

Based on information collected up to February 2005

1. TARIFF MEASURES

Structure of the tariff schedule

Bangladesh applies an eight-digit tariff nomenclature based on the harmonized System. The tariff schedule has three columns showing the statutory rate of import duty or operative rates applicable to all imports unless exemption is specified; the statistical keys used against each commodity, and a statutory rate of export duty.

Tariff publications

Bangladesh Customs Act, 1969 (IV of 1969), First Schedule, Section 18. Every five years, an updated guide of import activities is issued by the Customs Authorities, such as the new Import Policy 2004-2006 released on 19 October 2003.

- Equipment or machinery imported on a temporary basis is exempt from duty if the importer obtain and import/export permit; equally imports of machinery and equipment for purposes of demonstration or exhibition with the aim of re-exporting them within a period of one year, are free.

11 Statutory Custom Duties

Import duties on goods are levied mainly on the c.i.f. value on an ad valorem basis; lower rates apply to manufacturing inputs and basic raw materials, and higher rates to intermediate and finished products. Duties range from 0% to 30%, including intermediate rates of 7,5%, 15% and 22.5%.

16 Temporary reduced duties

- Duty exemption is set on raw cotton, textile machinery, certain irrigation and agricultural machinery, certain animal feeds, certain drugs and medical equipment, goods imported by the government for use in the Defense Services, and capital machinery imported by export-oriented industries.

- Equipment or machinery imported on a temporary basis is exempt from duty if the importer obtains and import/export permit; equally imports of machinery and equipment for purposes of demonstration or exhibition with the aim of re-exporting them within a period of one year, are free.

Preferential duties under trade agreements

19.1 Interregional agreements

Bangladesh as a participant in the Global System of Trade Preferences among Developing Countries (GSTP), grants tariff preferences under the system.

19.2 Regional and sub-regional agreements

Bangladesh together with Bhutan, India, Maldives, Nepal Pakistan and Sri Lanka are members of the South Asian Association for Regional Cooperation (SAARC) established on 8 December 1985 with the aim to promote an accelerated economic growth, and complement bilateral and multilateral relations among member states. SAARC members created a preferential trade agreement under which Bangladesh, Nepal and Sri Lanka have been designated as lesser developed countries. The contracting states established the SAARC Preferential Trading Arrangement (SAPTA) in 1993, to promote and sustain mutual trade and economic cooperation among its members, by exchanging concessions in accordance with the terms of this Agreement and calling for reduced tariffs on certain goods, such as raw materials. In line with tariff concessions, negotiations are conducted on a product-by-product basis. (SAPTA) calls for duty concessions on agricultural products, livestock, marine products and scrap metal, on the condition that goods contain at less 40% value-added if produced in a single SAPTA country, 30% in a lesser developed SAPTA country or 50% if more than one SAPTA member provides input. In view of the future of the Agreement, the creation of the South Asian Free Trade Area (SAFTA) is planned.

BIMST-EC an economic grouping which membership is confined to countries having direct access to the Bay of Bengal, was established in 1997 and comprises Bangladesh, India, Myanmar, Sri Lanka and Thailand. This economic cooperation group aims at enhancing economic ties between these countries through trade and technical collaboration, by creating in a near future, a free trade area (FTA), but negotiations have not yet been completed.

Bangladesh is also a signatory to the Bangkok agreement which aims at liberalizing trade between the less developed member countries of the Economic and Social Commission for Asia and the Pacific it includes Bangladesh, India, Korea, Laos, Sri Lanka and Thailand, and provides for tariff concessions on certain agricultural items, manufactured, goods, chemicals and minerals.



19.3 Bilateral agreements

Under a bilateral trade agreement, Bangladesh grants Bhutan some 58 tariff lines, with preferential margin of 50% MFN tariffs. In line with this agreement, the Government of Bangladesh has reduced the import duty tax on several Bhutanese products since 7 August 2003, namely, apples, asparagus. Boulders, coal, dried chillies, dolomite, fruit juice, ginger, gum rosin, gypsum, limestone, mushrooms, oranges (madarin), seed potatoes, slate, timber products and wood.



2. PARA-TARIFF MEASURES

Additional charges

21 Customs surcharges

Supplementary taxes ranging from 15% to 75% are levied on the duty-paid value of goods such as liquor, tobacco products, certain cosmetics, ceramic tiles, large engine automobiles, air conditioners, refrigerators and televisions.



22.6 Tax on transport facilities

An infrastructure development surcharge of 3% is levied on the assessable value of most imported goods.

22.9 Additional charges n.e.s.

- Import duty of gold in different forms is subject to specific duty at the rate of Tk 300 per "tola" (11.644 grams).

- A 1% insurance fee and a 1% landing charge are levied on the CFR value of imported goods.

- An Import Registration Certificate assessed between "Taka" 500 to 5000 is required from importers.

Internal taxes and charges levied on imports

23.1 General sales taxes

A value-added tax at the rate of 15% is levied on all imports and domestically produced goods with the exception of feed and medicines for poultry, dairy machinery, aircraft and spare parts; textile machinery, raw cotton, certain types of medical equipment, and items from small and cottage industries.

23.9 Internal taxes and charges levied on imports n.e.s.

A fee of 1% is levied on the value of imports to finance the pre-shipment inspections. In addition to the VAT levy, applicable supplementary duties ranging from 5 to 270% are levied on certain luxury products that include liquor, tobacco products, petroleum products, make-up materials, perfume, ceramic tiles, air-conditioners, refrigerators, televisions and motor vehicles.

4. FINANCE MEASURES

41.9 Advance payment requirements n.e.s.

An advance payment for importation of specialized or capital goods requires the approval of the Bangladesh Bank.

43.9 Restrictive official foreign exchange allocation n.e.s.

Commercial banks and specialized financial institutions authorized by the Bangladesh Bank are allowed to trade in foreign exchange.

45 Regulations concerning terms of payment for imports

Payment of imported goods to Bangladesh are financed either by the country own resources, or foreign aid, loans, or by means of barter trade.

Registered importers are allowed to import against letter of credit authorization forms issued by authorized dealer banks.

In general payment against imports is permissible under irrevocable letters of credit.

6. QUANTITY CONTROL MEASURES

61 Non-automatic licensing

As there is no import requirement for most goods, there is a registration requirement of importers by the Ministry of Commerce, the issuance of a prior permission for the importation of goods on the restricted list (controlled for religious, health or trade reasons e.g. textiles and shrimps, raw sugar, milk food, pork sausages), as the existence of authorized users to import certain restricted goods. For the importation of goods on the restricted list, a Letter of Credit Authorization (LCA) forms is needed.

61.3 Licence for specified use

A permission from the Director General, Narcotics Control Department or others with permission from the Director General, Narcotics Control Department and Ministry of Commerce allows foreign exchange earning hotels to import narcotics.

61.78 To ensure national security

A prior approval from the Chief Inspector of Explosives of the Ministry of Energy and Mineral Resources is required for the importation of Explosives; and armaments are importable only by the Government or by dealers approved by the Government.

61.9 Non-automatic licensing n.e.s.

A clearance permit is required for the importation of the following goods: imports of books, magazines, journals, periodicals, and scientific and laboratory equipment against surrender of UNESCO coupons; plant and machinery of permissible specifications, new or not exceeding 12 years old; motor cars, new or not exceeding 5 years old, cargo or passenger vessels of steel or wooden body, plant or machinery for export oriented industries, trawlers and other fishing vessels; imports of free samples, advertising materials and gift items, imports of drugs and medicines (allopathic) and imports of capital machinery as share of capital of the foreign shareholder.

Prohibitions

63.76 To control drug abuse

Poppy seeds and dried "posto dana", marijuana, opium and "tendu" leaves are prohibited for importation.

63.77 To ensure human safety

There is an import prohibition on vessels more than 15 years old, motorbikes more than three years old, and single-phase electricity meters.

63.78 To ensure national security

Importation of the following items is prohibited: maps, charts and globes indicating the territory of Bangladesh, and not in conformity with Government printed maps.

63.79 Prohibitions for purposes n.e.s.

An import ban is set on horror comics and obscene or subversive literature or materials, and used goods, including reconditioned office equipment; live pigs, pig and poultry fat, eggs, except hatching eggs, lard, lard and tallow

oil, solid or semi-solid palm oil, raw sugar, un-denatured ethyl alcohol, denatured spirits of any strength, wine, artificial mustard oil, selected petroleum products, woven fabrics of silk or silk waste, pig hair, certain kinds of cloth, certain insecticides, nylon and polyethylene ropes, fishing nets, used or new rags.

63.8 Prohibitions for political reasons (embargo)

Import prohibition of goods originating from Israel and Serbia/Montenegro.

7. MONOPOLISTIC MEASURES

72.1 Compulsory national insurance

Insurance for imports must be taken with the SADARAN BIMA Corporation or any Bangladeshi insurance company.

72.2 Compulsory national transport

The Bangladesh Flag Vessels (Protection) Ordinance, 1982, ensures that at least 40% of sea-borne cargo of imported goods is transported by national flag vessels.

8. TECHNICAL MEASURES

Information on Bangladesh Standards and Testing Institution is available at
116/A Tejgaon Industrial Area,
Dakha 1208,
Telephone: (880-2) 882-1462
Fax: (880-2) 913-1581

81.1 Product characteristics requirements

- A producer's certificate is required for imports of iron and steel, specifying that the product is in line with one of the following organizations: American Society for Testing Materials, Society of Automotive Engineers, American Iron and Steel Institute, American Society of Mechanical Engineers, Lloyds Register of Shipping, American Bureau of Shipping, American Petroleum Institute, American Association of Railroads, or American Engineering Association.

- Standards are administered by the Bangladesh Standards and Testing Institute, which recognizes goods bearing certification from other countries.

The Department of Drugs Administration under the Ministry of Health and Family Welfare monitors standards for pharmaceuticals; and the Bangladesh Atomic Energy Commission carries out testing to ensure the respect of prescribed standard for radioactivity in imported food items.

Bangladesh Standards and Testing Institution BSTI was set up in 1985 with the merge of the Bangladesh Standards Institution and the Central Testing Laboratories by Ordinance XXXVII of 1985. BSTI main tasks consist of elaborating standards for all articles, products, methods and services. BDS are standards approved and passed by the Institution, i.e. Bangladesh Standards.

81.11 To protect human health

Shipments of used clothing must be accompanied by a certificate of cleanliness signed by a physician, the signature followed by the letters "MD", and also a fumigation certificate.

Standard and certification requirements for agricultural and food items such as pineapple juice, jams and marmalades, fruit and vegetable juice, honey, canned and bottled fruit, fruit and vegetable sauces, tomato paste, infant milk-based foods, powdered milk, butter, white bread, biscuits, lozenges, tea, noodles, edible oils, condensed milk, and carbonated beverages.

81.12 To protect animal health and life

Imported fish and fish products must be accompanied by a sanitary certificate, and livestock by a health certificate.

81.13 To protect plant health

Plants, plant products, require phytosanitary certificate stating that imported plant and most plant products are free of injurious insects, pests, and diseases; this requirement does not apply to fruit and vegetables except potatoes. An additional certificate must prove that leaf tobacco is free from "ephestia elutella" or that this disease does not exist in the exporting country.

Staw and hay used in packing for imports of goods must be free from insects and diseases.

81.17 To ensure human safety

The following imports of goods must comply with mandatory standards and certification issued by the BSTI: chemicals products such as ready mixed paint, laundry soap powder, certain kinds of ink, writing and printing paper, urea and ammonium sulphate fertilizer, shaving cream, lipstick, skin cream, hair shampoo and oils. Jute and textile products as polyester shirting and suiting, cotton canvas, certain kinds of sewing threads textile dyes. Electro-technical items as PVC insulated cables, conductors, certain kinds of plugs and socket outlets, dry cell batteries, porcelain insulators, and a.c. electric ceiling fans.

81.19 For purposes n.e.s.

Requirement of BSTI Standard and certification for importation of engineering products such as fire extinguishers, clay bricks, Portland cement, and bitumen road emulsions.

81.2 Marking requirements

Goods for importation must bear the following information displayed in large bold capital lettering in indelible ink or print on all packages: the name of the consignee, destination, weight of the shipment, all identifying marks to facilitate arrival of the shipment and their identification upon arrival.

81.3 Labelling requirements

Anything contrary to Bangladeshi sense of religion or morals, and that could be offending such as pictures, writings, inscriptions, and visible representations obscene are prohibited on imported goods.

Labels of imported milk products, powdered milk must be written in Bangla with the phrase "There is no alternative for breast feeding" or English

together with the list of ingredients, dates of production and shelf life; the same requirement applies to chemical contents of pesticide. As for packets of cigarettes, their labels must state in Bangla that "smoking is injurious to health". Imports of partly or wholly goods made of cotton or wool and measuring more than 4 yards long, must state the yardage and country of origin.



81.4 Packaging requirements

Imported goods must be packed so as to withstand heat, moisture and rough handling; packages must bear also, name, address and tax identification number (TIN) of the importer.



81.5 Testing, inspection and quarantine requirements

A producing mill (testing) certificate and a producer's packing list are required for shipments of iron and steel, as a stamped heat code numbers as proof for the customs officials, showing that the product is conform to the appropriate mill (testing) certificate.

A certificate of analysis is required for imports of pharmaceuticals and certain foodstuffs.

Food imports for human consumption such as milk, milk products, edible oil and other food items from any country, are subject to a test of radioactivity by the Bangladesh Atomic Energy Commission upon arrival, to indicate the level of CS 137 in each kg of imported food, and to another certificate stating that the goods are fit for human consumption. However some goods such as palm olein and RBD palm stearin from Malaysia or to be imported from Malaysia or Singapore are exempt from radioactivity testing, yet, they must undergo purity testing by the Bangladesh Council of Scientific and Industrial Research. Following is also a list of goods free from radioactivity testing: imports of cigarettes, cigarette paper, pipe tobacco, whisky, beer and other alcoholic beverages, concentrated essence, spices and medicines. Imported rice and foodstuff from SAARC and South East Asian countries do not require the radioactivity test, but a certificate saying that they are fit for human consumption, perishable foodstuff from SAARC countries must be accompanied by a radioactivity certificate from the country of origin.

A radioactivity test reports at CS137/kg is required for imports of poultry feed and animal feed together with a certificate stating that the same goods are fit for poultry or animal consumption.



82 Pre-shipment inspection

Pre-shipment on imported goods is mandatory since 2000, and is conducted by the following companies: M/S Inspectorate Griffin Limited; M/S Intertek Testing Service International and M/S/BIVAC International Bureau Veritas Group. They carry out physical inspection and a price comparison of goods valued at more than \$5,000.

Following is a list of goods exempt from pre-shipment inspection: duty-free goods and goods imported by government, semi-government, sector corporation, or autonomous organizations, certain specified capital machinery, imported goods under export-oriented schemes, books, periodicals, newspapers and commercial samples.

