



**SASEC Sanitary/Phytosanitary and Technical Barriers to Trade
Diagnostic Study for Bangladesh**

26 October 2017

Dhaka, Bangladesh

SUMMARY OF PROCEEDINGS

1. A National Validation Meeting on the SASEC SPS/TBT Diagnostic Study, jointly organized by the Ministry of Commerce, Government of Bangladesh and the Asian Development Bank (ADB), was held in Dhaka, Bangladesh on 26 October 2017. The initiative was funded through ADB's Technical Assistance Special Fund. The Agenda and List of Participants is in **Annex 1**. Soft copies of the presentations are in **Annex 2**. The Comments Matrix is in **Annex 3**.

2. Mr. Shubhashish Bose, Honorable Secretary, Ministry of Commerce, Government of the People's Republic of Bangladesh delivered the inaugural address. The Secretary noted that the SASEC SPS/TBT diagnostic study is of the utmost importance to the Ministry of Commerce, given the huge potential markets for Bangladesh exports within the SASEC region, which remain subject to SPS-TBT measures. The Government of Bangladesh's 7th Five-Year Plan is aligned with the Sustainable Development Goals, but to achieve the SDGs, both export growth and GDP growth must be increased. Efforts are underway to diversify both the Bangladesh export product basket, and destination markets for Bangladesh: identifying specific products for potential export, and the SPS/TBT measures and or barriers will contribute to these activities. Noting an earlier DTIS under the Enhanced Integrated Framework, the Secretary appreciated the practical nature of the SASEC SPS/TBT diagnostic study and shared that it will help the Government adopt product-specific policies, as appropriate. It will also be valuable in ongoing negotiations on Bangladesh's FTA with Sri Lanka. He referred to the establishment of design and calibration centers in Bangladesh for identified sectors, as well as the "One District-One Product" initiative. The Government is discussing capacity-building needs with various agencies, and will consider applying a product-specific training approach. In her opening remarks, Ms. Rose McKenzie, Senior Regional Cooperation Specialist, South Asia Department, ADB, thanked all stakeholders from the private and public sectors for their contributions to date to the draft final report. She noted that the Validation Meeting provides an opportunity for stakeholders to share their views on the draft final report, and an opportunity to capture and incorporate these comments in the final diagnostic study.

3. In **Session One**, Dr. Rose McKenzie, outlined the SASEC Trade Facilitation Strategic Framework and provided the context of where the SPS/TBT agenda fits under the SASEC overall trade facilitation program. Dr Selim Raihan, Professor, Department of Economics, University of Dhaka, Bangladesh and Executive Director, SANEM presented the objectives of the diagnostic study, and explained the detailed tasks to be carried out. He also noted that the diagnostic study for Bangladesh, together with the five other SASEC national diagnostic studies, will inform preparation of a SASEC regional diagnostic study on SPS-TBT that will focus on identifying issues that can be most effectively addressed at a regional level. Importantly, he reminded participants that SPS/TBT measures can also be legitimate, and that national capacity to meet standards can be a constraint.

4. In **Session Two**, Mr. Shaquib Quoreshi, Secretary, Metropolitan Chamber of Commerce and Industry, and ADB national consultant on SPS-TBT, discussed the patterns of Bangladesh import and export trade with other SASEC countries, based on data from 2002-2015. He also explained the filtering methodology used by the study to identify the 100 products that have potential for export from

Bangladesh, but which are subject to SPS-TBT measures. The top potential export goods were shown for each of the SASEC countries, based on UN Comtrade databases, and the respective SPS/TBT measures were noted.

5. **Session Three** provided an overview of the legislative environment, of institutional arrangements and capacities, and of infrastructure capacities and constraints, for both SPS and TBT. Mr. Quoreshi also highlighted some of the recent achievements by Government in addressing SPS/TBT measures, but also the continuing gaps, constraints, and challenges. Mr. A. H. M. Ahsan, Joint Secretary, Ministry of Commerce, chaired sessions 2 and 3. Main observations from the floor for these sessions included: (i) clarification and discussion on the complex structure of laws and statutory regulatory orders, and the suggestion that annual publication of updated laws should be considered; (ii) SPS/TBT issues with India arising in the chemical and fishery sectors; (iii) confirmation that the National Trade Information Portal should be updated; (iv) ADB was requested to expand this study to examine **all** NTMs and NTBs, including import and export policies, Customs procedures, and border measures in the SASEC countries, not just SPS/TBTs.

6. **Session Four** identified the various standards, regulations, and procedural obstacles that impede trade of the identified potential export commodities from Bangladesh with each of the other five SASEC countries, and attempted to clarify whether these obstacles are SPS-TBT-related, or due to other NTM and NTBs. Dr. Selim Raihan chaired Session 4, and comments/observations from the floor included: (i) traceability capability of Bangladesh products (such as shrimp) has improved; (ii) arduous testing procedures at the border, and new procedures being introduced; (iii) need to send samples for testing in several different labs, causing delay; (iv) need to harmonize standards before establishing mutual accreditation processes (mutual recognition should happen after standards have been harmonized); (v) ASEAN model of MRAs should be examined as possible examples to follow; (vi) information was shared on rules and practices associated with GMO.

7. **Session Five** was chaired by Mr. Manzur Ahmed, Private Sector Development and International Trade Consultant, and Mr. Quoreshi presented the study's preliminary recommendations, grouped around the following topics: legislation, standards and certification; institutional structures and coordination, including a possible One-Stop-Shop approach for SPS/TBT and efficiencies to be gained through updated procedures; infrastructure, including the upgrading of existing laboratories as well as identifying specific need for additional infrastructure, and strengthening of cooperation with Indian laboratory facilities; the need to assess the capacity of human resources, introduce new required skills; consideration of the identified products in the study as those for focused export drive; potential for government to introduce incentive mechanisms to encourage private sector investment in SPS/TBT infrastructure; and the need to use the Bangladesh Trade Information Portal more effectively to share SPS/TBT information with the private sector. Specific recommendations were given and are captured in the Comments Matrix. ADB was requested to consider potential financing and technical assistance for continued work in SPS/TBT.

8. The Meeting participants agreed that the draft final diagnostic study reflects current realities of SPS-TBT measures and barriers faced by Bangladeshi products in the SASEC region, and that the Summary of Proceedings reflects the nature of discussions. ADB was requested to continue support to Bangladesh through the SASEC platform to address SPS-TBT obstacles to trade under its trade facilitation agenda.

Closing of the Meeting

9. In closing the Meeting, ADB thanked the Government of Bangladesh and all participants for their support and active participation.