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SIPG Policy Brief-24

Shaping the future of trade: Agenda for Bangladesh at the 13th WTO Ministerial Conference

February 2024

This policy brief is based on a seminar titled ‘Shaping the future of trade: Agenda for Bangladesh at the 13th WTO Ministerial Conference’. The seminar was jointly organized by the South Asian Institute of Policy and Governance (SIPG) and the School of Business & Economics (SBE) of North South University on February 17, 2024, to identify and discuss the potential benefits of Bangladesh in international trade, and strategies to mitigate the challenges ahead in the context of the 13th Ministerial Conference

Background

The 13th WTO Ministerial Conference will take place in Abu Dhabi, United Arab Emirates (UAE), from 26 to 29 February to evaluate the functioning of the multilateral trading system and to take policies on the future work of the WTO.

As Bangladesh will graduate from its LDC status in 2026, it will lose several trade facilities which might result in export losses. In some of the past Ministerial Conferences, there have been submissions of proposals to extend the support period for LDC graduating countries. In the 12th Ministerial Conference held in Geneva; it was decided that countries can go for bilateral agreements to extend the support period for LDC countries.

Highlights from the keynote presentation:

Professor Helal Ahammad, Dean, School of Business & Economics, North South University:

- While WTO must remain the ‘main’ game, Bangladesh must double down its efforts on bilateral agreements and build in-house capability for forging tough trade negotiations, build data & analytical capabilities, and magnify institutional collaborations.

Highlights from the panel discussion:

Dr. Mostafa Abid Khan, Ex-Member, Bangladesh Trade and Tariff Commission:

- WTO has its own rules-based market policy and dispute settlement mechanism. Now it’s time for Bangladesh to formulate an evidence-based trade policy and then bilaterally negotiate with partner countries on trade issues.
- Fisheries is the main issue for Bangladesh. However, we don’t have a strong capacity for deep-sea fishing. So, Bangladesh needs to be very careful about negotiating the fisheries subsidy matters. Bangladesh needs a good dispute resolution system from the WTO.

Professor Mustafizur Rahman, Distinguished Fellow, Centre for Policy Dialogue (CPD):

- The WTO process is very much protected. Countries don't get what they deserve, but rather what they negotiate. Hence, it is very important to get into the green room, that is where most of the negotiations will be done.
- There is no category called graduating LDC in the WTO. So, Bangladesh needs to be in coalition with the LDC countries. Submission of any support package in the LDC group will help us as graduating LDC.
- Countries can extend their market access even after LDC graduation through bilateral agreements. For now, Bangladesh should be in talks with other countries to extend the period of support even after graduation

Dr. Md. Jafar Uddin, CEO, Bangladesh Foreign Trade Institute:

- WTO is a platform; they should take the lead in bringing all the countries together for negotiations. Otherwise, it will be very difficult for countries like Bangladesh to get the benefits.
- Bangladesh doesn't have any data on fisheries and e-commerce. Hence, very difficult for the government to calculate the cost. So, better to defer the issue to the next MC.
- The standard for sanitary and phytosanitary is stringent, making it difficult for LDC countries like Bangladesh to export. Hence, the standard of the product should be revisited and revised.

Professor Shahidul Haque, SIPG, NSU:

- WTO is a highly legal and complex structure. However, countries should continue to demand structural reform of WTO to ensure transparency and reaffirm the fundamental principles on which it was formed. There should also be a clear separation of politics and human rights from the trade issues.
- Whether we have statistics or not Bangladesh should move forward with the fisheries subsidy negotiation.

Policy Recommendation:

- As a graduating LDC, Bangladesh should focus on developing its infrastructure, education, and the health sector. Bangladesh also needs to diversify its export basket. It should continue its export-led growth strategy, and focus on strengthening its trade diplomacy capacity to foster trade and economic development.
- Bangladesh can call for a reform within the WTO system. Bangladesh also needs to formulate evidence-based trade policies and must undertake robust trade and trade-policy analyses ready to underpin its bilateral negotiations with partner countries on various trading arrangements including the ‘duty-free quota-free’ market access to the EU and preferential market access to other OECD countries. Therefore, for Bangladesh to take the lead, it must build its in-house capability for forging tough trade negotiations; particularly, in building databases and analytical capabilities, which warrants seamless institutional collaborations.
- Market access of Bangladeshi products to the US, the UK, Canada & Australia must be negotiated beyond 2026.
- The LDC-5 Declaration made in March 2023, had some forward plans for graduating LDCs. Therefore, it should focus on the UN LDC-5 declaration. Bangladesh also needs to engage in issue-specific coalition with the LDC group and also be with G-90 group discussions as a soon-to-be LDC graduate country.
- Bangladesh needs to get in the green room where most of the negotiations will be done. It also needs a good dispute resolution system from the WTO.
- The main game of the WTO is to improve the trade performance, our economic condition, and our sense of living. So, along with looking beyond the borders, Bangladesh should look into our domestic arena as well.
- Bangladesh should magnify institutional collaboration within policy, business, academia, and society.
- Bangladesh should set its one eye on the 2024 LDC Declaration & the other on anything that relates to the LDC Graduation.
- Since the trade dialogues today have become more complex, Bangladesh needs a competent team of its own WTO experts, ‘smart’ negotiators, and skilled lawyers to overcome the formidable hurdles in future international trade negotiations and dispute resolution.

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