

South Asia Subregional Economic Cooperation Program

# Session 2: SASEC SPS-TBT National Diagnostic Study for Bangladesh

**SASEC Subregional Workshop on Sanitary-phytosanitary and Technical Barriers to Trade Diagnostic Studies**

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11-13 April 2018: New Delhi, India



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## OUTLINE



- ❖ Purpose
- ❖ Trade Pattern in SASEC for Bangladesh
- ❖ Export Potentials
- ❖ Overview of SPS/TBT Situation in Bangladesh
- ❖ SPS/TBT Measures on Potential Exports
- ❖ Identification of Standards, Regulations, & POs Facing Bangladesh Exports – Critical Analysis
- ❖ Recommendations for Future Actions



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## PURPOSE

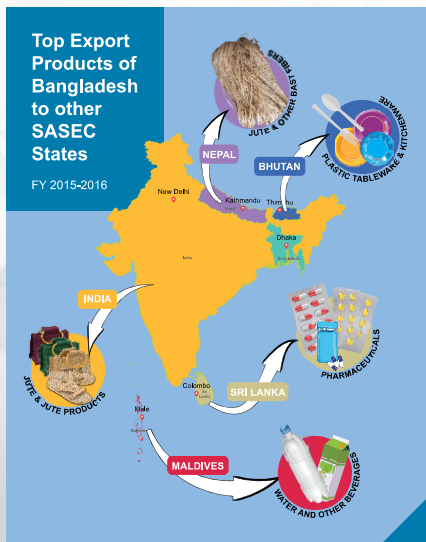


- ❖ To reach a better understanding of the SPS and TBT situation in Bangladesh, particularly in the product specific context of potential exports to other SASEC countries
- ❖ To address the required interventions locally, but with regional implications focusing on regulatory, institutional, infrastructural and capacity building aspects

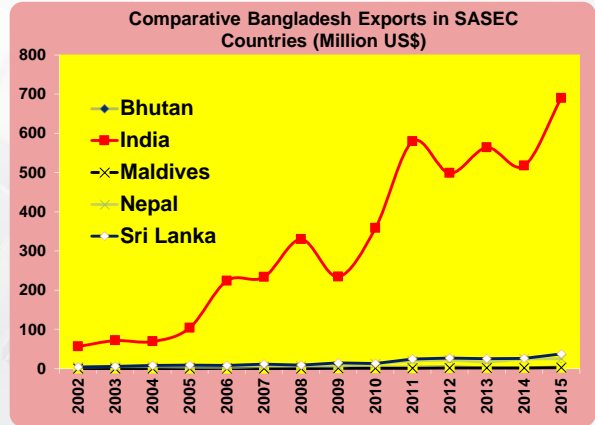
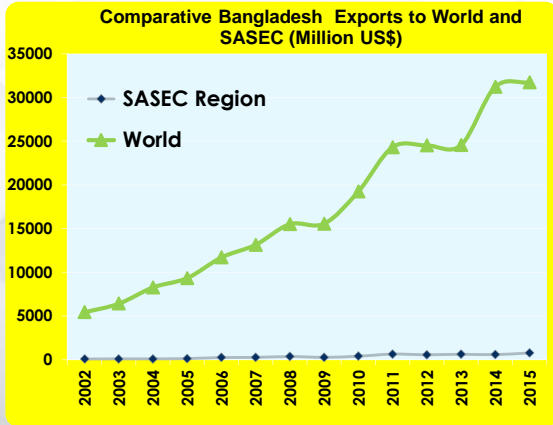
## TRADE PATTERN IN SASEC FOR BANGLADESH

During the period from 2002 to 2015,

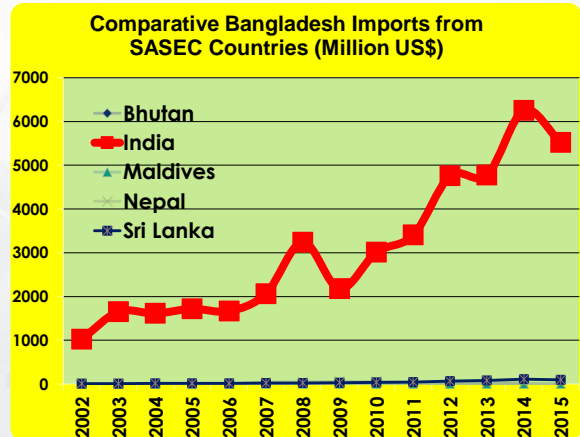
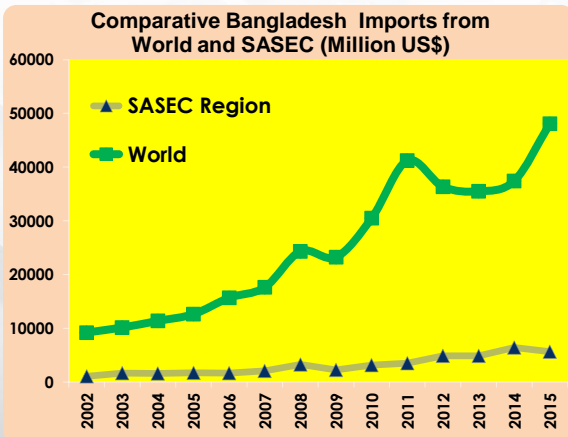
- ❖ Bangladesh exported about only 2% of its global exports to other SASEC states
- ❖ Bangladesh imported 16% of its global import from SASEC
- ❖ Heavy concentration on only a few products
- ❖ Top export products to SASEC countries are quite varied, bringing hope for the possibility of diversification.



# COMPARATIVE BANGLADESH EXPORTS



# COMPARATIVE BANGLADESH IMPORTS



## EXPORT POTENTIAL

1. Bangladesh has supply capacity to Rest of the World
2. Importing countries have import from Rest of the World
3. Bangladesh's average export price is lower than average import price
4. All products are filtered for a minimum export and import value
5. Still Bangladesh has no or very limited export of these products to these countries

<b>BHUTAN</b>	<b>72 Products at HS 6-digit</b>
<b>INDIA</b>	<b>127 Products – do</b>
<b>MALDIVES</b>	<b>71 Products – do</b>
<b>NEPAL</b>	<b>92 Products – do</b>
<b>SRI LANKA</b>	<b>142 Products – do</b>

## LEGAL STRUCTURE OF SPS/TBT

- ❖ The Bangladesh Standards and Testing Institution (Amendment) Act, 2003
- ❖ The Agriculture Produce Market Regulation Act, **1964**
- ❖ Plant Quarantine Act, 2011
- ❖ The Conservation and Protection of Fish Act, **1950**
- ❖ Bangladesh Accreditation Board Act, 2006
- ❖ Safe Food Act, 2013
- ❖ Customs Act, **1969**
- ❖ Import Policy Order 2015-2018 (issued periodically once in every 3 years)
- ❖ The Export Policy, 2015-2018



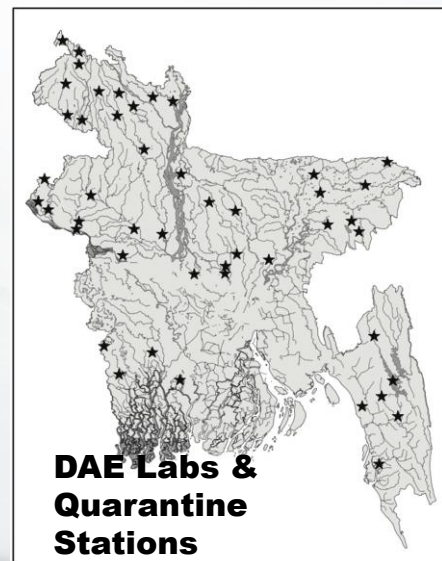
## SPS/TBT INSTITUTIONS

- ❖ BSTI (Bangladesh Standards and Testing Institutions) under the Ministry of Industries
- ❖ Bangladesh Accreditation Board
- ❖ Safe Food Authority
- ❖ Ministry of Commerce and attached Departments
- ❖ Ministry of Agriculture and attached Departments
- ❖ Ministry of Fisheries and Livestock and attached Departments
- ❖ Ministry of Environment and Forest
- ❖ National Board of Revenue
- ❖ Different laboratories under different Ministries
- ❖ Testing laboratories under private ownership



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## INFRASTRUCTURE



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## INFRASTRUCTURE...



### ❖ Bangladesh Accreditation Board (BAB):

- ❖ Has accredited 52 conformity assessment bodies till July 2017
- ❖ Out of these 52,
  - ❖ 41 are testing laboratories for various products (ISO/IEC 17025:2005)
  - ❖ 5 are calibration laboratories (ISO/IEC 17025:2005)
  - ❖ 2 are for medical diagnostic testing laboratories (ISO15189:2012)
  - ❖ 2 are for certification bodies (ISO/IEC 17021:2011)
  - ❖ 2 are for inspection bodies (ISO/IEC 17020:2012)



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## GAPS IN SPS/TBT REGIME

“Out of the approved 607 permanent positions for the different offices and the head office, and the laboratories of the BSTI, there are only 403 persons or about 66% of the approved workforce is working at the moment, as of August 6, 2017”

“Out of the approved 319 permanent positions for the 30 field offices and the head office of the Plant Quarantine Wing, there are only about 143 persons or about less than 50% of the approved workforce are working at the moment at different quarantine stations...”

- ❖ Policy & Regulatory Framework
- ❖ Institutional
- ❖ Poor Coordination
- ❖ Infrastructure
- ❖ Human Resources
- ❖ Local Practice
- ❖ Poor Awareness



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## SPS-TBT MEASURES ON POTENTIAL EXPORTS

Country	Frequency of SPS/TBT	Major Products
<b>BHUTAN</b>	<b>61 (27.7%) out of 72 Products</b>	<b>Electric &amp; electronics, Plastic products, Processed food, Engine &amp; parts</b>
<b>INDIA</b>	<b>127 (100%) out of 127 Products</b>	<b>Textile &amp; clothing, Agri products, Frozen fish</b>
<b>MALDIVES</b>	<b>2 (2.8%) out of 71 Products</b>	<b>Beef, Bicycles</b>
<b>NEPAL</b>	<b>92 (100%) out of 92 Products</b>	<b>Cereals &amp; grains, Agri products, Processed food</b>
<b>SRI LANKA</b>	<b>54 (38.02%) out of 142 Products *</b>	<b>Electric &amp; electronics, Processed food, Cereals</b>

## SPS/TBT FACED IN BHUTAN



- ❖ 72 potential export products from Bangladesh to Bhutan are identified
- ❖ 61 out of these 72 products are subject to TBT/SPS measures
- ❖ All the 61 items have TBT regulations imposed on them, while only 3 of them have SPS measures imposed on them
- ❖ No information available on the rest 11 items.

## SPS/TBT FACED IN INDIA



- ❖ All 127 out of the 127 potential products from Bangladesh are subject to TBT/SPS in India.
- ❖ It is interesting to note that India has its own domestic production for most of these 127 potential export products of Bangladesh, and India has significant (above US\$ 1 million) global imports for these products.

## FEATURES OF SPS/TBT IN MALDIVES



- ❖ Out of the 71 potential export products, only 2 products are identified facing SPS and TBT measures
- ❖ HS 020220 (Bovine cuts bone in, frozen), requires *Halal certification*, and (HS Code 871200) Bicycles and other cycles, including delivery tricycles, not motorized) is subject to TBT measures for safety and performance reasons by Maldives.
- ❖ There may be other products facing TBT/SPS, but no further information available at the moment.



## FEATURES OF SPS/TBT IN NEPAL



- ❖ All 92 out of the 92 potential export products have TBT/SPS in Nepal.
- ❖ However, 80 items out of these 92 products have only 2 TBT measures imposed on them. B8 and B14

## FEATURES OF SPS/TBT IN SRI LANKA



- ❖ 54 out of the potential 142 products from Bangladesh are subject to TBT/SPS measures by Sri Lanka.
- ❖ There is 'no record' for the rest of 88 items

## STANDARDS, REGULATIONS, & POS FOR BANGLADESH EXPORTS – CRITICAL ANALYSIS



- ❖ It is interesting to note that for a product like Black Tea (HS Code 090230 and 090240) has 33 Nos. SPS and TBT related measures imposed by Sri Lanka, where as UK imposes only 15 SPS/TBT related measures on the same product.
- ❖ India imposes, on MFN basis, 41 Nos. SPS and TBT related measures on frozen shrimp (HS Code 030616), but for the same product, Germany imposes, again on MFN basis, only 10 Nos. SPS and TBT measures, administered by a single authority.



## STANDARDS, REGULATIONS, & POS FOR BANGLADESH EXPORTS – CRITICAL ANALYSIS

\*3. Polychlorinated biphenyls (PCBs) and Polycyclic Aromatic Hydrocarbon (PAH) compounds in Fish and Fishery Products:

Sl.No.	Name of the contaminants	Article of food	Limit
(1)	(2)	(3)	(4)
1.	Polychlorinated biphenyls (Sum of PCB28, PCB52, PCB101, PCB138, PCB153 and PCB180)	Inland and Migratory Fish	2.0 ppm
2.	Polychlorinated biphenyls (Sum of PCB28, PCB52, PCB101, PCB138, PCB153 and PCB180)	Marine Fish, Crustaceans and molluscs	0.5 ppm
3.	Benzo(a)pyrene	Smoked Fishery Products	5.0 ppb."

3. After regulation 2.3 relating to "Residues", the following regulation shall be inserted namely:-

\*2.4. Limits of biotoxins in fish and fishery products:

Sl. No.	Name of the contaminants	Article of food	Limit (µg/kg)
(1)	(2)	(3)	(4)
1.	Paralytic Shellfish Poison (PSP)	Bivalve Molluscs	80 µg/100g (Saxitoxin Equivalent)
2.	Amnesic Shellfish Poison (ASP)	Bivalve Molluscs	20 µg/g (Domoic acid equivalent)
3.	Diarrhetic shellfish poison (DSP)	Bivalve Molluscs	160 µg of Okadaic acid equivalent/Kg
4.	Azaspiracid poison (AZP)	Bivalve Molluscs	160 µg of azaspiracid equivalent/Kg
5.	Brevetoxin (BTX)	Bivalve Molluscs	200 mouse units or equivalent/Kg."

[ADVT.III/4/Exty./]

"TABLE-I

Synthetic dyes that are permitted to be used as colouring substances in food

No.	Column I Colour	Column II Common Name	Column III INS Number
1	Red	1 Carmoisine (Azorubine)	122
		2 Ponceau 4R	124
		3 Erythrosine	127
		4 Allura Red	129
2	Yellow	1 Sunset yellow FCF	110
		2 Tartrazine	102
3	Blue	1 Indigotine	132
		2 (Indigo carmine)	133
		3 Brilliant Blue FCF	
4	Green	1 Fast Green FCF	143

1A



## PROCEDURAL OBSTACLES



- ❖ The Indian authority is subjecting the import of toilet soaps to the same stringent and costly registration process, as applied for registering a pharmaceutical product for imports.

## INFORMATION GAP – CRITICAL ANALYSIS

- ❖ Availability and quality of data and information are more challenging when it comes to specific standards and quality parameters.
- ❖ Generally speaking, elaborate and qualitative data are available for the countries where Geneva based International Trade Center (ITC) have undertaken NTM profiling studies.
- ❖ In the SASEC sub-region, these countries are India, Nepal, and Sri Lanka.
- ❖ ITC has undertaken similar study in Bangladesh too, but the results for Bangladesh are not yet published and available to the public.



## TARIFF IMPEDIMENTS - SAFTA SENSITIVE LIST

Country	Percentage of Sensitive Items among Potential Export Products
<b>BHUTAN</b>	0.83% or 6 out of 72 Products are in SAFTA Sensitive List
<b>INDIA</b>	0% or 0* out of 127 Products are in SAFTA Sensitive List
<b>MALDIVES</b>	19.71% or 14 out of 71 Products are in SAFTA Sensitive List
<b>NEPAL</b>	68.74% or 63 out of 92 Products are in SAFTA Sensitive List
<b>SRI LANKA</b>	33.80% or 48 out of 142 Products are in SAFTA Sensitive List

Based on SAFTA Sensitive List (Phase II), expected to be in effect soon



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## CRITICAL FACTORS AFFECTING TRADE (FAT)

Factors Affecting Trade (FAT)		
Infrastructure & Trade Facilitation	Market	Regulatory
Transportation	Supply Capacity	Quality Standards
Shipping	Competition	Investment Regime
Customs Procedures	Product Promotion	Banking & Financial
Port Handling	Consumer Preferences	Incentive Schemes



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## RECOMMENDATIONS FOR FUTURE ACTIONS



### ❖ Policy and Regulatory Framework

- ❖ Update and reform major laws
- ❖ Strengthen Domestic Enforcement of Quality Standards
- ❖ Increase the Number of Products Requiring Mandatory Certification by BSTI

## RECOMMENDATIONS FOR FUTURE ACTIONS



### ❖ Institutional Strengthening

- ❖ Expand Inter-Agency and Public-Private Coordination
- ❖ Strengthen National Food Safety Authority
- ❖ Close the Information Gap for Private Sector Business and Traders

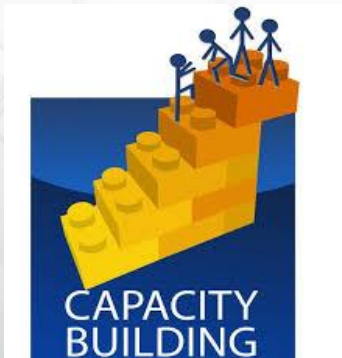
## RECOMMENDATIONS FOR FUTURE ACTIONS



### ❖ SPS-TBT Related Infrastructure Upgrading

- ❖ Conduct Needs Assessment for Infrastructure
- ❖ Upgrade and Scale Up Laboratory Facilities
- ❖ Develop Incentive Schemes for Testing Laboratories

## RECOMMENDATIONS FOR FUTURE ACTIONS



### ❖ Build Skills and Capacity

- ❖ Recruit Adequate Human Resources
- ❖ Training
- ❖ Increase Academic Exposure to SPS-TBT Related Topics

## QUESTION & ANSWER SESSION



**THANK YOU ALL  
FOR YOUR  
KIND PATIENCE  
AND ATTENTION**

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