

Bangladesh-India trade negotiations

DID WE GET A GOOD DEAL?

During Prime Minister Sheikh Hasina's recent visit to India from April 7-10, a number of MoUs and agreements were signed to facilitate trade and investment between the two countries. Professor Mustafizur Rahman, distinguished fellow at the Centre for Policy Dialogue (CPD), talks to Naznin Tithi of The Daily Star about possible measures that could be taken to reduce the existing trade deficit between the two countries, how Indian investment of over USD 9 billion can benefit our local economy and other relevant issues.

Is there any significant outcome of the PM's visit to India that will help address the existing barriers in promoting trade between Bangladesh and India?

From the particular perspective of Bangladesh, two types of challenges impede her bilateral trade with India. The first relates to Bangladesh's own limited supply-side capacities in view of the structure of India's import market demand; the second one relates to the broader areas of the state of transport and trade facilitation with India that undermines Bangladesh's competitive strength in the Indian market. Under the third line of credit for commercial purposes worth USD 4.5 billion, a number of projects are envisaged which are geared to address these challenges. These will contribute to addressing the aforesaid challenges in a number of ways: (a) establishment of transport and border/port infrastructure, (b) better trade facilitation, (c) promoting investment in special economic zones as also investment in the areas of energy and trade in energy, (d) putting in place measures towards harmonisation, standardisation and certification. As can be seen from a close examination of the projects identified under the LoCs and the MoUs signed, many of these are geared to deepening connectivity in five areas: trade, transport, investment, energy, and people-to-people connectivity. Many of the identified projects should bring in private sector investment by way of creating opportunities for reducing costs and raising competitive strength.

How can our government reduce the existing trade deficit between Bangladesh and India?

Many of the non-tariff barriers relating to trade with India concern disputes with regard to technical barriers to trade (TBT), sanitary and phytosanitary (SPS) measures,

certification, laboratory testing, harmonisation and standardisation. While there does exist an MoU signed between Bangladesh Standards and Testing Institution (BSTI) and Bureau of Indian Standards (BIS), time has come to sign a comprehensive bilateral Sanitary and Phytosanitary (SPS) Agreement (an agreement on how governments can apply food safety and animal and plant health measures). This would, however, call for significant strengthening of the BSTI. Indian first line of credit did include one project in this regard, but there is need for more significant investment to raise the concerned capacities if mutual recognition is to be enforced.

The key to reducing the bilateral deficit lies mainly in three areas. Firstly, strengthening of Bangladesh's supply-side capacities by attracting Indian investment to Bangladesh, which will target the Indian market and take advantage of the offered duty-free market access. Secondly, to enhance Bangladesh's competitive strength in the Indian market by taking the necessary measures to improve trade facilitation. Thirdly, it will be important to implement, on an urgent basis, transport connectivity initiatives envisaged particularly under the BBIN-Motor Vehicle Agreement, and as part of Bangladesh-India connectivity protocols and agreements. If these steps, many of which are envisaged under the various projects as part of the Indian LoCs, are taken, it will be possible to reduce Bangladesh's bilateral trade deficit with India.

Bangladesh's export to India is not even worth a billion dollars. Hence the opportunity of accessing the growing Indian market by creating supply-side capacities and enhancing competitive strength is crucial.

The Indian government has assured that it would look into the issue of anti-dumping duties imposed on jute exports from Bangladesh. How do you view this?



Professor Mustafizur Rahman

These duties have had serious adverse impact on Bangladesh's export of jute goods by undermining the competitive strength of Bangladeshi exporters. India's assurance of looking into this concern is a positive development. Meanwhile, it will be good for the concerned Bangladeshi companies to prepare relevant documents and accounts to deal with Indian investigation.

On its part, the Indian government will have to prove that there has been material loss to the Indian jute industry as a result of the 'dumping' by Bangladeshi companies. At the same time, Bangladesh should develop her own capacity to initiate dumping investigations if and when such practices are suspected. In general, Bangladesh should also strengthen her capacity to deal with these issues at appropriate forums, such as the WTO dispute settlement body.

India has requested Bangladesh to put an end to 'minimum import price' regarding the import of certain products from India to Bangladesh. Do you think this practice is

'discriminatory' towards India as claimed? How should the government approach the issue?

The minimum import price is not country-specific, it is product-specific. This is generally applied to address concerns regarding under-invoicing in case of imports. When products are under-invoiced, governments lose revenue because the tariffs would be imposed on lower import value than should have actually been the case. While minimum import prices may not be necessarily discriminatory to India in particular, and are product-specific, if the product is imported mainly from one country, such duties in effect could become country-specific. Bangladesh could consider undertaking a review on a case-by-case basis if India can provide a concrete example of an unjustified minimum import price being set on its products.

The Indian private sector has signed investment agreements worth over USD 9 billion. Bangladesh government has also assigned land for establishing Indian special economic zone (SEZ) in Mirsarai. How will these investments benefit our local economy?

The Indian private sector is showing increasing interest to invest in Bangladesh, which is an encouraging sign and should be welcomed. During the Indian PM's visit here and Bangladesh PM's visit to India, the business communities of both countries signed MoUs relating to energy projects, plans to set up LNG terminals, investment in SEZs, etc. Also, the government-to-government (G2G) projects, when implemented, will create a conducive, supportive environment for the private sector to invest in.

Indian companies have been offered two SEZs at Mongla and Bheramara, and about a thousand acres in the Mirsarai SEZ. Of

particular interest to Bangladesh will be the proposed projects relating to energy sector development. Indian companies investing in Bangladesh will be able to take advantage of duty-free access in the Indian market, as also in most other markets where Bangladesh enjoys preferential market access as an LDC. These investments will create jobs here and cater to both domestic and export markets, and could contribute to both product and market diversification for Bangladesh in case of exports. Bangladesh has to ensure that such investments, while creating opportunities for good returns to the Indian companies, should also result in expected benefits for us through creating jobs, business opportunities for our SMEs, benefiting our consumers, and promoting our exports to India and other markets.

The two governments have revised the MoU to ease up border trade, agreeing to open up more border haats. Is there any other issue that needs to be addressed to facilitate border trade between the two neighbours?

Four border haats are already in operation and it has been agreed to open more. The agreement to set up border haats is a good initiative which is benefitting the people in adjacent areas on both sides of the border. To enable the local consumers and producers to gain more from the border trade, the list of products and the limits on value of goods that can be traded may be sequentially expanded. Border haats are only local solutions and the overall impact of such haats in enhancing bilateral trade will presumably be rather limited. However, border haats should be seen only as initiatives which are complementary to the broader initiatives towards attracting more FDI from India, and more effective trade facilitation to stimulate bilateral trade.

World Intellectual Property Day All rights reserved?



NAHELA NOWSHIN

ONE of the earliest origins of intellectual property (IP) can be traced back to 500 BCE when the Greek city of Sybaris (in what is now southern Italy) granted its citizens exclusive rights for one year for "any new refinement in luxury, the profits arising from which were secured to the inventor by patent". But it wasn't until medieval Europe that a landmark piece of legislation, the Statute of Monopolies, enacted in 1623, became the first statutory expression of English patent law granting the author or inventor their ownership rights. Almost ninety years later, in 1710, the Statute of Anne passed by the Parliament of Great Britain became the first copyright Act in the world. In 1883, the Paris Convention, one of the first international IP treaties, was adopted, allowing inventors to protect their innovations if they were being used in other countries; the Berne Convention of 1886, an international agreement governing copyright, led to the protection of all forms of written expression such as songs, paintings, operas, etc; and in 1891, through the Madrid Agreement, trademarks began to enjoy protection in an international level.

What is IP? It refers to the creations of the mind, such as inventions; literary and artistic works; designs; and symbols, names and images used in commerce. Today, in the era of globalisation, intellectual property rights (IPRs) have come to play an extremely important role in the economic, social and technological development of any country. As world economies become increasingly



Dhakai Jamdani was registered as Bangladesh's first Geographical Indication (GI) product in 2016.

COURTESY: TRANSTERRA MEDIA

interdependent IPRs are crucial for fostering innovation and creativity, ensuring material reward for intellectual property and availability of genuine and original products, and providing a revenue stream for individuals and businesses.

Advocate Delwar Hossain, a patent attorney at the Advocates IP Law Alliance, has two words to describe the current state of IPRs in Bangladesh: not good. According to him, violation of IPRs is rampant in various sectors and continues unabated as authorities simply turn a blind eye to such crimes. Bangladesh is a signatory to various

international treaties and conventions such as the Berne Convention, Paris Convention, and WTO's TRIPS Agreement. Some of the main national IP laws are Trademarks Act (2009), Copyright Act (2000), and Patents and Designs Act (1911) whose implementation is almost non-existent.

"Counterfeiting of products such as shoes, electronic goods, and medicines is commonplace. Many lifesaving medicines such as insulin are produced by local pharmaceutical companies and sold in genuine pharmacies around the country. What you saw in Mitford is a clear example of

large-scale local counterfeiting. Only when there was international pressure on the Bangladesh government did the police launch a drive on these factories producing fake medicines," says Hossain. In 2013, RAB, Directorate General of Drug Administration and Bangladesh Standards and Testing Institution jointly launched a drive against the sale of illegal and unauthorised medicine in the country's largest wholesale medicine market in Mitford - known as the "hub of counterfeit medicine" - and seized some USD 640,000 worth of fake medicine.

Hossain says that everything from food products, books, A4 paper to even the ink used in printers is illegally sold under renowned brand names. Counterfeit goods have infiltrated almost every sector and violations of trademarks and copyrights continue to prevail at an alarmingly high level despite law enforcement officials having knowledge of such illegal activities, according to Hossain.

A cursory Google search of IPRs in Bangladesh shows results of news reports, think pieces and research studies on the poor state of IPRs in the country and concludes that one of the key problems is the weak enforcement of laws that are in place. While most of the focus has been on the widespread violation of copyrights and trademarks within the country (and justifiably so), practically speaking, there is very little likelihood of things getting better. In a developing country like ours, counterfeit goods (with the exception of life-threatening ones like substandard medicine) are preferred by the majority of the population due to their affordability. One thing that hasn't been said enough (or at all) is what we can do to promote and protect our goods under the

Geographical Indication (GI) category of IP. GI is used on products that possess certain qualities or enjoy a reputation attributable to their geographical origin.

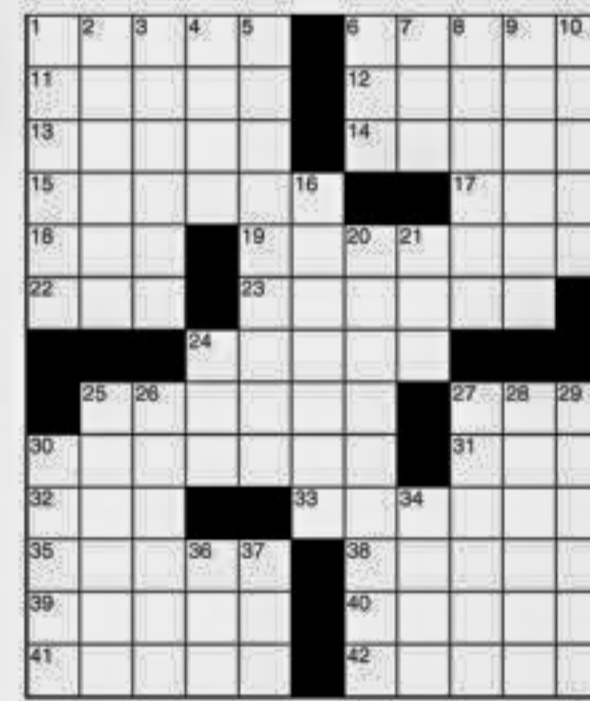
In November last year, Bangladesh reached a milestone when Dhakai Jamdani received registration as the country's first GI product. GI registration of Dhakai Jamdani gave formal recognition to a product that has been weaved in Dhaka district going back centuries. Previously declared as an Intangible Cultural Heritage of Humanity by UNESCO, GI registration of Jamdani was a major step forward for the sector - where some 68,000 people are either directly or indirectly involved - as it would now let weavers brand their product better both at home and abroad and charge competitive prices.

Among the various categories of IP - copyright, patents, trademarks, industrial designs, and GI - the most pragmatic option for us would be to focus immediate attention to the latter due to the whole range of local products that have the potential to obtain GI registration. Products that enjoy popularity due to their geographical location usually don't have a corporate tag to brand themselves under, and this is where GI registration comes in. Industries Minister Amir Hossain Amu has said that the process to recognise Hilsa as a GI product is already underway. Fazli mangoes, Rajshahi silk, nakshi kantha, sathranji, and various other products can also capitalise on GI recognition. This would give our farmers and workers rights of control over their product, raising their competitiveness in the global market by a huge margin.

The writer is a member of the editorial team, The Daily Star.

CROSSWORD BY THOMAS JOSEPH

- ACROSS**
- 1 Fake gems
 - 6 Low noble
 - 11 Soothe
 - 12 Articles
 - 13 Future fungus
 - 14 Hold up
 - 15 Ransom demander
 - 17 Road-house
 - 18 Perfect serve
 - 19 Monopoly avenue
 - 22 Young man
 - 23 Passes
 - 24 Plain silly
 - 25 Meet
 - 27 Bro's kin
 - 30 Dilapidated build-
- DOWN**
- 1 Mathematician
 - Blaise
 - 2 Lama's cousin
 - 3 Was inclined
 - 4 Bakery buy money
 - 5 Revelation
 - 6 Bridge act
 - 7 Dined
 - 8 Raise anew
 - 9 Muscat men
 - 10 "Bye Bye Bye" band
 - 16 Put off paying
 - 20 Kitchen gadget
 - 21 Driving hazard
 - 24 Follower's suffix
 - 25 Car problem
 - 26 Napoli's nation
 - 27 Spa rooms
 - 28 Devour
 - 29 Rude looks
 - 30 Arm's length
 - 34 Former Italian
 - 36 What's more
 - 37 Hog haven



YESTERDAY'S ANSWER

S P I T S P E O N S
P A N E L E Q U A L
A T S E A N U T S O
I M P S A S H E
B E D S A N T I
A P E S T O O D U P
N I T R O I R E N E
S C H E M E R T D S
E V E N S H O T
D O P E D A T E
A W A R D N O B L E
T E R S E A V O I D
A S K E W T E X T S



THE RAINBOW
SECTOR # 13, Uttara, Dhaka

Our customers speak for us...

"When we wanted to buy an apartment, one of the important factors was the reliability of the developer company and dealing with bti has successfully put at rest all of our worries and gave us peace of mind that our home is a safe abode."

Achinta Kumar Biswas
The Rainbow, Sector #13, Uttara, Dhaka

HOTLINE: 096 1319 1919
email: info@btibd.org • www.btibd.com

btibd building technology & ideas ltd.
REHAB MEMBERSHIP #001
ISO 9001:2008 CERTIFIED