

Territorial NEWSLETTER South Asia

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Chairman's Pen



Ravi Sehgal

Once labeled as an LDC, Bangladesh has achieved a remarkable success in transforming its economy from low-income to lower-middle-income one in the recent years. A series of economic reforms by a liberal government has made it possible. At this juncture, the government has taken an exemplary reform measure towards further upliftment of the economic status of Bangladesh. The National Board of Revenue (NBR) has planned to set up a National

Single Window in compliance with the Trade Facilitation Agreement of WTO where NBR will act as the lead agency. A real good news for Indian investors in Bangladesh as this will certainly make business easier for them.

I believe this newsletter will certainly enhance the knowledge base of our member exporters focusing on South Asian region and will help them to take informed decision in business.

SAARC Territorial Committee Chairman's Note



PR Venkatachalam

The silver jubilee issue of our newsletter has highlighted the much-needed decision of the Bangladesh National Board of Revenue (NBR) to set up a National Single Window to attract more business from overseas and to transform the economy to the next level of development. Meanwhile, India's Engineering exports to South Asia grew by around 18 percent in the last fiscal, driven by an astounding 71 percent growth in Mar 2018.

Like our previous issues, an analysis of Indian engineering exports for April - March 2017-18 is also presented in this newsletter from both country-wise and DGCI&S panel-wise perspective. Other sections include News section, upcoming events in South Asian regions and tenders. I believe our member exporters will find this informative.

Cover Story

Bangladesh National Board of Revenue (NBR) has planned to set up a National Single Window (NSW) in compliance with the Trade Facilitation Agreement (TFA) advocated by the World Trade Organization (WTO) ...

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Tenders

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Basic Facts South Asia

Grouping: South Asia Association for Regional Cooperation

Area: 5,099,611 km²

Population: 1,713,870,000

GDP: US\$2.9 trillion

Countries: Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka

Climate: The climate of South Asia can be divided into three basic kinds: tropical, dry, and temperate

Natural Resources: Rich agricultural land, minerals, energy resource



Bangladesh Planned to set up Nation Single Window for Trade Facilitation

The Bangladesh National Board of Revenue (NBR) has planned to set up a National Single Window (NSW) in compliance with the Trade Facilitation Agreement (TFA) advocated by the World Trade Organization (WTO) and NBR itself will act as the lead agency for this.

The chairman of the Bangladesh National Board of Revenue (NBR), Mr. Bhuiyan announced the same while speaking at the Roundtable on Trade Facilitation Project in Bangladesh organized by the International Chamber of Commerce (ICC) in Bangladesh, in cooperation with ICC-Paris and the Global Alliance for Trade Facilitation (GATF). The NBR Chairman also assured that the lead agency will be responsible for making businesses simpler and easier in Bangladesh and will extend its all-out cooperation to the businesses for expanding the country's export basket to achieve US\$ 50 billion by 2021. As per the NBR chief, the government has undertaken a number of projects in this connection.

The WTO TFA, ratified by Bangladesh in September 2016, contains provisions for expediting the movement, release and clearance of goods, including goods in transit. It also set out measures for effective cooperation

between customs and other appropriate authorities on trade facilitation and customs compliance issues. It entered into force on 22 February 2017 following ratification by two-thirds of WTO members.

To date, the NBR has published all rules, regulations, and statutory regulatory orders on trade facilitation on the NBR website, noted Ministry of Commerce Secretary Shubhashish Bose. Pre-clearance signatures have also been reduced to 5 from 25. Export clearance time takes 3 hours from 72 hours in 1999. Customs aims to further lessen procedures and promote faster release time by automating processes.

The GATF, launched in December 2015 at the WTO's 10th Ministerial Conference, is supported by the Governments of Australia, Canada, Germany, the United Kingdom, and the United States. The ICC and GATF have trade facilitation projects in several countries, including Sri Lanka in South Asia. They plan to expand their trade facilitation projects to 15 more countries, including Bangladesh.

Mr. Jose R. Perales Hernandez, Deputy Director, GATF Washington; Ms. Valerie Picard, Deputy Director, GATF Paris; Mr. Mahbubur Rahman, President, ICC Bangladesh, and other stakeholders from the private sector were also present at the discussion.

TFA is a binding multilateral trade agreement among the WTO members. It was concluded in December 2013, and officially entered into force in February 2017. Bangladesh ratified TFA in September 2016. Ministry of Commerce Secretary Shubhashish Bose in his speech said Bangladesh has been under a liberalised trade regime. Import licensing system was abolished back in 1985 for all products other than the products that require special import permission for health, environment and other reasons. Besides, the number of pre-clearance signatures has been reduced to five from 25, and export clearance time for 95 per cent of consignments has been reduced from 72 hours in 1999 to three hours now. Mr. Bose also added that Customs department was trying to reduce the procedure and release time further through automation.

All rules, regulations and statutory regulatory orders related to trade facilitation are published and made available on the website.

Industry experts across different sectors came up with various suggestions. One of them suggested setting up a help-desk at NBR to respond to the queries regarding HS Code and other information to facilitate both export and import of raw materials and capital machineries. For some of them, delays in responding to the queries of the buyers in most cases led to loss of business. They advocated in favour of prompter response to the buyers in order to remain competitive and also advised to focus on quick delivery of samples, sent to exporters by buyers, from Dhaka Custom House.

Source:

1. <https://www.sasec.asia/index.php?page=news&nid=863&url=bangladesh-for-national-single-window>
2. <https://thefinancialexpress.com.bd/trade/govt-to-set-up-natl-single-window-to-facilitate-trade-1524220186>

Trend of India's Engineering Export with the South Asian Nations

India's engineering exports to Top 5 South Asian countries during April - March 2017-18
(All values in USD million)

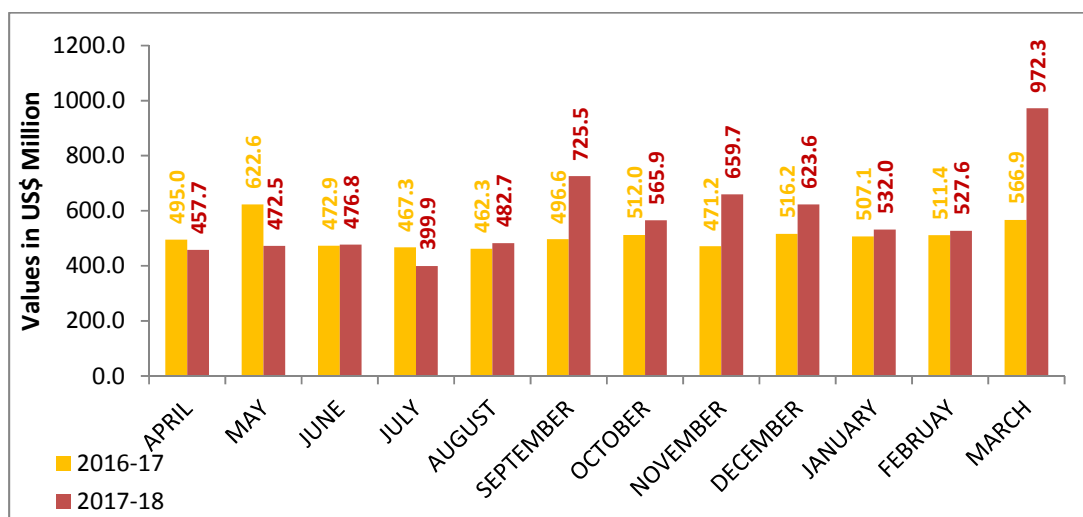
Country	Export in Mar 2017	Export in Mar 2018	Growth (%)	Exports in Apr-Mar 2016-17	Exports in Apr-Mar 2017-18	Growth (%)
NEPAL	180.31	268.87	49.12	2164.89	2557.71	18.14
BANGLADESH	208.33	287.34	37.92	1998.73	2454.99	22.83
SRI LANKA	136.59	325.71	138.46	1434.52	1579.12	10.08
BHUTAN	19.27	27.12	40.75	273.66	220.50	-19.42
PAKISTAN	14.56	24.84	70.63	140.58	189.53	34.82

Source: DGCIS

India's engineering exports to South Asia saw year-on-year growth for the eight straight months to Mar 2018 and this time it achieved a robust 71.49% growth over Mar 2017 from a marginal 3.17% growth in the previous month and 4.9% in Jan 2018. Exports to Nepal surged by 49.12% year-on-year in Mar 2018 after remaining flat in Feb 2018. Exports to Sri Lanka also jumped by 138.46% as against 36.1% decline in Feb 2018. Bangladesh saw 31.75% year-on-year growth during the reporting month. All seven south Asian nations achieved year-on-year growth in imports of Indian engineering products during Mar 2018.

On a cumulative basis, engineering exports to South Asia recorded 17.93% growth during Apr - Mar 2017-18 over the previous fiscal which was attributed by the remarkable growth achieved during Mar 2018. Nepal, the largest importer of Indian engineering products in the South Asian region recorded 18.14% growth during fiscal 2018-19. Bhutan was the only nation to registering 19.42% lower imports from Indian engineering during the last completed fiscal.

Month-wise Trend in Total Engineering Export to South Asia (Apr - Mar 2017-18)



Source: DGCIS Data, EEPIC Research

Panel-wise trend in engineering exports to South Asia during April - March 2017-18

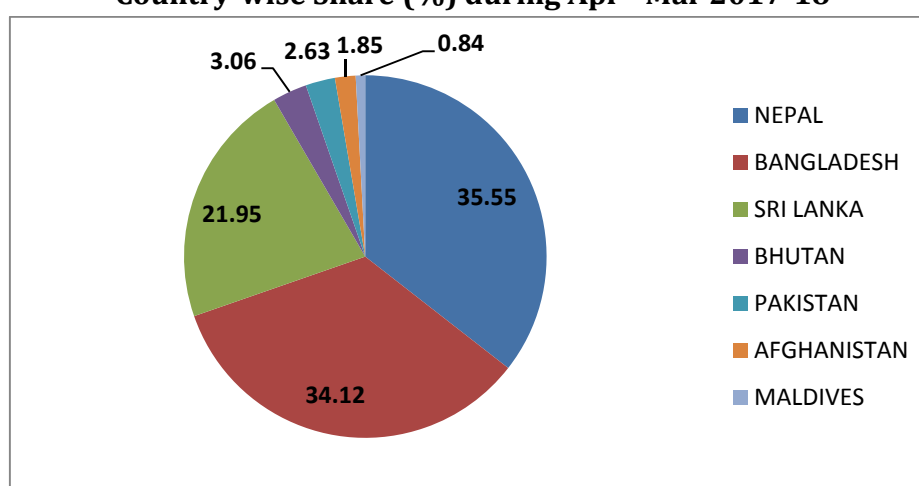
Top 10 engineering panels exported to South Asia during Apr - Mar 2017-18 are listed below (Value of Exports measured in USD Million)

Panel	Export in Mar 2017	Export in Mar 2018	Growth (%)	Exports in Apr-Mar 2016-17	Exports in Apr-Mar 2017-18	Growth (%)
Iron and Steel	103.58	160.86	55.30	1179.39	1523.31	29.16
Industrial Machinery	78.20	84.59	8.16	751.80	856.46	13.92
Motor Vehicle/cars	67.17	85.74	27.64	860.92	825.36	-4.13
Two and Three Wheelers	66.41	53.55	-19.37	588.94	680.06	15.47
Auto Components/Parts	41.73	49.68	19.05	467.84	488.53	4.42
Products of Iron and Steel	35.60	51.68	45.18	263.72	409.42	55.25
Other Construction Machinery	26.82	47.48	77.00	255.71	390.49	52.71
Electric Machinery and Equipments	30.49	40.51	32.87	324.37	325.78	0.43
Aluminium and products	13.25	51.85	291.31	156.90	278.09	77.24
Ships Boats and Floating Structure	16.13	40.46	150.84	222.59	221.32	-0.57

Source: DGCIS

Product group-wise analysis showed that the scenario of Indian engineering exports to South Asia remained the same in comparison to the previous month. 'Iron and Steel' remained the top exporting engineering product group to the South Asian region during Apr - Mar 2017-18 with around 30% year-on-year growth. 'Industrial machinery' was the second largest exported product group during 2017-18 with 13.9% year-on-year growth. In the automobile sector, 'Two and three wheelers' achieved 15.47% growth but 'Motor vehicles' conceded declines in exports to South Asia during fiscal 2017-18. 'Auto components and parts' recorded 4.42% growth in 2017-18. Among the top 10 engineering product groups exported to South Asian region, 2 witnessed year-on-year decline in overseas shipment during the period concerned. Out of the total 33 engineering panels as classified by DGCI&S, 7 panels recorded year-on-year drop in exports.

Country-wise Share (%) during Apr - Mar 2017-18



Source: DGCIS Data, EEPIC Research

Major Importers of India's engineering products to South Asia during Apr - Mar 2017-18

Nepal: Nepal was the top exporting destination for Indian engineering products during Apr - Mar 2017-18 dropped to second position during the said time period with 36.04% share.

Top exported Products: Iron and Steel, Other Construction Machinery, Motor Vehicle/Cars, Industrial Machinery, Two & three wheelers.

Bangladesh: Bangladesh, with engineering imports from India a tad lower than that of Nepal, was the second largest importer of Indian engineering products among all South Asian nations during Apr - Mar 2017-18 having 35.24% share.

Top exported Products: Industrial Machinery, Motor Vehicle/cars, Auto Component/Parts, Two and Three Wheelers, Iron and Steel.

Sri Lanka: Sri Lanka was the third largest export destination for India's engineering exports in the South Asian region during Apr - Mar 2017-18 with a share of 20.38%.

Top exported Products: Iron and Steel; Two and Three Wheelers; Aircraft, Spacecrafts and Parts; Ships, Boats and Floating Structures; Motor Vehicle/cars.

Anti-dumping measures

- At present, no anti-dumping case on Engineering product being investigated by Nepal, Bangladesh or Sri Lanka, the top three importers of Indian engineering products in South Asian region, against India as per the WTO website.
- On the other hand the WTO website shows no anti-dumping case is being investigated by India at present on imports of engineering products from those three nations.

Upcoming exhibitions in South Asian Countries

Events	Date	Venue	Link
5th India International MSME Expo and Summit	21-Jun-2018 to 23-Jun-2018	Pragati Maidan, New Delhi, India	https://www.jetro.go.jp/j-messe/tradefair_en/5thIndia_58390
ACMEE 2018 - 13th International Machine Tools Exhibition	21-Jun-2018 to 25-Jun-2018	Chennai Trade Centre, Chennai, India	https://www.jetro.go.jp/j-messe/tradefair_en/ACMEE2018_55336
COMPACT INDIA 2018	14-Jun-2018 to 16-Jun-2018	Chennai Trade Centre Nandambakkam, Chennai 600 089, India	https://www.eventseye.com/fairs/f-compack-india-19468-1.html

INDIA MATERIAL HANDLING & LOGISTICS SHOW 2018	21-Jun-2018 to 23-Jun-2018	Pragati Maidan Near Delhi Zoological Park, Mathura Road Delhi	https://www.eventseye.com/fairs/f-imhls-india-material-handling-logistics-show-19545-1.html
BANGLADESH BUILDCON 2018	12-Jul-2018 To 14-Jul-2018	International Convention City, Bashundhara Kuril Bishwa Road Next to 300 ft. Purbachal Express Highway, Dhaka	https://www.eventseye.com/fairs/f-bangladesh-buildcon-22962-1.html

News in Focus

South Asia

Nepal says 'no' to China for multi-billion power project

The Nepal government has said "no" to China to build the Budhi Gandaki hydroelectricity project that was awarded to a Chinese firm by the previous Pushpa Kamal Dahal 'Prachanda'-led dispensation in 2016.

Link: <https://timesofindia.indiatimes.com/world/south-asia/nepal-says-no-to-china-for-multi-billion-power-project/articleshow/64118546.cms>

Costly lessons for countries eyeing China's Belt-and-Road billions

The project is one of several in Sri Lanka that offer lessons for countries looking to snag some of the more than \$500 billion projected to underpin Chinese President Xi Jinping's Belt and Road infrastructure initiative.

Link: <https://timesofindia.indiatimes.com/world/south-asia/costly-lessons-for-countries-eyeing-chinas-belt-and-road-billions/articleshow/64013650.cms>

Easier to do business in India now, but challenges remain: Dutch PM Mark Rutte

Dutch Prime Minister Mark Rutte will be in India on 24-25 May with the largest ever business delegation to solidify economic ties with New Delhi. In an email interview, ahead of the visit, Rutte pointed out that despite India moving up the ease-of-doing-business rankings, Asia's third-largest economy remains a difficult place to do business in.

Link: <https://www.livemint.com/Politics/V1dAhcneY8tblofTqj53VJ/Easier-to-do-business-in-India-now-but-challenges-remain-D.html>

Bangladesh to Sign Free Trade Agreement with Thailand

The Government of Bangladesh will sign a free trade agreement (FTA) with the Government of Thailand, according to Commerce Minister of the Government of Bangladesh Tofail Ahmed.

Link: <https://www.sasec.asia/index.php?page=news&nid=861&url=ban-thai-fta>

Tender Information in South Asian Countries

Location	Title	Deadline
India	Procurement Of 250 Nb Gate Valve	13-Jun-2018
INDIA	Supply, Erection, Testing And Commissioning Of Mechanical Equipments And Pipe Lines For The Uht Milk Processing Plant At Malayora Dairy, Sreekandapuram, Kannur District Estimated Cost: INR 1,500,000	12-Jun-2018
BANGLADESH	Supply Installation And Commissioning Of Reaction Frame Loading Attachment And Hydraulic Jack For The Department Of Civil Engg.	11-Jun-2018
BANGLADESH	Market Prioritization, Engineering Design And Supervision Of Cluster Infrastructure	20-Jun-2018

For more tender notices, Please register with Tenderinfo and follow the link:

<http://www.tendersinfo.com> and search for South Asia.

EEPC India South Asia Territorial Newsletter

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