry with regard to the entitlement in Export Development Fund (EDF), Inter Bond Transfer Facilities in existing bond arrangements, fire & building safety and compliance related equipment;
- 6.2.2 Initiatives will be taken to establish a 'Central Bonded Warehouse' to facilitate the availability of raw material of leather industry and to significantly reduce lead time.
- 6.2.3 Steps will be taken to incorporate compliant footwear and leather industries into green classification.
- 6.2.4 Importation of essential chemicals will be provided on flat rate basis in favor of the tannery-owner and non-tannery exporters considering their contribution to export earnings
- 6.2.5 Sick leather industries will be allowed credit rescheduling facilities through policy support;
- 6.2.6 Initiatives will be taken to increase export through enhancing competitiveness of leather and leather products in the international market by taking measures for improving productivity and development of products.;
- 6.2.7 Local production of import-substitute chemicals for leather processing, components for footwear and accessories for leather industry will be encouraged. Foreign or joint venture investment in this regard will be welcomed;
- 6.2.8 To reduce losses at collection, preservation and processing levels, awareness building initiatives and publicity will be strengthened regarding skinning of animals, preservation, transportation of hides etc. In this case, arrangements for separate training courses and workshops for butchers and leather traders will continue;

- 6.2.9 Initiatives will be taken through the Leather Sector Business Promotion Council involving the industrial entrepreneurs and exporters for the overall development of this sector;
- 6.2.10 Foreign and joint venture investments will be encouraged in leather products and footwear industry;
- 6.2.11 Existing bond facilities will be further simplified and updated for 100% export-oriented leather industries;
- 6.2.12 Existing duty and tax draw-back procedures will be simplified;
- 6.2.13 An integrated “plan of action” will be taken for development and diversification of leather products to enhance the productivity of the leather industry by strengthening research activities and undertaking certain activities such as BMRE for sick leather industries;
- 6.2.14 Assistance will be provided to the entrepreneurs for participation in international fairs and exhibitions to promote markets;
- 6.2.15 Initiatives will be taken to establish slaughter houses in the major cities of the country with the help of municipalities;
- 6.2.16 All possible cooperation will be extended for transferring the factories to the Tannery Village being developed at Savar;
- 6.2.17 Initiatives will be taken to establish a centralized waste management plant in the Tannery Village at Savar, and installation of clean technology will be encouraged;
- 6.2.18 Modern chemical laboratories and service centers will be set up to ensure the quality of leather and leather products;
- 6.2.19 Steps will be taken to impart local and foreign trainings to overcome the management crisis in the leather industry;
- 6.2.20 Cattle farming and import of raw hide during lean season will be encouraged to ensure easy availability of raw hide;
- 6.2.21 Less use of nitrogen and sodium chlorate in the leather industry will be encouraged;
- 6.2.22 Co-operation will be extended to improve the business relations between tannery owners and agents to enhance the capacity of the sales negotiation and marketing;
- 6.2.23 Tannery owners will be assisted in preparing plans to produce finished leather from crust leather while transferring factory units from Hajaribag to Savar Tannery Village;

- 6.2.24 Initiatives will be taken to make the design development center more effective to bring diversity to footwear and leather products;
- 6.2.25 Steps will be taken to modernize the Leather Technology College including establishment of design and fashion institutes for development and improvement of export-oriented leather products;
- 6.2.26 Necessary arrangements will be taken to establish backward/ forward linkage industries for production of spare parts used in manufacturing leather products including footwear; and
- 6.2.27 Necessary measures will be taken to ensure easy availability of chemicals and other materials for the leather industry.

### **6.3 Jute Industry:**

- 6.3.1 Steps will be taken to bring dynamism to the activities of the Bangladesh missions abroad, to send marketing mission abroad and participate in the international Trade Fairs for the expansion of market of Jute and Jute Products abroad;
- 6.3.2 Steps will be taken to introduce feeder vessels in different routes from Mongla Port;
- 6.3.3 Commercial Bank will take steps to provide loan facilities to the jute products exporters;
- 6.3.4 An integrated 'Plan of Action' for increasing productivity of the jute industries through strengthening research activities, BMRE of Jute Mills and other activities in order to develop and diversify jute products;
- 6.3.5 Steps will be taken to identify and remove obstacles hindering export of jute and jute products to different countries;
- 6.3.6 Initiatives will be taken to popularize the use of jute in the international market by highlighting environment-friendly quality of jute through Bangladesh Missions abroad;
- 6.3.7 Assistance will be provided to jute and jute products exporters to participate in international trade fairs and exhibitions with a view to creating markets;
- 6.3.8 Government support will be provided for establishing design centers with a view to bring diversity to jute products; and
- 6.3.9 Initiative will be taken to provide similar facilities to jute products as provided to other agricultural products.

### **6.4 Agriculture sector:**

- 6.4.1 Steps will be taken to enhance capacity of the quality control agencies including Quarantine Wing of the Department of Agriculture Extension and BSTI on the basis of a road-map to be designed for the improvement of quality testing and controlling system of the plant and plant products;

- 6.4.2 Contract Farming will be encouraged for the production of exportable products, such as vegetables, potato, betel leaf, fruits including mango, plant and plant products;
- 6.4.3 Steps will taken to allocate government Khas land (land owned by government), subject to availability, in favour of exporters interested in producing vegetables, flower, fruits & foliage and exporters will be encouraged to establish export village;
- 6.4.4 Production of modern and scientific packaging materials necessary for export of vegetables, flower & foliage and fruits will be encouraged;
- 6.4.5 Necessary steps will be taken to meet requirements (Phyto-sanitary requirement) of the importing countries for the export of potato, betel leaf, mango and other fruits and vegetables;
- 6.4.6 Training programme for the producers and exporters of vegetables, flower & foliage and fruits will continue;
- 6.4.7 In the case of export of agro-based products, initiative will be taken to export products free from all kinds of contaminations. Department of Agricultural Extension will play the leading role in this regard;
- 6.4.8 Department of Agricultural Extension will take necessary measure to make Salmonella free betel leaf available for export;
- 6.4.9 Initiative will be taken to establish Central Warehouse, and Packing Centre at Shyampur, Dhaka by following cool chain system
- 6.4.10 Appropriate steps will be taken so that no plant and plant products are exported without fulfilling the import requirements of the importing countries and exporters and cultivators will accordingly be informed through trainings;
- 6.4.11 Initiatives will be taken to build Pest Free Area (PFA) and Area of Low Pest Prevalence (ALPP) for producing exportable products, such as potato, fruits and vegetables;
- 6.4.12 Initiative will be taken to establish production area based packing house;
- 6.4.13 Initiative will be taken to make phyto-sanitary activities efficient and stronger and E-phytosanitary certificate will be introduced and widened.

## **6.5 Frozen Food and Fish product Industry:**

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

- 6.5.3 Initiatives will be taken for establishing internationally accredited testing laboratory under public and private sector or joint initiatives to ensure high quality of shrimp products and SPS(sanitary and phyto-sanitary) related standards, and for building capacity of the industry;
- 6.5.4 Duty free import of essential quality control machineries will be encouraged to strengthen the quality control system of frozen food. Department of Fisheries and BCSIR will take steps to upgrade their accredited testing laboratories;
- 6.5.5 A special supervision or traceability system for all the stages from hatching to fish production, processing and packaging shall be developed so that the risk of exporting contaminated frozenfood could be reduced;
- 6.5.6 Steps will be taken to send marketing mission abroad, organize single country trade fair abroad and organize and participate in international trade fairs both at home & abroad for the expansion and consolidation of market of frozen food;
- 6.5.7 Customs authorities will ensure before the clearance of consignment of goods whether the imported fish-feed is usable and whether there is any contaminated or prohibited substance in it.BSTI and Department of Fisheries will provide necessary assistance in this regard; Department of Fisheries will take necessary steps for the improvement and widening of testing facilities;
- 6.5.8 Required Khas land will be allocated for establishing Common Receiving Centre in shrimp and fish producing areas for speedy and safe transfer of post-cultivated hygienic shrimp and fish tothe processing plant for the purpose of export, and loan at low interest rate will be provided for building infrastructure;
- 6.5.9 Reasonable duty facilities will be provided to import of all types of capital machineries for setting up hundred percent export-oriented frozen shrimp and fish processing plants;
- 6.5.10 Procedures contained in section 22(c) of the Custom Act 1969,will be simplified to release container of frozen shrimp and fish which have been sent back after being exported because of being faulty or for some other reasons;
- 6.5.11 Shrimp and fish insurance similar to agricultural crops will be introduced considering the risk of shrimp and fish cultivation;
- 6.5.12 Water Development Board and Department of Fisheries will undertake special projects for building infrastructure including repairing of embankment and digging canals in the cultivation area with a view to increasing shrimp and fish production;
- 6.5.13 Steps will be taken to withdraw duty and VAT on fry, feed, electricity, chemicals, etc. with a view to increasing production of shrimp and fish;

- 6.5.14 Necessary trainings and awareness building programs will be adopted in order to motivate the shrimp and fish cultivators for improved traditional and semi-intensive cultivation of shrimp and fish;
- 6.5.15 Initiative will be taken to establish Fish Bank aiming at meeting demand of proteins of the people of the country as well as raising export earnings to taka 50 thousand crores by 2021 through development of shrimp and fish cultivation;
- 6.5.16 Necessary technical support will be provided for supply of Specific Pathogen Free (SPF) or virus free shrimp and fish fry;
- 6.5.17 Step will be taken for duty free import of Specific Pathogen Free (SPF) or virus free shrimp and fish fry;
- 6.5.18 Loan facility at low interest rate will be provided to the registered small shrimp and fish cultivators for alleviation of poverty;
- 6.5.19 Initiatives will be taken for upholding the Black Tiger shrimp of Bangladesh to the world as 'National Brand';
- 6.5.20 Because of massive demand for exports, initiatives will be taken for cultivation of crab and Eel maintaining ecological balance. Besides, assistance will be provided for establishing processing plants in these two sectors;
- 6.5.21 Necessary steps will be taken for production and marketing of formalin and other chemical free shrimp and fish;
- 6.5.22 Initiative will be taken for fixing the maximum interest rate at 9% on current capital loan provided by the bank for the purpose of being competitive in shrimp export to the international market and keeping cost of production under control; and
- 6.5.23 Initiative will be taken for the rehabilitation of sick but active shrimp and fish processing plant.

## **6.6 Tea Industry:**

- 6.6.1 Initiative will be taken to bring uncultivated land within tea garden under cultivation;
- 6.6.2 Steps will be taken to rehabilitate sick tea gardens;
- 6.6.3 Steps will be taken to provide gas connection to the tea gardens in order to bring about price competitiveness;
- 6.6.4 All out co-operations will be extended to those tea gardens whose leasing procedure has not yet been completed for speedy completion of such procedures;

- 6.6.5 Banks will take necessary steps to provide loans on soft terms for modernization of tea factories so as to improve the quality of tea and increase its production in order to survive in the international market;
- 6.6.6 For alleviating poverty, credit as well as other facilities will be provided to the tea producers of small sized farms;
- 6.6.7 Duty draw-back/bond facilities, as per regulations, will be provided on FOB price of imported packaging materials to encourage the export of packet tea. Moreover, duty-free import of packaging materials through bank guarantee will be allowed;
- 6.6.8 Steps will be taken to send marketing missions, and participate in international trade fairs abroad so as to expand and consolidate the markets for tea;
- 6.6.9 Bangladesh Tea Board will take necessary steps for establishing the brand name 'Srimangal Tea' with a view to marketing Bangladeshi tea abroad; and
- 6.6.10 Assistance will be provided for the expansion of small sized tea cultivation with a view to increasing export of tea.
- 6.6.11 In order to increase the export of tea along with the development of the tea industry, the implementation of the government-approved "Road map of Development: Tea Industry of Bangladesh " will be strengthened.

## **6.7 Information Technology:**

- 6.7.1 Highest use of ICT will be ensured with a view to developing information and communication System;
- 6.7.2 The feasibility of opening-up marketing centers abroad will be studied, and communication with the expatriate Bangladeshis will be strengthened as well in order to expand export of IT sector;
- 6.7.3 Initiative to establish 'IT Villages' in the country will be continued for software production and export;
- 6.7.4 Necessary steps will be taken to connect sub-marine fibre optic cable with national IT backbone, make high speed data transmission line available and strengthen the base of IT sector regionally;
- 6.7.5 Steps will be taken through ICT Business Promotion Council to increase facilities for the development of ICT sector;
- 6.7.6 Initiative will be taken for necessary publicity, through Bangladesh missions abroad and EPB for Branding ICT Industry of Bangladesh with a view to expanding export of IT sector;

- 6.7.7 Customs, Chief Controller of Imports & Exports and Export Promotion Bureau will assist in carrying and bringing back necessary hardware and equipment to display software in international IT fairs and exhibitions;
- 6.7.8 Foreign currency remitting in through banking channel against confirmed work order in the software and IT sector will be treated as export earnings, as that of L/C and contract; and
- 6.7.9 Efforts will be undertaken to ensure the availability of internet Broad Band connection as well as to keep Bandwidth cost reasonable all over the country.
- 6.7.10 Integrated activities will be undertaken to provide necessary training to the mid-level management staff working in the ICT sector.
- 6.9.11 Information technology sector will be included in the 'Export Development Fund';

## **8 Pharmaceutical:**

- 6.8.1 Whether passbook system or alternative system can be introduced for importing raw materials for pharmaceutical industry will be examined; and
- 6.8.2 Initiative will be taken to establish Active Pharmaceutical Ingredient Park and Common Lab in Dhaka & Chittagong considering export potentials of pharmaceutical sector.
- 6.8.3 Effective and integrated steps will be taken to implement the policy titled “National API (Pharmaceutical Ingredients) and Laboratories Reagents Production and Export” for the sake of sustainable development and improvement of the sector.

## **6.9 Plastic**

- 6.9.1 Steps will be taken for the quick implementation of the establishment of plastic industrial town in Sirajdikhan of Munshiganj and special economic zones;
- 6.9.2 Activities will be undertaken to provide Inter Bond Transfer facilities in plastic sector;
- 6.9.3 Funding from EDF will be arranged for both the deemed exporter and general exporter of the plastic sector;
- 6.9.4 Loans will be arranged at low interest rates and on easy terms for installation of molds required for the production of plastic products;
- 6.9.5 Assistance will be provided to facilitate the branding of Bangladeshi plastic products to the world market and to participate in international fairs for export promotion;
- 6.9.6 Initiatives will be taken to set up an accredited laboratory for quality testing and certification of plastic products and garment accessories products. In addition, BSTI will arrange for conducting quality tests of all products;

- 6.9.7 The export income shown in the plastic sector will include both deemed and direct export income;
- 6.9.8 Initiatives will be undertaken to include plastic industry in Green classification;
- 6.9.9 Arrangements will be made to provide full and effective institutional framework to the Business Council for plastic products.

#### **6.10 Ship Building Industry:**

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

#### **6.11 Light Engineering product:**

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

#### **6.12. Agro product:**

- 6.12.1 Agro-Products Business Promotion Council will take necessary steps for the development and quality control of agriculture and agricultural products.
- 6.12.2 In order to increase the production and export of quality food, integrated activities will be taken to implement the road map on "Situation of food related agricultural products and the development of food processing industry: problems, prospects and pathways to overcome".

#### **6.13. Herbal products:**

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

#### **6.14 Handicrafts made from local raw materials:**

- 6.14.1 Steps will be taken to set-up Karupalli (Handicraft Village) in different places including Dhaka;

- 6.14.2 With a view to making the raw materials of handicrafts easily available, commercial production of inputs such as jute, bamboo, cane, coconut, palm, wood, etc. will be encouraged;
- 6.14.3 Export of value-added products made from local inputs, such as jute, bamboo, cane, water hyacinth, coconut coir, etc. will be encouraged;
- 6. 14.4 Assistance will be provided for the development of design in order to bring newness and diversity to the production of handicrafts products. Steps will be taken to establish a design centre under joint initiative of public and private sector. Steps will be taken for the multidimensional training on export of handicrafts;
- 6. 14.5 Steps will be taken to send marketing mission abroad, to organize and participate in international trade fairs both at home and abroad in order to expand and consolidate the market of handicrafts products;
- 6. 14.6 Initiative will be taken to set-up display centre for handicraft products at Hazrat Shahjalal International Airport Port; and
- 6. 14.7 Necessary steps will be taken under the initiative of public and private sector for the improvement of handicrafts products.

### **6.15 Pottery Industry:**

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

### **6.16 Other sectors:**

- 6.16.1 Supportive policy for the importation of jewelry raw materials will be formulated with a view to expanding export of gold and silver jewelry;
- 6.16.2 Exports will be encouraged after processing of imported uneven diamonds;
- 6.16.3 Incentives and assistance will be provided for the production and export of toys and imitation jewelry;
- 6.16.4 Continuous supply of gas will be arranged to the export-oriented ceramic industry;
- 6.16.5 Export of quality organic plant products including quality organic products will be encouraged;
- 6.16.6 With a view to implement plan related to Blue Economy, policy support will be provided for collection, processing and export of marine resources.

## **Chapter Seven**

### **Export of Services**

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

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

7.1 Export Promotion Bureau will formulate a comprehensive plan of action in coordination with different departments and agencies for increasing export in the service sector, and take necessary steps accordingly;

- 7.2 Export Promotion Bureau will take initiatives for compiling statistics of service sector in parallel of goods;
- 7.3 Steps will be taken to enhance the efficiency of Bangladesh missions abroad to promote export in the service sector;
- 7.4 Stakeholders will be continuously informed about the benefits provided under the WTO service waiver by different countries and there will be a continuous negotiation and initiative to realize benefits and implement them accordingly.
- 7.5 BFTI and Bangladesh Tariff Commission will conduct survey with a view to studying export feasibility of different services in the service sector.

## **Chapter Eight**

### **Various Measures for the Promotion of Export**

- 8.1 Freight forwarders shall be guided by Freight Forwarders (Licensing activity conduct) Rules, 2008 issued through SRO No 18/Law/2008/2174/duty dated 13 January, 2008 regarding control of freight forwarding;
- 8.2 Steps will be taken for the infrastructural development and modernization of Bangladesh Bank, Customs, Chittagong and Mongla seaports to ensure institutional support, and for bringing dynamism to the activities of Land Port Authorities;
- 8.3 Initiatives will be taken to build necessary physical infrastructure, including construction of Express Line to ensure uninterrupted supply of electricity, gas and water to all export oriented industries on priority basis, and steps will be taken to fix the charge of subsidized electricity, gas and water at a reasonable level, for industrial use;
- 8.4 Measures will be taken to ensure adequate number of container ships at Payra deep seaport and Mongla port, as well as for capital dredging of the port channels;
- 8.5 Steps will be taken for hiring separate cargo aircrafts including allocation of additional space in the aircrafts for the export of agricultural products as well as for reducing both air and sea fare to a reasonable rate;
- 8.6 Biman Bangladesh Airlines will take initiatives to introduce regular "Cargo Freighter Service" to Europe;
- 8.7 Importance will be given to infrastructural development of regions to promote region specific exports;
- 8.8 In order to establish export-oriented industries in 100 (one hundred) Special Economic Zones implemented by the government, it will be recommended to give priority to infrastructure development and compliance, including land allocation;
- 8.9 Bangladesh Railway will examine the possibility of fixing attractive and competitive rates of fare to encourage the use of rail service for transportation of goods;
- 8.10 To encourage woman entrepreneurs in the export sector, female CIPs will be selected and the best woman entrepreneurs will be awarded Export Trophy annually;
- 8.11 Steps will be taken to enhance the ICT related efficiency of Bangladesh missions abroad for the promotion of export; and
- 8.12 In order to encourage product-specific exports, a product will annually be declared as "Product of the Year".

### **8.13 Rationalizing the rate of value Addition**

- 8.13.1 A standing committee will, time to time, fix the rate of value addition of different products including readymade garment; and
- 8.13.2 Foreign currency earned in exchange of repairing foreign-flagged vessels will be treated as export earnings in the service sector on condition that the foreign currency so earned is repatriated through Bangladesh Bank.

## **List of Export-Prohibited Products**

- 9.1 (a) All petroleum and petroleum products except those produced from natural gas (such as naphtha, furnace oil, lubricant oil, bitumen, condensate, MIT and MS). However, this prohibition shall not apply to the export of petroleum and LNG as shares, as per agreement, of the foreign investment companies under the Product Sharing Contracts.  
(b) Any outbound passenger shall be allowed to carry goods made in Bangladesh in accompanied baggage, in excess of his or her personal goods, worth US\$ 200, which are neither export-prohibited nor included in the list of conditional exports. No facilities such as duty draw back/adjustment, subsidy etc. for the goods so carried shall be awardable.
- 9.2 Jute and `Shan' seeds.
- 9.3 Rice (except govt. to govt. level rice and aromatic rice);
- 9.4 As per section 29 or WILD LIFE (CONSERVATION AND SAFETY) ACT of 2012 (ACT NO.XXX of 2012), no person  
(a) through any other route except customs port of exit  
(b) Without CITES certificate, where applicable, and  
(c) Without license:  
Shall be allowed to export or re-export of any wild animal or parts thereof, trophy, unfinished trophy, or plants mentioned in schedule IV or parts or derivatives thereof.
- 9.5 Fire Arms, ammution and related materials.
- 9.6 Radioactive materials.
- 9.7 Archeological relics.
- 9.8 Human skeleton, or anything produced from human beings or human blood;
- 9.9 All types of pulses (except processed pulses);.
- 9.10 All shrimps except chilled, frozen and processed ones.
- 9.11 Onion, garlic and ginger.
- 9.12 (a) All types of processed shrimp smaller than 61/70 count / pound (Macrobrachium rosenbergii);  
(b) Prawns (Penaeus monodom) smaller than 71/90count/pound  
(c) Harina or rough skin or Brown (Metapenaeus monoceros), saga or yellow (Metapenaeus brevicornis) Chaka or White (Fenneropenaeus indicus) bagtara or Cat Tiger or Rainbow type shrimps smaller than 100/200 count/pound.
- 9.13 Cane, wood and wood logs/thick pieces of wood (except handicrafts made from these materials). However, rubber wood of Forest Industries Corporation will be allowed to export as inputs of furniture industries located in Export Processing Zones which will be considered as deemed export. These furniture industries will have to submit export statements of furniture made from the wood as mentioned above to the concerned authority.
- 9.14 Frogs of all species (alive or dead) and frog legs.
- 9.15 Raw and wet blue leather. However, by-products derived from Wet-Blue Leather, known as “Wet-Blue Split Leather” will be exportable.

Annex-2

## **List of Products under Conditional Export**

- 10.1 Soybean oil, palm oil.
- 10.2 Urea Fertilizer: Urea fertilizer produced in all factories except KAFCO can be exported with the prior approval of the Ministry of Industries.
- 10.3 Entertainment programs, music, drama films, documentary films etc. can be exported in the form of audio cassettes, video cassettes, CDs, DVDs etc. subject to 'no objection' from the Ministry of Information.
- 10.4. Petroleum and petroleum products produced from natural gas (such as naphtha, furnace oil, bitumen, condensate, MTT and MS) can be exported subject to 'no objection' from the Energy and Mineral Resources Division. However, lubricating oil can be exported unconditionally under intimation to the Energy and Mineral Resources Division about the volume of export.
- 10.5 Chemical products stated in schedules 1, 2 and 3 of Chemical Weapons (Prohibition) Act, 2006 shall be allowed or export prohibited to export as per the provision of section-9 of the Act.
- 10.6 Sugar.
- 10.7 Hilsha fish.
- 10.8 Aromatic rice.
- 10.9 Big grain Mug pulses (Mug Dal) that does not have much demand in Bangladesh.
- 10.10 Blood plasma for research purpose.
- 10.11 Ministry of Commerce will issue permission for export of raw hides and meat of crocodile produced commercially in individual or joint Venture farms, on the basis of no objection/approval from the Ministry of Environment and Forest.
- 10.12 Re-melted lead, produced in a battery recycling plant recognized by the Environment Department and having VAT registration shall be allowed to export.
- 1013 Substances recovered, reclaimed or recycled from ozone layer wastes will be exportable subject to the permission from the Department of the Environment. In these cases, Ozone layer Depleting Substances (Regulation) Rules, 2004 and subsequent amendments shall be followed.
- 10.14 Leather imported under bonded warehouse facilities can be re-exported subject to this imported leather is processed through the ETP in an environment friendly manner following liquid and solid wastes management procedures.
- 10.15 Sand.



# **Export Policy 2018-21**

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