

Dhaka decides to ratify D-8 preferential trade accord

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Bangladesh has decided to ratify the D-8 PTA (Preferential Trade Agreement) softening its long push for 30 per cent local value addition criteria for the least-developed countries, officials said.

The ministry of commerce (MoC) has taken the decision recently after consultation with relevant stakeholders and will seek cabinet approval soon for approval, they added.

The D-8 PTA came into force in last July among Iran, Indonesia, Malaysia, Pakistan, Nigeria and Turkey. Bangladesh and Egypt remained out of the purview despite being signatories to the agreement, since Dhaka and Cairo did not ratify the pact until now. Six members of the bloc are already enjoying preferential tariff in each other's markets.

As the lone least-developed member of the eight-nation bloc, Bangladesh has been arguing that it should be offered the preference in other markets even if it can make local value addition 30 per cent at best.

The general criterion of the pact is member countries must make at least 40 per cent local value addition to enjoy prefer-

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ential tariff for goods in the markets of other members.

Trade officials say Bangladesh could gain support from Iran, Malaysia and Nigeria regarding its demand on 30 per cent value addition criteria but other members did not support it.

Last year, at a supervisory committee meeting, Indonesia said that its present policy does not support 30 per cent value addition for the least-developed nations. Pakistan and Turkey requested Bangladesh to consider ratification of the PTA. Indonesia and Turkey said they would consider

Bangladesh's proposal after the ratification of the accord.

A senior Commerce Ministry official told the FE Tuesday presently, Bangladesh mainly exported jute, leather goods and knitwear to the D-8 member countries.

"We make more than 40 per cent value addition in case of these products. Our import from D-8 members countries is not much high. So, ratifying the treaty with 40 per cent value addition criteria won't be harmful for us," he said.

The official said since Indonesia and Turkey assured Bangladesh of considering its

plea regarding rules of origin, the request can also be made again even after ratification.

A recent inter-ministerial meeting, which scrutinised the opinions from different stakeholders including trade bodies, also viewed that the pact can be ratified with the 40 per cent value addition criteria.

The D-8 organisation for economic cooperation was formed to improve member states' position in the global economy, diversify and create new opportunities in trade relations, enhance participation in decision-making at the international level, and improve standards of living. The combined population of the eight countries is about 60 per cent of all Muslims, or close to 13 per cent of the world's population. Trade among the D-8 member states reached nearly US\$122 billion in 2014 from \$15 billion when the organisation was established in June 1997.

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