



TOUR OF HOPE



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Duty-free, not hurdle-free

Export from Bangladesh can rise remarkably only if China relaxes rules of origin clause

Bangladesh's exports to China have been growing steadily. Bangladesh Bank data shows, Bangladesh's export to China was worth \$720m in fiscal 2014-15, up from \$533m and \$341m in 2013-14 and 2012-13 respectively. Exports further increased to around \$800m in 2015-16 and \$143m in the first two months of the current fiscal year.

**SAJJADUR RAHMAN**

Bangladesh can significantly increase its exports to China's if only it would relax its rules of origin.

Stricter rules of origin in the Chinese market have made it hard for Bangladeshi manufacturers to increase exports significantly to the world's second largest economy, where Bangladesh and other 32 least developed countries (LDCs) enjoys a duty-free access, analysts and exporters said.

China's overall import was \$1.3 trillion last year. Of which, \$142 billion were from the LDCs. If Bangladesh can export 1 percent of the LDCs' export to China, the amount would be nearly \$1.5 billion, just double the amount Bangladesh is exporting now.

The rules of origin demand higher value

addition of Bangladeshi products, meaning the goods should have 40 percent local contents.

Bangladeshi products enjoy duty-free access to the European Union market even if the goods are made of imported materials, while Canada gives the benefit on 25 percent local value addition.

"Bangladesh's export to China will increase significantly if it (China) relaxes the rules of origin like what has been done by Canada," said Prof Mustafizur Rahman, executive director of Centre for Policy Dialogue (CPD).

Some 8,036 products of 33 LDCs have duty-free access to the Chinese market and it covers 97 percent of the products manufactured by LDCs.

"Still, a few exportable products of Bangladesh fall into the exclusionary list,"

said Prof Rahman.

Despite these limitations, Bangladesh's exports to China have been growing steadily. Bangladesh Bank (BB) data shows, Bangladesh's export to China was worth \$720 million in fiscal 2014-15, up from \$533 million and \$341 million in 2013-14 and 2012-13 respectively.

Exports further increased to around \$800 million in 2015-16 and \$143 million in the first two months of the current fiscal year.

Data shows, leather goods, jute yarn, readymade garments, plastic waste and scraps were the major items exported to China.

On the other hand, Bangladesh's imports from China have been growing faster than its exports. Bangladesh

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XI JINPING DESTINED TO REIGN

SHAKHAWAT LITON

He was sent to a poor village in the countryside at a tender age of 15 to work there for seven years. He did the same work as locals used to do and lived the way they did. Villagers accepted and praised him for his honesty, sincerity and hard work.

When he studied at Tsinghua University, according to a report by The Telegraph, his classmate Qiao Mu recalled that "most of professors and students around us said he would be an emerging leader for next decade".

Their prediction came true. He is now the most powerful Chinese ruler since Mao Zedong, founding father of People's Republic of China. Xi Jinping, the president of China, the world superpower next to the US, is now holding all three offices required to be China's paramount leader.

Xi was well prepared for the leadership position long before he took the helm due to China's meritocratic selection system, according to Yongnian Zheng, professor and director of East Asian Institute, National University of Singapore.

"In the 1980s, he was placed as one of the candidates for the future generation of leaders. It is believed that he had already formulated his vision of China when he took over power from Hu Jintao," writes Zheng in an article in last March.

When Xi became top leader of Chinese Communist Party in November 2012 and was confirmed as the next head of the state for next one decade, The Telegraph of UK published his life-sketch titled "Xi Jinping: profile of the man born to lead China."

When he assumed the presidency in March 2013, public confidence in CPC was eroding due to corruption by many high officials of the party and administration. In efforts to consolidate further his party's base in the country, he issued a note of warning against corruption.

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Welcome to Bangladesh

Warm felicitations to the honorable president of The People's Republic of China Mr. Xi Jinping.

We hope Bangladesh-China bilateral relationship will reach into a new era on this occasion of his visit to Bangladesh.



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