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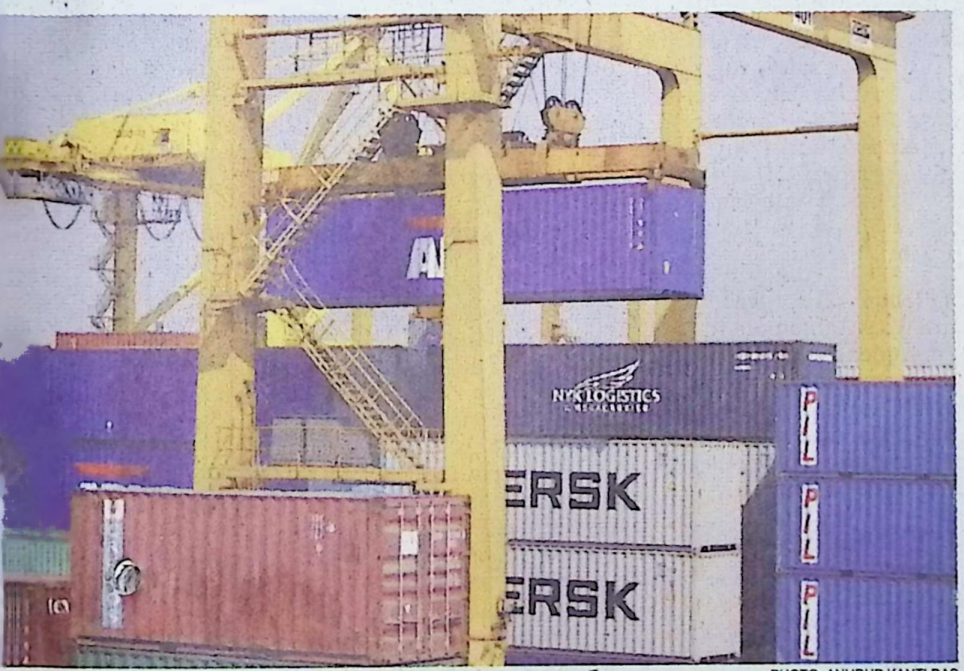


PHOTO: ANURUP KANTI DAS

So, all the negative developments over the last six months prompted the US government to threaten Bangladesh with the discontinuation of the GSP. The government, for its turn, revived the Ticfa deal and even attempted to finalise the agreement.

Even, if the government signs Ticfa with the US to retain GSP, the country's highest export earning ready-made garment (RMG) sector will not enjoy the duty-free benefit under the deal. Of the total products exported to the US from Bangladesh, 95 percent are RMG items.

Although, the GSP in the US market covers only 0.54 percent, the GSP is important for the country, as other countries might be influenced by the US decision. Currently, 97 percent products exported to the US from Bangladesh enjoy duty-free benefits, but the US has excluded the RMG products from the quota, although the country agreed to give duty benefit for the RMG in the WTO ministerial meeting in Hong Kong in 2005.

Moreover, China, a developed economy and the largest apparel supplying country in the world, pays only a bit above three percent duty on export of RMG products to the US market. Bangladesh should also set some conditions to the US for signing the TICFA. Bangladesh can tell the US to follow the MODE-4 under the General Agreement on Trade in Services (GATS) of the WTO--the movement of persons across borders for the purpose of supplying services. If the US agrees in MODE-4, many skilled and semi-skilled workers can easily migrate to the US.

The experience of some of our neighbours--like Pakistan, Sri Lanka, Nepal, Maldives and Afghanistan--who have signed Ticfa or similar agreements is not so good.

Bangladesh should make the US understand that the west is also responsible (at least partly, if not wholly) for frequent accidents in the garment sector in Bangladesh as the buyers of those countries always want to buy things cheap.

The solution lies in negotiation. First of all Bangladesh should strengthen trade diplomacy with the US. Bangladesh should convince the US authorities in the negotiating table that if America takes any trade action against Bangladesh, there is a chance that millions, especially female workers, might lose job.

The RMG trade, which is called the lifeline of Bangladesh's economy, has also upgraded the lives of millions of people in Bangladesh and has helped empowering the women.

China has also faced many industrial accidents in the garment sector over the years, but no trade action has been taken against the country.

The US should also remember that Bangladesh became the second largest apparel supplier in the world thanks to relaxation of Rules of Origin by the developed countries. Compliance is a matter of improvement and it is a continuous process. ■