



Export Policy 2003—2006

Government of the People's Republic of Bangladesh

Ministry of Commerce

December, 2003

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The Export Policy 2003—2006 has been published both in Bengali and English Languages. If there is any inconsistency between the two versions the Bengali text will prevail.

1.0 Introduction:

1.1 Increased production and massive expansion of commerce is one of the main means of local resource generation. Employment opportunities can be created in a populous country like ours with the promotion of export. This employment will pave the way for increased savings and investment, ensure capital flow, solve unemployment problems and eradicate poverty. In the field of commerce the main task of the government is to make Bangladesh economy strong and dynamic enabling it to face the challenges of rapidly changing world trade system. Currently the readymade garments (RMG) sector contributes two-thirds of the Bangladesh's total export earnings. But the market of the readymade garments is limited. The North America and European Union are the main destinations of our export items. Though Japan has a good market of garments, we are yet to actively enter into that market. There is a possibility of major changes of the role of RMG sector in Bangladesh's export trading from 2005 or in the post MFA era. We need to undertake necessary measures so that the changes become favorable for Bangladesh.

1.2 There are scopes of thinking more about the necessity of developing backward linkage industries for a massive change in the RMG sector. But the reality suggests that there are scopes to adopt different means regarding backward linkage industries. In that case we will have to change our strategies in increasing the export of our products. Currently Bangladesh's export trading depends on two products (75 percent RMG and 6 percent frozen food). Such dependence is not expected for any country. So we need to produce new products with higher values, develop the designs and find new markets.

1.3 Continued efforts are underway to create markets for Bangladeshi products since the present government took over. Already duty free access has been availed for the markets in European Union, Canada, Australia and

Norway. Though in limited scale. Bangladeshi products already found their access with lower duty in the markets of Thailand, India and Pakistan. Talks are underway with China, Russia, Malaysia and other neighboring countries in this regard. A good result is being expected within a short period. But duty free access or special facilities are not everything; rather the use of such advantages is the main concern.

1.4 Only through changes in RMG industry the development of export trading would be an absurd idea, rather it would be difficult even to survive in the present situation. So Bangladesh should proceed in other areas of export trading. Quality of conventional export items has to be developed along with increasing their production. The list of export items have to be expanded exploring the non-conventional sectors like ICT, light engineering and auto-parts, agro-processing and pharmaceuticals along with finding their appropriate markets. The product quality too will have to be high and acceptable and any deviation in this regard will weaken our position in export trading. And if the export trading is not expanded, the desired national growth could not be achieved resulting in the economic backwardness, which would bar the overall national progress.

1.5 In order to promote export, scopes should be there to pay prices both under LC and contractual agreements. Besides the existing VAT and duty structures should be made time befitting and realistic. Moreover new products have to be added in the export basket.

1.6 Against the above backdrop the Export Policy 2003—2006 has been formulated.

2.0 Area: The objectives and targets, strategies, incentives/assistance that would be provided to expand export trading are presented serially in the next clauses.

3.0 Objective:

- 3.1 Capacity building of export related institutions like EPB (through its reorganization to enhance institutional efficiency), customs department, land and sea ports, fisheries department, BSTI, Tea Board and trade bodies ;
- 3.2 Product diversification;
- 3.3 Develop product quality and design and production of high value products;
- 3.4 Adopt new strategies for expanding; export products, ensure good use of IT or computer technology, E-commerce and other technologies;
- 3.5 Develop necessary infrastructures and in required cases backward and forward linkage industries to ensure production of maximum volume of exportable items;
- 3.6 Create new exporters and provide all assistance to existing exporters and develop a business friendly attitude;
- 3.7 Develop expert manpower on trade; and
- 3.8 Equip trade bodies, businessmen and concerned people with necessary knowledge on systems of world trading.

4.0 Strategies:

- 4.1 Provide assistance through developing necessary numbers of product development councils for increased product of export items;
- 4.2 Provide market intelligence to producers and exporters on product demands and prices in markets abroad;
- 4.3 Offer increased institutional facilities through trading and export houses to encourage export;
- 4.4 Offer assistance in establishing seal of quality organization or similar organizations to ensure quality of export items in required cases;
- 4.5 Offer assistance in establishing "Bangladesh International Arbitration Centre" or similar organizations for prompt settlement and disposal of Trade disputes;

- 4.6 Offer assistance to producers for development of product designs and use of modern technology;
- 4.7 Offer assistance to enable exporters getting acquainted with the strategies and methods of countries which attained remarkable success in export trading and highlight the exporters; and
- 4.8 Organise single country export fair for Bangladeshi products abroad and offer assistance to exporters in participating trade fairs in different countries.

5.0 Implementation and general authority:

- 5.1 The national budget and any decision of National Board of Revenue on tax/tariff will get precedence over the proposed Export Policy ;
- 5.2 This Export Policy will be applicable in any areas of Bangladesh other than the EPZs;
- 5.3 The policy will come into effect from the date of its gazette notification and be valid until the formulation of a new policy;
- 5.4 The Commerce Ministry can change, extend or amend any clause of the policy in case of necessities.

6.0 Target:

- 6.1 The proposed export target for 2003-2004 is \$7,439 million. The measures suggested in this policy are expected to increase the export volume overcoming all possible obstacles in future. A year wise description of possible target for the period 2003—2006 is shown in Annexure-1.

7.0 Committee on export:

- 7.1 **National Committee on export:** A national committee on export with the Prime Minister in the chair will review the country's export situation and solve the related problems and give necessary guidelines;

7.2 Task Force to implement decisions: The Task Force to be headed by the Commerce Minister will implement the decisions of the National Committee and undertake instant measures to solve the export related problems. The Task Force will meet any time as needed.

7.3 Product Development Council: It is not a realistic idea that EPB will perform a strong role in promoting exports of all products. Apart from the EPB activities, product and sector wise councils will be constituted to identify and take measures to solve the export related problems. Representatives of registered trade bodies, pioneering exporters, export experts and financial sector and concerned ministry representatives will comprise the councils.

8.0 Classification of sectors:

In the Export Policy for 1997—2002, four products (computer software & ICT, agro processing sector, high priced readymade garments, and leather and leather products) were identified as thrust sectors considering them as potential products. Besides 20 other products were listed under an export crush programme. But the expected headway could not be made in promoting the export of thrust sector and crush programme products while the past export policy was valid. In view of production and supply level, possible contributions to export trading, demand in international market and above all possible contribution to the socio-economic condition of the country, the proposed policy will identify, some products as highest priority sector and special development sectors replacing the list of thrust sector and crush programme products. The government during this period can add some new products or withdraw some listed products. Special incentives will be offered to encourage the export of these products.

8.1 Highest priority sector:

The highest priority sector will refer to the products that have high export

potentials but, for different reasons, the potentials could not be used and necessary support could promote their exports.

The following products will be listed as highest priority sector:

- 8.1.1 Software & ICT products;
- 8.1.2 Agro-products and agro-processing products;
- 8.1.3 Light engineering products (including auto-parts & bicycles);
- 8.1.4 Leather products;
- 8.1.5 High priced readymade garments.

8.2 Following incentives and facilities will be provided for highest priority sector:

- 8.2.1 Project loan with lower interest rate on priority basis;
- 8.2.2 Income tax exemption;
- 8.2.3 Financial incentives including cash assistance;
- 8.2.4 Export loan on easy term and lower interest rate;
- 8.2.5 Air transport facility with exempted transport fare;
- 8.2.6 Tax return/bond facility;
- 8.2.7 Assistance for setting up infrastructures and related units to reduce production cost;
- 8.2.8 Expansion of institutional and technical facilities for developing product quality and quality control;
- 8.2.9 Assistance in marketing products;
- 8.2.10 Assistance in exploring markets abroad;
- 8.2.11 Assistance in foreign investment.

8.3 Special development sectors:

The products which have export potentials but do not have a strong production, supply and export base will be included in the list of special development sectors.

The following products will be listed as special development sectors:

- 8.3.1 Pharmaceutical products;
- 8.3.2 Cosmetics and toiletries;
- 8.3.3 Luggage and fashion goods;
- 8.3.4 Electronic products;
- 8.3.5 C.R. Coil;
- 8.3.6 Cards and calendars;
- 8.3.7 Stationery products;
- 8.3.8 Silk cloths;
- 8.3.9 Handicrafts;
- 8.3.10 Herbal medicines and medicinal plants.

8.4 Special development sector products will receive the following incentives:

- 8.4.1 Project loan on general rate on priority basis;
- 8.4.2 Consideration for easy term export loan with less interest rate;
- 8.4.3 Cash assistance and other financial benefits;
- 8.4.4 Facilities for Air transportation of products at the reduced rates;
- 8.4.5 Tax return/bond facility;
- 8.4.6 Priority service in installing industries along with power, gas and telephone facilities to reduce production cost;
- 8.4.7 Technical assistance for development of product quality;
- 8.4.8 Assistance for product marketing;
- 8.4.9 Assistance to find markets abroad;
- 8.4.10 Assistance in getting foreign investment.

9.0 Export facilities:

9.1 Use of foreign currency:

9.1.1 The exporters can deposit a certain amount of their export earning in foreign currency under a retention quota in their foreign currency account in the forms of US dollar, pound sterling, Japanese yen or euro. The amount of the retention (in terms of percentage) will be fixed by the government/ Bangladesh Bank. This foreign currency can be used to fulfill real business needs like business trips abroad, participation in export fare or seminars in foreign countries, import of raw materials and spare parts and setting up office abroad.

9.2 Export Development Fund (EPF):

There will be an EPF in EPB and this fund will provide the following facilities:

- 9.2.1 Offer venture capital with less interest rate and easy term for production;
- 9.2.2 Assist in getting foreign technical assistance, service and technology in product development and diversification;
- 9.2.3 Assist in sending marketing missions abroad and taking part in international fares for market promotion in foreign countries;
- 9.2.4 Assist in setting up sales and display centre abroad and warehousing facilities;
- 9.2.5 Assist in participating product development and marketing training programmes for export promotion through attaining technical and marketing efficiency; and
- 9.2.6 Facilitate in other activities for product and market development.

9.3 Other financial facilities:

- 9.3.1 The Export Credit Guarantee Scheme (EGGS) will be restructured,

activated and made efficient.

9.4 Providing fund for export:

9.4.1 Interest free loans will be provided under duty-draw-back credit scheme for 180 days and 100 percent of the loan amount will be provided in advance;

9.4.2 Import process of raw materials and related products will be made easier under the export promotion fund (EPF);

9.4.3 Facilities will be provided to open back to back LC for all exportable; and

9.4.4 The proposals for importing capital machineries with soft term loan with lesser interest rate can be considered for export promotion.

9.5 Export Loan:

9.5.1 The exporters can get 90 percent of the LC amount from Commercial banks under irrevocable letter of credit or confirmed contract. The commercial banks will consider such cases on priority basis;

9.5.2 Bangladesh Bank will take steps to continue normal flow of loan in export sector;

9.5.3 The cash credit limit of the exporters will be fixed in view of their success in the previous year;

9.5.4 If the export is made on the basis of site payment under irrevocable LC, the commercial banks will not impose overdue interests subject to the submission of necessary documents by the exporters;

9.5.5 Bangladesh Bank will launch an export credit cell while commercial banks will set up special units to provide funds for exports; and

9.5.6 There will be a high powered loan monitoring committee and this committee will regulate the amount of loan demand, review and monitor loan flow and the approved dealer can open internal back to back LC in favour of

local raw material suppliers under the original LC.

9.6 Exemption in insurance premium:

9.6.1 Provisions will be there to offer fire and shipping insurance under exempted rates for export of non-conventional products. Under the system the exporters will be exempted from paying premium after shipment.

9.7 Incentives for export of non-traditional industrial products:

9.7.1 Incentives will be provided for export of non-conventional and new Industrial products and in this case the value addition rate for the first two years will have to be at least 40 percent and 50 percent in the subsequent years.

9.8 Revenue related facilities:

9.8.1 Income tax exemption for export earning:

9.8.1.1. Under the income tax law other than the owners of factories not registered in Bangladesh, all exporters will get 50% exemptions in their income taxes.

9.9 Bond facilities for export oriented industries:

9.9.1 Bonded warehouse facilities will be extended for import dependent export oriented industries. Mainly bonded warehouse facilities will be provided for all industries considered as export oriented ones. Under certain conditions trading houses, export houses and other such approved organizations will get the bonded warehouse facilities.

9.9.2 Brand naming of products will be encouraged to get higher prices.

9.10 Facilities for duty free import of capital machineries for export-oriented industries:

9.10.1 The export-oriented industries will get the advantage of importing 10 percent spare parts of their capital machineries without duty in every two

years.

9.11 Providing alternative facilities to export-oriented local textiles and RMG other than duty-bond or duty-draw-back:

9.11.1 The government may from time to time offer alternative cash facilities instead of duty bond or duty-draw-back in favour of local textiles or RMG for their different export items. The rate of such facilities will be fixed by the government. The government may enlist other sectors for similar facilities.

9.12 Tax holiday:

9.12.1 The export-oriented units which are installed in Dhaka, Chittagong and Khulna will get five years of tax holiday and the units set up in other divisions of the country will get the tax holiday for seven years. The facility under this provision will be applicable for units, which will start production by 30 June, 2005.

9.12.2 As an alternative to tax holiday, the new industrial companies established from 1 July, 2002 to 30 June, 2005 will get these benefits of 20% tax exemption.

9.12.3 The income of agro-processing units will be relieved of income tax from 1 July, 2002 to 30 June, 2005.

9.12.4 The income of ICT business including computer software will be exempted from income tax from 1 July, 2002 to 30 June, 2010.

9.12.5 The investment in producing products or services will be accepted without any question from 1 July, 2002 to 30 June, 2005.

9.13 Duty-draw-back scheme:

9.13.1. Drawbacks will be offered in flat rate/real rate. This rate will be fixed by National Board of Revenue from time to time. Drawbacks will be given within a specific period after getting all relevant documents. National Board of Revenue will fix a realistic time limit in this regard.

9.13.2 Measures will be taken to offer duty-drawbacks in exporting non-conventional products and newer products will be brought under the coverage of duty-drawback scheme. National Board of Revenue will enlist new products under the scheme and fix the returnable duty.

9.14 VAT on packaging materials:

9.14.1 If jute fiber and bags are used in packaging of export products, the tax paid for the item will be returned.

9.15 Easing VAT return on export supplementary services:

9.15.1 Ways will be innovated to ease return of Vat on export supplementary services like C & F service, telephone, telex, fax, electricity, insurance premium, and shipping agent commission/bills.

9.16 Permission for selling rejected products of Export industries:

9.16.1 The industries which export 80 percent of their products including leather and RMG will get permission for selling 20 percent of their rejected products in local market subject to payment of applicable duty and taxes. A detailed system will be worked out in this regard.

9.17 General facilities:

9.17.1 The enterprises that export 80 percent of their products will get the facilities given to export-oriented industries;

9.17.2 Measures will be undertaken to upgrade the leather technology college and install design and fashion institutes to promote export oriented leather products;

9.17.3 Necessary measures will be undertaken to set up backward and forward linkage industries to produce spare parts used in leather products including shoes;

9.17.4 Duty structures will be refixed justifiably for importing spare parts

and chemicals used in export-oriented leather industries to make the price of leather products competitive;

9.17.5 Necessary measures will be taken to ensure availability of chemicals and other materials required for leather industry; and

9.17.6 Enterprises that export 80 percent of their products will be treated as export-oriented enterprise and that will get bank loans and other facilities. They will get permission to sell the rest 20 percent of their products in local market subject to payment of required duties and taxes.

9.18 Reduced plane fare for priority products including vegetable and fruits:

9.18.1 Biman will consider measures for reduced plane fare for exporting fruits, vegetables and ornamental plants by air.

9.19 Withdrawal of royalty for expansion of cargo services of foreign airlines for export promotion:

9.19.1 No royalty will be taken for transportation of vegetables. Similar facilities will be offered for fruits and other priority products.

9.19.2 Measures will be taken to widen space in foreign cargo services and scopes will be provided to carry vegetables, fruits with justifiable fare.

9.20 Offering venture capital to export-oriented small and medium enterprises:

9.20.1 Venture capital facility will be offered to agriculture farms having minimum five acres of land to encourage production of vegetables fruits, fresh flower including orchid for export. Setting up of "cool

chain" will be encouraged.

9.21 Research and Development:

9.21.1 The import of research and development equipment and materials by exporting organizations will be tax free. In line with recommendations of Export Promotion Bureau research organizations will enjoy the facilities.

9.22 Encouragement and incentives for export on sub-contracting basis:

9.22.1 Prior to getting real work order export enterprises can spend up to \$ 6,000 dollar in foreign currency annually for communication, sending representatives, foreign tour and tender document purchase, etc. More money needed for these purposes can be released with the approval of Bangladesh Bank.

9.22.2 Permission will be given to set up office abroad and appoint employees there.

9.22.3 Professional guarantee/insurance will be issued by Sadharan Bima Corporation in favour of project experts.

9.22.4 Embassies abroad will provide necessary information and assistance in this regard.

9.23 Fixing of limit for sending sample of export products annually:

9.23.1 In general cases, highest \$3,500 including postage expenditure can be spent annually to send samples of export products; and

9.23.2 Irrespective of expenditures, highest 100 kgs of medicines/products or products worth not over than \$1,500 can be sent abroad as promotional materials.

9.24 Facilities for importing specimen for product development:

9.24.1 Exporters other than those in RMG sector will get the following facilities for duty free import. In line with EPB clearance specimen products worth highest \$5,000 can be imported. EPB will formulate a guideline in this regard.

9.25 Multiple-entry visa:

9.25.1 Foreign investors and importers will be given multiple-entry visa.

9.26 Training on foreign trading:

9.26.1 The Foreign Trade institute has been set up in Bangladesh to offer training on foreign trading. Besides measures will be taken to hold necessary number of workshops and seminars in this regard.

9.27 Arrangement and participation in international and single country trade fairs and other market development programmes abroad:

9.27.1 Incentives will be given for organizing and participating in international trade fairs, single exhibition and other market development programmes and arranging single country trade fairs jointly by government and non-government organizations.

9.28 Strengthening export related training:

9.28.1 EPB will stage training programmes, seminars and workshops for exporters at different parts of the country for appraisal of rules and regulations of export training.

9.29 Setting up of world trade centres:

9.29.1 World trade centres will be set up in Dhaka and Chittagong to expand export trading. The centres will provide assistance for market exploration and increase marketing efficiency to expand and consolidate export trading.

9.30 Commercially important persons (CIPs):

9.30.1 Every year product-wise CIPs will be selected on the basis of the exporter's extra ordinary contributions to export promotion.

9.31 National Export Trophy:

9.31.1 National Export Trophy will be given in recognition of extra ordinary contribution to export.

9.32 Facilities for deemed export:

9.32.1 Entrepreneurs of deemed export will get the similar advantages including the duty-drawbacks like the direct exporters. The local raw materials used for producing exportable and local products and raw materials used in industries with foreign investment will be considered as deemed exports.

9.33 Country fair with international standard:

9.33.1 General and product based fairs with international standard will be organized to draw foreign buyers and introduce the local products and facilitate interactions between foreign buyers and sellers.

9.34 Specimen Import:

9.34.1 Subject to the recommendation of EPB exporters can import specimen of any products other than export-oriented garments and

leather worth \$5,000 annually without any duty. NBR will issue detailed directives in this regard.

9.35 Import of banned products:

9.35.1 On the basis of the recommendations of sponsors and with prior permission of the Chief Controller of Import and Export, the export-oriented enterprises will be allowed to import raw materials, Packaging goods and machinery that are banned or importable under certain conditions to perform specific export orders. The concerned enterprise will have to submit 100 percent bank guarantee against the prices of the imported products.

9.36 Product shipment:

9.36.1 Measures will be taken to ease shipment process. If somebody wants to charter planes the government will provide necessary supports.

9.37 Entre-pot and re-export:

9.37.1 Entre-pot; if imported products are re-exported at a price at least 5% higher than the imported one that will be considered as entre-pot trade. In this case, no changes will be required in regard to quality. Volume or size, etc. Under the entre-pot conditions, the products will not be brought out beyond the port periphery. But this condition can be relaxed under special permission.

9.37.2. Re-export: Subject to the condition of export within a specific period, the imported products can be re-exported. In such cases at least 10% value addition is a must and the quality, quantity and size of the product will have to be changed. Applicable

facilities will be provided in this regard.

9.38 Scopes of export without LC:

9.38.1 Subject to the submission of EXP form and shipping bill, products can be exported abroad without LC on the basis of buying contracts, agreements, purchase orders or advanced payments. All kinds of products will be allowed for export without LC on the basis of consignments or advance cash payments.

9.39 Scopes of import without LC:

9.39.1 No LC will be required to import raw materials and capital machinery to be used in industrial units irrespective of their price limits.

9.40 Relaxing restrictions on importing raw materials for export products:

9.40.1 Mainly for importing raw materials through back-to-back LC for export-oriented industries, the Import Policy will not demand mentioning of "country of origin" on the product/packet-container of the products.

9.40.2 For importing cotton, the mention of country of origin on every bale will not be required. But the phyto-sanitary certificate must mention the country of origin.

9.40.3 The mention of country of origin will not be mandatory for importing raw material for the cent percent export-oriented enterprises, which are recognized by customs authority subject to foreign currency control laws and conditions of Bangladesh Bank and commercial banks.

9.41 Arrangement for direct flight booking:

9.41.1 The direct booking arrangements for products from Rajshahi and Syedpur airports will continue so that the fresh vegetables and other perishable goods can reach their destinations easily maintaining their quality.

9.42 Inter-sectoral project for product diversification:

9.42.1 Inter-sectoral projects will be undertaken for product diversification. Under the project bond systems, duty-drawbacks, cash assistance, etc. will be reviewed to ensure the competitiveness of export price. Similarly appropriate measures will be taken by examining the obstacles of product development and market expansion, trade cooperation and other infrastructures of export trading under the project, World Bank and other agency aided projects will be taken to adopt modern technology for the purpose of export trade expansion.

9.43 Encouragement for more use of local raw materials:

9.43.1 Bonded warehouse facilities will be gradually reduced to encourage composite knit/hosiery textiles and garments units to use more local raw materials.

9.44 Installation of Management Information System (MIS):

9.44.1 Management Information System (MIS) will be installed in Commerce Ministry. Officials will be provided computers with Internet connections.

9.45 Product-based facilities:

9.45.1. Necessary measures will be taken to reduce "lead time" in exporting RMG. In this regard the possibility of installing a central bonded warehouse will be considered in view of reality.

9.45.2. Measures will be taken for setting up garments Villages at several places with necessary infrastructures and utility services.

9.45.3. Measures will be taken for installing waste water treatment plants with government support.

9.45.4. Efforts will be intensified for duty and quota free access of Bangladeshi RMG to US and other bigger markets.

9.45.5. Scopes will be provided for producing woven sweaters with natural and artificial wool beyond the bonded areas subject to payment of bank guarantee worth equal amount of duty needed for importing raw materials by the concerned enterprise.

9.46 Permission for specimen import for all categories of garments:

9.46.1 The RMG producers and exporters can import specimen products as high as 0.2% of its previous year's export without the permission of the Chief Controller of Import and Export or any permit. The newly set up units can import the fabrics/yarns/acrylic. The quantity will be 0.2% of half of its approved capacity.

9.47 Rationalization of value addition:

9.47.1 A standing committee will re-fix the rate of value addition of RMG and other products from time to time ;

9.47.2 If threads and other materials are collected from local Cotton mills under back-to-back LC, the amount of internal back-to-back LC will be equal to highest master LC in cases of knit wear exports.

9.48 Facilities for import of grey fabric:

9.48.1 (a) Recognised textile finishing (mechanised) units can import all kinds of grey fabrics under bonded ware house system against back-to-back LC under the condition that all grey fabrics will be supplied to export-oriented RMG units or exported entirely after finishing, dyeing or printing. But EPB will monitor the import related conditions for grey fabrics.

(b) Besides the recognised textile finishing (mechanised) units, the Export-oriented RMG units can import recommended quantity of grey fabric for Packaging and use in interlining against back-to-back LC and under bonded warehouse system. The customs authorities under an SRO or Commerce Ministry's utilisation expert committee will recommend for fixing the quantity of grey fabrics to be imported. But the garments produced with the imported grey fabrics will have to be exported completely and that quantity of grey fabrics will have to be adjusted through its recording in the pass book.

9.48.2 Grey fabrics can be imported in normal procedure for using in export units and for direct export against specific export order.

9.48.3 Only those who have necessary technological competence in 100 percent export-oriented specialised textiles (dyeing, printing & finishing) can import necessary grey fabrics needed for a four month period (highest 33% of the production capacity) under bonded warehouse system without LC under the condition described in clause (a).

9.49 Frozen fisheries:

9.49.1 Increased shrimp cultivation will be encouraged maintaining environmental balance.

- 9.49.2 Venture capital will be provided for production and export of frozen food with added value.
- 9.49.3 Possible assistance will be provided to set up "Seal of Quality; Organization" or such bodies in private sector to ensure qualitative standard of shrimp/shrimp products.
- 9.49.4 Measures will be taken to ensure Sanitary and Phyto-Sanitary Standard or high quality.
- 9.49.5 Installation of laboratories in private sector will be allowed to carryout research for quality development and disease prevention of shrimp ; and
- 9.49.6 Scopes will be given for duty-free import of crucially required machinery to strengthen quality management systems of frozen foods. Fisheries and Livestock Ministry will undertake measures for development of testing laboratories. Landing centres will be developed. In possible cases measures will be taken for examination of imported fish feeds at ports before those were unloaded.

9.50 Handicrafts made of bamboo-cane and coconut fibre:

- 9.50.1 Necessary measures will be taken to set up crafts village in Dhaka and other places.
- 9.50.2 Necessary measures will be taken to promote commercial production of bamboo, cane and wood to make raw materials of handicrafts easily available; and
- 9.50.3 Banglacraft will undertake necessary steps to promote the handicraft products.

9.51 Tea Industry:

- 9.51.1 Necessary measures will be taken for the promotion of tea industry.
- 9.51.2 Necessary measures will be taken for rehabilitation of sick tea gardens.
- 9.51.3 Necessary measures will be taken to provide gas connection to tea gardens to ensure their price competitiveness.
- 9.51.4 Necessary assistance will be given to those tea gardens not yet completing lease proceeding for quick disposal of lease proceeding.
- 9.51.5 Loans will be provided on easy term to help promote tea quality, increased productivity and modernization of tea plants to enable Bangladesh tea sustain in international market. Measures will be taken to provide loans for sick tea gardens.
- 9.51.6 Credit and other facilities will be provided to tea growers in small farms for poverty alleviation.
- 9.51.7 Duty-drawback/bond facilities will be provided on FOB price of imported packaging materials in line with existing regulation to encourage export of packet tea. If anybody wants, facilities of duty free import of packaging materials will also be provided under bank guarantee.
- 9.51.8 Subject to payment of duty on exempted rate, scopes will be provided to import multi-wall paper sacks.
- 9.51.9 The issue of establishing brand name of Bangladeshi tea abroad will be examined. Contacts will be made with reputed blending and distributing agencies.

9.52 Jute Industry:

- 9.52.1 Coordinated plan of action will be undertaken for increased productivity of jute industry through intensifying researches on

- development and diversification of jute goods carrying BMRE in jute mills, etc.
- 9.52.2 Measures will be taken to offer loan with reduced interest rate from purchase to receipt of export prices.
- 9.52.3 Necessary assistance will be given for export of jute and jute products.
- 9.52.4 Steps will be taken to remove legal obstacles in WTO regulations and trade policies of EC and other jute importing countries in regard to export of Bangladeshi jute and jute products.
- 9.52.5 Bangladesh missions abroad will take programmes to popularize use of jute portraying the environment friendliness of the fibre.
- 9.52.6 Assistance will be provided to entrepreneurs to join international fairs and exhibitions to create jute market abroad; and
- 9.52.7 Government assistance will be provided for setting up design development centres for diversifying jute products.

9.53 Other sectors:

- 9.53.1 Maximum use of ICT will be ensured for development of information communication.
- 9.53.2 Contract farming will be encouraged for production of exportable vegetables.
- 9.53.3 Export Villages will be set up and subject to availability, government lands will be allocated in favour of entrepreneurs/exporters for producing vegetables and fruits.
- 9.53.4 Measures will be taken to expand the scopes of producing modern and scientific packaging materials for exporting vegetables and fruits.

- 9.53.5 Duty return system will be eased for the export of processed agricultural products.
- 9.53.6 Encouragement will be given for production and export of potato.
- 9.53.7 Training will be offered for producers and exporters of exportable vegetables and fruits.
- 9.53.8 Encouragement will be given for rearing and farming of Black Bengal Goat and exporting its leather and meat.
- 9.53.9 Necessary measures will be taken to create private entrepreneurship to produce, process and marketing of exportable agricultural products.
- 9.53.10 Necessary steps will be taken to establish links with expatriate Bangladeshis and open marketing centres abroad for the expansion of IT sector for export.
- 9.53.11 Necessary steps will be taken to install IT village for producing and export of software.
- 9.53.12 Necessary steps will be taken to link national IT backbone with submarine fibre optic cable, make available high speed data transmission line and consolidate the IT foundation on regional basis.
- 9.53.13 Active co-operation will be ensured through Bangladesh mission for getting registration within short time for exporting Pharmaceuticals abroad;
- 9.53.14 Encouragement will be given for producing and exporting medicinal plants and herbs.
- 9.53.15 Measures will be taken to create facilities for the promotion of ICT sector through ICT Business Promotion Council.
- 9.53.16 Import of raw materials for ornamental materials will be

encouraged for exporting golden and silver ornaments. Import of uncut and unrefined diamond will be encouraged for re-exporting refined and finished diamond. For importing the raw materials of the industry (in cases where foreign buyers will send them) the certification by government appointed PSI organizations or in absence of any government approved agencies any internationally reputed PSI will be required for the certificate of product quality, quantity, HS code and price.

9.53.17 Measures will be considered for introducing passbook system or any other improved methods for importing raw materials of pharmaceutical industry.

10.00 Miscellaneous:

- 10.1 Steps will be taken to set up a trade facilitation centre in Dhaka.
- 10.2 Setting up of special types of warehouse, trading house, export house, trade centres abroad will be encouraged.
- 10.3 An own rules of origin will be formulated to promote export under rules of origin.
- 10.4 Existing laws will be amended and arbitration laws will be framed/modernized for settlement of trade disputes.
- 10.5 Product Development Institute will be set up.
- 10.6 Steps will be taken to enable exporters to appoint agents abroad without prior permission of Bangladesh Bank.
- 10.7 Advantages of LDCs under WTO policy will be identified and appraised to all concerned.
- 10.8 Exporting enterprises will be encouraged to avail international quality standard certificate ISO 9000 and environmental

standard certificate ISO 14000 or attaining their standard.

- 10.9 A code containing complete description of export items will be formulated to follow a harmonised code prescribed by WTO in import-export related LC forms.
- 10.10 The financial and revenue facilities will be reviewed from time to time and necessary steps will be taken.
- 10.11 Measures will be taken to expand the facilities considering the selling to buyers in foreign currency without tender as deemed export.

11.0 List of export prohibited items:

- 11.1 Petroleum and petroleum products other than naphtha, furnace oil, lubricant oil and bitumen. But this will not be applicable for petroleum and LNG export under production sharing contracts with investing foreign companies. Any foreign going passenger can take Bangladeshi products (other than the products that are prohibited or exportable under condition) worth \$100 as accompanied baggage beyond his personal luggage. However, the facilities of duty return/adjustment, cash incentives will not be provided for products carried outside the country in this manner.
- 11.2 Jute seeds/"shan" seed.
- 11.3 Wheat.
- 11.4 Living animals and their limbs and skins of wild lives of all species described in the Wild Life (Conservation) Ordinance 1973 [presidential orders no 23, 1973 and amended in 1974 other than those described in the first list.
- 11.5 Firearms, ammunition and related materials.

- 11.6 Radioactive materials.
- 11.7 Archaeological relics.
- 11.8 Human skull, blood plasma or any other products produced with human body or blood.
- 11.9 Pulses of all kinds.
- 11.10 Shrimps other than frozen and processed ones (SRO no 60-L/76, dated 14-2-76).
- 11.11 Onion (SRO no 250-L/77, date 13-8-77).
- 11.12 Deer of both genders and sea shrimps of 71/90 counts or smaller other than the "chaka" species and small fresh water shrimp of 61/70 or smaller counts (SRO no 345-L/83, date 20-10-83).
- 11.13 All kinds of Bamboo/Cane/Wooden powder (other than the handicrafts made of these).
- 11.14 Frogs of all kinds (dead or alive) or their legs.
- 11.15 Chemicals enlisted in the number one list of Chemical Weapons Convention.
- 11.16 Raw and weight blue leather.

12.0 List of items exportable under condition:

- 12.1 Urea fertilizer: Subject to the permission of the Ministry of Industries urea produced in plants other than the KAFCO can be exported.

Proposed Export Target from 2002-2003 to 2005-2006**(In million US dollars)****Annexure-A**

Product	Real Income	Target		
		2002-2003	2003-2004	2004-2005
RMG	3,258.27	3,810.00	4,200.00	4,600.00
Knitwear	1,653.83	1,850.00	2,100.00	2,350.00
Frozen Food	321.81	380.00	440.00	510.00
Leather	191.23	280.00	325.00	380.00
Jute Products	257.18	310.00	350.00	375.00
Raw Jute	82.46	70.00	75.50	82.00
Chemicals	100.49	90.00	94.50	99.22
Tea	15.47	20.50	21.50	22.00
Agro Products	25.45	36.00	41.40	47.61
Handicrafts	5.95	7.70	7.88	8.12
Electronic goods	7.46	8.50	10.00	11.50
Engineering products	12.91	4.00	5.00	6.00
Petroleum products	31.23	11.00	11.50	11.50
Computer software	3.36	70.00	100.00	150.00
Specialised fabrics	71.38	98.00	105.00	115.50
Textile fabrics	21.70	75.00	82.50	90.00
Ceramic tableware	18.82	26.50	28.50	30.00
Bicycle	52.47	70.00	91.00	113.75
Shoe	46.60	61.00	65.00	68.00
Other primary products	17.40	19.00	20.00	22.00
Other industrial products	352.97	330.50	391.50	507.00
Total :	6,548.44	7,627.00	8,565.78	9,599.20