

A case study of Bangladesh on the use of trade-related benefits associated with LDC status

Abridged Terms of Reference (TOR)

This proposed case study is an important part of the project Capacity-building for graduation strategies for LDCs in Asian and Africa. The main objectives of the case-study are to provide an overview of international support measures received by Bangladesh as an LDC and to examine the use and impact of trade-related benefits extended to the country on development in general and the export sector in particular. This will include an analysis of how the country has dealt with the technical and legal processes required to receiving such benefits.

The case study forms part of a group of seven studies designed to present country specific practices and lessons learnt in accessing support measures related to the LDC category, which other LDCs could use as a tool when utilizing such benefits for their own development.

Objective

Bangladesh is the most populous LDC, with one of the most diversified economic activities among the LDCs and a high concentration of manufacturing exports (textile and garment products account for more than 75 per cent of total export value).

The case-study will largely focus on two issues. First, it takes an inventory of the benefits that the international community extends to the country and their use by the country. Second, the study would examine in detail the use and impact of trade-related benefits, particularly those related to preferential market access, including the constraints the country has faced in taking advantage of such measures. While the country still has low per-capita gross national income and human asset index -- two of the three criteria used for identifying LDCs --, its manufacturing-centered trade structure appears to have made Bangladesh one of the most successful LDCs in terms of taking advantage of less restricted access to developed countries' markets.

Despite the success, Bangladesh has not been fully utilizing trade preferences, as indicated by the utilization rates of the trade preferences (i.e. ratio of value of imports receiving preferential treatment over value of imports eligible for preferences). There would be several reasons for low utilization rates, such as low product coverage, strict rules of origin criteria, cumbersome administrative processes and weak supply capacity of Bangladesh. Lack of awareness of the schemes and understanding the requirements attached to the scheme on the part of exporters may be an additional reason.

Please contact cdp@un.org for further information.