



Export Policy 2012-15

Government of the People's Republic of Bangladesh
Ministry of Commerce
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Export Policy 2012-2015

Preface

International trade regime is continuously undergoing huge changes because of globalization and liberalization of trade as well as gradual evolving of market economy. The Trade policy predominantly aims at making the economic activities dynamic and outward-looking in order to help Bangladesh survive in the rapidly changing and competitive global trading system. This necessitates increasing involvement of women in trade expansion activities through reduction of discrimination between men and women, No doubt the increasing involvement of women will play a positive role in the economic development of the country through strengthening our economic foundation. Besides, it will help our exporters and producers get equipped with more strength and competitiveness required to face the challenges of the changing global trade. In this backdrop, the government is facilitating expansion of trade. International trade is being carried out through different rules and regulations after the World Trade Organization (WTO) came into being. The Government is taking necessary steps to modernize and simplify the Trade Policy keeping in conformity with the WTO obligations and the country's commercial interests. External trade is facing fierce competition in the context of trade liberalization resulting from globalization. Export Policy 2012-15 has been formulated with a view to consolidating, sustaining and expanding the export growth of Bangladesh in the competitive international trade regime alongside making the overall economic activities more dynamic and outward-looking.

Vision-2021 as envisaged by the present government aims at, among other things, elevating Bangladesh to a middle income economy by 2021 through socio-economic development. Expansion of export trade is a must for achieving the higher growth rate of national income, and the current Export Policy has attached particular importance to the matter. All-out efforts are underway to improve the quality of the products through fulfillment of various compliance conditions alongside augmenting productivity for consolidating and diversifying the export. Besides, the changing trend of the global economy underpinned by globalization is impacting on our export market. Hence, the trend of global economy and internal trade will be monitored continuously. Simultaneously, initiatives will be taken to enhance the efficiency of the exporters regarding the rules and regulations of international trade.

Making quality products is one of the tools to enhance export trade. The Industrial Policy includes various steps for domestic industrialization, conducive to the increase of the production of exportables of the country. Diversified products of jute and leather industry are in high demand in the world market. To this end, guidelines have been given for capacity enhancement, technological development and exploring market access for jute and leather industry. Moreover, necessary steps have been taken for the development of the prospective export sectors such as light engineering industry, agricultural products and computer software etc. The present Export Policy will play a supportive role in strengthening and consolidating the economic foundation of the country through more integration of women into the commercial activities by way of development of small and medium enterprises (SMEs).

Sustaining the ongoing export growth will call for enhancement of the production capacity of the local export-oriented industries, greater emphasis on the protection of the environment of the factories, including fulfillment of the compliance requirements, improvement of quality of the products and, above all, strengthening of all-out efforts for the diversification of the products and their markets. All these goals will be achieved only when we can utilize our cheap labour to convert its comparative advantage into competitive edge. In doing so, labour-intensive export industries will be encouraged, massive training programs will be organized to hone the skills of the workers and various incentives will be doled out to encourage and diversify exports. Besides, loan facilities at reduced interest will be arranged, infrastructural development activities will be geared up, and establishment of backward and forward linkage industries will be encouraged. Also, steps will be taken to improve utility services, install state-of-the art laboratories for

controlling and testing the quality of exports, set up product-based industrial zones or clusters, ensure easy availability of raw materials for exports, disseminate updated information to the producers on markets and technology on a regular basis, and ensure overall development of Chittagong and Mongla Ports including further simplification of procedures for clearing goods.

Export Policy 2012-15 has underscored the need for expanding export, enhancing the productivity of export-oriented industries and facilitating the overall development of the export sector through capacity building of the local export-oriented industries. Five Business Promotion Councils are already in place under public-private partnership to enhance the capacity and awareness of the exporters, and mitigate the supply constraints paving the way for uninterrupted supply of exports. The scope of these councils will be expanded gradually. The export earnings of Bangladesh witnessed growths of 10.31%, 4.11%, 41.49% and 5.93% during fiscal years 2008-09, 2009-10, 2010-11 and 2011-12 respectively despite the fact that during these year many countries experienced negative growths in the context of the global downturn. Export Policy 2012-15 has been formulated on the basis of the recommendations of a Consultative Committee consisting of representatives from the main industries/trade associations, chambers, research organizations, concerned ministries and government organizations to ensure the sustainability of the export growths. It is expected that the Export Policy 2012-2015 will play pivotal role in employment generation and poverty alleviation achieving desired and projected growth of our export.

Chapter One

Title, objectives, strategies, application and scope

1.0 Title

This Policy shall be called the Export Policy 2012-15.

1.1 Objectives

- 1.1.1 Updating and liberalizing the trade regime in accordance with the needs and requirements of the World Trade Organization and globalization;
- 1.1.2 Encouraging labor-intensive (especially female labor) export-oriented production;
- 1.1.3 Ensuring availability of raw materials from home and abroad for manufacturing export goods;
- 1.1.4 Augmenting productivity and diversification of products;
- 1.1.5 Improving the quality of products, encouraging the use of modern, appropriate and environment-friendly technology, producing high-end products, and improving the design of the products;
- 1.1.6 Enhancing efficiency and dynamism by using e-Commerce and e-Governance;
- 1.1.7 Initiating new strategies for the expansion of the markets for export products, making proper utilization of computer technology and encouraging application of all modern technologies including e-Commerce;
- 1.1.8 Assisting the development of necessary infrastructure, particularly for backward and forward linkages in order to encourage the production of exportable goods;
- 1.1.9 Creating new exporters and providing all-out support to the existing exporters;
- 1.1.10 Assisting the development of a skilled labor-force through proper training for managing international trade; and
- 1.1.11 Providing adequate guidance to trade bodies, business organizations, business people and related individuals in understanding the changing international trading system, etc.

1.2 Implementation Strategy

- 1.2.1.1 Increasing the institutional skills and efficiency of the Export Promotion Bureau (EPB), providing assistance in capacity building of the Customs Authorities, Sea and Land Port Authorities, Department of Fisheries, BSTI, Tea Board and different trade bodies;
- 1.2.2 Modernizing and up dating Bangladesh Foreign Missions abroad by strengthening economic diplomacy;

- 1.2.3 Strengthening and expanding the “Product based Business Promotion Council” activities through joint initiatives of public and private sectors to encourage the production and export of potential goods;
- 1.2.4 Providing assistance to producers and exporters in gathering market intelligence information regarding demands for commodities abroad, expanding markets, ensuring competitive and higher price, etc.
- 1.2.5 Extending support to export facilitating agencies by introducing automation and e-Governance for enhancing work-efficiency and ensuring transparency and accountability;
- 1.2.6 Providing assistance for updating and modernizing the over-all trade system by ensuring the best use of all modern technologies including e-Commerce for making the export products more competitive through reducing cost of doing business, increasing production, expanding market and reducing lead time;
- 1.2.7 Disseminating latest information to the exporters on export markets and technology to facilitate diversification of exports;
- 1.2.8 Creating training opportunities and establishing sector-specific training institutes for workers, staff and management personnel to increase productivity;
- 1.2.9 Encouraging promotion of export through increased institutional facilities including trading and export houses;
- 1.2.10 Providing assistance in establishing internationally accredited certification system to ensure the quality of the products;
- 1.2.11 Encouraging the establishment of product-wise design centers for improvement of product designs;
- 1.2.12 Assisting producers in using modern technology for production;
- 1.2.13 Providing supports to the exporters to get acquainted with the working procedures of significantly successful exporting countries;
- 1.2.14 Providing various financial and tax subsidies or incentives including low-interest loans to exporters;
- 1.2.15 Reducing lead time in export by means of improvement of port management and infrastructure, simplification of procedures for clearing goods, and improvement of the transport system;
- 1.2.16 Organizing single country Trade Fair for Bangladeshi products in different countries, sending trade missions abroad and supporting the exporters to participate in international fairs under the initiatives of exploring new market for product branding and diversification;
- 1.2.17 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;
- 1.2.18 Taking special initiatives to enhance exports of products and services to South Asia, Middle East and other Asian and African countries;
- 1.2.19 Awarding CIP status and National Export Trophy every year to the best exporters of different sectors in recognition of producing new products, diversifying of products, enhancing exports, etc;
- 1.2.20 Reviewing country’s export situation at least once annually and providing necessary directions by the “National Committee on Export”;

- 1.2.21 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; and
- 1.2.22 Identifying the problems related to export and recommending possible remedies by the Export Monitoring Committee headed by the Vice-Chairman of the Export Promotion Bureau, and represented by the private sector, including FBCCI.

1.3 Application and Scope

- 1.3.1 Unless otherwise stated, the Export Policy 2012-15 shall be applicable to exports of all types of goods and services from Bangladesh;
- 1.3.2 The Export Policy 2012-15 shall be effective from the date of its publication in the Bangladesh Gazette, and shall remain in force until June 30, 2015. However, this Export Policy shall remain valid until the next Export Policy is issued;
- 1.3.3 This policy shall be applicable in all places in Bangladesh except the Export Processing Zones (EPZs);
- 1.3.4 Any tax/ tariff related decision reflected in the National Budget or declared by the National Board of Revenue shall prevail over the Export Policy;
- 1.3.5 Whatever is stated 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
- 1.3.6 The Government will review the Export Policy at least once a year, and make modification, expansion or amendment, if necessary.

Chapter Two

General Provisions for Export

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

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

2.1 **Control of Export of Products:** Under this Policy, export of products will be controlled in the following ways, such as:-

2.1.1 **Export Prohibited Products:** Unless otherwise stated, products prohibited under this Export Policy cannot be exported. Annex-1 outlines the list of products whose exports are prohibited.

2.1.2 **Conditional Export:** Products which are exportable under certain conditions can be exported only after fulfilling those conditions. Such products have been listed in Annex-2.

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

2.2.1 Nothing in this policy shall be applicable to the following:

2.2.1.1 Store, equipment or spare parts of foreign going ships, vehicles or aircrafts, and provisions declared as part of their kitchen, or the baggage accompanied by the sailors or the crews and passengers of those ships, vehicles or aircrafts;

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

- a) All products that are not included in the prohibition list;
- b) A maximum of US\$ 7,000 worth of products (except medicine) based on the FOB (free on board) price per exporter;
- c) Products sent free of cost as samples provided that in case of medicine-
 - (1) A maximum of US\$ 60,000 if there is no export L/C (letter of credit); or
 - (2) 10% of the total value of each L/C or a maximum of US\$ 10,000, whichever is less;
 - (3) Examining on a case-to-case basis, Bangladesh Bank, if necessary, can increase these limits;
- d) For 100% export-oriented garment industries, a maximum of US\$ 10,000 worth of samples of readymade garments per year;

- e) The diamond processing firms having bond licenses issued from the Customs Bond Commissionerate or diamond producing/ diamond-studded jewellery processing firms registered as producers with VAT Commissionerate, under National Board of Revenue can send abroad cut and polished diamond/ diamond-studded jewelry worth of US\$ 50,000 annually with a view to participating in international trade fair or showcasing for export market development. In this case the samples 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.) of any price or weight;
- g) Gift parcel worth of US\$ 1,000 or equivalent in Bangladeshi Taka;
- h) Bona fide baggage of travelers traveling outside Bangladesh; and
- i) Relief materials exported by the Government.

2.2.2 "Sample" means limited quantity of goods which are easily identifiable and which do not have any commercial value; and

2.2.3. "Gift parcel" means gift materials sent through post or courier service.

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

2.4 Entre-port and Re-export:-

2.4.1 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 under special permission from Ministry of Commerce.

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

2.4.3 The imported products shall not be brought out of the port boundary in cases where the import port and the export port are the same.

2.4.4 In cases where the import port and the export port are different, products may be transported to the export port upon permission from the Customs Authorities on payment of duty-taxes under duty-drawback or furnishing a 100% bank guarantee. The products have to be exported within a specific period of time.

2.4.5 "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.

2.4.6 “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 the quality or shape or both of the products by means of local reprocessing.

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

2.4.8 In case of delivery from port and re-exportation of readymade garments that are returned due to defects:

(1) For the readymade garments that have been exported under the bonded warehouse system and have been returned due to defects or for any other reason, the Chief Controller of Import and Export shall issue the clearance permit for the delivery of such products from the port and the subsequent re-export on the basis of no-objection from the relevant lien banks and the Customs Authorities.

(2) For the readymade garments that have been exported without the bonded warehouse license or using locally produced inputs in their manufacture and have been returned, the relevant enterprises can take delivery of such products from the port after obtaining clearance from the Office of the Chief Controller of Import and Export submitting 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 after paying VAT payable at the local stage as per the existing VAT Act and after repaying, only in the case of domestic inputs/fabrics, the amount of VAT equivalent to the amount of drawback received as per Mushak-11chalan.

2.4.9 **Return of rejected fabrics:**

(1) For the defective fabrics which the supplier/exporter wants to take back and for which no foreign currency has been remitted from Bangladesh, the Chief Controller of Import and Export shall issue the clearance permit for the re-export on the basis of no-objection from the relevant lien banks and the Customs Authorities.

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

2.5 Unless otherwise stated, exports on the basis of L/C established by foreign buyers.

2.5.1 **Export opportunities without L/C:-** Exports without L/C can be done against TT through buying contract, purchase order, advance payment under sales contract and cash purchase agreement subject to the submission of EXP Form and Shipping Bill.

2.5.2 “Buying Contract” means a signed agreement between an exporter and an importer for the purpose of exporting a product.

2.6 Temporary Exportation for re-import :

- 2.6.1 (1) For sending machinery, equipment or cylinder abroad for the purpose of repair, re-filling or maintenance etc, a bank guarantee equivalent to the value of the goods shall have to be submitted to the Customs Authorities. In this respect, an Export-cum-Import Permit from the Chief Controller of Import and Export has to be issued.
- (2) The above mentioned conditions will be applicable for industrial enterprises, and in this respect the relevant industrial enterprise shall have to furnish undertaking on the basis of recommendation from the sponsoring authority.
- (3) In case of exports of turbines capable of producing electricity (with or without gearbox) or similar machinery, it will be necessary first to replace them through the import of turbines (with or without gearbox) or other relevant machinery on the basis of L/C or conditions in the agreement with turbine producing or overhauling companies. Then, Export-cum-Import Permit will have to be obtained from the Chief Controller of Import and Export in order to export the expired turbines (with or without gearbox) to the supplier companies. In this respect, service charge/replacement expense can be paid through establishing L/C on the basis of agreement with the overhauling companies.
- 2.6.2 For the purpose of repairing, replacement and only for refilling, imported cylinder and ISO tank can be exported on a temporary basis.
- Provided that an indemnity bond shall have to be submitted to the Customs Authorities at the time of export stating that these will be re-imported after completion of the necessary works;
- 2.6.3 Bangladeshi exporters shall be allowed to export replacement product in case the product exported is found defective 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 details of the defective product; and
 - c) Any other conditions to be fulfilled as per Customs law.
- 2.6.4 A person traveling to a foreign country can take his or her vehicle along on condition of re-import, using a *carnet de passage* issued by the Customs authority or any other appropriate authority, or using an appropriate indemnity bond submitted to the Customs Authorities.
- 2.6.5 **Re-exportation of Frustrated Cargo:-** A frustrated cargo can be re-exported in compliance with the rules and regulations of the Customs Act, 1969.
- 2.6.6 In order to conduct their activities as per contract, the construction, engineering and electrical companies shall be allowed to avail the temporary export-cum-import facility for their machinery and equipment under the following conditions:
- a) Relevant copies of agreement and award have to be submitted to the Customs Authorities; and
 - b) An indemnity bond has to be submitted stating that the machinery shall be returned after the completion of the task.
- 2.7 **Pre-shipment Obligations:** - Unless otherwise stated, pre-shipment certificate is not obligatory for export of any product.
- 2.8 **Quality Control Certificate:-** In case of export of products for which quality control certificate is obligatory, the exporter shall have to submit, to the Customs Authorities, a quality control certificate issued by the appropriate authority.

Chapter Three

Steps toward Export Diversification

3.1 Formation of Product and Service specific Business Promotion Councils:

Ministry of Commerce has formed several sector (product and service) specific Business Promotion Councils as a joint initiative of the government and the privatesector within the scope of the Company Act 1994 for diversifying export, improving and ensuring the quality of products, acquiring appropriate technologies, fulfilling compliance requirements, marketing of products etc. Necessary initiatives will be taken under the Export Policy 2012-15 to strengthen and organize the activities of these Councils as well as to encourage the formation of more such Councils. If necessary different development projects and activities will be taken in co-operation with the development partners to accelerate product and service sector-based development activities. Such initiatives of the Ministry of Commerce will complement the export promotion and export diversification activities of the Export Promotion Bureau.

3.2 Classification of Product and Service Sectors

3.2.1 Some products sectors will be identified as “highest priority sectors” while some others will be 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. The government will regularly modify this list, and provide special privileges to encourage the export of these products.

3.3 Highest Priority Sectors

3.3.1 Highest priority sectors will refer to those sectors which have special export potentials, but such potentials could not be utilized properly due to certain constraints, and more success is attainable if adequate support is rendered to them. The sectors are:

- 1) Agro-products and agro-processed products;
- 2) Plastic Products;
- 3) Footwear and leather products;
- 4) Pharmaceutical products;
- 5) Software and ICT products;
- 6) Home textile;
- 7) Ocean going Ship Building Industries;
- 8) Furniture Industries;
- 9) Terri Towel; and
- 10) Tourism Industries.

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

3.4.1 Project loans at reduced interest rates on a priority basis;

3.4.2 Income Tax rebate;

3.4.3 Possible financial benefits or subsidies consistent with WTO Agreement on Agriculture, and Agreement on Subsidies and Countervailing Measures, including concessionary rates for utility services such as electricity, water and gas;

- 3.4.4 Providing export loans at lower interest rates and on soft terms ;
- 3.4.5 Air transport facilities at concessionary rates ;
- 3.4.6 Duty draw-back/ bond facilities;
- 3.4.7 Facilities for setting up backward linkage industries including infrastructural development for reducing cost of production ;
- 3.4.8 Expansion of institutional and technical facilities to improve and control quality of products;
- 3.4.9 Assistance in production and marketing;
- 3.4.10 Assistance in exploring foreign market; and
- 3.4.11 Necessary initiatives to attract foreign investments.

3.5 Special Development Sectors

3.5.1 Product sectors which have export potentials but whose production, supply and export base are not consolidated will be included in special development sectors to strengthen their export base. The following product sectors will be included in the special development sectors:

- (1) Light engineering products (including auto-parts and bicycles);
- (2) Electric and electronic products;
- (3) Jute products;
- (4) Hand loom fabrics;
- (5) Ceramic products;
- (6) Frozen fish;
- (7) Printing and packaging;
- (8) Rubber;
- (9) Uncut diamonds and jewelry; and
- (10) Cosmetics and toiletries.

3.6 Benefits and Facilities to be Rendered to the Special Priority Sectors

- 3.6.1 Project loans at comparatively low rate of interest on a priority basis;
- 3.6.2 Consideration for export loans on soft terms and at reduced interest rates;
- 3.6.3 Provide subsidies in consistence with WTO Agreement on Agriculture, and Agreement on Subsidies and Countervailing Measures;
- 3.6.4 Shipment of products at reduced air fare;
- 3.6.5 Duty draw-back/ bond facilities;
- 3.6.6 Give priority in getting utility services such as electricity, gas, telephone for setting up backward linkage industries including infrastructural development to reduce production cost;
- 3.6.7 Expansion of technical facilities to improve the quality of products;
- 3.6.8 Assistance in marketing of product;
- 3.6.9 Assistance in exploring for foreign market;

- 3.6.10 Possible financial benefits for utility services such as electricity, water and gas; and
- 3.6.11 Necessary initiatives should be taken to attract foreign direct investments (FDI).

3.7 Inter-Sector Project for Product Diversification

- 3.7.1.1 Inter-sector projects will be initiated with an objective to facilitate diversification of products. Under the projects, issues such as bond system, duty draw-back, subsidies etc. will be reviewed to keep export price at a competitive level. Similarly, the project will assess and take necessary steps regarding issues such as product development and market expansion, trade cooperation and infrastructural constraints hindering export trade. Project will be initiated to acquire modern technology promoting expansion of export trade;
- 3.7.2 Strengthen the export development activities of three export diversified products such as traveling bags, toys and home appliances.

Chapter Four

General Export Facilities

4.1 Use of Foreign Exchange Earned from Export :

4.1.1 Exporters can retain a certain amount of their export earning in their foreign currency time to time. Under the existing foreign exchange dealing system, exporters can use the retention quota balance for bona fide business expenses, (such as business-related tour participation in export fairs and seminars; setting up and management of offices abroad; importing raw materials/capital machinery; etc). Besides, as the essential expense for export promotion, retention quota balance can be used to pay remunerations of foreign marketing representatives or commission for foreign agents.

4.2 **Export Promotion Fund** - There shall be an Export Promotion Fund (EPF) with EPB. The following facilities will be available from this fund:

4.2.1 Venture capital at lower interest rates and on soft terms for production of goods;

4.2.2 Support for obtaining foreign technical assistance, service and technology for development and diversification of products;

4.2.3 Support for sending marketing missions abroad and participating in international trade fairs;

4.2.4 Assistance in possible cases, to set up sales and display centers as well as warehouse facilities abroad;

4.2.5 Support for participating in training programs abroad on product development and marketing to improve technical and marketing skills; and

4.2.6 Assistance in other activities related to development and expansion of markets, including products and services.

4.3 Other Financial Facilities :

4.3.1 The possibility of providing tax exemption and subsidy in service sectors such as electricity, water and gas, instead of cash incentives, will be examined;

4.3.2 Initiatives will be taken to develop necessary infrastructure to ensure uninterrupted supply of electricity, gas and water for all export-oriented industries on priority basis;

4.3.3 Measures will be taken to fix the electricity, water and gas charges at a reasonable level for industrial use; and

4.3.4 Cash incentives may be provided in accordance with the provisions of the WTO to potential export-oriented emerging sectors i.e. the sectors which are capable of making products having demand in international market.

4.4 Funding for Export :

- 4.4.1 Financial assistance will be provided from Export Promotion Fund (EPF) or Export Development Fund (EDF) for the promotion of export;
- 4.4.2 Initiative will be taken to provide facilities for back-to-back Letter of Credit for other export items besides readymade garments; and
- 4.4.3 Loans at lower interest rates and on soft terms will be made available for import of capital machinery and raw materials to promote exports.

4.5 Export Credit :

- 4.5.1 Commercial banks will consider, on a priority basis, providing the exporters credit of 90 percent of the amount mentioned in the irrevocable letter of credit or in the confirmed contract;
- 4.5.2 Initiatives will be taken to introduce online banking system to ensure prompt disposal of export related matters and promote transparency in the banking sector;
- 4.5.3 Bangladesh Bank will take necessary steps to ensure uninterrupted flow of normal credit for the export sector;
- 4.5.4 Banks will fix the exporters' cash credit limit based on the achievements of export earning of previous years and bank-client relation;
- 4.5.5 Commercial banks will not impose overdue interest in case of the products exported on the basis of site-payment under irrevocable letter of credit provided that the exporter submits necessary export documents;
- 4.5.6 Bangladesh Bank may open up an "Export Credit Cell" for arranging necessary fund for the development of export sector. Similarly, commercial banks will set up "Special Credit Unit" for arranging export fund;
- 4.5.7 There shall be a high powered "Export Credit Monitoring Committee" under the leadership of Bangladesh Bank to determine the demand of export credit, and review and monitor the flow of credit ;
- 4.5.8 Banks will take necessary steps to fix service charges at a reasonable level;
- 4.5.9 Initiatives will be taken to establish/ strengthen banking facilities in order to expand trade relations with Russia, other CIS countries, Myanmar and north-eastern states of India;
- 4.5.10 Initiatives will be taken to provide financial compensations, through creating a fund similar to the Export Credit Guarantee Scheme (ECGS), to those exporters who have incurred losses;
- 4.5.11 Authorized dealers will be able to open internal back-to-back L/C in favor of local raw materials suppliers under the master letter of credit; and
- 4.5.12 In case of export, rate of interest, LC commission, miscellaneous service charges, bank guarantee commission etc will be kept as minimum as directed by Bangladesh Bank.

4.6 Rebate of Insurance Premium :

4.6.1 Export oriented industries in the non-traditional sector will get rebate for fire and shipping insurance premiums. Under this system, the exporter may get rebate for paying premium after shipment.

4.7 Incentives for Export of Non-traditional Industrial Products:

4.7.1 Incentives will be given to the export of non-traditional and new industrial products having at least 40% value addition;

4.7.2 Fire and shipping insurance will be fixed at a concessionary rate for export-oriented industries.

4.8 Bond Facilities for Export Oriented Industries:

4.8.1 The National Board of Revenue will consider the possibility of providing bonded warehouse facilities to import-dependent export industries. Especially, the Board will examine whether bonded warehouse facilities can be extended to all export-oriented industries. Besides, providing additional bonded warehouse facilities to trading houses and export houses under certain conditions will be examined.

4.9 Initiating brand names to fetch higher price will be encouraged.

4.10 Providing alternative incentives, instead of duty bond or duty draw-back to export-oriented local textiles and readymade garment industries:

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

4.11 Easing VAT Drawback on Export-facilitating Services:

4.11.1 Simplified procedures will be put in place for the draw back of paid VAT on export facilitating services such as C&F services, telephone, telex, fax, electricity, insurance premium and shipping agent commission/ bill.

4.12 General Facilities for Export-Oriented Industries:

4.12.1 Industries exporting at least 80% of their productions will be considered as export-oriented industries and they will be entitled to receive bank loans and other financial benefits;

4.12.2 In case of industries exporting at least 80% of their productions, initiatives will be taken to simplify the procedures for determining duties and taxes on remaining 20% products;

4.12.3 Exporters will be provided assistance in order to be more compliant;

4.12.4 Assistance will be provided for establishing Effluent Treatment Plants (ETP);

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

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

4.13 Reduced Air fare for the export of specially privileged products including Fruits and Vegetables:

4.13.1 Biman Bangladesh Airlines will consider measures for reduced air fare for the export of fruits and vegetables, ornamental plants etc.

4.14 Withdrawal of Royalty for the Expansion of Cargo Facilities of Foreign Airlines for Export Purposes:

4.14.1 No royalty is applied for transporting vegetables. Initiatives will be taken to provide similar incentives for specially privileged products including fruits; and

4.14.2 Necessary initiatives will be taken for enhancing the space in foreign airlines' cargo services, and transporting fruits, vegetables etc. at a reasonable fare.

4.15 Venture Capital Facilities for export-oriented Small and Medium Enterprises:

4.15.1 Agricultural farms with at least five acre size will be provided with venture capital facilities to encourage production and export of vegetables, fruits, fresh flowers, orchids etc.;

4.15.2 Establishment of cool chains will be encouraged to prevent quick putrefaction of the products. In this regard, import of reefer vans and reefer containers will be encouraged; and

4.15.3 Initiatives will be taken to introduce SME Credit Guarantee Scheme for increasing export in export-oriented industries.

4.16 Research and Development :

4.16.1 The National Board of Revenue will examine the possibility of permitting duty-free import of machinery and equipment by the exporting establishments for research and development purposes. Research institutes may be provided this facility based on recommendations from the Export Promotion Bureau.

4.17 Encouragement and Facilities for Exports Based on Sub-Contracting:

4.17.1 An exporter can spend, before acquiring the actual work order, a maximum of US\$ 15,000 for communication, sending representatives, traveling abroad, purchase of tender documents etc. An authorization from Bangladesh Bank will be required if foreign currency expenditure exceeds the above mentioned ceiling;

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

4.17.3 Individual professional guarantee/ insurance will be provided by Sadharan Bima in favour of project specialists.

4.18 Issuance of Multiple Entry Visa :

4.18.1 Foreign Investors and importers of Bangladeshi products will be issued with multiple entry visas. For this purpose, Ministry of Commerce may send recommendations to the commercial officials of Bangladesh Missions abroad and to the Ministry of Foreign Affairs/Bangladesh Embassies.

4.19 Foreign Trade Related Training :

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

4.20 Arrangement of International Trade Fairs and Single Country Exhibitions, and Participation in other Market Promotion Activities Abroad:

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

4.21 Strengthening Export Related Training :

4.21.1 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 exports.

4.22 Setting up Permanent Fair Complex and World Trade Center :

4.22.1 In order to expand export trade, initiatives have already been taken to establish Permanent Fair Complexes and World Trade Centers in Dhaka and Chittagong. The process will be accelerated; and

4.22.2 Assistance will be provided from the World Trade Centers to expand and consolidate export trade through market investigation and enhancing marketing skills.

4.23 Both regular and product-specific trade fairs of international standard will be organized in Bangladesh in order to invite foreign buyers, familiarize export products among them and thus connect buyers and sellers.

4.24 Shipment of Products:

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

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

4.25 Direct Air-Booking System:

4.25.1 To ensure that fresh vegetables and other perishable items from the northern part of the country reach their destinations easily without losing their quality, direct air booking facilities for these products from Rajshahi and Syedpur airports will continue.

4.26 Encouragement of Increased Use of Local Raw Materials:

4.26.1 Composite knit/ hosiery textiles and clothing manufacturing units will be encouraged to use more local raw materials.

4.27 Establishment of Management Information System (MIS):

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

4.28 Facilities for Deemed Exports:

- 4.28.1 Deemed exporters, like direct exporters, will enjoy all export facilities including duty-draw-back. Local raw materials used for producing exports and local products & raw materials used in industries/ projects funded by foreign investments will be considered as "deemed export"; and
- 4.28.2 Initiatives will be taken to consider direct sales in foreign currency without tender as "deemed export", and augment their facilities.

4.29 Miscellaneous matters

- 4.29.1 A Trade Facilitation Center will be instituted in Dhaka;
- 4.29.2 Establishment of special types of warehouse, trading house, export house and trade center will be encouraged;
- 4.29.3 Initiatives will be taken to enhance the capacity and efficiency of Export Promotion Bureau in order to expedite settlement of export related trade disputes;
- 4.29.4 Steps will be taken to establish Product and Service specific Development Institute/Council;
- 4.29.5 Initiatives will be taken to allow exporters to recruit foreign agencies without prior authorization from Bangladesh Bank;
- 4.29.6 Steps will be taken to identify the benefits provided to the least developed countries under the WTO rules, and make the stakeholders aware of the benefits;
- 4.29.7 Exporting institutions will be encouraged to acquire quality assurance-related ISO 9000 and environmental regulations-related ISO 14000;
- 4.29.8 Codes with details description of exportable products will be prepared in order to use the Harmonized Code followed by WTO in L/C forms related to import and export;
- 4.29.9 Financial and revenue related incentives and facilities will be reviewed at certain interval and necessary steps will be taken as needed; and
- 4.29.10 In case of export of agro and agro-processed products, special arrangements by railways, roads, and water ways will be made available for domestic transportation.
- 4.29.11 Under the initiative and supervision of the Ministry of Commerce and with the help of other relevant public and private sector organizations, a data bank will be established and managed under the national trade portal. This data bank will assist exporters, importers, banks & financial institutions, NBR and other public & private sector stakeholders through providing information. The data bank will contain information on the following issues :
 - Product-wise export information regarding quantity and amount;
 - Export value and sector-wise export earnings;
 - Country-wise import amount and value;
 - Country-wise production related data (for the products that Bangladesh produces and exports);
 - Import and export price index;
 - List of influential and important marketing organizations of different countries;
 - Product-specific gap between supply and demand;
 - Data on sector-wise investment and financing;
 - Preferential rate of duty of different countries (GSP, APTA, SAFTA, etc.);
 - Rules of Origin criteria;
 - Sanitary and phyto-sanitary requirements;
 - Others.

Chapter Five

Product-Specific Export Facilities

5.1 Readymade Garments Industry :

- 5.1.1 Steps will be taken to reduce the "lead time" for export of readymade garments by means of improvement of port management, simplification of procedures for releasing goods, resolving electricity problems etc;
- 5.1.2 Initiatives will be taken to set up "garments villages" at various places with adequate infrastructural and utility facilities;
- 5.1.3 Steps will be taken to establish waste water treatment plants in garments villages;
- 5.1.4 Assistance will be provided to improve the working environment in the readymade garments 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;
- 5.1.5 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;
- 5.1.6 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;
- 5.1.7 Steps will be taken to send marketing missions abroad, arrange single country textiles and readymade garments fairs abroad, and organize and participate in international trade fairs at home and abroad so as to expand and consolidate the markets for readymade garments;
- 5.1.8 Establishment of backward and forward linkage industries will be encouraged;
- 5.1.9 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;
- 5.1.10 An Advisory Board consisting of members from Public and Private sector will be established for uninterrupted and ensured supply of cotton;
- 5.1.11 Ministry of Commerce will take necessary steps to coordinate financial and technical cooperation related to export development of different development partners; and
- 5.1.12 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.

5.2 Frozen Fish Industry :

- 5.2.1 Cultivation of shrimp for increasing the production of shrimp maintaining ecological balance will be encouraged;
- 5.2.2 Venture capital will be provided for producing, processing and exporting value added products in the frozen food sector;

- 5.2.3 Initiatives will be taken to establish “Seal of quality organization” or similar organizations under public-private partnership to ensure the quality of shrimp and shrimp products;
- 5.2.4 Necessary steps will be taken to establish Accredited Testing Laboratory of high quality under public and private or joint initiatives to ensure high quality of products and SPS (Sanitary and phyto-sanitary) related standards;
- 5.2.5 Setting up of laboratories in the private sector will be allowed and steps will be taken for research and remedial measures to improve the quality of shrimps and protect them from diseases;
- 5.2.6 Import of indispensable machinery for quality control will be encouraged so as to strengthen the efforts for controlling the quality of frozen food. Department of Fisheries and BCSIR will take initiatives to improve their accredited testing laboratories;
- 5.2.7 In order to reduce the risk of exporting contaminated frozen food, a special supervision or traceability system will be developed for all the steps from hatching to production of fish, processing and packaging;
- 5.2.8 Steps will be taken to send marketing missions abroad, organize single country frozen food fairs, arrange and participate in international trade fairs at home and abroad so as to expand and consolidate the markets for frozen food;
- 5.2.9 All possible steps will be taken to implement the “Vision-2015” formulated by Bangladesh Frozen Food and Exporters Association (BFFEA);
- 5.2.10 A monitoring cell will be formed to control the quality of exportable shrimps;
- 5.2.11 Assistance will be provided to diversify fish and frozen fish products; and
- 5.2.12 Customs Authorities will ensure, before the release of the goods, whether the imported fish-feed is usable or whether there is any contaminated or prohibited substance in it. The Department for Fisheries or the Ministry of Fisheries and Livestock will send the updated list of prohibited substances to the Customs Authorities from time to time.

5.3 Handicrafts Made from Bamboo, Cane and Coconut Fiber :

- 5.3.5 Steps will be taken to set up artisans villages in Dhaka and other places;
- 5.3.6 Commercial production of bamboos, cane and wood will be encouraged in order to ensure easy availability of raw materials for handicrafts;
- 5.3.7 Export of value added products made from bamboos, cane, water hyacinth and coconut fiber will be encouraged;
- 5.3.8 Support will be given for design development to bring novelty and diversity to handicraft products. BSIC can take initiatives to establish a Design Center;
- 5.3.9 Steps will be taken to send marketing missions abroad, organize single country handicrafts fairs, arrange and participate in international trade fairs at home and abroad to expand and consolidate the markets for handicraft products; and
- 5.3.10 Bangla Craft will take necessary steps to improve the quality of handicraft products.

5.4 Tea Industry :

- 5.4.1 Initiatives will be taken to bring fallow land within the tea estates under cultivation;
- 5.4.2 Steps will be taken to rehabilitate sick tea gardens;

- 5.4.3 Measures will be taken to provide gas connection in the tea estates to bring about price competitiveness;
- 5.4.4 All co-operations will be extended to expedite the completion of leasing procedures for tea estates awaiting completion of such procedures;
- 5.4.5 Banks will be encouraged to provide loans on soft terms for modernization of tea factories so as to improve the quality of tea and increase its production to help its survival in the international market;
- 5.4.6 For alleviating poverty, credit as well as other facilities will be provided to tea producers of small farms;
- 5.4.7 Imported packaging materials will be allowed duty draw-back/bond facilities on FOB price to encourage the export of packet tea. Moreover, provisions will be made to allow duty-free import of packaging materials through bank guarantee;
- 5.4.8 Steps will be taken to send marketing missions abroad, and participate in international trade fairs at home and abroad so as to expand and consolidate the markets for tea; and
- 5.4.9 The possibility of popularizing brand name for marketing Bangladeshi tea will be reviewed. Established branding and distribution agencies will be contacted in this regard.

5.5 Jute Industry :

- 5.5.1 An integrated “plan of action” will be taken for development and diversification of jute products to enhance the productivity of the jute industry by strengthening research activities and undertaking certain activities such as BMRE for some jute factories;
- 5.5.2 Obstacles impeding export of jute and jute products to different countries will be identified and necessary remedial measures will be taken to address those;
- 5.5.3 Initiatives will be taken to popularize, through Bangladeshi Missions abroad, the use of jute by emphasizing the environment-friendly attributes of jute;
- 5.5.4 Co-operation will be extend to entrepreneurs for participation in international fairs and exhibitions to promote markets; and
- 5.5.5 Government support will be provided in establishing design development centres to bring about diversity to jute products.

5.6 Leather Industry

- 5.6.1 Sick leather industries will be allowed credit rescheduling facilities through policy support;
- 5.6.2 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.;
- 5.6.3 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;
- 5.6.4 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;

- 5.6.5 Initiatives will be taken through the Leather Sector Business Promotion Council involving the industrial entrepreneurs and exporters for the overall development of this sector;
- 5.6.6 Foreign and joint venture investments will be encouraged in leather products and footwear industry;
- 5.6.7 Existing bond facilities will be further simplified and updated for 100% export-oriented leather industries;
- 5.6.8 Existing duty and tax draw-back procedures will be simplified;
- 5.6.9 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;
- 5.6.10 Assistance will be provided to the entrepreneurs for participation in international fairs and exhibitions to promote markets;
- 5.6.11 Initiatives will be taken to establish slaughter houses in the major cities of the country with the help of municipalities;
- 5.6.12 All possible cooperation will be extended for transferring the factories to the Tannery Village being developed in Savar;
- 5.6.13 Initiatives will be taken to establish a centralized waste management plant in the Tannery Village in Savar, and installation of clean technology will be encouraged;
- 5.6.14 Modern chemical laboratories and service centers will be set up to ensure the quality of leather and leather products;
- 5.6.15 Steps will be taken to impart local and foreign trainings to overcome the management crisis in the leather industry;
- 5.6.16 Cattle farming and import of raw hide during lean season will be encouraged to ensure easy availability of raw hide;
- 5.6.17 Less use of nitrogen and sodium chlorate in the leather industry will be encouraged;
- 5.6.18 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;
- 5.6.19 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;
- 5.6.20 Initiatives will be taken to make the design development center more effective to bring diversity to footwear and leather products;
- 5.6.21 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;
- 5.6.22 Necessary arrangements will be taken to establish backward/ forward linkage industries for production of spare parts used in manufacturing leather products including footwear; and
- 5.6.23 Necessary measures will be taken to ensure easy availability of chemicals and other materials for the leather industry.

5.7 Pottery :

- 5.7.1 Steps will be taken to encourage production of traditional potteries in different places of the country;

5.7.2 In order to bring novelty and diversity in potteries, assistance will be provided for development of designs and patterns, and the design centre of BISCIC will be upgraded; and

5.7.3 Manufacturers of potteries will be trained under Fine Arts Institute to develop potteries.

5.8 Other Sectors :

5.8.1 Contract farming will be encouraged for production of exportable vegetables;

5.8.2 Government *Khas (Government owned)* land, if available, will be allotted to interested exporters for the production of vegetables and fruits. Besides, establishment of export villages will be encouraged;

5.8.3 Production of modern and scientific packaging materials necessary for the export of vegetables, foliage and fruits will be encouraged;

5.8.4 Cultivation, production and export of potatoes will be encouraged;

5.8.5 Producers and exporters of vegetables, flowers-foliage and fruits will be imparted trainings;

5.8.6 Efforts will be made for the commercialization of agricultural sector through providing support for growing, processing and marketing of exportable agri-products, including related activities;

5.8.7 Steps will be taken in establishing Central Warehouse and Cool Chain System beside Hazrat Shahjalal International Airport;

5.8.8 Best use of ICT will be ensured in the country for the improvement of information communication system;

5.8.9 In order to expand exports from the IT sector, communications with Bangladeshi Diaspora will be strengthened. The possibility of setting up marketing centers abroad will be examined;

5.8.10 Initiatives for establishment of an "IT Village" for export of software will be strengthened;

5.8.11 Necessary measures will be taken to connect the sub-marine optical fiber cable to the national IT backbone to facilitate availability of high speed data transmission line, and strengthen the base of the IT sector regionally;

5.8.12 Measures will be taken to provide facilities to develop the ICT sector through the ICT Business Promotion Council;

5.8.13 For the expansion of IT sector, necessary steps will be taken for Country Branding through EPB and Bangladesh missions abroad;

5.8.14 The possibility of introducing passbook/ alternative system for the import of raw materials for the pharmaceutical sector will be examined;

5.8.15 Initiatives will be taken to establish Active Pharmaceutical Ingredient Park and Common Labs in Dhaka and Chittagong in recognition of the export potentials of the pharmaceutical sector;

5.8.16 A "Light Engineering Cluster Village" will be established near Dhaka for the development of the light engineering sector;

5.8.17 A modern laboratory and common facilities center will be set up for the development of the light engineering sector;

- 5.8.18 An “Agro-Products Business Promotion Council” will be established to improve and control the quality of agriculture and agricultural products;
- 5.8.19 Production and export of herbal plants, medicine and herbal products will be encouraged. Steps will be taken to establish necessary accredited laboratories with this end in view;
- 5.8.20 Herbal Products Development Council will be constituted for overall development of herbal products sector;
- 5.8.21 For ship building industries service charges including bank guarantee commission will be kept at a minimum to be directed by Bangladesh Bank;
- 5.8.22 Initiatives will be taken to establish an appropriate laboratory for testing and certifying plastic products;
- 5.8.23 Import of raw materials for Jewellery will be encouraged for the expansion of export of gold and silver Jewellery;
- 5.8.24 Business entrepreneurs and exporters will be given necessary co-operation in accordance with the SRO No. 18/Law/2006 dated 7 February 2006 to encourage export of diamond after processing the imported uncut diamond; and
- 5.8.25 Production of toys and imitation Jewellery will be assisted and encouraged.

Chapter Six

Export of Services

- 6.0 Generally service sector means the services identified under General Agreement on Trade in Services (GATS) of WTO, such as:-
1. ICT based activities;
 2. Construction business;
 3. Health service activities e.g. hospital, clinic and nursing services;
 4. Hotel and tourism based services;
 5. Consulting Services;
 6. Laboratory testing;
 7. Photographic activities;
 8. Telecommunications;
 9. Transport and communication;
 10. Warehouse and container services;
 11. Banking activities;
 12. Legal and professional services;
 13. Education service, etc;
 14. Security service;
 15. Pre-shipment inspection (PSI); and
 16. Outsourcing.
- 6.1 Export Promotion Bureau will prepare a comprehensive plan of action in coordination with the concerned departments/institutions and take necessary steps for augmenting export in the service sector;
- 6.2 Export Promotion Bureau will take initiatives for preparing statistics of service sector in parallel with that of goods;
- 6.3 Steps will be taken to enhance the capacity of Bangladesh Missions abroad to promote export of service sectors;
- 6.4 A committee named as “Service Export Development Coordination Committee” headed by the Vice Chairman, Export Promotion Bureau and represented by the concerned service sectors will be constituted to coordinate the activities of export promotion in service sectors; and
- 6.5 Different service sector specific Business Promotion Councils will be established.

Chapter Seven

Other Steps towards Export Promotion

- 7.1 Freight forwarders shall be guided by Freight Forwarders (Licensing activity conduct) Rules, 2008 issued under SRO No 18/Law/2008/2174/duty dated 13 January, 2008 regarding control of freight forwarding;
- 7.2 Steps will be taken to develop infrastructure and to ensure institutional assistance activities of Bangladesh Bank, Customs, Chittagong and Mongla sea ports and Land Port Authorities;
- 7.3 Initiatives will be taken to develop necessary physical infrastructure, including construction of express line to ensure uninterrupted supply of electricity, gas and water to export oriented industries on priority basis. Steps will be taken to fix the charge of electricity, gas and water to be used in the industries at a reasonable rate including subsidy;
- 7.4 Measures will be taken for capital dredging to facilitate movement of container ships in Mongla Port;
- 7.5 To facilitate export of agricultural products, additional space in the aircrafts will be allotted alongside arranging separate cargo aircrafts. Both air and sea fare for transport of agricultural products will be reduced to a reasonable rate;
- 7.6 Biman Bangladesh Airlines will take initiatives to introduce regular “Cargo Freighter Service” to Europe;
- 7.7 To promote region-specific exports, emphasis will be given on infrastructure development of different regions;
- 7.8 Bangladesh Railway will review the possibility of offering attractive and competitive rates of fare to encourage the use of rail service for transportation of goods;
- 7.9 To encourage female entrepreneurs in the export sector, female CIPs will be selected and the best female entrepreneurs will be awarded Export Trophy annually;
- 7.10 Steps will be taken to enhance the ICT capacity of Bangladesh Missions abroad in order to promote export;
- 7.11 To encourage product-specific exports, every year one product will be declared the “Product of the Year”;
- 7.12 **Rationalizing the rate of Value Addition**
 - 7.12.1 A standing committee will fix, from time to time, the rate of value addition for different products including readymade garments; and
 - 7.12.2 Foreign currency earned from repairing foreign vessels will be considered as export earnings from services only if the foreign currency has been repatriated through Bangladesh Bank.

List of Export-Prohibited Products

- 8.1 Soyabean oil, Palm oil ;
- 8.2 (a) All petroleum and petroleum products except those produced from natural gas (such as naphtha, furnace oil, lubricant oil, bitumen, condensate, MTT and MS). However, this prohibition shall not apply to the export of petroleum and LNG as shares of the foreign investment companies under the Product Sharing Contracts;
- (b) Any passenger going abroad shall be allowed to carry goods as 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. In this case, no facilities/incentives like duty draw back adjustment, subsidy etc. shall be awarded;
- 8.3 Jute and `Shan' seeds;
- 8.4 Wheat;
- 8.5 All kinds of live animals, animal organs or hide/ skin of wild animals as mentioned in the Wildlife (Protection) Ordinance 1973 (President's Ordinance No. 23, 1973, Revised in 1974), except the species mentioned in the first list of the Ordinance;
- 8.6 Fire arms, ammunition and related materials;
- 8.7 Radioactive materials;
- 8.8 Archeological relics;
- 8.9 Human skeleton, blood plasma, or anything produced from human beings or human blood;
- 8.10 All types of pulses(except processed pulses);
- 8.10.1 All shrimps except chilled, frozen and processed ones;
- 8.11 Onion;
- 8.12 Seawater shrimps of 71/90 count or smaller, except the species harina and Chaka including sea species PUD, Cooked shrimp;
- 8.13 Cane wood, wood logs/ thick pieces of wood (except handicrafts made from these materials);
- 8.14 All types of frogs (alive or dead) and frog legs;
- 8.15 Raw and wet blue leather.

List of Products under Conditional Export

- 9.1 Urea Fertilizer:- Urea fertilizer produced in all factories except KAFCO can be exported with the prior approval of the Ministry of Industries;
- 9.2 Entertainment programs, music, drama, films, documentary films etc can be exported in the form of audio cassettes, video cassettes, CDs, DVDs etc subject to 'no objection' from the Ministry of Information;
- 9.3 Petroleum and petroleum products produced from natural gas (such as naphtha, furnace oil, bitumen, condensate, MTT and MS) can be exported under 'no objection' from the Energy and Mineral Resources Division. However, lubricating oil exportable or prohibited can be exported unconditionally under intimation to the Energy and Mineral Resources Division about the amount of export;
- 9.4 Chemical products enlisted in schedules 1, 2, 3 of Chemical Weapons (Control) Act-2006 will be exportable or prohibited export as per the provision of section-9 of the Act.