

WTO issue of “Trade Facilitation”

Narayan Chandra Nath*

Abstract

Trade facilitation is the only Singapore issue in the negotiating agenda of the Doha Round. The issue is of great importance for developing countries and LDCs but these countries are afraid of the huge cost involved in its implementation. However, the benefits of trade facilitation measures are likely to be sufficiently high to outweigh the costs involved. This paper makes a thread-bare analysis of relevant WTO provisions on trade facilitation and examines the costs and impacts of trade facilitation measures for developing countries, including Bangladesh. It also highlights the importance of trade facilitation in Bangladesh and recommends measures for capacity building to negotiate at the WTO as well as to implement trade facilitation measures to realize fuller benefits of trade.

1. Introduction

Given the sharp reduction of tariff rate and dismantling of non-tariff barriers over the years, trade facilitation has now become the issue of pivotal importance for increased trade flows, improved efficiency and enhanced welfare by reducing trade related transaction cost. Trade facilitation is the only Singapore issue accepted for negotiation under Doha Development Round of WTO. There are many debatable issues and concerns on trade facilitation to be addressed in WTO negotiation. These are related to clarification of provisions of relevant GATT Articles, determination of cost and benefit implications of proposed measures, identification of needs and priorities of the countries, and capacity of implementation of WTO regulations by individual member countries, specially developing and least developed countries. It is important at this moment to assess the implications of the proposals by different members and their relevance to the

* Research Fellow, BIDS

home country in order to make active participation in the negotiation. It is felt that there is still a need for standard definition and determination of scope of trade facilitation before initiating negotiation on the issue in WTO.

WTO provisions on Trade facilitation are confined to freedom of transit (Article-V), reduction of fees and formalities of trade procedure (Article-VIII) and publication of trade related rules, regulations and procedures (Article-X). Though all members have recognised the beneficial effects of trade facilitation, developing countries are afraid to bear the huge cost involved in implementation of provisions of WTO on Trade Facilitation. Many countries have the problems of affordability to bear so huge expenditure given their other preferences in allocation of meagre resources available at the disposal of the country. More so, they are afraid of WTO bindings on trade facilitation measures and the probable penalties determined under the WTO's dispute settlement mechanism in case of non-compliance. They are already overburdened with the existing bindings of WTO rules. Developing countries are yet to identify their needs and priorities and capacity building requirements for trade facilitation measures. There are countries with low level of international trade development, which are concerned about the justifiability of cost and investment in trade facilitation measures by the returns of such investment in near future. There is uncertainty in getting technical assistance for capacity building in trade facilitation in as much as WTO is only a rule making institution and only the international development institutions are the agencies to assist in strengthening capacity building for trade facilitation. A mechanism for providing technical assistance for capacity building in trade facilitation is yet to be developed. In view of the above, the paper seeks to address some of the core issues of trade facilitation that are relevant to Bangladesh.

2. Objective and Methodology

The objectives of the present paper are:

- to identify trade facilitation needs and priorities and capacity building requirements of Bangladesh in trade facilitation measures;
- to analyse the results of different studies on costs, benefits and impact of the trade facilitation measures;
- to review the submissions of different member countries on trade facilitation measures;
- to analyse the components and provisions of WTO on those components (GATT Article V concerning Freedom of Transit, Article VIII regarding

Fees and Formalities connected with Importation and Exportation, and Article X related to Publication and Administration of Trade Regulations) and their implications for Bangladesh;

- to pinpoint the problems in the way of effective trade facilitation in Bangladesh; and
- to make suggestions for Bangladesh in taking position in the multilateral trade negotiation on components of trade facilitation measures, requirements of capacity building support and mode of application of Special and Differential Treatment in implementation of trade facilitation measures.

The study was carried out during 2007. The relevant information was generated by consultations with stakeholders and by direct field observation by the author at main customs points and ports of Bangladesh. In addition, data obtained from different international development institutions and secondary information provided by different offices was processed. The results of different studies were analysed to form opinion on the relevant issues and the problems of concern. WTO documentation and proposals of members have been scrutinised. All these exercises have been synthesised to give an indication regarding the desirable stand of Bangladesh on the issues of trade facilitation both for WTO negotiation and for identifying needs and priorities to earmark domestic resource allocation and seeking external assistance to realise the agenda of trade related development.

3. Definition and Scope of Trade Facilitation

There is a need for a standard definition and a clear cut determination of scope of trade facilitation for negotiation. The definition and scope of trade facilitation need to incorporate all the trade facilitation measures whether directly implementable under WTO or under other institutional framework linked with WTO. Trade facilitation in general terms may be defined as an act of quickening and cheapening movement, release and clearance of goods across borders. Trade facilitation refers to the logistics along as well as inside the border for expediting movement, release and clearance of goods, including goods in transit. This refers to a total environment in which trade transaction takes place in the supply chain management of the country and the world. Trade facilitation involves not only soft institutional infrastructure and measures of simplification and harmonisation of trade procedures but also relates to functioning of hard (physical and

technological) infrastructure expediting the movement, release and clearance of goods. WTO definition of trade facilitation is confined directly to three areas: freedom of transit (GATT Article-V), disciplining fees and formalities (GATT Article-VIII) and publication and administration of trade regulations (GATT Article-X). These provisions need to be clarified and improved further considering the members' proposals appropriate to the mutual interests of all members.

4. Trade Transaction Costs and Impact of Trade Facilitation measures

4.1. Trade facilitation occurs through reducing trade transaction cost, which includes both direct monetary cost of trade transaction and indirect or hidden cost such as the out of time of waiting for delivery after the order and associated losses. Direct trade transaction costs include expenditure connected with supplying information and documents to the relevant authorities and fees and charges paid from order stage to delivery of goods to the buyer. Indirect or hidden trade transaction cost is in terms of (a) cost of time of waiting from order stage to the stage of delivery because of procedural delays in customs and non-customs offices, port handling and inland transport, and settlement of payment, (b) cost out of lack of predictability in the trade regulation (c) cost of business opportunities lost and (d) non-official payment. Different study results show that direct transaction costs range from 1% to 15% depending upon different countries' customs and port efficiency and definition of scope of trade facilitation measures. Indirect costs are found similarly in the range of 1% to 15% value of traded goods. Added to this is 8% to 9% maritime cost. Thus total transaction cost would then range from 11% to 39% of value of traded goods. Considering the outliers, the average would be around 20% to 25% of value of traded goods. This is more than six times higher than the average tariff rate (3.3% in 2007) of the world. In Bangladesh situation, total trade transaction cost would amount to around 25 % of value of traded goods, which would constitute approximately 8% to 10% of its GDP.

4.2. The study results show that major portion of gains i.e. 80% of it arises from reduction of indirect cost, especially reduction of time of delivery of goods, which implies that it is not just the direct monetary the cost but cost of time is the major trade transaction cost affecting the country's trade. This suggests that reducing border waiting time and other associated hidden cost has a more marked impact on economic welfare than measures that aim at reducing documentation requirements and related direct costs.

4.3. Trade facilitation through reduction of trade transaction cost contributes to increased trade flows, enhanced government revenue, increased income earnings, augmented public welfare and increased foreign investment. It has been found that one percent reduction of trade transaction cost would lead to increase of world income gains by above \$ 40 billion. If all countries adopt trade facilitation measures, two thirds of world income gains would accrue to non-OECD countries in as much as these countries have relatively much more to do in terms of trade facilitation.

4.4. It is notable that aggregate monetary cost of trade transaction per container tends to decrease with increasing level of development. Low income countries need to incur trade transaction cost more than double the high income countries. Cost of exportation and importation per container in Bangladesh is much higher than lower middle, upper middle and high income group of countries.

Secondly, import transaction cost is higher than export transaction cost irrespective of the level of development.

Thirdly, as the composition of trade transaction cost of the world shows, the highest cost in exportation and importation is for inland transport followed by the cost of port handling, cost of documentation requirements and cost incurred in customs clearance. As against this, in Bangladesh, port handling constitutes the highest proportion of total cost in both exports and imports. This is followed by cost of documentation, cost of inland transport and cost of customs clearance.

Regarding the level of expenditure, port handling cost in Bangladesh is much higher than the world average. Even it is much higher than low income countries' average. Cost of documentation also is more than the world average and that of all groups of countries. Its cost of customs clearance, though below world average, is much higher than that of upper middle and rich income group of countries.

4.5. The time spent in export and import trade is characterised by certain patterns and tendencies. First of all, the total number of days spent is higher in imports than in exports. Secondly, the number of days spent in both exports and imports tends to decrease with the increase in the level of a country's development, indicating that richer countries enjoy higher competitiveness in respect of time of delivery. Thirdly, duration of time in Bangladesh is around 150% for import transaction and 120% for exports compared to the world level. Duration of time spent in exports and imports in Bangladesh is 320% and 427%, respectively, compared to the level of rich countries. It indicates that in order to reach the level

of developed countries in respect of delivery time, Bangladesh will need to reduce its duration of exports by more than 2.2 times and imports by 3.27 times. It is ironic that Bangladesh can not compete even with low income countries in respect of time of transaction of exports. Fourthly, major portion of time spent in export and import for processing documents is as high as 68% for exports and 63% for imports as against the world average of 56% and 52%, respectively. This is followed by port handling operation where time spent is 13% for exports and 14% for imports, which is nearer to world average proportion of time spent. Next, the duration of time spent for customs clearance is 11.4% for exports and 16% for imports as against the world average of 11.8% and 14%, respectively. Lowest proportion of time spending in Bangladesh has been in inland transport, 8.55% for exports and 3.5% for imports as compared to world time spending of 22% for exports and 16% for imports. Thus Bangladesh will gain much if it can reduce the time of trade transaction for documentation requirements and port handling operations. For imports, customs clearance is second in importance in Bangladesh. Thus for importers of Bangladesh, two most important areas of time reduction are related to documentation requirements and customs clearance. Bangladesh import has disadvantage with documentation requirements, customs clearance and port handling not only in comparison with rich countries but also with other income groups of countries. In case of exports, Bangladesh has disadvantage in respect of documentation requirements with all other countries of the world. Thus reduction of documentation requirements and formalities is the most important area that Bangladesh should give stress in reducing transaction time of exportation and importation. If we quantify the cost of time for trading, this would exceed the direct monetary cost indicating that the government should give importance to reduction of time of trade transaction by adopting appropriate measures.

In Bangladesh, though the situation with port handling and customs clearance has improved to some extent, the question remains whether even this meagre improvement will remain sustainable when trade transaction will increase in future.

4.6. The study results show that customs and port efficiency can make up the disadvantage with labour cost to make a country competitive in international trade since efficient port infrastructure, reliable and efficient modes of transport and efficient procedures save trade transaction costs and time that can help in acquiring competitive edge in time sensitive and fashion oriented products. Many competitors can not compete with other countries because of inefficient delivery time. Thus reduction of trade related transaction cost and time has significant effects on competitiveness of nations.

4.7. As one study results show, around 28% of enhanced world income gains out of improved trade facilitation is due to port efficiency, 22% due to improvement of regulatory environment, and 8% due to efficiency of customs. The rest 42% of enhanced income gains are from improvement of trade related service sector and e-commerce. Most of the gains are visibly from improvement of technology, providing adequate service logistics, increased efficiency of work force and improvement of governance in creating trade conducive environment. Various studies show that income gains from trade facilitation measures are expected to be more in developing countries than in developed countries mainly because of a higher level of efficiency in port management and customs operation, improved regulatory environment and increased deployment of more skilled workforce in trade related activities in the former countries.

4.8. In spite of positive benefits of trade facilitation, developing countries, especially the least developed ones, are likely to face several obstacles since some of the requirements of trade facilitation are partly the outcome of overall development and hence may be difficult for them to meet. Trade facilitation in the situation of developing countries must focus on reforms that will require Technical Assistance for Capacity building. It becomes important to study the benefits of trade facilitation measures that would offset the loss of resources diverted from other sectors. Developing countries do not dispute the importance of trade facilitation for development; what they are concerned with are the likely obligations and burdens under WTO bindings. There may be valid concerns for cost implications of the measures specially when these are not priorities for the country's needs. However, they should not overstate their concerns on trade facilitation pointing out merely the cost implications without considering benefits. They may require avenue for sequential implementation of the countries' priority needs of trade facilitation to suit their economic situation, and LDCs should be allowed exemption from compliance until they acquire capacity to implement and be assured of Technical Assistance and Capacity Building support for the same. Major trade facilitation projects in Bangladesh are donor funded and donor initiated. It is high time to review the performance of these trade facilitation initiatives and projects before planning for further trade facilitating measures.

5. Problematic Factors and areas of Improvement for effective Trade Facilitation

Major problems in the way of trade facilitation are those of poor use of ICT, poor skill, power failure, poor port and transport infrastructure or logistics, problem of

customs valuation, delaying technical control certificates, delays in inspection, slow processing of documents by customs and banks, involvement of too many agencies, technical or sanitary requirements, lack of adequate testing facilities and requirement of too many documentary requirements. Bangladesh performs not only below world average but suffers most among South Asian countries in respect of customs efficiency, hidden barriers to trade, railroad and port infrastructure, overall infrastructure quality, and irregular payments.

Important areas identified for improving trade facilitation are related to customs valuation, strengthening the automation process, improving interagency coordination at border, initiation of single window facility, recruitment of staff, skill development, introduction of incentive measures for the employees, improved port infrastructure with service logistics, development of inland transport system, regular maintenance of computer, and increasing operating hours of customs and port operations. There was suggestion for juxtaposition of customs in respect of holidays, working time, customs procedures and inspection. There were suggestions for reduction of steps in pre-shipment inspection and customs valuation.

6. WTO Provisions on Trade Facilitation

GATT Article V

Article V addresses freedom of transit and regulates the conditions a Member may impose on goods transported through its territory by another party to a foreign destination. The basic objective is to allow for freedom of transit through the territory of each Member for transports to or from the territory of other Members. To achieve this freedom of transit, Article V prescribes two main obligations:

- (i) Not to hinder traffic in transit by imposing unnecessary delays or restrictions or by imposing unreasonable charges; and
- (ii) To accord Most-Favoured-Nation (MFN) treatment to transiting goods of all Members.

Main provisions regarding freedom of transit are three. Firstly, goods shall be in transit across the territory of a contracting party when the passage across such territory is only a portion of complete journey. Secondly, there shall be freedom of transit through the territory of each contracting party via the routes convenient for international transit, for traffic in transit, to or from the territory of other contracting parties. Thirdly, a member shall accord non-discriminatory most

favoured nation treatment and national treatment to traffic in transit with respect to all charges, regulations and formalities. Goods in transit shall not be subject to customs duties, and only charges that can be imposed are for transportation and administrative expenses.

GATT Article-VIII

Main provisions regarding fees and formalities are five. Firstly, all fees and charges in connection with exportation and importation shall be limited to the approximate cost of services rendered and shall not represent an indirect protection to domestic products or a taxation for fiscal purpose. Secondly, the contracting parties recognise the need for reduction of number and diversity of fees and charges. Thirdly, the contracting parties recognise the need for minimising the incidence and complexity of import and export formalities. Fourthly, a contracting party shall, upon request by another contracting party or parties review the operation of its laws and regulations. Fifthly, no contracting party shall impose substantial penalties for minor breaches of customs regulation or procedural requirements.

This Article limits all fees and charges in connection with exportation and importation to the approximate cost of services rendered and is destined to reduce formalities.

Article VIII: 1(a) states a rule applicable to all charges levied at the border, except tariffs and charges which serve to equalize internal taxes. The rule of Article VIII: 1(a) prohibits all such charges unless they satisfy the three criteria listed in that provision:

- a) The charge must be "limited in amount to the approximate cost of services rendered";
- b) It must not "represent an indirect protection to domestic products";
- c) It must not "represent ... a taxation of imports ... for fiscal purposes".

All fees and charges are to be on and in connection with importation and exportation procedures. The illustrative list in paragraph 4 of Article VIII "includes various aspects of the customs process such as 'consular transactions', 'statistical services', and 'analysis and inspection'." In practice, the illustrative list has been interpreted "as a list of those customs-related government activities which the draftsmen meant when they referred to 'services rendered'". Consular fees, customs fees, and statistical fees are treated as falling within the scope of Article VIII: 1(a) or Article II: 2(c). It has been found a merchandise processing fee for imports was covered by Article VIII: 1(a).

GATT Article-X

This Article makes it obligatory to publish all trade related laws, regulations and rulings promptly in such a manner as to enable governments and traders to become acquainted with them and to administer them in a uniform, impartial and reasonable manner.

Main provisions regarding publication and administration of trade regulations are basically four. Firstly, all trade related laws, regulations and rulings shall be published promptly in such a manner as to enable governments and traders to become acquainted with them. Secondly, no measure of general application shall be enforced before such measure has officially been published. Thirdly, each contracting party shall administer in a uniform, impartial and reasonable manner all its laws, regulations, decisions and rulings relating to trade procedure. Fourthly, each contracting party shall maintain or institute judicial, arbitral or administrative tribunals for the purpose of prompt review of administrative action relating to custom matters.

Closer analysis of WTO provisions regarding trade facilitation reveals that these provisions require simplification, clarification and improvement for expediting movement, release and clearance of goods. These provisions are narrow in scope to address different aspects of trade facilitation measures. Implementation of even such narrowly defined provisions requires special and differential treatment and external technical assistance and financial support. Several proposals of Members have been presented to WTO by this time for review and incorporation into the WTO provisions on trade facilitation to correspond with emerging needs of time. There is a strong need for a wider discussion of these proposals for improvement of WTO provisions on Trade Facilitation.

7. Compliance and implementation Status of Bangladesh on Trade Facilitation

Regarding implementation and compliance, Bangladesh is a poor performer and partially compliant in most of the measures of trade. There are non-compliances in case of establishment of enquiry points, advance rulings, separation of release of goods from customs clearance, pre-arrival processing, and single window for submission of all documents. Internet publication is limited. Most of the trade regulations are published in Bengali, and there is a requirement of publication of trade regulations in at least one WTO language- English. Bangladesh may try to translate trade regulations from Bengali to English and can submit to WTO, which

can initiate for translating the English version into Spanish and French. That will help Bangladesh, a least developed country, to strengthen exchange of trade related information with other nations.

Major trade facilitation initiatives adopted so far in Bangladesh are in respect of:

- i. Computerisation and Modernisation of Customs Processing and Administration
- ii. Introduction of Pre-shipment Inspection system
- iii. Withdrawal of Import Licensing System
- iv. Simplification of Customs Procedure, Rationalisation of Tariff Structures and Harmonisation of classification with International Standard at eight digit level
- V. Improving Capacity of the Chittagong Port
- Vi. Inland River Container Terminal and Multimodal Transport
- vii. Development of Internal Container Depot (ICD)
- viii. Development of Land Ports
- ix. Introduction of E-Commerce

Several observations regarding status of trade facilitation in Bangladesh may be made here.

- Over time, export and import procedures in Bangladesh have improved. Thanks to customs administration modernization and ASYCYDA programmes, there has been a reduction of time of entry of records and customs processing over the years. Besides, some procedural simplification has also occurred as a result of which the number of signatures required is claimed to have decreased from 25 in 1999 to 5 in 2002. It is reported that the average processing time for clearance of goods from customs got reduced to 1 to 3 days for import and 3 to 8 hours for exports.
- Delay in getting technical control certificate in relevant cases disturbs the trade procedures to get the benefit out of reduction of time of customs processing
- Introduction of PSI has quickened the clearance of goods and reduced conflict on customs valuation and HS code classification. Introduction of PSI has substantially reduced the harassment faced by the importers and the time of clearance

- PSI has enabled to reduce the need for 100% inspection and enabled to use risk management technique more efficiently. Since 2002, only 10% of the import consignments are inspected as against 100% previously.
- Withdrawal of licensing for import has contributed to trade facilitation.
- Introduction of Direct Trader Input (DTI) facility in 2003 has helped in improvement of Customs environment.
- The number of documents required for imports and exports is still many and needs to be reduced further following other successful countries in trade facilitation and benefiting from increased trade.
- As field level observation shows, the number of customs officials is not sufficient to match the increased demand for their work because of increased trade volume. It is told that it is because of budget constraint that the government can not recruit new staff. This causes delay in processing for clearance and associated losses for the economy.
- There is a felt need for more quality staff to do the work in customs more knowledgeably and efficiently to reduce time and cost of trade.
- It has been felt that there is a need for more procedural simplification and human preparation before automation. Fuller automation has long term effect but its handling, maintenance and system upgradation need to be adequately addressed in the design. Here fund, technology and human capability must go together with efficient governance at the helm of the system.

8. Needs and Priorities of Trade Facilitation in Bangladesh

The needs of trade facilitation have been identified in consultation with the stakeholders, and nineteen priority needs have been found relevant to Bangladesh. Five topmost priorities of trade facilitation include needs of trade related infrastructure development, needs of human resources development, timely and comprehensive publication and dissemination of information, establishment of enquiry points, and systematic use of risk analysis technique. Other top priority needs are computerisation and automation of trade procedures, establishment of consultative mechanism, interagency coordination, reduction and simplification of documentation requirements, establishment of an advance ruling system, and establishment of a single window system for submission, completing pre-arrival clearance and separating release from clearance procedures. Identification of needs and their priorities is not sufficient, and the government needs to determine sequential

moves for implementation of trade facilitation. Except advance ruling, expedited clearance of goods based on bond, guarantee and rulings, and the use of pre- arrival clearance, all other trade facilitation measures require to be implemented in the first phase. However, everything depends upon the development of implementation capacity, which may be related to the overall development of the country.

9. Capacity Building Requirements

It is not enough to recognise and prioritise trade facilitation measures or determine the phases of their implementation. It is also necessary to realise that the implementation of such measures often involves development of infrastructure and facilities to carry out the measures, and technical assistance and capacity building would be necessary to implement the trade facilitation measures. As assessed in consultation with the stakeholders, capacity building requirements of Bangladesh in respect of trade facilitation are related to infrastructure development, development of information technology, technical expertise and skill development, funding support, service logistics development, modernization of testing facilities, supply of modern equipments at different points of service providers and advanced knowledge on trade facilitation measures.

Main capacity building requirements of Bangladesh are for developing port facilities, modernizing the railway system, developing highways and waterways, modernisation of customs, and human resource development. It requires developing power system to develop technology on all fronts. Information technology development is a must, which would require establishment of computer network with strong hyper links throughout the country. It requires procurement of servers and computer machines and softwares along with advanced technical know how. Skilled manpower is a precondition for introduction of automation. This would involve substantial cost but would generate long term benefits.

The list of probable capacity building programmes could include the provision on the internet of trade facilitation information in several custom service offices, ports and airports to allow traders to obtain required information promptly and regularly. Provision of better infrastructure and increased capacity for trade related officials on risk management techniques also shape part of Bangladesh's proposal for capacity building. Among the more important aspects in capacity building is the establishment of a National Single Window system to improve coordination among relevant agencies. It is expected that the single window will increase efficiency in facilitating trade and accelerate export and import

procedures. Bangladesh might also need capacity building to improve various trade facilitation measures currently under implementation.

On measures related to dissemination of relevant information, Bangladesh should set up an information system that allows the wider public to have easy access to trade related information. Despite the recent development that each individual agency provides information on their respective websites, the public often finds it difficult to obtain cross-agency information related to trade. A well designed system would not only link websites of different agencies, but also allow the public to find relevant information from different institutions in one place. Technical assistance might be needed for establishing such a system. Capacity building may also be particularly important to implement measures to improve coordination among authorities responsible for trade activities. Regarding the sources of supply of capacity building requirements, they can be both domestic and external. About the nature and type of external assistance, fund support, technological support for infrastructure development, technical expertise service, training facilities, knowledge sharing and supply of modern technology and equipment are important. Among the domestic efforts, support for infrastructure development, institutional capability building, budget support and support for skill development through training, workshop and research are important. In addition, there is a need for deployment of relevant skilled manpower at appropriate service delivery points, and development of consultative and coordinative networking mechanism.

There is a need to check the negative consequences of liberal modalities and treat the trade facilitation provisions as capacity building measures under a planned framework of acquisition of capacity and gradual implementation of trade facilitation commitments. Trade facilitation obligations should keep the developing country members out of the purview of the WTO's dispute settlement mechanism, and WTO members in joint efforts should think of introducing a peace clause in the provisions so that space would be there for confidence building for trade facilitation commitments. The whole problem of negotiation on trade facilitation arises from the single fact that the cost of implementation in developing countries is higher than in developed countries because of the former's poor implementation capacity and poor implementation of the core measures. Poorer countries with insignificant trade volume can not justify huge investment of resources sacrificing other national priorities. Though transition periods are resorted to as a differential treatment, the treatment must go beyond provision of longer transitional implementation periods. Bangladesh needs technical and financial assistance in both hard and soft infrastructure and institution building to

acquire capacity for developing trade facilitation programmes. Not only cost implications but also implications for potential benefits are important to consider for choice of measures and determination of areas for technical assistance and special and differential treatment. It is notable that if any need is of immense potential for long term benefit of trade and development, the government should make persistent efforts to implement it even by diverting resources from other priorities besides asking for external fund support or technical assistance.

10. Desirable Stand for Bangladesh in respect of Trade Facilitation

Bangladesh should pursue best endeavourer clauses and must take a positive stand for adopting trade facilitation measures and seek technical assistance and capacity building support for implementation of the proposed measures of trade facilitation. Bangladesh needs to come up with self capacity assessment and make a capacity building plan, and notify WTO about it and seek technical assistance for its implementation. It will verify the capacity acquisition and make a review report on performance of technical assistance and status of implementation of trade facilitation. It will report about its difficulties of implementation and identify the areas for further technical assistance required along with progress of implementation of trade facilitation measures. Bangladesh will need to ask for inclusion of a peace clause for least developed countries in the Trade Facilitation Agreement.

11. Concluding Remarks

The issue of trade facilitation is so important for a country's development that the member country itself would need to make efforts on its own to address it as comprehensively as possible within its capacity to implement and adopt measures besides negotiating under WTO framework. This implies that every country would have two agenda of action for trade facilitation: one is domestic agenda of trade related development and the other is under the WTO agenda of multilateral negotiation. Experiences of countries show that this issue needs holistic treatment rather than piecemeal or partial treatment to realise fuller benefits out of adoption of measures for trade related development. Cost benefit analysis of individual trade facilitation measures need to be made for determining national priorities for resource allocation and asking for external assistance under the WTO framework. Appropriate institutional and human capacity building needs to be in place along with improving technological and physical capacity building in a coordinative way for improving trade facilitation in Bangladesh.