# BCIM Economic Cooperation: Prospects and Challenges

**Paper 64**

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Publisher

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The present paper titled ***BCIM Economic Cooperation: Prospects and Challenges*** has been prepared under the CPD programme on *Trade Related Research and Policy Development (TRRPD)*. This programme aims at strengthening institutional capacity in Bangladesh in the area of trade policy analysis, negotiations and implementation. The programme, *inter alia*, seeks to project the civil society's perspectives on the emerging issues emanating from the process of globalisation and liberalisation. The outputs of the programme have been made available to all stakeholder groups including the government and policymakers, entrepreneurs and business leaders, and trade and development partners.

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## List of Acronyms

| | |
|---|---|
| ADB | Asian Development Bank |
| APTA | Asia-Pacific Trading Arrangement |
| BCI | Bangladesh, China and India |
| BCIM | Bangladesh, China, India and Myanmar |
| BCM | Bangladesh, China and Myanmar |
| BEI | Bangladesh Enterprise Institute |
| BIM | Bangladesh India and Myanmar |
| BIMST-EC | Bay of Bengal Initiative for Multisectoral Technical and Economic Cooperation |
| BIS | Bureau of Indian Standards |
| BSTI | Bangladesh Standard Testing institute |
| CIF | Cost, Insurance and Freight |
| CIM | China, India and Myanmar |
| CTB | Contribution to the Trade Balance |
| CTS | Changes in Tariff Subheading |
| DTA | Domestic Tariff Area |
| EPB | Export Promotion Bureau |
| EPZs | Export Processing Zones |
| FDI | Foreign Direct Investment |
| FOB | Free On Board |
| GDP | Gross Domestic Product |
| GL | Grubel-Llyod |
| GMS | Greater Mekong Sub-region |
| HS | Harmonized System |
| IDB | Islamic Development Bank |
| IIT | Intra-Industry Trade |
| IMF | International Monetary Fund |
| LDCs | Least Developed Countries |
| MI | Michaely Index |
| MI | Michaely Index |
| NEDFi | North Eastern Development Finance Corporation Ltd. (India) |
| NEI | North-East India |
| NSDP | Net State Domestic Product |
| RCA | Revealed Comparative Advantage |
| RMG | Ready made Garments |
| RSCA | Revealed Symmetric Comparative Advantage |
| RTA | Regional Trading Arrangements |
| RTOI | Regional orientation index |
| SAARC | South Asian Association for Regional Cooperation |
| SAFTA | South Asian Free Trade Area |
| SAGQ | South Asia Growth Quadrangle |
| SAPTA | SAARC Preferential Trading Arrangement |
| SIJORI | Southern Growth Triangle |
| TC | Trade Complementarity |
| TCI | Trade Complementarity Index |
| TII | Trade Intensity Index |
| UAE | United Arab Emirates |
| UK | United Kingdom |
| USA | United States of America |
| WTO | World Trade Organisation |

# BCIM Economic Cooperation: Prospects and Challenges

## 1. Introduction

The present study is an attempt to explore the potentials for expanding trade and investment under the ambit of sub-regional cooperation comprising four contiguous countries of Eastern South Asia which includes the two fast growing economies -India and China and the two developing economies of Bangladesh and Myanmar (BCIM). The initiative to explore potential opportunities of cooperation in this sub-region, which came to be known as Kunming Initiative, is essentially a track-II endeavour.[1] The major objective of this initiative is to promote economic cooperation among the countries of this sub-region by making best use of their comparative advantages. The idea is to realise the potential benefits accruing from the abundant natural, human and other resources, based on mutual complementarities, through deeper integration of the constituent economies of the BCIM sub-region.

The point of departure for the BCIM cooperation is that the Integration of these strategically located sub-regional areas, particularly the North-East India (NIE), Bangladesh, Myanmar and South West of China, constituting a natural economic zone, is perceived to have the potential to generate substantive economic benefits in the areas of trade, investment, energy, transport and tourism. The economic dynamism of India and China could also offer wide range of opportunities for growth and development in the region.

The earliest contacts between China and South Asia goes back to the days of the fabled ancient *Silk Route*, a trade channel that connected China with the outside world via the Southern (South and Central) Asian route. In the recent years interest has emerged for exploring the historic links between the countries and people of South Asia and the people of China. There is a manifest to establish closer bondage between Yunnan Province in South West China, North-East India and Bangladesh and Myanmar. Yunnan has a particular interest in reviving links with Assam as this could provide direct access to Indian and western markets, which otherwise would involve a 7,000-km detour via Hong Kong and Singapore. There is an understanding that Myanmar and Bangladesh too could reap the economic benefits through mutual cooperation based on reciprocal complementarities. Greater connectivity among these countries could open up opportunities for enhanced trade and investment utilising the comparative advantages of the respective members which has strong development implications for all, and in

[1] BCIM forum is a Track II initiative which was floated in 1999 at a conference on regional cooperation which was held at Kunming, the capital of the Yunnan province of the Peoples' Republic of China. This sub-region comprises a number of geographical units in contiguous eastern South Asia: North-east states of India, Southern provinces of China, Bangladesh and Myanmar. Broadly, it covers the four relevant countries, hence the acronym BCIM.

particular, the weaker parts like NEIs and Yunnan and countries such as Myanmar and Bangladesh.

Closer cooperation of Bangladesh with particularly the backward NEIs, under this cooperation arrangement, could play an important role in reducing the substantial bilateral trade deficit with India which has become increasingly visible in recent years. In view of this, the objective of this paper is to explore the potentials for expanding trade and investment cooperation among the member countries of the BCIM forum and the possible challenges that any possible envisaged cooperation could face.

The paper is organised as follows. Following brief introduction in Section 1, the justification for trade and investment cooperation among the constituent members of the BCIM countries is presented in Section 2. Besides presenting an analysis of the current status of trade and investment in the BCIM region, Section 3 focuses on such indicators of trade relations as regional trade orientation, intra-industry trade, and trade complementarity among the BCIM members. The chapter also analyses the comparative advantage of Bangladesh in her major exportables. Potentials for expanding cooperation in trade and investment areas, with special reference to Bangladesh, is presented in Section 4. Major challenges that cooperation which BCIM countries may face in implementing the various modalities are mentioned in Section 5. The final section, Section 6, is attributed to the concluding remarks.

## 2. Rationale for Regional Trade and Investment Cooperation among the BCIM Member Countries

### *2.1 Growth Zones in South Asia*

The BCIM concept draws its inspiration from the concept of Growth Zones. The idea of growth zones has been a relatively new introduction in the vocabulary of development economics. It involves cooperation between three or more countries for the development of a geographically contiguous region consisting of a part or the whole of each of the participating countries. Growth zones bring together resources of the neighbouring countries to foster economic development of the member countries. They provide a unique opportunity to blend cooperation in trade, investment, transport and communication in a comprehensive manner, in a planned way. In the developing world East and South-East Asia are regions where most of the growth zones have been established. Major growth zones in this region are the South China Growth Triangle; Growth Triangle comprising the Johor state of Malaysia, Singapore and the Riau islands of Indonesia; the Greater Mekong Sub-region Growth Triangle, and the South Asian Growth Quadrangle.

The **Southern China Growth Triangle** is the first and the longest established growth triangle covering the southern provinces (Guandong and Fujian) of the Peoples' Republic of China, Hong Kong, and Taiwan. Establishment of this growth triangle was driven by market forces and private sector initiatives which had received strong support from the government at the institution level. Economic reforms and the open door policy of the Peoples' Republic of China initiated in 1978 laid the foundation for economic success of Guangdong and Fujian provinces of China. Whilst the reforms carried out by China helped create the overall environment of openness, China designed and offered special package of incentives to promote the special economic zones which provided tax concessions, expanded land use rights, and simplified procedures for foreign investment. For reducing transaction costs and providing greater access to the domestic as well as the international markets, conducive land use regulations, finance, and trade policies were designed that were particularly geared to the needs of these special zones. Other two members of the triangle, Hong Kong and Taiwan, fashioned their respective investment and trade policies to encourage establishment of industrial enterprises in the two southern provinces of China.

For development of industries in the Guangdong and Fujian provinces, Taiwan supplied manufacturing components while Hong Kong provided services sector facilities. Geographical proximity and common language also played a critical role in the movement of capital from Hong Kong into Guangdong, and investment to flow from Taiwan to Fujian. Moreover, the central government of China as also the provincial governments made substantial investments in the two provinces by way of building the required infrastructure that played a crucial role for attracting FDI to the growth zone. Development efforts initiated by the two stronger members of the group together with proactive support of the Chinese government resulted in rapid economic growth and higher income in the relatively weak economies of Guangdong and Fujian.

The **"Southern Growth Triangle",** popularly known as SIJORI, was established in 1989 comprising Singapore, Johor state in Malaysia and the Indonesian island of Batam in the province of Riau. This growth triangle drew on the mutual complementarities of the three economies involved. Indeed, the factor that these three economies were at different stages of development helped them to gain from closer cooperation by enabling them to make best use of their complementarities. The growth zone allowed the three stakeholders involved to combine the competitive strengths of the three areas to make the sub-region an attractive destination for regional and international investors. Singapore provided an advanced infrastructure, financial resources and management expertise while Indonesia and Malaysia contributed natural resources and the needed work force.

Participating states took the required initiatives for integration of the regions. Many manufacturing enterprises of Singapore relocated their plants in the neighbouring areas of Indonesia and Malaysia including in the industrial parks which were developed by property developers from Singapore in order to take advantage particularly of the cheap labour wages. Cross border movement was facilitated to allow a large number of workers from Malaysia to move easily to Singapore to sell their labour services. Singapore companies also opened up different types of non-manufacturing businesses in two other locations. Other examples of integration include import by Singapore of a large volume of water from Johor and natural gas from both Malaysia and Indonesia through pipelines.

The SIJORI growth triangle has been recognised as one of the most successful models of sub-regional cooperation for promoting trade and generating investment in the region. During its first five years it attracted $10 billion in private sector investments. Conducive investment incentives provided by the participating governments along with supportive measures for industrial establishments contributed to the large flow of investment into the economies of the participating countries in the areas of manufacturing, trade and services, agribusiness, and tourism.

The **Greater Mekong Sub-region (GMS)** is a sub-regional development programme that was established under the initiative of the Asian Development Bank (ADB) embracing Yunnan province of China, the three Indo-Chinese States of Vietnam, the Lao People's Democratic Republic and Cambodia, along with Thailand and Myanmar. This initiative was designed to harness the economic complementarities of the entire Mekong delta region. The principal goals of the participating countries were to facilitate sustainable economic growth and improve the standard of living of the people in the sub-region through the primary strategy of depending on the market forces. The unifying feature of this project was the Mekong River which either borders or flows through the member countries. The entity covers considerable natural resources in the form of arable land, extensive forest and fisheries resources, and vast energy resources in the form of hydroelectric power, coal, oil and gas reserves.

Several development initiatives were made by the ADB and the governments concerned to harness the potentialities stemming from closer economic cooperation. A trade accord was signed to liberate the movement of people and goods between Thailand, Laos and Vietnam. A number of infrastructure projects, construction of bridges and highways, have been implemented towards greater connectivity among the member states. This has enabled development and sharing of the resource base and promoting a freer flow of goods and people in the sub-region.

In terms of benefits of cooperation aimed at improved connectivity, enhanced competitiveness, and greater sense of community this project has been one of the most successful examples[2]. This dynamic subregion is one of the world's fastest growing areas with average GDP growth of 6 percent over the last one decade. Intra-regional trade has expanded quite significantly and posted visible growth. Over 50 foreign companies have invested in the special economic zone on the Lao PDR-Vietnam border in the East-West Economic corridor. Transport networks and economic corridors along the subregion's East-West and North-South axes are transforming GMS into a more integrated and competitive economic grouping.

**South Asia Growth Quadrangle (SAGQ)** is another sub-regional cooperation comprising Bangladesh, Bhutan, Nepal, Indian North-Eastern states of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and Sikkim, and West Bengal covering a total area of 688.6 thousand sq. km with a population of over 247 million. The SAGQ was launched in April 1997 by the Foreign Ministers of the member countries and was endorsed as a sub-regional initiative by the ninth SAARC summit on May 1997 in Male, Maldives with a view to accelerating sustainable economic development among the member countries.

The idea of developing sub-regional cooperation originated, to a large extent, in the lack of progress stimulating investment and implementing development projects under the ambit of SAARC. Development of the Ganges –Meghna-Brahmaputra basin for efficient water management and extracting the potential benefits of hydroelectric power for the constituent countries were underlying factors that informed this idea. The targeted sectors identified were multimodal transportation and communication, energy, trade and investment facilitation and promotion, tourism, optimal utilization of natural resource endowments, and environment.

SAGQ is endowed with formidable natural endowments. The hydropower potential in Nepal and Bhutan, the coal resources of West Bengal and Bihar, and the hydrocarbon reserves in Bangladesh, Assam and Tripura were seen as potentially cheap source of energy that was required for development of the region. Large non-energy mineral deposits, forest resources, livestock and marine resources in the region, and a useful network of port cities in Chittagong, Mongla, Calcutta, and Haldia were to provide the support that was needed for this development.

The experiences of the growth zones bear out that success of such initiative lies in several facilitating factors: proactive role played by the government, supportive institutions,

[2] Asian Development Bank Review, 2004.

enthusiasm of private sectors of the participating countries. Conducive trade, industrial and investment policies along with development of infrastructure on a priority basis eased the free flow of goods and capital and created conducive investment climate in the areas concerned. Market demand, scope of economic complementarities, varying levels of development with different resources and factor endowments and geographical proximity were also critical factors in this regard.

### *2.2 Socio-economic Profiles of the BCIM Member Countries*

The proposed sub-regional growth zone comprising Bangladesh, China, India and Myanmar covers a total area of 13.7 million sq. kms (9% of world area) and serving a total population of about 2635 million which accounts for 40 percent of the world population. The GDP of these four constituent countries together is estimated at US$3485 billion which is 7.3 percent of the total GDP of the world. Population weighted average GDP per capita is estimated at US$1320. Socio-economic profile of the constituent parts of the forum is discussed below.

#### ***Profile of Bangladesh***

Bangladesh is located in South Asia surrounded mostly by India on all sides except for a small border with Myanmar to the far Southeast and the Bay of Bengal to the South. It has boundaries with West Bengal and Meghalaya on the North, West Bengal on the west, Tripura, Assam of India and Myanmar on the East, Bay of Bengal on the South. The total population of the country is estimated at about 140 million (in 2006) who are living in the total area of 147,570 square km making it one of the ten most densely populated countries in the world.

Gross Domestic Product (GDP) of the country is estimated at $62 billion attaining a growth of 6.71% (at 1995/96 price) in Fiscal Year 2005-06. The major contributors to GDP are agriculture (18.7%), industry (17.6%), services (63.7%). The per capita income is estimated at $447 in 2005-06.

Nearly two-thirds of the total population are employed in the agriculture sector, with rice being the single most important product. The major industries are garments, cotton textiles, jute, tea processing, paper newsprint, cement, chemical fertilizer, light engineering and sugar.

In 2005-06 Bangladesh exported US$11.17 billion worth of garments, jute and jute goods, leather, frozen fish and seafood mostly directed towards US (23.6%), Germany (13.5%), UK (9.4%), and France (6.4%). During the same period total import was US$13.77 comprising machinery and equipment, chemicals, iron and steel, textiles,

foodstuffs, petroleum products, cement principally from India (14.1%), China (13.5%), Kuwait (8.5%), Singapore (6.2%), Japan (4.1%), Hong Kong (4.1%).

Foreign Direct Investment (FDI) whilst low even by many developing country standards has posted some rise in recent years. In 2005 total inflow of FDI in the country was recorded at US$692 million; the figures for the next two years are US$740 million and US$750 million respectively. The highest recipient of FDI was telecommunication and transport (33.4%) followed by manufacturing (26%) and energy and power (24.6%). In the manufacturing sector textiles, chemicals, leather and rubber, agro-processing, food and allied products account for the major share of FDI. The principal FDI sources are UK, USA, Singapore, UAE, Norway, and Hong Kong.

Natural resource base of Bangladesh constitutes natural gas, arable land, timber, coal. Proved natural gas reserve estimated in 2005 was about 13 tcf and that of oil reserve was 28.45 million bbl as estimated in 2002.

### *Profile of South West China*

The South-Western part of the Peoples' Republic of China comprises three provinces (Sichuan, Ghizhou, Yunnan), two autonomous regions (Tibet, Guangxi) and one municipality (Chongqing). The current study focuses on the Yunnan province because of its geographical proximity to other members of the proposed BCIM Growth Triangle. Yunnan has been a historically underdeveloped and geographically isolated area and located quite far from the political capital Beijing. Yunnan is in many ways similar to the Northeast region of India.

Yunnan borders Guangxi and Guizhou in the East, Sichuan in the North, and Tibet in the Northwest. It is one of China's gateways to Southeast Asian and South Asian countries. It shares 4,060 km long international border with Myanmar in the west, Laos in the South, and Vietnam in the Southeast.

**TABLE 2.1: Profile of South-Western China**

| | Yunnan | Sichuan | Guizhou |
|---|---|---|---|
| **Area (1000 Sq Km)** | 394 | 485 | 170 |
| **Proportion of National total** | 4.1% | 5.1% | 1.8% |
| **Population (million)** | 44.15 | 87.25 | 39.31 |
| **Density** | 112 | 180 | 231 |
| **GDP (billion US$)** | 36.66 (50) | 81.24 | 24.06 |
| **GDP Growth rate %(2004)** | 11.5 | 12.7 | 11.5 |
| **GDP Per capita (US$)** | 830 | 931 | 614 |
| **Total Import (billion US$)** | 1.71 | 3.20 | 1.10 |
| **Total Export (billion US$)** | 2.02 | 3.49 | 1.27 |
| **FDI (million US$)** | 142 | 1000 | 108 |

Note: Number in parenthesis indicate 2006 data

**Source:** China Statistical Yearbook, 2006.

Yunnan has a total population of 44.15 million accounting for 4.1 percent of the total population of the Peoples' Republic of China. About 32 million live in rural areas. It is one of the least-developed provinces of China with the third lowest GDP per capita among the provinces in 2004 (US$830). Approximately 7 million of its people are estimated to lie below the poverty line. The total GDP was US$ 36.66 billion in 2004 of which 21.1 percent was contributed by primary industry (agriculture, mining and quarrying), 42.8 percent by secondary industry (manufacturing and construction) and 36.1 percent by tertiary industry (service). The 5 key industries of the province are tobacco, biological resources, mining, tourism, and electrical power. Average GDP growth rate in 2001-2005 is estimated at 8.9 percent - lower than the national average of about 10.0 percent.

Total trade volume of Yunnan was estimated at US$3.73 billion in 2005, up by 40.4 percent over the previous year. In 2006, total trade between Yunnan and the other three members of BCIM grouping reached to US$897.75 million with Myanmar being the largest trading partner[3]. Yunnan mainly exports tobacco, machinery and electrical equipment, chemical and agricultural products, and non-ferrous metals. In 2004 the total inflow of FDI into the province amounted to US$142 million which recorded an impressive growth of 68.8 percent over the previous year.

Yunnan is rich in natural resources. It has about 17.7 billion tons of coal reserves. More than 150 kinds of minerals have been discovered in the province which constitutes high quality iron and ore, lead, zinc, tin, copper, nickel, indium, cadmium, silver, germanium, platinum and phosphorus ore. Installed capacity of Yunnan's power industry was estimated at 9.2 million kw of electric power comprising 6.2 million kw hydropower and 3 million kw thermal power in 2002. In the same period this sector generated a total revenue income of US$1.4 billion.

Yunnan has attractive tourism resources with its beautiful landscape, colourful ethnic customs, and a pleasant climate. Twenty six ethnic groups, accounting for 32 percent of the total provincial population, live in this region each having its unique cultural tradition and custom[4]. Its abundant tourism resources, products and tourism accommodation facilities have made it into one of the emerging tourism destinations in China. The province's tourism revenue income in 2005 is estimated at US$5.12 billion, an increase of 20 percent over the previous year, accounting for 12 percent of its total GDP.

[3] Department of Commerce, Yunnan Province, PRC, 2007.
[4] Yunnan Provincial Tourism Administration, 2007.

**Table 2.2: Major Energy and Mineral Resources of South West China**

| Energy and Mineral resources | Province | | | National Total |
|---|---|---|---|---|
| | Sichuan | Guizhou | Yunnan | |
| Petroleum (10 000 tons) | 243.8 | 0.0 | 10.5 | 249097.9 |
| Natural Gas (100 million cu.m) | 3147.8 | 10.4 | 14.7 | 25292.6 |
| Coal (100 million tons) | 46.1 | 149.1 | 157.2 | 3373.4 |
| Iron (100 million tons) | 31.1 | 0.5 | 4.6 | 217.6 |
| Manganese (10 000 tons) | 40.4 | 2596.3 | 1257.2 | 29658.5 |
| Chromite (10 000 tons ) | 0.0 | 0.0 | 0.1 | 537.1 |
| Vanadium (10 000 tons ) | 762.6 | 0.0 | 0.1 | 1304.9 |
| Titanium (10 000 tons ) | 20782.3 | 0.0 | 0.0 | 21385 |

**Source:** China Statistical Yearbook, 2005.

***Profile of North East India***

The Northeast region of India comprises of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, and Tripura. The total population of seven North-Eastern states (popularly called seven sisters) in 2001 was 38.5 million, about 4 per cent of India's population. With about 8 per cent of India's total area it has a population density of 151 per sqkm which is only half of that of the country as whole (312). The economies of NEI are basically agrarian in nature with the contribution of agriculture sector in Net State Domestic Product (NSDP) varying from 25.96 percent in Meghalaya to 36.84 percent in Assam. The contribution of agriculture to NSDP is falling with the level of development of the economies of the North-East. Some of the states such as Arunachal, Mizoram, and Tripura have small mining and quarrying sectors as well.

**Table 2.3: Socio-Economic Profile of Nei, 2000/01 or Latest Available**

| | **Arunachal** | **Assam** | **Manipur** | **Meghalaya** | **Mizoram** | **Nagaland** | **Tripura** |
|---|---|---|---|---|---|---|---|
| Area (000'sq km) | 84 | 78 | 22 | 22 | 21 | 17 | 11 |
| Population (million) | 1.1 | 26.6 | 2.4 | 2.3 | 0.9 | 2.0 | 3.2 |
| Population density (per sq km) | 13.0 | 341.5 | 108.6 | 104.8 | 42.4 | 117.0 | 290.1 |
| NSDP (current price) Million $ | 428.9 (2003/04) | 9498.8 (2005/06) | 777.1 (2003/04) | 1058.1 (2004/05) | 418.8 (2002/03) | 921.1 (2002/03) | 1257.2 (2002/03) |
| NSDP Per capita (US $) | 325.5 (2004/05) | 323.5 (2003/04) | 321.3 (2003/04) | 435.6 (2004/05) | 458.8 (2002/03) | 428.6 (2002/03) | 385.9 (2002/03) |
| Literacy rate (percent) | 54.7 | 64.3 | 68.9 | 63.3 | 88.5 | 67.1 | 73.7 |

**Source:** NEDFi, 2003; Reserve Bank of India Database, 2006.

In Assam and Meghalaya mining and quarrying contributes more than 6 percent of NSDP. A remarkable feature of these economies is the small size of their manufacturing sector and inflated size of their services sector. Manufacturing contributes less than 3

percent of NSDP in Meghalaya, Mizoram, Nagaland, and Tripura, and about 3 percent in Arunachal. Only Assam and Manipur have a perceptible manufacturing sector – contributing about 9 percent and 10 percent of NSDP respectively. To compare, the corresponding average national figure is about 25 percent. Contribution of the service sector varies from 44 percent of NSDP in Assam to 61 percent in Mizoram.

**Table 2.4: Major Mineral Resources of North Eastern Region of India (State Wise)**

| Mineral | State | Reserve (million tons) |
|---|---|---|
| Coal | Arunachal Pradesh | 90.23 |
| | Assam | 320.21 |
| | Meghalaya | 601.256 |
| | Nagaland | 19.94 |
| Limestone | Arunachal Pradesh | 350 |
| | Assam | 462.536 |
| | Meghalaya | 4340.61 |
| | Nagaland | 309.075 |
| | Manipur | 14.785 |
| | Mizoram | 5.202 |
| Dolomite | Arunachal Pradesh | 246.97 |
| Quartzite | Arunachal Pradesh | 3.13 |
| | Assam | 16.538 |
| Graphite | Arunachal Pradesh | 84.973 |
| clay | Assam | 22.7244 |
| | Manipur | 2.52 |
| | Meghalaya | 88.762 |
| | Tripura | 0.296 |
| Granite | Assam | 926 |
| Iron ore | Assam | 19.94 |
| | Meghalya | 3.605 |
| Sillimanite | Assam | 50.3 |
| | Meghalya | 0.046 |
| Oil & Gas | Assam | 1180 |
| | Nagaland | 555 |
| Chromite | Manipur | 0.007 |
| Quartz | Meghalya | 0.104 |
| Feldspar | Meghalya | 0.12913 |
| Silica sand | Meghalya | 2.84 |
| Kaolin | Meghalya | 5.642 |
| Nickel & cobalt | Nagaland | 4.5 |
| Quartz & Silica sand | Tripura | 0.201 |
| Gas | Tripura | 588 |

Note: These figures are the summation of proved, probable and possible reserves. Reserves in million tons, except for Granite and Gas (in million cubic meters)
**Source:** Mineral Year Book, Task Force Report, Ministry of Mines, India.
(http://databank.nedfi.com/mod.php?mod=userpage&menu=102403&page_id=811).

Only a limited number of heavy and medium scale industries has developed in the region. These industries are also highly concentrated and mostly located in Assam (80%),

Nagaland (10.4%) and Arunachal. The major industries are tea, plywood, oil refinery, jute, petrochemical, paper industry, and fertilizer. Some agro-based and forest based small scale industries have developed and are scattered in different states, about half in Assam followed by Manipur and Tripura. Construction sector has sizeable contribution to NSDP in all the states – 10 percent or more except in Assam where the contribution is about 4 percent. Because of small production base the region has to depend on sources outside the region not only for the manufactured goods but also for agricultural goods to meet its requirements.

Notwithstanding its hilly topography, NEI is quite richly endowed with natural resources. About 37 percent of India's river waters belong to NEI. The entire region enjoys immense biodiversity in terms of forest coverage: approximately 54 percent of NEI's area is covered with forests. Forest area is highest in Mizoram (75.6%) and lowest in Assam (39.2%).

NEI is endowed with plenty of hydrocarbon and mineral resources in terms of natural gas, crude oil, coal, limestone, etc. It also accounts for 20 percent hydrocarbon potential, large quantities of low ash coal resources, limestone and dolomite deposits. Assam occupies an important place in India in terms of its hydrocarbon reserves. India's first oil reserve was found in Assam. Both Assam and Tripura have high natural gas reserves; together they have 48 billion cubic meters of natural gas reserve. The total installed capacity for power generation in the North-Eastern region, as on 31 August 2006, is estimated at 2404.2 MW. (Table 2.4, Table 2.5)

**Table 2.5: Generation of Electricity in North East India (As On January 2007 in MW)**

| State | Mode Wise Breakup | | | Grand total |
|---|---|---|---|---|
| | HYDRO | THERMAL | RES | |
| Assam | 383 | 797.69 | 0.23 | 1180.92 |
| Arunachal Pradesh | 116.5 | 36.88 | 25.98 | 179.36 |
| Meghalaya | 258.52 | 28.05 | 1.51 | 288.08 |
| Tripura | 78 | 165.35 | 1.11 | 244.46 |
| Manipur | 82.5 | 71.41 | 3.95 | 157.86 |
| Nagaland | 78.5 | 21 | 3.17 | 102.67 |
| Mizoram | 38 | 67.86 | 10.91 | 116.82 |
| **Total North Eastern Region** | 1163.1 | 1244.24 | 46.86 | 2454.17 |

**Source:** Ministry of Power, Government of India, 2007.

***Profile of Myanmar***

Myanmar is geographically located in Southeast Asia with a total area of 677,000 sq kms bordered by the Peoples' Republic of China, Lao PDR, Thailand, India and Bangladesh. It has a contiguous frontier of 6129 km sharing 2192 kms with China on the North and

Northeast, 1331 kms with India 2699 kms with Bangladesh on the West, 2096 kms with Thailand and 237 kms with Lao PDR on the East and Southeast. The total population of the country is estimated at 51.66 million which grow at an average rate of 1.84 percent. About 75 percent of the population are urban dwellers.

Myanmar has a rich natural resource base comprising timber, tin, antimony, zinc, copper, tungsten, lead, coal, limestone, precious stones, natural gas, hydropower, and some petroleum. A recent survey identified an estimated 5.7-10 trillion cubic feet of natural gas reserve in the country.

Despite having abundant supply of natural resources Myanmar is considered to be one of the poorest countries of the world suffering from decades of stagnation. GDP is estimated at $8.8 billion (2006), recording a very low annual GDP growth rate of 2.9%. GDP per capita is only $174. The economy is primarily agro-based in nature with agriculture contributing 50 percent to the GDP followed by services (34 %). Industry constitutes only 15% of recorded economic activity with state sector industries playing the leading role in the economy.

The industrial sector of Myanmar comprises of agricultural processing, knit and woven apparel, wood and wood products, copper, tin, tungsten, iron, construction materials, pharmaceuticals, and fertilizer.

In 2005, Myanmar recorded total export of $3.6 billion comprising natural gas (38.8%), teak and forest products (16%), agricultural products (14.1%), garments (8.2%) and marine products (6.8%). The major export markets are identified as Thailand 45%, India 11.5%, P.R.C. 8%, Japan 5.1% and Malaysia 3%. During the same period total import was recorded at $3.6 billion which constituted machinery and transport equipment, oil & diesel 13.8%, artificial and synthetic fabrics 12.1%, base metals and manufactures 7.2%, and plastic 4.6%. Major sources of import are Peoples' Republic of China, Thailand, Singapore and Korea.

### *2.3 Benefits of forming BCIM Growth Quadrangle*

In view of the ongoing pace of globalisation formation of sub-regional forums or Growth Zones could play an important role from the perspective of strengthened global integration of the member countries of the Growth Zones. Deeper integration among the member countries could help create wide possibilities of business opportunities in many diversified areas. Available studies indicate several advantages emanating from regional or sub-regional forums or growth zones. These advantages include, among others (i) easy market access; (ii) widened scope for realising complementarities among countries of the

grouping; (iii) better utilisation of land, labour force, available natural resources; (iv) economic development within and outside the zone; (v) development of solid strategic alliances; (iv) exchange of technology.

Having about 40 percent of the world population, a huge reserve of natural and other resources and two of the world's fastest growing giant economies such as India and China in the forum, the BCIM sub-regional economic cooperation is perceived to have enormous potentials to generate benefits for the region in general and the weaker parts of the region in particular. Bangladesh, Myanmar, the North-Eastern states of India and the South-Western provinces of China could benefit significantly by drawing on the synergies originating from such regional cooperation.

The BCIM region is one of the richest in the world in terms of natural and mineral and other resources. An important resource of the region is the huge reserve of natural gas in Bangladesh and NEIs. Besides, there is very large reserve of coal in West Bengal and Assam. Proper implementation of this sub-regional cooperation could combine the resources of the constituent members in order to gain competitive edge in attracting both domestic and foreign investments and promoting export for the mutual benefit of the members involved. A regional project on developing energy resources could very well be initiated for efficient and more value added use of these resources.

A comprehensive market access to the larger economies such as India and China could open up opportunities for diversifying and expanding export capacity of the less developed economies of the regional grouping such as Myanmar and Bangladesh. Market access to India would encourage domestic, Indian, Chinese and other country's FDI in such potentially lucrative activities as agro-processing, readymade garments, textile, cement, fertilizer, metal products in Bangladesh targeting the neighbouring markets.

It has also been argued that in the bordering areas of these countries goods flow across the border in large volumes through illegal channels. Cooperation arrangement among these geographically contiguous areas could provide opportunities for expanded legal trade with positive welfare implications for the local economies and the local population.

Deeper integration of the members of the BCIM could create opportunities for technology transfer to poor countries like Myanmar and Bangladesh. These countries could reap the benefits of the relatively advanced technological endowments of India and China which in term could help these countries to develop at a faster pace.

There is lot of complementarities amongst the countries of the sub-region. One of the most important potential resource is water. The North-Eastern states of India are

particularly endowed with this resource. With proper planning and injection of funds such resources could be used effectively for the generation of electricity which could meet the energy needs of the entire South Asia region. The water dispute between India and Bangladesh could also be solved through such a sub-regional cooperation. Such cooperation also covers trans-border issues, setting standards and exploitation of common resources.

The transport sector could be another potential area for cooperation given the land-locked status of some of the regions of a number of BCIM members - NEIs of India and Southwest China. Under the circumstances, Bangladesh could play a critical role by providing easy access to the global markets. All the countries could gain tremendously from an integrated transportation network which would boost trade and investment through reduction of the transaction cost.

An added advantage of the region is that it lies at the crossroads between the regions of East and Southeast Asia on the one hand, and South Asia on the other. The region could use its strategic location within Asia to build links with other regions and could gain immensely from such cooperation. Chittagong port could serve as the sea outlet for a huge hinterland that would cover South China and NEI states. Chittagong port could evolve from a national port to a regional entrepot.

Tourism is another area of great potential in this sub-region. A number of tourist destinations of particularly Myanmar and Yunnan with beautiful landscape, rich biological resources, age old history, and a wide range of cultural diversity could attract tourists from around the world. This sub-regional cooperation could play a critical role in developing ecotourism and religious tourism by fostering connectivity among the BCIM member countries and facilitating travel to these parts. This could generate substantial revenue for all the member countries.

Cooperation in the fields of water resources, development of hydro-electric energy and hydrocarbon resources and development of port facilities could be instrumental in expediting the pace of growth in the region that could ensure higher standard of living for the people. International mobility of capital (in the form of FDI) coupled with low cost of labour and geographical proximity could make this sub-region quite attractive and competitive to the investors. Both India and China – the two giant members of the group who have already achieved high level of growth, have large amount of foreign exchange reserves. They could play significant roles in promoting investments in Bangladesh and Myanmar that could in turn target the Indian and Chinese markets through preferential market access initiatives as the other two members suffer. Hospitable investment climate will need to be created by both the public and the private sector initiatives through

development of the basic infrastructure which will reduce investment cost and attract investors from within and outside of the forum. The potential benefits that could accrue from cooperation in the BCIM region have also drawn attention of the Asian Development Bank (ADB) which had played important role in supporting other sub-regional cooperation arrangements.

## 3. Current Status of Trade and Investment Flows among the Member Countries

### 3.1 Status of Trade

#### *3.1.1 BCIM Trade in Global Perspective*

With respect to the size of the economies total trade turnover of the BCIM countries is reckoned to be rather very low. In 2005 BCIM trade accounted for only 7.99 percent of the world trade. Combined share of the forum in world exports and imports are estimated at 8.44 percent and 7.57 percent respectively. In terms of contribution China stands at top followed by India and Bangladesh in terms of both world exports and imports. China stands out as the only net exporter country among the countries of BCIM grouping.

In the period since 2000 intra-BCIM trade has recorded an impressive average annual growth rate of 35.12 percent which gathered momentum in the last couple of years. Total intra-BCIM trade turnover increased from US$22963 million in 2003 to US$46924 million in 2005. Nevertheless, intra-BCIM trade turnover accounts for only 2.79 percent of the total world trade turnover demonstrating very limited reliance on the constituent members of the cooperation. It is also seen from relevant data that the two large economies in the group, China and India, are the key players in the intra-regional trade registering 47.8 percent and 39.7 percent trade shares respectively in 2005. **(Table 3.2)**

**Table: 3.1: Pattern of BCIM Trade (1990, 1995, 2000-2005): Importance of BCIM Trade In World Trade**
*(in US Million $)*

| **Exports to the World** | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| BCIM | **1990** | **1995** | **2000** | **2001** | **2002** | **2003** | **2004** | **2005** |
| Bangladesh | 1671 | 3129 | 5590 | 5736 | 5443 | 6229 | 7586 | 8494 |
| China | 62760 | 148959 | 249208 | 266709 | 325744 | 438364 | 593358 | 762337 |
| India | 17813 | 30538 | 42626 | 45228 | 50496 | 61119 | 75385 | 97918 |
| Myanmar | 409 | 1198 | 1979 | 2634 | 2773 | 2770 | 3159 | 3701 |
| Total BCIM Exports | 82652 | 183824 | 299403 | 320306 | 384456 | 508482 | 679488 | 872451 |
| World Total Exports | 3382420 | 5080540 | 6386460 | 6140180 | 6428450 | 7495310 | 9115210 | 10343100 |
| BCIM Exports as % of World | 2.44 | 3.62 | 4.69 | 5.22 | 5.98 | 6.78 | 7.45 | 8.44 |
| **Import from the World** | | | | | | | | |
| BCIM | **1990** | **1995** | **2000** | **2001** | **2002** | **2003** | **2004** | **2005** |
| Bangladesh | 3656 | 6496 | 9001 | 9012 | 7848 | 9835 | 11590 | 13851 |
| China | 53810 | 132164 | 225175 | 243567 | 295440 | 412836 | 561422 | 660218 |
| India | 23991 | 34487 | 50336 | 59025 | 58912 | 74070 | 99835 | 134690 |
| Myanmar | 668 | 2342 | 3039 | 2662 | 2967 | 3226 | 3452 | 3569 |
| Total BCIM Import | 82125 | 175488 | 287551 | 314265 | 365167 | 499967 | 676299 | 812328 |
| World Total Import | 3517220 | 5141970 | 6591170 | 6391540 | 6640610 | 7755550 | 9468770 | 10735600 |
| BCIM's Import as % of World | 2.33 | 3.41 | 4.36 | 4.92 | 5.50 | 6.45 | 7.14 | 7.57 |
| **Total Trade** | | | | | | | | |
| BCIM | **1990** | **1995** | **2000** | **2001** | **2002** | **2003** | **2004** | **2005** |
| Bangladesh | 5327 | 9625 | 14590 | 14747 | 13291 | 16064 | 19176 | 22345 |
| China | 116570 | 281123 | 474383 | 510276 | 621184 | 851200 | 1154780 | 1422555 |
| India | 41804 | 65025 | 92962 | 104252 | 109409 | 135189 | 175221 | 232608 |
| Myanmar | 1076 | 3539 | 5018 | 5296 | 5740 | 5996 | 6611 | 7271 |
| Total BCIM Trade | 164777 | 359312 | 586954 | 634571 | 749623 | 1008449 | 1355787 | 1684779 |
| World Total Trade Turnover | 6899640 | 10222510 | 12977630 | 12531720 | 13069060 | 15250860 | 18583980 | 21078700 |
| BCIM's TTO as % of World | 2.39 | 3.51 | 4.52 | 5.06 | 5.74 | 6.61 | 7.30 | 7.99 |

Note: Export Data are taken as FOB and Import Data are CIF.
**Source:** Estimated from IMF; Direction of Trade Statistics Database, December- 2006.

**Table: 3.2: Intra-BCIM Trade As Compared To World Trade during 1990, 1995, 2000-2005**
*(in Million US $)*

| **Intra-BCIM's Export and as percentage of BCIM Exports to the World** | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **BCIM** | **1990** | **1995** | **2000** | **2001** | **2002** | **2003** | **2004** | **2005** |
| **Bangladesh** | 47 | 56 | 60 | 67 | 52 | 71 | 99 | 167 |
| **China** | 600 | 2016 | 2957 | 3359 | 4466 | 5586 | 8771 | 12275 |
| **India** | 317 | 1264 | 1667 | 2685 | 2924 | 4396 | 5908 | 8188 |
| **Myanmar** | 78 | 286 | 296 | 320 | 460 | 540 | 576 | 728 |
| **Total BCIM Export** | 1041 | 3622 | 4980 | 6430 | 7902 | 10592 | 15354 | 21358 |
| **% of Total Export to World** | 1.26 | 1.97 | 1.66 | 2.01 | 2.06 | 2.08 | 2.26 | 2.45 |
| **Intra-BCIM's Imports and as percentage of BCIM Imports from the World** | | | | | | | | |
| **BCIM** | **1990** | **1995** | **2000** | **2001** | **2002** | **2003** | **2004** | **2005** |
| **Bangladesh** | 295 | 1599 | 1635 | 1988 | 2080 | 2618 | 3218 | 3854 |
| **China** | 217 | 592 | 1494 | 1851 | 2443 | 4454 | 7941 | 10133 |
| **India** | 136 | 1051 | 1708 | 2358 | 3010 | 4202 | 6534 | 10427 |
| **Myanmar** | 140 | 705 | 600 | 606 | 877 | 1096 | 1147 | 1152 |
| **Total BCIM Import** | 788 | 3947 | 5436 | 6803 | 8410 | 12371 | 18840 | 25566 |
| **% of World's Import** | 0.96 | 2.25 | 1.89 | 2.16 | 2.30 | 2.47 | 2.79 | 3.15 |
| **Intra-BCIM Trade Turnover and as percentage of World** | | | | | | | | |
| **BCIM** | **1990** | **1995** | **2000** | **2001** | **2002** | **2003** | **2004** | **2005** |
| **Bangladesh** | 342 | 1655 | 1695 | 2055 | 2132 | 2689 | 3317 | 4021 |
| **China** | 816 | 2608 | 4451 | 5209 | 6909 | 10040 | 16713 | 22408 |
| **India** | 453 | 2315 | 3374 | 5043 | 5934 | 8598 | 12442 | 18615 |
| **Myanmar** | 218 | 991 | 896 | 926 | 1337 | 1636 | 1723 | 1880 |
| **Total BCIM Trade** | 1829 | 7569 | 10417 | 13233 | 16313 | 22963 | 34194 | 46924 |
| **% of World's Trade Turnover** | 1.11 | 2.11 | 1.77 | 2.09 | 2.18 | 2.28 | 2.52 | 2.79 |

Note: Export Data are taken as FOB and Import Data are CIF.
**Source:** Estimated from IMF; Direction of Trade Statistics Database, December- 2006.

### *3.1.2 Status of Intra-BCIM Trade*

Cross country trade flow data for each constituent member of the BCIM grouping is presented in Table 3.3 through Table 3.6. (For more details please see Table 1-Table 4 in Appendix B) Data presented in Table 3.3 reveals that Bangladesh's total trade turnover with rest of the BCIM sub-regional grouping has increased at an average annual compound rate of 18.9 percent during 2000 to 2005 as opposed to a mere 0.48 percent during 1995 to 2000. Since 2002 Bangladesh's export to both China and India has increased significantly. However, in terms of both export and import India stands out as the largest trading partner of Bangladesh in the region accounting for 51.4 percent of the total trade turnover with the forum. The share of India and China in Bangladesh's global trade is estimated to be 9.3 percent and 8.6 percent respectively**.**

**Table 3.3: Bangladesh's Trade with CIM Countries 1990, 1995, 2000, 2005**

| | Bangladesh Export to CIM (million US$) | | | | Bangladesh Imports from CIM (million US$) | | | |
|---|---|---|---|---|---|---|---|---|
| | **1990** | **1995** | **2000** | **2005** | **1990** | **1995** | **2000** | **2005** |
| **China** | 25 | 18 | 10 | 46 | 124 | 601 | 668 | 1870 |
| **India** | 22 | 36 | 50 | 119 | 170 | 994 | 945 | 1951 |
| **Myanmar** | 0 | 2 | 1 | 2 | 0 | 5 | 22 | 32 |
| **Total Export to /Import from CIM** | 47 | 56 | 60 | 167 | 295 | 1599 | 1635 | 3854 |
| **Total Export to/Import from World** | 1671 | 3129 | 5590 | 8494 | 3656 | 6496 | 9001 | 13851 |
| **% of BD's total Export/Import** | 2.80 | 1.79 | 1.07 | 1.97 | 8.07 | 24.62 | 18.16 | 27.82 |

Note: Export Data are taken as FOB and Import Data are CIF.
**Source:** Estimated from IMF; Direction of Trade Statistics Database, December- 2006.

Table 3.4 showing China's trade flow with the rest of the BCIM members reveals that both export to and import from these countries has been increasing over the recent past. In 2005 total trade recorded 34 percent growth over the previous year contributed by 39.9 percent export growth and 27.6 percent import growth. In the region, India has been the major trading partner of China with a total trade flow amounting to US$18717 in 2005 which constituted over 83 percent of China's total trade with the members of BCIM grouping.

**Table: 3.4 China's Trade with BIM Countries**

| | China's Export to BIM (million US$) | | | | China's Import from BIM (million US$) | | | |
|---|---|---|---|---|---|---|---|---|
| | **1990** | **1995** | **2000** | **2005** | **1990** | **1995** | **2000** | **2005** |
| **Bangladesh** | 149 | 633 | 900 | 2404 | 24 | 45 | 19 | 79 |
| **India** | 173 | 765 | 1561 | 8937 | 97 | 398 | 1350 | 9780 |
| **Myanmar** | 277 | 618 | 496 | 935 | 95 | 150 | 125 | 274 |
| **Total Export to/Import from BIM** | 600 | 2016 | 2957 | 12275 | 217 | 592 | 1494 | 10133 |
| **Total Export to/Import from World** | 62760 | 148959 | 249208 | 762337 | 53810 | 132164 | 225175 | 660218 |
| **% of China's Export to /Import from BIM** | 0.96 | 1.35 | 1.19 | 1.61 | 0.40 | 0.45 | 0.66 | 1.53 |

Note: Export Data are taken as FOB and Import Data are CIF.
**Source:** Estimated from IMF; Direction of Trade Statistics Database, December- 2006.

India's total trade in the year 2005, as revealed in Table 3.5, was estimated at US$18615 million comprising US$8188 million of export and US$10427 million of import. Cross country comparison demonstrates that, India, among all the four countries, recorded highest growth in terms of both export and import in 2005 estimated at 38.6 percent and 59.6 percent respectively. During the period since 2000 India has been maintaining a high average annual growth rate of about 40.7 percent in terms of trade with rest of the forum members.

**Table: 3.5 India's Trade with BCM Countries**

| | India's Export to BCM (million US$) | | | | India's Import from BCM (million US$) | | | |
|---|---|---|---|---|---|---|---|---|
| | **1990** | **1995** | **2000** | **2005** | **1990** | **1995** | **2000** | **2005** |
| **Bangladesh** | 297 | 960 | 860 | 1632 | 15 | 79 | 80 | 104 |
| **China** | 18 | 283 | 758 | 6445 | 31 | 811 | 1449 | 9829 |
| **Myanmar** | 1 | 21 | 48 | 111 | 90 | 160 | 179 | 494 |
| **Total Export to/ Import from BCM** | 317 | 1264 | 1667 | 8188 | 136 | 1051 | 1708 | 10427 |
| **Total Export to/Import from World** | 17813 | 30538 | 42626 | 97918 | 23991 | 34487 | 50336 | 134690 |
| **% of India's Export to /Import from BCM** | 1.78 | 4.14 | 3.91 | 8.36 | 0.57 | 3.05 | 3.39 | 7.74 |

Note: Export Data are taken as FOB and Import Data are CIF.
**Source:** Estimated from IMF; Direction of Trade Statistics Database, December- 2006.

Table 3.6 shows that Myanmar's total trade turnover with the rest of the BCIM members together constitutes about 25.9 percent of the country's total turnover with the world in 2005. Within the region it is China which is the largest trading partner of Myanmar followed by India and Bangladesh.

**Table: 3.6 Myanmar's Trade with BCI Countries**

| | Myanmar Exports to BCI (million US$) | | | | Myanmar Imports from BCI (million US$) | | | |
|---|---|---|---|---|---|---|---|---|
| | **1990** | **1995** | **2000** | **2005** | **1990** | **1995** | **2000** | **2005** |
| **Bangladesh** | 1 | 4 | 20 | 29 | 1 | 2 | 1 | 2 |
| **China** | 44 | 146 | 163 | 449 | 1 | 23 | 53 | 122 |
| **India** | 33 | 136 | 113 | 249 | 138 | 680 | 546 | 1028 |
| **Total Export to / Import from BCI** | 78 | 286 | 296 | 728 | 140 | 705 | 600 | 1152 |
| **Total Export to / Import from World** | 409 | 1198 | 1979 | 3701 | 668 | 2342 | 3039 | 3569 |
| **%of MYN's Export to /Import from BCI** | 19.11 | 23.88 | 14.97 | 19.67 | 20.98 | 30.11 | 19.73 | 32.27 |

Note: Export Data are taken as FOB and Import Data are CIF.
**Source:** Estimated from IMF; Direction of Trade Statistics Database, December- 2006.

It is however observed that in 2005, apart from Myanmar, the other three countries in the BCIM grouping recorded significant growth in intra-regional trade. During this period, India, among all the other members, attained the highest growth (49.6%) in terms of trade flow while Bangladesh stands on top in terms of export to the other members with a growth rate of 68.7%. However, it should be borne in mind that the base for Bangladesh is rather narrow.

**Table 3.7: Intra-BCIM Trade Balance, 2005 (Million US$)**

| | **Bangladesh** | **China** | **India** | **Myanmar** |
|---|---|---|---|---|
| **Bangladesh** | | -1824 (-1988) | -1832 (-1611) | -30 (-25) |
| **China** | 2325 | | -843 | 661 |
| **India** | 1528 | -3384 | | -383 |
| **Myanmar** | 27 | 327 | -779 | |

Cross country analysis in Table 3.7 shows that in the BCIM grouping Bangladesh is the only country which has deficit in trade balance with all the other members. Among the members India recorded the largest amount of deficit (US$3384) with her major trading partner China in the year 2005.

Among the countries of the BCIM sub-grouping Myanmar's trade is most regionally oriented compared to other members, followed by Bangladesh. Share of Myanmar's total trade turnover with the sub-grouping members is 25.86 percent of her total global trade. China, the largest economy in the sub-grouping, recorded a mere 1.58 percent of her global trade with BCIM members in 2005.

Level of regional trade orientation of the BCIM member countries may be examined with the help of the values of the export and import intensity indices for each country. This is presented in Table 3.7 through Table 3.10.(More detail are in Tables 5-8 in Appendix B) It is seen from the table that intra-BCIM trade orientation has been very low for all the member countries of the BCIM grouping reflecting the low level of trade relation among the BCIM members. Myanmar is found to have the highest level of export and import intensities among all the countries of the grouping.

**Table: 3.8 Bangladesh's Exports & Imports Intensities with CIM**

| Year | China | | India | | Myanmar | | CIM Region | |
|---|---|---|---|---|---|---|---|---|
| | Export Intensity | Import Intensity | Export Intensity | Import Intensity | Export Intensity | Import Intensity | Export Intensity | Import Intensity |
| 1990 | 0.984 | 1.830 | 1.903 | 8.843 | 0.063 | 0.792 | 1.257 | 3.367 |
| 1995 | 0.228 | 3.153 | 1.704 | 25.459 | 1.305 | 3.049 | 0.544 | 6.922 |
| 2000 | 0.050 | 1.901 | 1.174 | 15.738 | 0.272 | 7.897 | 0.256 | 3.948 |
| 2005 | 0.089 | 1.832 | 1.115 | 14.881 | 0.535 | 6.512 | 0.264 | 3.331 |

**Source:** Estimated from IMF; Direction of Trade Statistics Database, December- 2006.

**Table 3.9: China's Exports & Imports Intensities with BIM**

| Year | Bangladesh | | India | | Myanmar | | BIM-Region | |
|---|---|---|---|---|---|---|---|---|
| | Export Intensity | Import Intensity | Export Intensity | Import Intensity | Export Intensity | Import Intensity | Export Intensity | Import Intensity |
| 1990 | 2.291 | 0.903 | 0.404 | 0.343 | 23.278 | 14.685 | 1.187 | 0.684 |
| 1995 | 3.363 | 0.554 | 0.766 | 0.500 | 9.108 | 4.799 | 1.606 | 0.653 |
| 2000 | 2.643 | 0.096 | 0.820 | 0.899 | 4.320 | 1.789 | 1.254 | 0.844 |
| 2005 | 2.444 | 0.145 | 0.934 | 1.565 | 3.689 | 1.162 | 1.136 | 1.442 |

**Source:** Estimated from IMF; Direction of Trade Statistics Database, December- 2006.

**Table 3.10: India's Exports & Imports Intensities with BCM**

| Year | Bangladesh | | China | | Myanmar | | BCM-Region | |
|---|---|---|---|---|---|---|---|---|
| | Export Intensity | Import Intensity | Export Intensity | Import Intensity | Export Intensity | Import Intensity | Export Intensity | Import Intensity |
| 1990 | 16.046 | 1.288 | 0.066 | 0.069 | 0.423 | 31.092 | 1.075 | 0.296 |
| 1995 | 24.874 | 3.711 | 0.360 | 0.803 | 1.527 | 19.734 | 1.509 | 1.010 |
| 2000 | 14.780 | 1.812 | 0.521 | 0.738 | 2.445 | 11.486 | 1.086 | 0.844 |
| 2005 | 12.919 | 0.939 | 1.070 | 0.990 | 3.402 | 10.250 | 1.325 | 1.034 |

**Source:** Estimated from IMF; Direction of Trade Statistics Database, December- 2006.

**Table 3.11: Myanmar's Exports & Imports Intensities with BCI**

| Year | Bangladesh | | China | | India | | BCI-Region | |
|---|---|---|---|---|---|---|---|---|
| | Export Intensity | Import Intensity | Export Intensity | Import Intensity | Export Intensity | Import Intensity | Export Intensity | Import Intensity |
| 1990 | 1.389 | 2.911 | 5.324 | 11.113 | 15.857 | 0.410 | 8.249 | 8.628 |
| 1995 | 2.802 | 1.421 | 4.416 | 9.899 | 18.157 | 1.660 | 7.092 | 8.376 |
| 2000 | 7.411 | 0.289 | 1.678 | 4.604 | 10.776 | 2.606 | 3.469 | 4.237 |
| 2005 | 6.146 | 0.566 | 1.096 | 3.909 | 9.672 | 3.605 | 2.611 | 3.842 |

**Source:** Estimated from IMF; Direction of Trade Statistics Database, December- 2006.

### *3.1.3 Bangladesh's Principal Exports and Imports*

The principal export commodities of Bangladesh to the other BCIM member countries are presented in Table-9 through Table-11 in Appendix B. In 2005, Bangladesh's export of raw jute to China amounted to US$25.02 million accounting for about 45 percent of the total export of US$56 million to the country. The other major exports to China were leather (16%), PVC bags (9%), and frozen fish (6%) (Figure1). The value of the total export to India in the same year was estimated at US$143.66 million comprising 26.6 percent of chemical fertilizer, 16.9 percent of raw jute, 15.2 percent of jute manufactures, 7 percent of frozen fish and copper wire, betel nuts, furnace oil, jute yarn and twine, leather, soap etc accounted for the rest (Figure 2). Total export of Bangladesh to Myanmar was the lowest (US$4.07 million) among BCIM countries. Bangladesh's top five exports to Myanmar were pharmaceuticals (33%), coil assembly (18%), iron chain (17%), furnace oil (10%) and cement (3%). (Figure 3)

**Figure 1: Exports of Bangladesh to China in 2005**

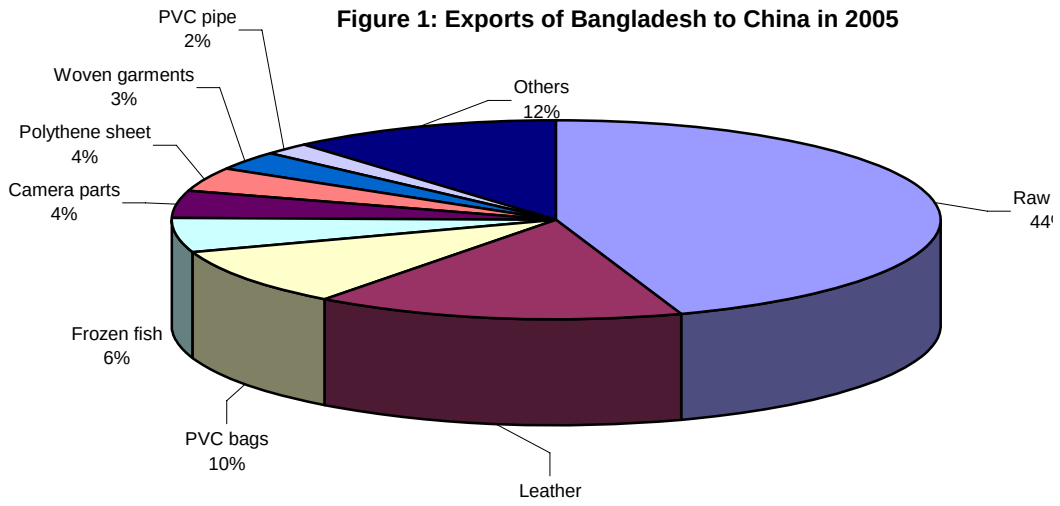


**Figure 2: Exports of Bangladesh to India in 2005**

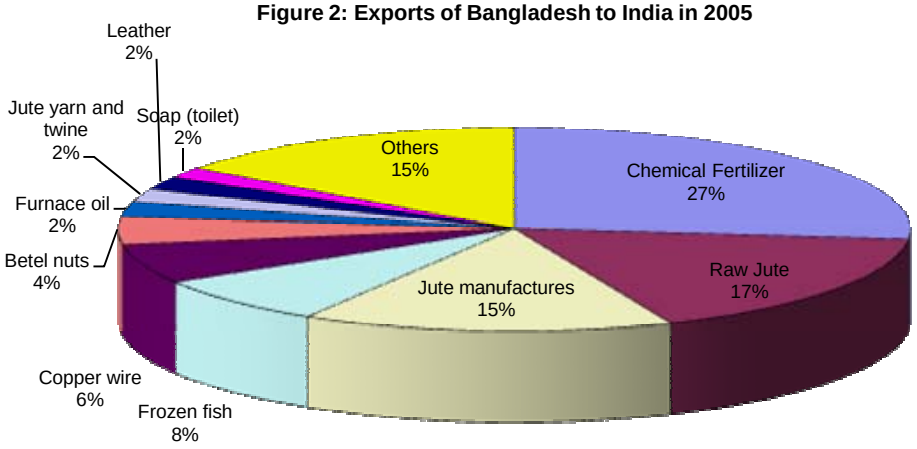
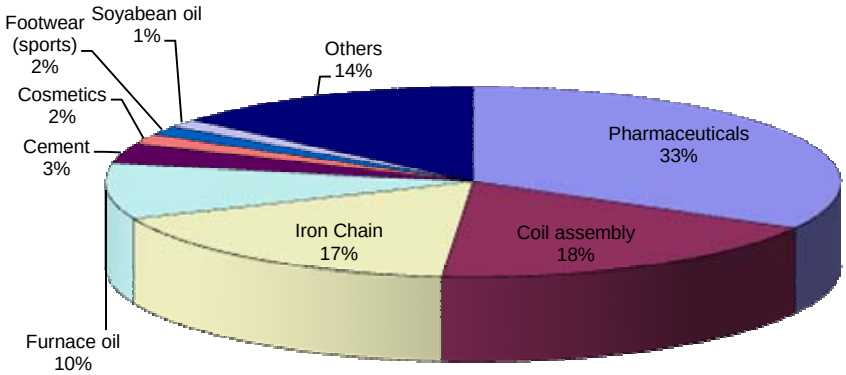



**Figure 3: Exports of Bangladesh to Myanmar in 2005**




Data on principal imports of Bangladesh from the BCIM member countries are presented in Table-12 through Table-14 in Appendix B. In 2005, total import from China was estimated at US$1616.12 million. Textile and textile articles (cotton, man-made staple fibres, knitted and crocheted fabrics) accounted for about 47 percent of Bangladesh's import from China followed by machinery, mechanical appliances and electrical equipments, chemicals and allied products etc (Figure-4). Out of Bangladesh's total import of US$2012.39 million from India major commodities were vegetable products comprising cereals etc (33.24%), cotton, staple fibres knitted and crocheted fibres etc (14.88%), machinery and mechanical appliances (11.75%), chemical or allied products (8.10%), iron, steel etc (6.38%)(Figure-5). Total import of Bangladesh from Myanmar was US$32.71 million of which 47.67 percent was comprised of cereals and other vegetable products (Figure-6).

**Figure 4: Imports of Bangladesh from China in 2005**

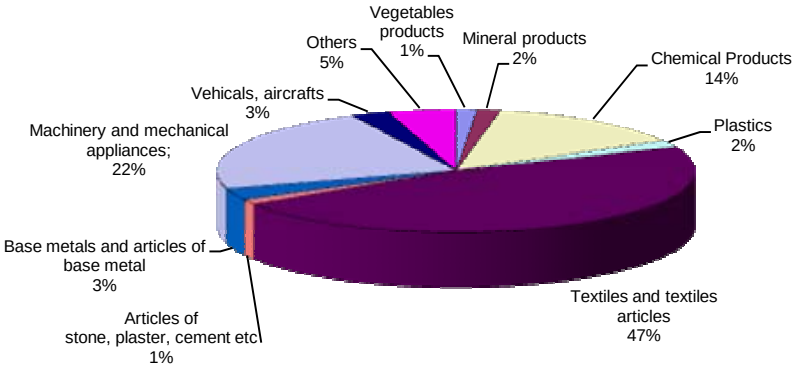



**Figure 5: Imports of Bangladesh to India in 2005**

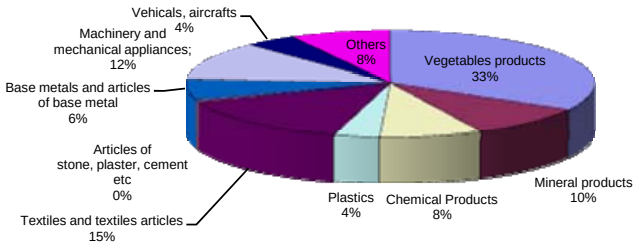
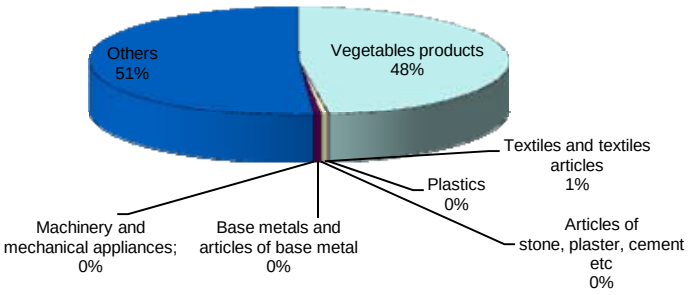



**Figure 6: Imports of Bangladesh from Myanmar in 2005**




### *3.1.4 Bangladesh's Trade with North East India*

Official data on export and import between Bangladesh and North East India is hard to access. However, a couple of studies have been conducted focusing on trade between Bangladesh and NEI states. The information was generated through visits of land customs stations located in the border areas. The World Bank study, conducted under the Bangladesh Export Diversification Project in 2004, reveals large fluctuation in exports

and imports over the years. During the first ten months of 2003/2004 total export from Bangladesh to NEIs was US$561,770 and the import from NEI was US$99,260.

**Table 3.12: Trade with North - East India** (Thousand US$)

| | 2001-02 | | 2002-03 | | 2003-04 (July to April) | |
|---|---|---|---|---|---|---|
| | **Export** | **Import** | **Export** | **Import** | **Export** | **Import** |
| Juri (Batuli), Maulavibazar | 9.30 | 1.89 | 10.80 | n.a | 22.80 | 0.00 |
| Bibirbazar, Comilla | Nil | 16.14 | 2.71 | 55.01 | 120.53 | 24.23 |
| Sheola, Sylhet | 139.40 | 6.99 | 54.34 | n.a | 418.44 | n.a |
| Akhaura, Brahmanbaria | 904.07 | 257.13 | n.a | 49.63 | n.a | 52.35 |
| Borosora | Nil | 3,928.62 | nil | n.a | Nil | n.a |
| Chatak, Sylhet | Nil | 480.38 | nil | n.a | Nil | n.a |
| Tamabil, Sylhet | Nil | 2,815.76 | nil | n.a | Nil | n.a |
| Zakiganj, Sylhet | Nil | 459.95 | nil | n.a | Nil | n.a |
| **Total** | **1052.77** | **7,966.86** | **67.85** | **104.46** | **561.77** | **99.26** |

**Source:** Bangladesh Export Diversification Project, World Bank 2004.

**Table 3.13: Bangladesh North-East India Trade Data**

**A. Bangladesh's Import from North-east India**

| **Item(Import)** | **FY-2002-2003** | **FY-2003-2004** |
|---|---|---|
| | **Value (000' US$)** | **Value (000' US$)** |
| Coal | 29617.12 | 27173.47 |
| Boulder Stone | 6.24 | 3.6 |
| Orange | 30.39 | 176.21 |
| Ginger | 53.39 | 22.48 |
| Latex | 52.55 | nil |
| Shatkora | 5.93 | 6.77 |
| Seeds of Coriander etc. | 12.27 | nil |
| Rubber Sheet | 6.95 | nil |
| accessories of LPG & LNG bulbs | 14.18 | nil |
| Dry Fish | nil | 10.95 |
| Natural Rubber | nil | 14.05 |
| Potato Seeds | nil | 10.73 |
| Others | 12.89 | 14.76 |
| **Total** | **29811.91** | **27433.02** |

**B. Bangladesh's Export to North-east India**

| **Item (Export)** | **FY-2002-2003** | **FY-2003-2004** |
|---|---|---|
| | **Value (000'US$)** | **Value (000'US$)** |
| Hilsha Fish | 112.49 | 816.29 |
| Dry Fish | 80.07 | 80.88 |
| Waste Cotton | 13.32 | 21.33 |
| Stone Chips | 6.41 | 109.97 |
| Biscuits & Wafers | 4.98 | 26.55 |
| Battery Plates | 1.04 | 10.14 |
| Drink & Potato Crackers | 2.28 | 19.4 |
| Molasses | 1.53 | 11.21 |
| Soap, Powder | nil | 47.47 |
| Juice Products | nil | 625.53 |
| Lay Flat Tubes | nil | 126 |
| Others | 3.5 | 576.2 |
| **Total** | **225.62** | **2470.97** |

The other study conducted by Bangladesh Enterprise Institute estimated the total export from Bangladesh to the NEIs at US$2,25,620 in 2002/03 and US$2,47,0970 in 2003/04. The major commodities exported to the region through different land customs stations were found to be hilsha fish, juice products, lay flat tubes, stone chips, dry fish, cosmetics, biscuits and wafers, waster cotton, drinks and potato crackers, molasses, battery plates.

BEI study estimated the total import of Bangladesh from the NEIs as US$29.81 million in 2002/03 and US$27.43 million in 2003/04. Coal was the single largest import item with a share of over 99 percent. The other items imported were ginger, orange and fruits, natural rubber, latex, dry fish, potato seeds, satkora, chilli. To contrast, the total export of Bangladesh to these states was estimated at US$0.23 million and US$2.47 million in 2002/03 and 2003/04 respectively. Items that were exported to the North-Eastern states included hilsha fish (33%), juice products (25.3%), lay flat tubes (5%). Stone chips, cosmetics, dry fish, mosquito nets, mosquito nets, biscuits and wafers, battery plates, potato crackers, waste cotton, molasses are some of the other items exported to the NEI.

### *3.1.5 Regional Trade Orientation*

Regional orientation index (RTOI) is designed to measure relative importance of intra-regional exports (see notes on methodology for details). This index identifies those sectors for which a significant reorientation toward regional markets have occurred by tracking the change over time. However, in this analysis the RTOI has been estimated only for one point of time (i.e. for 2005). RTOI varies from 0 to infinity with a value of unity indicating the similar pattern of trade between members and non-members while increasing values indicate a greater share of regional markets in exports of the relevant country.

Table 3.14 gives a snapshot of the regional orientation of the BCIM member countries for 2005. Firstly, trade weighted average for each country reveals that Bangladesh is the most intra-BCIM trade oriented member followed by India, China and Myanmar. However, even for Bangladesh the value of trade weighted RTOI was well below unity (0.37) in 2005 indicating that BCIM countries are less oriented within themselves than non-members.

At the disaggregated level (at HS Chapter) the analysis of RTOI provides a general direction of the regional trade patterns. Table 3.19 reveals that for all four members RTOI values for top five Chapters are greater than one indicating greater regional concentration of trade for these products. While interpreting these RTOI figures one should bear in

mind that a high RTOI value for a particular product could be generated because almost all of an insignificant global exports could have been directed to the regional market. An example of this is Chapter 50 (silk) for Bangladesh: in 2005 Bangladesh exported a total of only US$ 0.263 million worth of silk items to the world of which 0.253 million was actually exported to CIM markets resulting in an astonishing RTOI value of 1232.11. This problem is likely to increase with the level of disaggregation. From the Bangladesh perspective, no items of major export interest (e.g. Chapter 61-knit RMG, Chapter 62 - Woven RMG, Chapter 03 -Fish, Chapter 41-Raw hides and skins, etc) had RTOI value greater than unity indicating that all major export categories were directed at non-BCIM zone.

**Table 3.14: Regional Integration of Top Five Sectors (Hs 6-Digit) 2005**

| Rank | Bangladesh | China | India | Myanmar |
|---|---|---|---|---|
| 1 | HS Chapter 50 (Silk)<br>RTOI: 1232.11 | Chapter 50 (Silk), RTOI: 29.24 | HS Chapter 26 (Ores, slag and ash),<br>RTOI: 39.40 | Chapter 25 (Salt, Sulphur, earth, stone, plaster, lime and cement),<br>RTOI: 290.22 |
| 2 | HS Chapter 08 (Edible fruit, nuts, peel of citrus fruit, melons)<br>RTOI: 165.09 | HS Chapter 59 (Impregnated, coated or laminated textile fabric)<br>RTOI: 15.24 | HS Chapter 67 (Bird skin, feathers, artificial flowers, human hair)<br>RTOI: 12.66 | HS Chapter 13 (Lac, gums, resins, vegetable saps and extracts nes)<br>RTOI: 58.07 |
| 3 | HS Chapter 34 (Soaps, lubricants, waxes, candles, modelling pastes)<br>RTOI: 164.35 | HS Chapter 31 (Fertilizers)<br>RTOI, 9.14 | HS Chapter 28 (Inorganic chemicals, precious metal compound, isotopes)<br>RTOI: 8.78 | HS Chapter 47 (Pulp of wood, fibrous cellulosic material, waste etc)<br>RTOI: 17.51 |
| 4 | HS Chapter 89 (Ships, boats and other floating structures)<br>RTOI, 122.15 | HS Chapter 29 (Organic chemicals),<br>RTOI: 6.97 | HS Chapter 52 (Cotton)<br>RTOI: 4.09 | HS Chapter 26 (Ores, slag and ash)<br>RTOI: 15.69 |
| 5 | HS Chapter 02 (Meat and edible meat offal)<br>RTOI, 118.42 | HS Chapter 52 (Cotton)<br>RTOI: 6.48 | HS Chapter 7 (Edible vegetables and certain roots and tubers)<br>RTOI: 3.57 | HS Chapter 97 (Works of art, collectors pieces and antiques)<br>RTOI: 14.68 |
| **Trade weighted RTOI** | **0.37** | **0.04** | **0.18** | **0.12** |

**Source:** Extracted from Table-15 in Appendix B

### *3.1.6 Intra-industry Trade*

The influence of scale economies on the volume of trade is treated as an important theme in the theory of international trade. Krugman (1979) argued that transnational exploitation of scale economies is a major cause of trade, and that trade that arises because of scale economies can have very different welfare properties than trade caused by traditional comparative advantage consideration. Grubel and Lloyd (1975) demonstrated that countries' trade pattern could be similar or dissimilar. They developed an index which could be applied to measure intra-industry trade between a country and individual partner, a region, or the world. The value of the index ranges from 0 to 1, with higher values indicating a greater overlap between exports and imports within the same industry.

To estimate the extent of intra-industry trade Index (IIT), Grubal-Lloyed indices are used both at country level and at industry level (defined by HS Chapter i.e. two digit level HS code). Table 3.15 displays the extent of intra-industry trade between Bangladesh and CIM countries in 2005. The levels are indeed very low with the highest value being 0.0467 for trade between Bangladesh and India. These low values of the index which is estimated in terms of national trade-weighted average indicate the dominance of inter-industrial trade between countries with marked difference in comparative advantages. The existing low base of intra-BCIM trade is also a manifestation of this.

**Table 3.15: Trade Weighted Grubel-Llyod (Gl) Index of Intra Industry Trade between Bangladesh And CIM Countries For 2005**

| Country | GL Index |
|---|---|
| China | 0.0237 |
| India | 0.0467 |
| Myanmar | 0.0003 |

Note: For Myanmar data is used for 2004.
**Source:** Trademap Database, UN Comtrade Database.

Product level analysis based on HS Chapters reveals that for some product categories the extent of intra-industry trade as measured by GL index was relatively higher between Bangladesh and China, and between Bangladesh and India. Table 3.16 and Table 3.17 show the top ten sectors, at HS 2-digit level, in terms of higher GL index values for Bangladesh and India and Bangladesh and China. In fact, it is clearly visible from Table 3.16 that intra-industry trade between Bangladesh and India for top ten chapters was relatively large compared to that between Bangladesh and China. It is to be noted that Chapter 74 (Copper and articles thereof), Chapter 42 (Articles of leather, animal gut etc), Chapter 65 (Headgear and parts thereof), and Chapter 63 (Other made textile articles, sets, worn clothing etc) were common in both the lists. As mentioned earlier, the larger degree of intra-industry trade demonstrate the presence of economies of scale.

**Table 3.16: Grubel-Llyod (Gl) Index of Intra Industry Trade between Bangladesh and India (At Hs Chapter Level for 2005: Top 10 Chapters)**

| HS Code | Products' Name | India |
|---|---|---|
| 15 | Animal, vegetable fats and oils, cleavage products, etc | 0.9865 |
| 79 | Zinc and articles thereof | 0.9633 |
| 74 | Copper and articles thereof | 0.9606 |
| 20 | Vegetable, fruit, nut, etc food preparations | 0.9558 |
| 42 | Articles of leather, animal gut, harness, travel goods | 0.8249 |
| 34 | Soaps, lubricants, waxes, candles, modelling pastes | 0.7398 |
| 31 | Fertilizers | 0.7363 |
| 65 | Headgear and parts thereof | 0.3212 |
| 60 | Knitted or crocheted fabric | 0.2134 |
| 63 | Other made textile articles, sets, worn clothing etc | 0.1622 |

Note: For Myanmar data is used for 2004
Source: Trademap Database, UN Comtrade Database

**Table 3.17: Grubel-Llyod (Gl) Index of Intra Industry Trade between Bangladesh and China (At Hs Chapter Level for 2005: Top 10 Chapters)**

| HS Code | Products' Name | China |
|---|---|---|
| 05 | Products of animal origin, nes | 0.9185 |
| 63 | Other made textile articles, sets, worn clothing etc | 0.7337 |
| 62 | Articles of apparel, accessories, not knit or crochet | 0.5768 |
| 39 | Plastics and articles thereof | 0.4701 |
| 53 | Vegetable textile fibres nes, paper yarn, woven fabric | 0.4598 |
| 61 | Articles of apparel, accessories, knit or crochet | 0.3323 |
| 74 | Copper and articles thereof | 0.2408 |
| 95 | Toys, games, sports requisites | 0.2399 |
| 65 | Headgear and parts thereof | 0.2022 |
| 42 | Articles of leather, animal gut, harness, travel goods | 0.0134 |

Note: For Myanmar data is used for 2004

Source: Trademap Database, UN Comtrade Database

### *3.1.7 Trade Complementarity*

While Trade Intensity Index (TII) shows the closeness between two countries in their overall trade, Trade Complementarity Index (TCI) shows how well the export profile of one country matches the import profiles of others. That is, this index provides useful information on prospects for intra-regional trade in that it shows how well the structures of a country's imports and exports match (for details see the notes on methodology in Appendix A). A higher value in this index indicates closer matches in the export profile of one country to the import profile of another country. In other words, larger the value of TCI, higher the trade potential between the concerned pair of countries.

**Table 3.18: Trade Complementarity Indices for BCIM Countries In 2005**

| Country/Region pair | Trade Complementarity Index |
|---|---|
| Bangladesh - China | 5.93 |
| Bangladesh - India | 5.42 |
| Bangladesh - China & India | 5.93 |
| China - India | 48.60 |

Note: Data for Myanmar is not available in UN COMTRADE.
Source: Computations based on UN COMTRADE data base.

Table 3.18 presents the estimated TCI value between Bangladesh, China and India for 2005. Looking at these values, one can see that China and India would be benefited mostly from the BCIM regional cooperation with the current trade pattern with the TCI value of 48.60. On the other hand, trade complementarity between Bangladesh-India, Bangladesh-China and Bangladesh-India and China were very low. The reason behind these low TCI values lies in the fact that Bangladesh's export basket is not very large and is highly concentrated on RMG products which as is well known is an insignificant import item for India.

*3.1.8 Bangladesh's Export Performance with BCIM at Disaggregated level*

**Revealed Comparative Advantage (RCA)**

Theory of Comparative Advantage is still the main theoretical explanation of trade flows prediction (Davies, 1997). Theoretically, a country has comparative advantage, if relative autarkic price is higher than free trade relative price (Deardorff, 1980). However, the problem is that relative autarkic prices are unobservable variables. A large number of indicators have been tried to estimate comparative advantage in the empirical trade literature, for example, Revealed Comparative Advantage (RCA) (Balassa, 1965), Michaely Index (MI) (Michaely, 1962/67), Contribution to the Trade Balance (CTB) (CEPII, 1983), Chi Square ($\chi 2$) Measure (Archibugi, 1992). Among these indicators, RCA has been most extensively used by the practitioners (Yeats 1985; Crafts et al 1986; Proudman et al 1998; Benedictis et al 2001; Laursen 2000;). Balassa (1965) developed the RCA index which is simply a ratio of the share of a given product in a country's exports to its share in world exports with the demarcation value being unity. A country is said to have a revealed comparative advantage (disadvantage) in product 'h' if the ratio exceeds (falls short of) unity. However, as Laursen (1998) noted, RCA is not symmetric in the sense that values of RCA index cannot be compared on both sides of 1 and modified the original RCA index to develop Revealed Symmetric Comparative Advantage (RSCA) which lies between -1 and 1 with demarcation value of 0.

RSCA of top 52 products of Bangladesh have been estimated for products that were exported to BCIM region. Out of these 52 products, Bangladesh has comparative advantage for 48 products at regional level (i.e. for CIM region) with positive values of RSCA. On the other hand, country specific analysis reveals that for China, India and Myanmar markets Bangladesh had comparative advantage for 25 products, 27 products and 17 products respectively (Table-6 in Appendix B).

**3.2 Trade Barriers**

It is well recognised that accessibility to an import market is often constrained by such import restraining measures as tariff, para-tariff and non-tariff barriers in the importing country. With regard to tariff India, among the members of the BCIM group, has been maintaining the highest average tariff rate of 28.5 percent on all commodities (which is higher than the 13.3 percent average tariff rate of the LDCs). Among the four participating countries Myanmar charges the lowest average tariff of 4.8 percent (Table 3.25). However, it is to be noted that in recent years India has reduced its tariffs across all product groups so that the average Indian tariff has come down.

**Table 3.19: Average Tariff by Sectors and FDI Inflows**

| | | Average Tariff Rate (unweighted in %) * | | |
|---|---|---|---|---|
| **Country** | **Year** | **All Goods** | **Agriculture** | **Manufactures** |
| Bangladesh | 2003 | 19.5 (13.5) | 21.7 | 19.2 |
| China | 2004 | 10.3 | 15.0 | 9.5 |
| India | 2004 | 28.3 | 30.0 | 25.3 |
| Myanmar | 2003 | 4.8 | 8.7 | 4.1 |

Note: *Based on simple average of MFN applied tariffs available in the latest year.
Figure in the parenthesis indicates data for 2005

**Sources:** WTO, IDB and CTS CD ROMs 2005 and Trade Policy Review, various issues, 1993-2005; and World Investment Report 2006 and World Bank. World Development Indicators, 2005.

Apart from the high level of tariff, the incidence of non-tariff barriers also remain a major bone of contention for trade between India and Bangladesh. A number of Bangladesh's export items including ceramic, cement, melamine products, garments, fruit juice, electrical wire, leather and footwear, edible oil, hilsha fish and traditional jute products are considered to have significant market in India. The NTBs which are commonly mentioned include certification and standardization, requirements, lack of harmonization of customs procedures, restrictions on transit, visas difficulties, customs regulations, limited L/C facilities etc.

Some of the specific cases of non-tariff barriers faced by the products of a Bangladeshi agro-processing company (PRAN) having high demand in the NEI may be worth mentioning. The barriers reported by the company included: (i) compulsory licensing of packaged drinking water by Bureau of Indian Standards which requires long processing time and heavy recurring expenditure; (ii) compulsory laboratory test of each imported food product on each and every consignment that involves high testing fee, frequent loading and unloading and delay in the processing causing damage to the quality of the product; (iii) changing the HS codes (from the category of fruit and vegetable juices unfermented and not containing added spirit to the category of vinegar and substitutes obtained from Acetic Acid) of fruit juices and vegetable juices with a view to not allow preferential market access under the SAPTA which makes the products less competitive; (iv) anomaly in duty calculation for the same item which can be considered under two categories with varying rates of concession (potato crackers).

### 3.3 Status of Investment

Table 3.20 shows that inflow of FDI into the BCIM region has recorded significant increase in the last one decade which is attributed largely to the growing attractiveness of

China due to its large domestic market and low labour cost.[5] In 2005 the total inflow of FDI to China was US$72.4 billion which was 19.5 percent higher than the previous year. FDI inflow to India has been on the rise in recent years and reached $6.6 billion in 2005. The other two constituents of the forum attracted negligible amount of FDI although Bangladesh recorded an impressive growth of over 50 percent in 2005. In terms of outflow China stands on top with US$11.3 billion followed by India with US$1.36 billion.

**Table 3.20: Foreign Direct Investment: Inflows To And Outflows From BCIM Member Countries (1990, 1995, 2000-2005)**

**(a) Value in US$ Million**

| | 1990 | 1995 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|---|---|---|---|---|---|---|---|
| ***BCIM's Inflows*** | | | | | | | | |
| World | 201614 | 340336 | 1409568 | 832248 | 617732 | 557869 | 710755 | 916277 |
| Bangladesh | - | 92 | 579 | 355 | 328 | 350 | 460 | 692 |
| China | 3487 | 37521 | 40715 | 46878 | 52743 | 53505 | 60630 | 72406 |
| India | 237 | 2151 | 3585 | 5472 | 5627 | 4585 | 5474 | 6598 |
| Myanmar | 225 | 318 | 208 | 192 | 191 | 291 | 251 | 300 |
| ***BCIM's Outflows*** | | | | | | | | |
| World | 229630 | 359859 | 1244465 | 764197 | 539540 | 561104 | 813068 | 778725 |
| Bangladesh | 1 | 2 | 2 | 21 | 4 | 6 | 6 | 10 |
| China | 830 | 2000 | 916 | 6885 | 2518 | -152 | 1805 | 11306 |
| India | 6 | 119 | 509 | 1397 | 1679 | 1325 | 2024 | 1364 |
| Myanmar | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

**(b) As % of global total**

| | 1990 | 1995 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|---|---|---|---|---|---|---|---|
| ***BCIM's Inflows*** | | | | | | | | |
| World | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Bangladesh | 0.00 | 0.00 | 0.04 | 0.04 | 0.05 | 0.06 | 0.06 | 0.08 |
| China | 1.73 | 11.02 | 2.89 | 5.63 | 8.54 | 9.59 | 8.53 | 7.90 |
| India | 0.12 | 0.63 | 0.25 | 0.66 | 0.91 | 0.82 | 0.77 | 0.72 |
| Myanmar | 0.11 | 0.09 | 0.01 | 0.02 | 0.03 | 0.05 | 0.04 | 0.03 |
| ***BCIM's Outflows*** | | | | | | | | |
| World | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Bangladesh | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| China | 0.36 | 0.56 | 0.07 | 0.90 | 0.47 | -0.03 | 0.22 | 1.45 |
| India | 0.00 | 0.03 | 0.04 | 0.18 | 0.31 | 0.24 | 0.25 | 0.18 |
| Myanmar | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

*Source: World Investment Report 2006 Data*

Intra-BCIM flow of FDI, especially FDI from two big players, India and China, to other members of the Forum has been dismally low. In 2005 the share of India in the total FDI inflow of US$692 million into Bangladesh was a mere 0.39 percent (US$2.67 million).

[5] Barry Eichengreen and Hui Tong, Is China's FDI coming at the expense of other countries? NBER working paper 11335, 2005. www.nber.org/papers/w 11335

Entrepreneurs from China and India made investments in both Domestic Tariff Area (DTA) and in the Export Processing Zones (EPZs). In all the EPZs of Bangladesh, as of 31 December 2006, Chinese investment totalled US$11.86 million accounting for only 1.21 percent of the total foreign investment of US$984 million in the zone. A total of 8 industrial units have been established in the EPZ comprising 3 fully owned and 5 joint venture enterprises. The fully owned enterprises accounted for a total investment of US$8.65 million and covered such sectors in textile, and plastic products. The estimated foreign equity in 5 joint venture industrial units (readymade garments, garments accessories and knitting) is estimated at US$3.21 million (Table 3.21).

Indian investment in the 9 industrial units located in the domestic tariff area is estimated at US$29.5 million. Readymade garments accounts for the largest Indian investment of about 34 percent followed by services (24%) and fertilizers (15%). In the export processing zones 15 industrial units (fully owned:8; joint venture:7) have been established thus far with a total investment of US$5.12 million accounting for only 0.52 percent of the total foreign investment in all the EPZs of Bangladesh up to 31 December 2006. The fully owned 8 enterprises account for US$3.1 million with 5 agro-processing units together receiving the largest amount of investment estimated at US$1.42 million. Other enterprises in this category are plastic products (US$1.16 million), readymade garments (US$0.45 million), and metal products (US$0.069 million). The total Indian equity investment in the joint ventures is estimated at US$2.02 million comprising agro-products, garments accessories, electrical and electronics and metal products enterprises. It is however revealed that the largest Indian investment in the EPZ area are in agro-products industry followed by plastic products, the readymade garments, garments accessories, knitting and others.

**Table 3.21: Indian and Chinese Investment in EPZs of Bangladesh (As of 31 December 2006)**

| Country | Fully owned | | Joint Venture | | Total | |
|---|---|---|---|---|---|---|
| | Amount (million $) | Number of industrial units | Foreign Equity (million $) | Number of industrial units | Amount (million $) | Number of industrial units |
| India | 3.10 (0.41%) | 08 | 2.02 (0.86%) | 07 | 5.12 (0.52%) | 15 |
| China | 8.65 (1.15%) | 03 | 3.21 (1.37%) | 05 | 11.86 (1.21%) | 08 |
| Total Foreign Investment in EPZ | 749.00 (100%) | 155 | 235.00 (100%) | 41 | 984.00 (100%) | 196 |

Source: BEPZA, 2007.

Intra BCIM investment is thus insignificant. There are ample opportunities to take advantage of the complementarities in trade among the countries of the BCIM region.

Investment in the areas of iron and steel, fertilizer, cement, food and fruit processing plants, granite and lime stone, leather and leather products, textiles, apparels are some of the potential areas of investment. Indeed, Indian investment in some of these sectors could also be targeted to NE market. Indeed, TATA's investment proposals for power, fertilizer and steel, worth about $2.5 billion is a case in point with regard to interest of the Indian entrepreneurs to take advantage of business opportunities in Bangladesh.

## 4. Potentials for Expanding Trade and Investment Cooperation

### *4.1 Market Access*

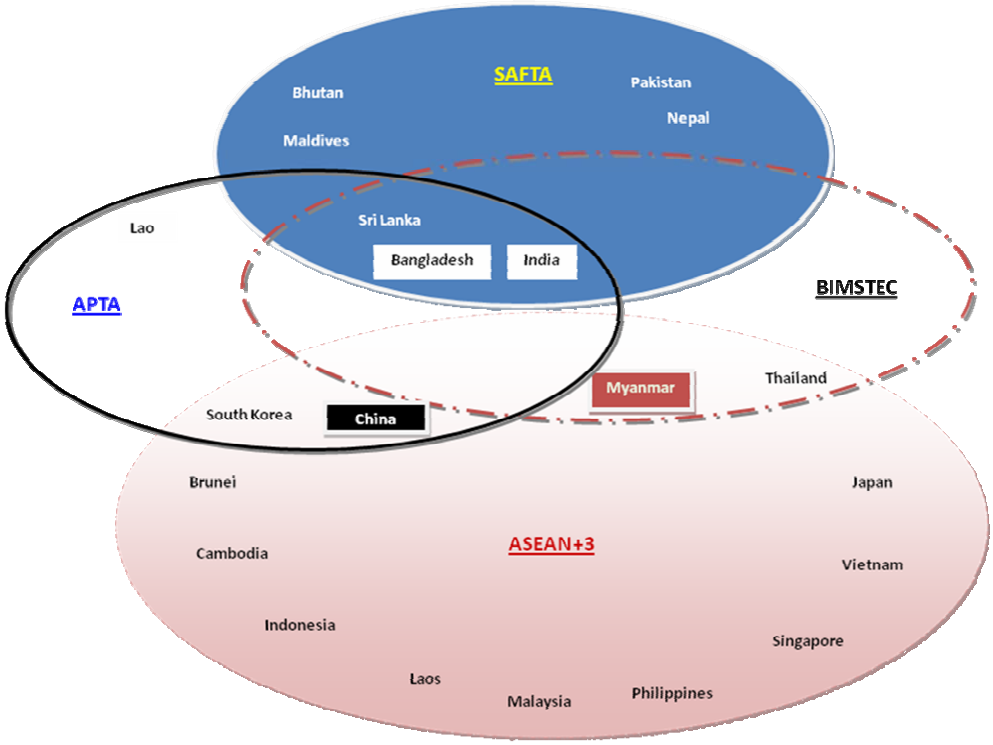
Bangladesh is a member of a number of regional trading arrangements (RTA) of which Asia-Pacific Trading Arrangement-APTA (previously known as the Bangkok Agreement), the South Asian Free Trade Area (SAFTA), and Bay of Bengal Initiative for Multisectoral Technical and Economic Cooperation (BIMST-EC). All of the three have India as a member (Figure 4.1). The member states are the most notable of the APTA, which includes Bangladesh, China, and India, have exchanged National List of Tariff Concessions. Till now three rounds of negotiations on tariff concessions have taken place. Table 4.1 shows that India offers tariff concessions to LDCs on 48 product categories at the 6 digit level with margin of preference ranging from 14% to 100%. A total of 37 product categories are provided 40-50% margin of preference while only 3 categories are provided 100% margin of preference. The general list covers 570 products with tariff concessions in the range of 70-100% to 85 products, 40-60% to 15 products, 20-40% to 93 products and the rest 193 product categories fall under the margin of preference ranging from 5 to 20%.

**Table 4.1: Tariff Concessions under the APTA (Bangkok Agreement)**

| Concession Offering States | After Three Rounds of Negotiations | | | |
|---|---|---|---|---|
| | No. of Products covered by concessions | | Margin of Preference (MOP) | |
| | General Concessions | Special Concessions | General Concessions | Special Concessions |
| Bangladesh | 209 | -- | 14.1 | -- |
| China | 1,697 | 161 | 26.7 | 77.9 |
| India | 570 | 48 | 23.9 | 39.7 |
| APTA Total | 4,270 | 587 | 26.8 | 58.8 |

Note: Special concessions are to LDC members
MOP is the simple average of all items expressed in percentage terms

**Figure: 7 Membership of BCIM Countries in Various RTAs**




Under the APTA China also granted special tariff concessions to the LDCs, in addition to the general concessions on 1697 commodities, on 161 product categories under 8-digit HS Code level. As per this list 88 product categories fall in the concession range of 80-100 percent, 52 in the range of 50-75 percent, and the rest 21 commodities fall in the range of 20-45 percent. However, China has agreed to relax duties ranging from 5 percent to 100 percent on 245 Bangladeshi products of which 83 products would receive zero-tariff entry. This provision would provide zero-duty access to selected Bangladeshi products including jute goods, knitwear, woven garments, soap, fish and leather to Chinese market.

As part of the SAFTA agreement India providing Bangladesh duty -free access for such items as jute and jute goods, fruit, leather products, ceramic and electrical goods. However, India's negative list includes 746 items including 199 items out of a total of 234 apparel items at HS codes 6-digits (chapters 61 and 62) that are included in India's sensitive list prepared for SAFTA members. It is a welcome news for Bangladesh that India has agreed to import 8 million pieces of apparel products each year from Bangladesh. The restrictions as regards to sourcing of fabrics and port of entry have now been resolved through discussion.[6] In the 14th SAARC summit, held during 3 - 4th April 2007 in New Delhi, Indian Prime Minister Mr Manmohan Singh announced that the time

[6] In the beginning India agreed to provide zero-tariff market access for 6 million pieces. In addition to that Indian foreign minister Mr Pronob Mukharjee, during his visit to Bangladesh, informed Bangladesh that India will import additional 2 million pieces of apparel products at zero-duty from Bangladesh.

line for items provided zero-duty to LDCs under the SAFTA (for items in the non-negative list) will be brought forward by about a year, to end 2007 (rather than end 2008). At present negotiations are also being carried out to reduce the sensitive list of India and Bangladesh.

### *4.2 Geographical Proximity*

Geographical proximity facilitates development of natural resources and other factor endowments provided a conducive atmosphere is created through cooperation among the participating countries based on mutual complementarities. Bangladesh is surrounded by India on three sides except for the border with Myanmar to the far Southeast. About 1880 km. border of the Northeastern region (boundaries with Meghalaya in the North, Tripura and Assam in the South) is with Bangladesh. Myanmar is also sharing a border of 2192 kms with China in the North and Northeast, 1331 kms with India and 2699 kms with Bangladesh on the West. The geographical location of these contiguous states therefore makes the region a natural economic zone and creates opportunities for the BCIM countries to benefit substantially from higher trade and investment. However, reality these will depend on many factors.

### *4.3 Identification of Bangladeshi Products with Export Potentials in Markets of India and China*

The present study has identified commodities, at the 6-digit HS code level, for which Bangladesh has export interest in the markets of the two of the partner countries in the forum – India and China. Please see Table-17 in Appendix B.

To identify the potential export products in Indian and Chinese market, the following algorithm was followed: Firstly, a list of products were identified which were exported by Bangladesh to the global market, but not to markets of China and India; a second list of products were identified which included products from the first list which India and China imported from global market but not from Bangladesh. These products were identified at six-digit level. This list provides a proxy about Bangladesh's export potential to the region, meaning that Bangladesh has the supply-side capacity to produce and export these items, but currently it is not exporting to markets of India and China. The average global per unit import prices of China and India for these items were estimated from global price data set. Bangladesh's global per unit export price of these items were also estimated in a similar manner. The import duties for these items were also documented Bangladesh's export price of the identified items were compared with import

price of China and India, plus import tariff, to explore price competitiveness of Bangladesh in these products in the markets of China and India.

The study has identified 20 export items of Bangladesh which have export opportunities in the Indian market. These commodities include, among others, apparel products (men/ boys wear made of cotton fabrics) and accessories, urea fertilizer, footwear and accessories, petroleum products, pharmaceuticals, electrical equipments (Table-18 in Appendix B).

Information provided in Table 4.2 indicates that Bangladesh has clear price advantage in at least two major export items – tobacco (HS code 240110) and pharmaceuticals (HS code 300420). In case of some other products such as black tea (HS code 090240), plants and parts of plants (HS code 121191), petroleum products (HS 271000), urea fertilizer (HS code 310210), mens/boys cotton shirts (HS code 620520), flat rolled products (HS code 721041) per unit export price of Bangladesh is somewhat higher compared to India. It may however be argued that these products could have market opportunities in NEI market because of proximity, lower carrying cost and shorter lead time.

**Table 4.2: Products of Export Potentials Which Are Not Exported Bangladesh to the India Market**

| HS Code | Product | BD's Export to World (mln US$) | India's Import from World (mln US$) | Bangladesh's Unit Export Price ('000 $/Ton) | India's Unit Import Price ('000 $/Ton) | India's MFN tariff Mean (%) |
|---|---|---|---|---|---|---|
| 240110 | Tobacco, unmanufactured, not stemmed or stripped | 2.8 | 6.5 | 2.08 | 6.75 | 30 |
| 300420 | Antibiotics nes, in dosage | 4.7 | 8.9 | 92.08 | 228.67 | 15 |
| 300490 | Medicaments nes, in dosage | 10.1 | 241.3 | NA | 184.65 | 15 |
| 121190 | Plants and pts of plants used in pharmaceuticals | 3.0 | 18.7 | 1.86 | 1.13 | 30 |
| 310210 | Urea fertilizer | 94.4 | 390.1 | 0.28 | 0.20 | 15 |
| 620520 | Mens/boys shirts, of cotton, not knitted | 5.0 | 1.2 | 13.84 | 11.75 | 15 |
| 721041 | Flat rolled prod,i/nas,pltd or ctd w zinc,corrugated,>/=600m wide,nes | 2.1 | 11.9 | 0.91 | 0.84 | 20 |

The study has also identified 34 potential export products for the China market which includes, among others, apparel (women/girls wear made of cotton), plastic articles, inorganic chemicals, petroleum products, tobacco, pharmaceuticals, and frozen fish (Table-19 in Appendix B). Data on unit prices of the major export items reveal that for 18 out of the identified 34 products Bangladesh's unit export price is significantly lower than the import price of China. Considering the price differential and the export interest of Bangladesh some of the major commodities have been identified which can, if provided duty free market access, could be considered as having export potential in the Chinese market. These commodities include tobacco (HS code 240120), pharmaceuticals (HS 300420, 300490), polyethylene products (HS 392321), women/girls cotton shirts, knitted

(HS 610610), women/girls blouses and shirts of cotton, not knitted (HS 610630), items of textile materials (HS 630790), and objective lenses (HS 900219). (Table 4.3)

**Table 4.3: Products of Export Potentials Which Are Not Exported by Bangladesh to the China Market**

| HS Code | Product | BD's Export to World (Million US$) | China's import from the world (Million US$) | Bangladesh's Unit Export Price ('000$/Ton) | China's Unit Import Price ('000 $/Ton) | MFN Tariff Mean (%) in China | Margin of Preference after APTA |
|---|---|---|---|---|---|---|---|
| 240120 | Tobacco, unmanufactured, partly or wholly stemmed or stripped | 15.3 | 321.6 | 1.94 | 4.67 | 10 | |
| 300420 | Antibiotics nes, in dosage | 4.7 | 215.2 | 92.08 | 196.56 | 6 | 17% |
| 300490 | Medicaments nes, in dosage | 10.1 | 918.5 | NA | 58.03 | 3.7 | 30% |
| 392321 | Sacks and bags of polythene | 8.5 | 69.8 | 1.44 | 3.81 | 10 | |
| 392390 | Articles for the conveyance or packing of goods nes, of plastics | 10.3 | 151.1 | 3.64 | 4.68 | 10 | 30% |
| 610610 | Womens/girls blouses and shirts, of cotton, knitted | 79.8 | 13.3 | 12.56 | 20.51 | 16 | 15% (60%) |
| 620630 | Womens/girls blouses and shirts, of cotton, not knitted | 163.8 | 27.8 | 16.33 | 28.56 | 16 | 15 |
| 630790 | Made up articles of textile materials | 6.9 | 56.3 | 2.76 | 11.84 | 14 | |
| 900219 | Objective lenses | 5.6 | 298.3 | 244.57 | 341.34 | 15 | |

Finally, potential products, identified under the present study, are matched with the information on current export of top 52 items of Bangladesh to the CIM region discussed earlier.

According to the method used in the text, products with export potentials in Chinese market (for example) indicate that the products was not imported by China from Bangladesh; however other two members could imported the product from Bangladesh over the corresponding period. Table 4.4 shows that three Bangladeshi items with export potentials were actually imported by India, in 2005, and all three products enjoyed a comparative advantage in the Indian as well as in other two markets. Again, two potential items for Indian market was also imported by China, in 2005, and these enjoyed a comparative advantage in the Chinese. Three items with export potentiality in market of India and China, were identified which was imported by Myanmar.

It can be argued that the growing size of the two emerging economies in the BCIM grouping, China and India, was likely to provide good opportunities for exports from Bangladeshi provided appropriate strategies were pursued towards competitiveness strength of Bangladeshi products. Preferential market access under SAFTA, BIMSTEC and APTA could enhance the opportunities in this context.

**Table 4.4: Comparative Advantage of Selected Potential Export Products for Bangladesh into the CIM Market**

| HS codes | Description | BD's Export to World (Million US$) | RSCA for China | RSCA for India | RSCA for Myanmar | RSCA for CIM |
|---|---|---|---|---|---|---|
| **Only China** | | | | | | |
| 030269 | Fish nes, fresh or chilled excl heading No 03.04, livers and roes | 8.096 | -1.000 | 0.998 | -1.000 | 0.998 |
| 080290 | Nuts edible, fresh or dried, whether or not shelled or peeled, nes | 3.876 | -1.000 | 0.990 | -1.000 | 0.991 |
| 281410 | Anhydrous ammonia | 43.558 | -1.000 | 0.978 | -1.000 | 0.993 |
| **Only India** | | | | | | |
| 900190 | Prisms,mirrors & other optical elements of any material,unmounted,nes | 1.511 | 0.707 | -1.000 | -1.000 | 0.445 |
| 030379 | Fish nes, frozen, excluding heading No 03.04, livers and roes | 25.892 | 0.897 | -1.000 | -1.000 | 0.788 |
| **Both India and China** | | | | | | |
| 271000 | Oils petroleum, bituminous, distillates, except crude | 0.423 | -1.000 | -1.000 | 0.056 | -0.812 |
| 300420 | Antibiotics nes, in dosage | 0.041 | -1.000 | -1.000 | 0.733 | -0.181 |
| 300490 | Medicaments nes, in dosage | 1.065 | -1.000 | -1.000 | 0.915 | 0.618 |

Note: A value of -1 of RSCA index implies that the product is not imported by the target region.

### *4.4 Potential Exports to NEIs*

A World Bank study conducted under the Bangladesh Export Diversification Project in 2004 for identification of market potentials of Bangladeshi products in the North-eastern Indian states reported that these states had to import almost everything from outside because of their weak production base. Geographical location of these states is such that they have to pay a high transportation cost as well as require longer transportation time to get the supply from their key source which was Kolkata.

The report comes to the conclusion that most Bangladeshi products could be exported to the NEIs because of large supply-demand gaps for a wide range of commodities and the relative economic backwardness of the region. They however identified a number of products having greater demand in the states of Assam, Meghalya, Monipur, Tripura and Mizoram. State specific potential export items identified in the aforesaid study are as follows:

**Assam:** Zamdani saree, Cotton waste, Fabrics, Woven fabrics of paper yarn, Staple fibre, Synthetic fibres, Readymade garments, Underclothes, Ceramic products, jute yearn, soap, Biscuit, Dry fish, Fruit drinks, Ice-cream, Mineral water, Molasses, Potato crackers, Waffles and wafers, Soybean oil, dry cell battery, Electrical and electronic goods, Brick

crushing machine, Cotton cutting machine, Chicken, Eggs, Garlic, Hilsha fish, Potato, Pulses, Small fish, Tobacco leaf, Fittings for furniture, Foam, Furniture, Cement, Corrugated tin, MS rod, Stone chips, PVC pipe, Tiles, Toilet fittings, Bicycle, Brass pitcher, Filter, Mosquito net, Polythene (lay flat tube), Show piece, Tin foil, Poultry feed.

**Meghalaya:** Zamdani saree, Textile products, readymade garments, ceramic products, melamine products, soap, Food items, Fruit drinks, Potato crackers, Soybean oil, Processed meat (chicken, beef and mutton), Hilsha fish, Live animals for meat, Cement, Corrugated tin, MS rod,

**Manipur**: Sport wear, bone china, dried food, puti fish, jute goods, readymade garments, crockery, melamine products, cosmetics, toiletries, wine, processed meat, soybean oil, electronic goods, fish, garlic, rice, cement, corrugated tin, medicine, wooden boat.

**Tripura:** Zamdani saree, Cotton waste, Fabrics, Woven fabrics of paper yarn, Staple fibre, Synthetic fibres, Readymade garments, Underclothes, ceramic products, jute yarn, soap, Biscuit, Dry fish, Fruit drinks, Ice-cream, Mineral water, Molasses, Potato crackers, Waffles and wafers, Soybean oil, dry cell battery, Electrical and electronic goods, Brick crushing machine, Cotton cutting machine, Chicken, Eggs, Garlic, Hilsha fish, Potato, Pulses, Small fish, Tobacco leaf, Fittings for furniture, Foam, Furniture, Cement, Corrugated tin, MS rod, Stone chips, PVC pipe, Tiles, Toilet fittings, Bicycle, Brass pitcher, Filter, Mosquito net, Polythene (lay flat tube), Show piece, Tin foil, Poultry feed.

**Mizoram**: Cement, meat, cosmetics, soybean oil, medicine, crockery, readymade garments, melamine, toiletries, electronic goods.

## 5. Challenges Facing the BCIM Countries

### *5.1 Infrastructure and Transport*

A Good infrastructure and excellent connectivity are key to establishing and stimulating deeper integration among the members of any aspiring regional grouping. For the success of any growth zone initiative such as the BCIM it is essential that the participating countries proactively engage themselves in building the required physical infrastructure to facilitate movement of goods and services. Infrastructure and connectivity are core elements of trade facilitation. In the context of the current state of play, BCIM remains one of the least connected region in the world. BCIM initiative will need to be geared to build the road, rail and air transport connectivity lack of which at present hinders deepening of trade and investment infrastructure. Indeed the NE states of India and the Southern China are virtually land-locked sub-regions within the BCIM. As a matter of geographical fact Bangladesh is the gateway for BCM. The ports of Chittagong and

Mongla have huge hinterlands to serve, whose future prosperity hinge critically on their access to ports for purposes of export and import. Improving the state of connectivity within the region, and mobilising the required resources to build the necessary infrastructure must be seen from the perspective of long term development strategy of BCIM members.

Experiences of other regional and sub-regional integration attempts suggest that participating countries incurred substantial expenditures to develop their infrastructures particularly to develop internal as well as cross-border transportation infrastructure including railways, roadways, airways, bridges and ports. ASEAN could serve as a very good example for the BCIM group members in this regard. Successful implementation of the Asian Highway, completion of the missing links on the Trans Asian Railway route and appropriate facilitation measures could importantly contribute in enhancing economic integration of BCIM member countries. Since all BCIM members will stand to gain from such measures, they should be ready to undertake the required investment.

An integrated transportation system must be seen as critical to generating the expected gains for BCIM cooperation. Serious attention ought to be given to the development of a multi-modal transport system linking road-rail-sea transport in a seamless continuity.

### *5.2 Trade Facilitation and Easing Movement of Goods*

Establishment of a seamless system of cross-border movement of both cargo and people is major challenge for the BCIM. The issues go beyond building the physical infrastructure. For easing up cross border movement and establishing greater connectivity the existing trans-border formalities, vehicular movement and customs procedures need to be simplified. Use of modern technology could play an important role in speeding up the procedures. A BCIM visa could also be introduced to facilitate movement of people particularly for the investors and the businessmen.

Hassle free movement of goods across border is one of the major prerequisites of successful regional cooperation. Success of regional cooperation largely depends on the existence of a level playing field for trade for all the participating countries. This can be ensured by removing all non-tariff barriers to trade. Harmonisation of standards, tariff structure, and dismantling of all para-tariff and non-tariff barriers are key to this. Developing land customs stations with warehouse, weigh bridge, truck-parking area, banking and insurance facilities close to the land customs stations, establishing visa offices in the bordering states, and removal of travel tax could significantly lower costs and enhance trade among the BCIM countries. The recent initiative to sign a framework

agreement between Bangladesh and India to recognise standardisation certification issued by relevant institutions of partner countries (BSTI in Bangladesh and BIS in India) is a step in the right direction.

### *5.3 The Political Economy*

Political commitment on the part of the participating countries is to take the BCIM cooperation forward in a *sine qua non* for closer cooperation among BCIM countries. Although in China and Myanmar, for all practical purposes Track II (informal, civil society level) and Track I (formal, government level) are closely entwined, this is not the case for Bangladesh and India. For any cooperation of the BCIM type to succeed, the initiative, though originating from academia or civil society (Track II), must be seized by the political leadership and the government (Track I). A long term vision will need to be at work in order for this to happen. In case of BCIM success to a large extent will hinge on the perspectives and approach taken by Bangladesh and Myanmar have their own priorities, interests and concerns, including security concerns. These issues ought to be solved through constructive and continuing engagements.

### *5.4 Investment Promotion*

Trade is a natural consequence of investment. In order for the BCIM sub-grouping to succeed, partner countries must provide adequate incentives to promote intra-regional and extra-regional investment. This is also important from the perspective of balanced cooperation since in such a regional block as the BCIM, the smaller players (Bangladesh and Myanmar) are likely to be at a disadvantageous position. There may be genuine apprehension on the part of the smaller economies that such integration could be detrimental to their trade and investment interests. Such concerns must inform the design of the cooperation. Non-reciprocal market access facilities, incentives for investors willing to invest in weaker economies and other supportive policies must be put in place to foster and promote investment within the region. The major focus of BCIM initiative should be to develop the growth zone, that is a relatively underdeveloped area. Attracting investments, both from within and also from outside, to exploit the complementarities of the sub-region, through horizontal and vertical cooperation, should be at the centre of the design of BCIM cooperation.

## 6. Concluding Remarks

The BCIM grouping includes two large emerging developing countries and two LDCs. It needs to be recognised that important hurdles are to be overcome if close cooperation among the countries of the grouping in the areas of trade and investment is to be ensured.

However, it needs to be kept in mind that Bangladesh and India are already members of SAFTA, Bangladesh, Myanmar and India are members of BIMSTEC and Bangladesh, India and China are members of APTA. Important initiatives have already been set in notion towards closer cooperation involving BCIM members under the ambit of the aforesaid RTAs. SAFTA and BIMSTEC have chartered ways to establish free trade zones (in BIMSTEC-FTA, services area also included). Indeed both these groupings mention about cooperation in non-direct market access areas (preferential treatment through concessional tariffs) such as customs harmonisation, investment promotion and trade facilitation. There are ambitious plans to transform the FTAs into customs union. As far as economic cooperation under the rubrics of BCIM is concerned, the idea is to accelerate the cooperation between the four member countries, by drawing synergies from the other aforesaid groupings. However, the major focus and point of departure and what gives the BCIM grouping its distinctive features is that the grouping aspires to build a growth triangle covering the region of Bangladesh, Myanmar, NE states of India and Southern Chinese province of Yunnan. As the analysis presented in this study has pointed out, the NE and Southern China are soft underbellies of India and China respectively. Both these regions are lagging behind in terms of socio-economic development compared to the rest of their respective economies. Their geographical location, proximity to the other two LDCs (Bangladesh and Myanmar) and opportunities for trade and transport cooperation make them natural candidate for cooperation. Of special interest from the perspective of regional cooperation will be establishment of transport cooperation in the BCIM growth triangle – Bangladesh's interest in this enterprise is that it could allow Bangladesh to transform itself into a regional commercial hub with large potential gains from scale of transport and port services. For advancing the cause of cooperation in BCIM growth triangle the experience of other sub-regional cooperation, mentioned in the study, should be closely studied and appropriate lessons should be drawn.

**APPENDIX - A**

**Notes on Methodology**

**1. Regional Trade Orientation Index:**

The regional trade orientation index $(R_C)$ for export of product 's' is defined as

$$R_c = \frac{X_{sr} / X_{tr}}{X_{SR} / X_{tR}}$$

Where, $X_{sr}$ = Export of product 's' to region for country 'c'

$X_{tr}$ = Total export of country 'c' to region

$x_{SR}$ = Export of product 's' to rest of world

$X_{tR}$ = Total export of 'c' to the rest of world

**2. Revealed Comparative Advantage (RCA):**

Revealed Comparative Advantage (Balassa, 1965) can be defined as:

$$RCA_{ij} = \frac{X_{ij} / \sum_i X_{ij}}{\sum_j X_{ij} / \sum_i \sum_j X_{ij}}$$

The numerator represents the percentage share of a given sector in national exports - $X_{ij}$ are exports of sector *i* from country *j*. The denominator represents the percentage share of a given sector in world/regional exports. The RCA index, thus, contains a comparison of national export structure (the number) with the world/regional (the denominator). When RCA equals 1 for a given sector in a given country, the percentage share of that sector is identical with the world/regional average. Where RCA is above 1 the country is said to be specialised in that sector and vice versa where RCA is below 1. However, since the RCA turns out to produce an output which cannot be compared on both sides of $1^1$, the index is made symmetric, obtained as (RCA-1)/(RCA+1); this measure ranges from -1 to +1. The measure is labeled 'Revealed Symmetric Comparative Advantage' (RSCA). [Laursen, 1998]

**3. Trade Complementarity Index:**

The trade complementarity (TC) index can provide useful information on prospects for intraregional trade in that it shows how well the structures of a country's imports and exports match. It also has the attraction that its values for countries consideration the formation of a regional trade agreement can be compared with others that have formed or tried to form similar arrangements. The TC between countries k and j is defined as:

$$TC_{ij} = 100 - sum(| m_{ik} - x_{ij} | / 2)$$

Where, $x_{ij}$ is the share of good i in global exports of country j and $m_{ik}$ is the share of good i in imports of country k. The index is zero when no goods are exported by one country or imported by the other and 100 when the export and import shares exactly match.

**4. GL-IIT Index:**

The intra-industry index of home country with a country j for and industry i is:

$$GL_{ij} = 1 - \frac{\left|X_{ij} - M_{ij}\right|}{X_{ij} + M_{ij}}$$

Where, $X_{ij}$ = Export of country 'j' of product 'i'

$M_{ij}$ = Import of country 'j' of product 'i'

The intra-industry trade index of home country with a country j is:

$$GL_J = \frac{\sum_{i=1}^{n}\left[\left(X_{ij} + M_{ij}\right) - \left|X_{ij} - M_{ij}\right|\right]}{\sum_{i=1}^{n}\left(X_{ij} + M_{ij}\right)} = \sum_{i=1}^{n} W_{ij}\left[1 - \frac{\left|X_{ij} - M_{ij}\right|}{X_{ij} + M_{ij}}\right]$$

Where,

$$W_{ij} = \frac{X_{ij} + M_{ij}}{\sum_{i=1}^{n}\left(X_{ij} + M_{ij}\right)}$$

**5. Export Intensity Index:**

Export Intensity Index ( $Ix_{ij}$ ) of country 'i' with country 'j' is defined as

$$Ix_{ij} = \frac{X_{ij} / X_{iw}}{M_{jw} / M_{ww}}$$

Where, $X_{ij}$ = Export from country 'i' to country 'j'

$X_{iw}$ = Export from country 'i' to the world

$M_{jw}$ = Import of country 'j' from the world

$M_{ww}$ = World total import

**6. Import Intensity Index:**

Import Intensity Index $\left(IM_{ij}\right)$ of country 'i' with country 'j' is also defined as

$$IM_{ij} = \frac{M_{ij} / M_{iw}}{X_{iw} / X_{ww}}$$

Where, $M_{ij}$ = Import of country 'i' from country 'j'

$M_{iw}$ = Import of country 'i' from the world

$X_{iw}$ = Export of country 'j' to the world

$X_{ww}$ = World total export

## APPENDIX - B

**Table 1: Bangladesh's Trade with CIM Countries 1990, 1995, 2000-2005**

| ***Bangladesh Export to CIM*** | ***1990*** | ***1995*** | ***2000*** | ***2001*** | ***2002*** | ***2003*** | ***2004*** | ***2005*** |
|---|---|---|---|---|---|---|---|---|
| **China** | 25 | 18 | 10 | 6 | 12 | 13 | 31 | 46 |
| **India** | 22 | 36 | 50 | 61 | 39 | 55 | 66 | 119 |
| **Myanmar** | 0 | 2 | 1 | 1 | 1 | 2 | 2 | 2 |
| **Total Export to CIM** | 47 | 56 | 60 | 67 | 52 | 71 | 99 | 167 |
| **Total Export to World but not to CIM** | 1624 | 3073 | 5529 | 5669 | 5391 | 6158 | 7487 | 8328 |
| **Total Export to World** | 1670.5 | 3129.16 | 5589.58 | 5735.61 | 5443.26 | 6229.39 | 7585.6 | 8494.4 |
| **% of BD's total Export** | 2.80 | 1.79 | 1.08 | 1.17 | 0.96 | 1.14 | 1.30 | 1.96 |
| ***Bangladesh Imports from CIM*** | | | | | | | | |
| **China** | 124 | 601 | 668 | 772 | 910 | 1091 | 1446 | 1870 |
| **India** | 170 | 994 | 945 | 1195 | 1146 | 1494 | 1745 | 1951 |
| **Myanmar** | 0 | 5 | 22 | 20 | 24 | 33 | 27 | 32 |
| **Total Import from CIM** | 295 | 1599 | 1635 | 1988 | 2080 | 2618 | 3218 | 3854 |
| **Total Import from World but not from CIM** | 3361 | 4897 | 7366 | 7024 | 5768 | 7217 | 8372 | 9997 |
| **Bangladesh's total Import from World** | 3656.09 | 6496.05 | 9000.78 | 9011.53 | 7847.78 | 9834.93 | 11590 | 13850.9 |
| **% of BD's total Import** | 8.06 | 24.62 | 18.16 | 22.06 | 26.50 | 26.62 | 27.77 | 27.82 |
| ***Bangladesh's Trade Turnover with CIM*** | | | | | | | | |
| **China** | 149 | 619 | 677 | 778 | 922 | 1104 | 1476 | 1917 |
| **India** | 192 | 1030 | 996 | 1256 | 1185 | 1550 | 1811 | 2070 |
| **Myanmar** | 0 | 7 | 23 | 20 | 25 | 36 | 29 | 34 |
| **Total Trade Turnover** | 342 | 1655 | 1695 | 2055 | 2132 | 2689 | 3317 | 4021 |
| **Total Trade to World but not to CIM** | 4985 | 7970 | 12895 | 12693 | 11159 | 13375 | 15859 | 18325 |
| **Bangladesh's total Trade Turnover** | 5327 | 9625 | 14590 | 14747 | 13291 | 16064 | 19176 | 22345 |
| **% of BD's total Trade Turnover** | 6.41 | 17.20 | 11.62 | 13.93 | 16.04 | 16.74 | 17.30 | 17.99 |

Note: Export Data are taken as FOB and Import Data are CIF.
**Source:** Estimated from IMF; Direction of Trade Statistics Database, December- 2006.

**Table: 2 China's Trade with BIM Countries** *(in Million US$)*

| China's Export to BIM | 1990 | 1995 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|---|---|---|---|---|---|---|---|
| **Bangladesh** | 149 | 633 | 900 | 958 | 1068 | 1335 | 1906 | 2404 |
| **India** | 173 | 765 | 1561 | 1903 | 2673 | 3344 | 5927 | 8937 |
| **Myanmar** | 277 | 618 | 496 | 498 | 725 | 908 | 939 | 935 |
| **Total** | 600 | 2016 | 2957 | 3359 | 4466 | 5586 | 8771 | 12275 |
| **% of China's Export to BIM** | 0.96 | 1.35 | 1.19 | 1.26 | 1.37 | 1.27 | 1.48 | 1.61 |
| **China's Import from BIM** | | | | | | | | |
| **Bangladesh** | 24 | 45 | 19 | 17 | 32 | 33 | 57 | 79 |
| **India** | 97 | 398 | 1350 | 1700 | 2274 | 4252 | 7677 | 9780 |
| **Myanmar** | 95 | 150 | 125 | 134 | 137 | 170 | 207 | 274 |
| **Total** | 217 | 592 | 1494 | 1851 | 2443 | 4454 | 7941 | 10133 |
| **% of China's Import from BIM** | 0.40 | 0.45 | 0.66 | 0.76 | 0.83 | 1.08 | 1.41 | 1.53 |
| **China's Trade Turnover with BIM** | | | | | | | | |
| **Bangladesh** | 173 | 678 | 918 | 975 | 1101 | 1368 | 1963 | 2482 |
| **India** | 270 | 1163 | 2911 | 3603 | 4947 | 7595 | 13604 | 18717 |
| **Myanmar** | 373 | 767 | 621 | 632 | 862 | 1077 | 1145 | 1209 |
| **Total** | 816 | 2608 | 4451 | 5209 | 6909 | 10040 | 16713 | 22408 |
| **% of China's Trade Turnover with BIM** | 0.70 | 0.93 | 0.94 | 1.02 | 1.11 | 1.18 | 1.45 | 1.58 |

Note: Export Data are taken as FOB and Import Data are CIF.

**Source:** Estimated from IMF; Direction of Trade Statistics Database, December- 2006.

**Table: 3 India's Trade with BCM Countries** *(in Million US$)*

| India's Export to BCM | 1990 | 1995 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|---|---|---|---|---|---|---|---|
| **Bangladesh** | 297 | 960 | 860 | 1087 | 1133 | 1600 | 1625 | 1632 |
| **China** | 18 | 283 | 758 | 1545 | 1720 | 2710 | 4178 | 6445 |
| **Myanmar** | 1 | 21 | 48 | 53 | 72 | 86 | 105 | 111 |
| **Total** | 317 | 1264 | 1667 | 2685 | 2924 | 4396 | 5908 | 8188 |
| **% of India's Export to BCM** | 1.78 | 4.14 | 3.91 | 5.94 | 5.79 | 7.19 | 7.84 | 8.36 |
| **India's Import from BCM** | | | | | | | | |
| **Bangladesh** | 15 | 79 | 80 | 67 | 61 | 74 | 61 | 104 |
| **China** | 31 | 811 | 1449 | 2094 | 2603 | 3738 | 6073 | 9829 |
| **Myanmar** | 90 | 160 | 179 | 198 | 346 | 391 | 400 | 494 |
| **Total** | 136 | 1051 | 1708 | 2358 | 3010 | 4202 | 6534 | 10427 |
| **% of India's Import from BCM** | 0.57 | 3.05 | 3.39 | 4.00 | 5.11 | 5.67 | 6.54 | 7.74 |
| **India's Trade Turnover with BCM** | | | | | | | | |
| **Bangladesh** | 312 | 1038 | 940 | 1154 | 1194 | 1673 | 1685 | 1736 |
| **China** | 49 | 1094 | 2207 | 3639 | 4323 | 6448 | 10252 | 16274 |
| **Myanmar** | 92 | 182 | 227 | 251 | 417 | 477 | 505 | 605 |
| **Total** | 453 | 2315 | 3374 | 5043 | 5934 | 8598 | 12442 | 18615 |
| **% of India's Trade Turnover with BCM** | 1.08 | 3.56 | 3.63 | 4.84 | 5.42 | 6.36 | 7.10 | 8.00 |

Note: Export Data are taken as FOB and Import Data are CIF.

**Source:** Estimated from IMF; Direction of Trade Statistics Database, December- 2006.

**Table: 4 Myanmar's Trade with BCI Countries** *(in Million US$)*

| Myanmar Exports to BCI | 1990 | 1995 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|---|---|---|---|---|---|---|---|
| **Bangladesh** | 1 | 4 | 20 | 18 | 22 | 30 | 25 | 29 |
| **China** | 44 | 146 | 163 | 180 | 314 | 355 | 364 | 449 |
| **India** | 33 | 136 | 113 | 122 | 124 | 154 | 188 | 249 |
| **Total** | 78 | 286 | 296 | 320 | 460 | 540 | 576 | 728 |
| **%of MYN's Export to BCI** | 19.11 | 23.88 | 14.97 | 12.14 | 16.60 | 19.48 | 18.24 | 19.67 |
| **Myanmar Imports from BCI** | | | | | | | | |
| **Bangladesh** | 1 | 2 | 1 | 1 | 1 | 3 | 2 | 2 |
| **China** | 1 | 23 | 53 | 58 | 79 | 95 | 115 | 122 |
| **India** | 138 | 680 | 546 | 547 | 797 | 999 | 1029 | 1028 |
| **Total** | 140 | 705 | 600 | 606 | 877 | 1096 | 1147 | 1152 |
| **%of MYN's Import from BCI** | 20.98 | 30.11 | 19.73 | 22.78 | 29.56 | 33.98 | 33.21 | 32.27 |
| **Myanmar's Trade Turnover with BCI** | | | | | | | | |
| **Bangladesh** | 2 | 6 | 21 | 19 | 23 | 33 | 27 | 31 |
| **China** | 46 | 169 | 216 | 238 | 393 | 450 | 479 | 571 |
| **India** | 171 | 816 | 660 | 669 | 922 | 1153 | 1217 | 1278 |
| **Total** | 218 | 991 | 896 | 926 | 1337 | 1636 | 1723 | 1880 |
| **%of MYN's Trade Turnover with BCI** | 20.27 | 28.00 | 17.86 | 17.49 | 23.30 | 27.28 | 26.06 | 25.86 |

Note: Export Data are taken as FOB and Import Data are CIF.
**Source:** Estimated from IMF; Direction of Trade Statistics Database, December- 2006.

**Table: 5 Bangladesh's Exports & Imports Intensities with CIM Region and Member Countries**

| Year | China | | India | | Myanmar | | CIM Region | |
|---|---|---|---|---|---|---|---|---|
| | Export Intensity | Import Intensity | Export Intensity | Import Intensity | Export Intensity | Import Intensity | Export Intensity | Import Intensity |
| 1990 | 0.984 | 1.830 | 1.903 | 8.843 | 0.063 | 0.792 | 1.257 | 3.367 |
| 1995 | 0.228 | 3.153 | 1.704 | 25.459 | 1.305 | 3.049 | 0.544 | 6.922 |
| 2000 | 0.050 | 1.901 | 1.174 | 15.738 | 0.272 | 7.897 | 0.256 | 3.948 |
| 2001 | 0.025 | 1.973 | 1.148 | 18.011 | 0.285 | 5.100 | 0.245 | 4.305 |
| 2002 | 0.050 | 2.289 | 0.814 | 18.587 | 0.399 | 7.023 | 0.179 | 4.495 |
| 2003 | 0.040 | 1.896 | 0.930 | 18.632 | 0.942 | 9.142 | 0.180 | 3.973 |
| 2004 | 0.068 | 1.916 | 0.827 | 18.206 | 0.683 | 6.797 | 0.185 | 3.767 |
| 2005 | 0.089 | 1.832 | 1.115 | 14.881 | 0.535 | 6.512 | 0.264 | 3.331 |

**Source:** Estimated from IMF; Direction of Trade Statistics Database, December- 2006.

**Table: 6 China's Exports & Imports Intensities with BIM Region And Member Countries**

| Year | Bangladesh | | India | | Myanmar | | BIM-Region | |
|---|---|---|---|---|---|---|---|---|
| | Export Intensity | Import Intensity | Export Intensity | Import Intensity | Export Intensity | Import Intensity | Export Intensity | Import Intensity |
| 1990 | 2.291 | 0.903 | 0.404 | 0.343 | 23.278 | 14.685 | 1.187 | 0.684 |
| 1995 | 3.363 | 0.554 | 0.766 | 0.500 | 9.108 | 4.799 | 1.606 | 0.653 |
| 2000 | 2.643 | 0.096 | 0.820 | 0.899 | 4.320 | 1.789 | 1.254 | 0.844 |
| 2001 | 2.547 | 0.073 | 0.773 | 0.947 | 4.480 | 1.284 | 1.138 | 0.870 |
| 2002 | 2.775 | 0.129 | 0.925 | 0.980 | 4.980 | 1.075 | 1.306 | 0.906 |
| 2003 | 2.401 | 0.097 | 0.799 | 1.263 | 4.978 | 1.111 | 1.134 | 1.153 |
| 2004 | 2.625 | 0.122 | 0.947 | 1.654 | 4.339 | 1.063 | 1.218 | 1.497 |
| 2005 | 2.444 | 0.145 | 0.934 | 1.565 | 3.689 | 1.162 | 1.136 | 1.442 |

**Source:** Estimated from IMF; Direction of Trade Statistics Database, December- 2006.

**Table: 7 India's Exports & Imports Intensities with BCM Region and Member Countries**

| Year | Bangladesh | | China | | Myanmar | | BCM-Region | |
|---|---|---|---|---|---|---|---|---|
| | Export Intensity | Import Intensity | Export Intensity | Import Intensity | Export Intensity | Import Intensity | Export Intensity | Import Intensity |
| 1990 | 16.046 | 1.288 | 0.066 | 0.069 | 0.423 | 31.092 | 1.075 | 0.296 |
| 1995 | 24.874 | 3.711 | 0.360 | 0.803 | 1.527 | 19.734 | 1.509 | 1.010 |
| 2000 | 14.780 | 1.812 | 0.521 | 0.738 | 2.445 | 11.486 | 1.086 | 0.844 |
| 2001 | 17.043 | 1.213 | 0.897 | 0.817 | 2.817 | 7.811 | 1.487 | 0.892 |
| 2002 | 18.978 | 1.229 | 0.765 | 0.872 | 3.170 | 13.603 | 1.255 | 0.984 |
| 2003 | 20.638 | 1.198 | 0.833 | 0.863 | 3.383 | 14.274 | 1.310 | 0.951 |
| 2004 | 17.609 | 0.729 | 0.935 | 0.935 | 3.810 | 11.563 | 1.287 | 0.988 |
| 2005 | 12.919 | 0.939 | 1.070 | 0.990 | 3.402 | 10.250 | 1.325 | 1.034 |

**Source:** Estimated from IMF; Direction of Trade Statistics Database, December- 2006.

**Table: 8 Myanmar's Exports & Imports Intensities with BCI Region and Member Countries**

| Year | Bangladesh | | China | | India | | BCI-Region | |
|---|---|---|---|---|---|---|---|---|
| | Export Intensity | Import Intensity | Export Intensity | Import Intensity | Export Intensity | Import Intensity | Export Intensity | Import Intensity |
| 1990 | 1.389 | 2.911 | 5.324 | 11.113 | 15.857 | 0.410 | 8.249 | 8.628 |
| 1995 | 2.802 | 1.421 | 4.416 | 9.899 | 18.157 | 1.660 | 7.092 | 8.376 |
| 2000 | 7.411 | 0.289 | 1.678 | 4.604 | 10.776 | 2.606 | 3.469 | 4.237 |
| 2001 | 4.825 | 0.298 | 1.215 | 4.734 | 7.392 | 2.976 | 2.490 | 4.403 |
| 2002 | 6.595 | 0.422 | 1.009 | 5.304 | 12.774 | 3.376 | 3.044 | 4.979 |
| 2003 | 8.600 | 1.000 | 1.045 | 5.294 | 13.427 | 3.596 | 3.041 | 5.036 |
| 2004 | 6.419 | 0.724 | 1.002 | 4.581 | 10.919 | 4.035 | 2.567 | 4.477 |
| 2005 | 6.146 | 0.566 | 1.096 | 3.909 | 9.672 | 3.605 | 2.611 | 3.842 |

**Source:** Estimated from IMF; Direction of Trade Statistics Database, December- 2006.

**Table: 9 Bangladesh's Export to China**
(Million US$)

| Commodities | FY1995 | FY2000 | FY2005 |
|---|---|---|---|
| Raw jute | 8.348 | 0.214 | 25.016 |
| Leather | 5.787 | 3.394 | 8.747 |
| PVC bags | 0 | 0 | 5.356 |
| Frozen fish | 2.367 | 0.592 | 3.14 |
| Camera parts | 0 | 1.154 | 2.421 |
| Polythene sheet | 0 | 0 | 2.184 |
| Woven garments | 0.386 | 0.03 | 1.764 |
| PVC pipe | 0 | 0 | 0.986 |
| Jute Yarn and twine | 0.143 | 0.251 | 0.742 |
| Acrylic Yarn | 0 | 0 | 0.655 |
| Tortoise | 2.7 | 0 | 0 |
| Tea | 0 | 0 | 0 |
| Chemical Fertilizer | 16.138 | 0 | 0 |
| Shrimp | 0.279 | 4.522 | 0.47 |
| Others | 9.137 | 0.407 | 4.589 |
| Total Export to China | 45.285 | 10.564 | 56 |
| Total Export to World | 3472.56 | 5752.2 | 8654.52 |

**Source:** EPB.

**Table: 10 Bangladesh's Export to India**
(Million US$)

| Commodities | FY1995 | FY2000 | FY2005 |
|---|---|---|---|
| Chemical Fertilizer | 25.761 | 13.784 | 38.278 |
| Raw Jute | 14.932 | 21.039 | 24.293 |
| Jute manufactures | 0.053 | 13.094 | 21.775 |
| Frozen fish | 1.752 | 6.041 | 10.864 |
| Copper wire | 0 | 0 | 8.953 |
| Betel nuts | 0 | 0 | 6.335 |
| Furnace oil | 0 | 0 | 3.411 |
| Jute yarn and twine | 0 | 0.038 | 2.996 |
| Leather | 1.844 | 1.354 | 2.992 |
| Soap (toilet) | 0 | 0.221 | 2.433 |
| Woven garments | 0.243 | 1.065 | 0.662 |
| Naptha | 0 | 0 | 0 |
| Shrimp | 0 | 0 | 0 |
| Jamdani Saree | 0.147 | 0.021 | 0.04 |
| Others | 0.434 | 8.205 | 20.628 |
| Total Export to India | 45.166 | 64.862 | 143.66 |
| Total Export to World | 3472.56 | 5752.2 | 8654.52 |

**Source:** EPB.

**Table: 11 Bangladesh's Export to Myanmar**
(Million US$)

| Commodities | FY1995 | FY2000 | FY2005 |
|---|---|---|---|
| Pharmaceuticals | 0 | 0.418 | 1.347 |
| Coil assembly | 0 | 0 | 0.742 |
| Iron Chain | 0 | 0 | 0.701 |
| Furnace oil | 0 | 0 | 0.385 |
| Cement | 0 | 0.024 | 0.139 |
| Cosmetics | 0 | 0 | 0.069 |
| Footwear (sports) | 0 | 0 | 0.065 |
| Soyabean oil | 0 | 0 | 0.056 |
| PVC pipe | 0 | 0 | 0.042 |
| Footwear (Leather) | 0 | 0 | 0 |
| Stainless steelwear | 0 | 0 | 0 |
| Frozen fish | 0 | 0 | 0 |
| Leather | 0 | 0.084 | 0.024 |
| Shrimp | 0 | 0 | 0 |
| Jute manufactures | 2.863 | 0.024 | 0 |
| textile fabrics | 0 | 0 | 0 |
| Chemical Fertilizer | 1.174 | 0 | 0 |
| Jute Yarn and twine | 0 | 0 | 0 |
| Others | 0.206 | 0.049 | 0.497 |
| Total Export to Myanmar | 4.243 | 0.599 | 4.067 |
| Total Export to World | 3472.56 | 5752.2 | 8654.52 |

**Source:** EPB.

**Table: 12 Principal Import Commodities of Bangladesh from China (1995 - 2005)**

| **Commodity** | **2005%** | **2000%** | **1995%** |
|---|---|---|---|
| Vegetables products | 1.41 | 3.37 | 1.10 |
| *- Edible fruit nuts; peel of citrus fruit or melons* | 0.48 | 0.03 | 0.02 |
| *- Coffee, tea, mate and spices* | 0.40 | 0.59 | 0.79 |
| *- Cereals* | 0.21 | 2.22 | 0.00 |
| Mineral products | 1.56 | 1.26 | 23.26 |
| *- Salt; sulphur; earths and stone; plastering materials, lime and cement* | 1.06 | 0.68 | 22.25 |
| Products of the chemical or allied industries | 13.85 | 8.39 | 7.90 |
| *- Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, of radioactive elements or of isotopes* | 2.59 | 3.81 | 2.79 |
| *- Organic chemicals* | 1.68 | 1.38 | 1.47 |
| *- Fertilizers* | 7.37 | 1.29 | 1.41 |
| Plastics and articles thereof; rubber and articles thereof | 1.87 | 1.31 | 1.81 |
| *- Plastic and articles thereof* | 0.98 | 0.68 | 1.11 |
| *- Rubber and articles thereof* | 0.89 | 0.63 | 0.70 |
| Textiles and textiles articles | 47.24 | 51.62 | 29.61 |
| *- Cotton* | 20.92 | 22.84 | 14.84 |
| *- Man-made filaments* | 3.25 | 2.63 | 1.03 |
| *- Man-made staple fibres* | 8.92 | 7.19 | 3.74 |
| *- Special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings; embroidery* | 2.32 | 3.27 | 1.17 |
| *- Knitted or crocheted fabrics* | 6.71 | 7.90 | 4.46 |
| *- Articles of apparel and clothing accessories, not knitted or crocheted* | 1.67 | 2.70 | 0.81 |
| Articles of stone, plaster, cement, absestos, mica or similar materials; ceramic products; glass and glassware | 1.27 | 0.59 | 0.61 |
| Base metals and articles of base metal | 3.09 | 5.60 | 5.21 |
| *- Iron and steel* | 1.01 | 1.55 | 1.16 |
| Machinery and mechanical appliances; electrical equipment; parts thereof; sound recorders and reproducers; and parts and accessories of such articles | 22.52 | 19.82 | 21.15 |
| *- Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof* | 16.10 | 16.90 | 17.97 |
| Vehicles, aircrafts, vessels and associated transport equipment | 2.58 | 2.05 | 2.27 |
| *- Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof* | 2.02 | 1.83 | 1.69 |
| *Others* | 4.16 | 5.99 | 7.09 |
| Total (in million USD) | **100(1616.12)** | **100(548.78)** | **100(409.28)** |

**Source:** Computations based on data from Annual Import Payments (Various issues), Statistics Department, Bangladesh Bank.

**Table: 13 Principal Import Commodities of Bangladesh from India (1995 - 2005)**

| **Commodity** | **2005%** | **2000%** | **1995%** |
|---|---|---|---|
| Vegetables products | 33.24 | 17.76 | 13.92 |
| *- Edible fruit nuts; peel of citrus fruit or melons* | 1.28 | 1.21 | 0.90 |
| *- Coffee, tea, mate and spices* | 0.80 | 1.25 | 0.34 |
| *- Cereals* | 24.01 | 10.26 | 11.90 |
| Mineral products | 9.50 | 8.38 | 10.80 |
| *- Salt; sulphur; earths and stone; plastering materials, lime and cement* | 1.78 | 4.20 | 5.68 |
| Products of the chemical or allied industries | 8.10 | 7.78 | 8.99 |
| *- Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, of radioactive elements or of isotopes* | 1.49 | 1.08 | 0.81 |
| *- Organic chemicals* | 2.78 | 2.77 | 1.67 |
| *- Fertilizers* | 0.20 | 0.36 | 3.67 |
| Plastics and articles thereof; rubber and articles thereof | 3.60 | 2.86 | 1.89 |
| *- Plastic and articles thereof* | 2.30 | 0.63 | 0.64 |
| *- Rubber and articles thereof* | 1.30 | 2.23 | 1.25 |
| Textiles and textiles articles | 14.88 | 33.40 | 35.04 |
| *- Cotton* | 10.10 | 26.73 | 25.97 |
| *- Man-made filaments* | 0.67 | 0.61 | 0.58 |
| *- Man-made staple fibres* | 2.16 | 2.17 | 1.66 |
| *- Special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings; embroidery* | 0.24 | 0.78 | 0.46 |
| *- Knitted or crocheted fabrics* | 0.75 | 1.72 | 4.37 |
| *- Articles of apparel and clothing accessories, not knitted or crocheted* | 0.40 | 0.42 | 0.20 |
| Articles of stone, plaster, cement, absestos, mica or similar materials; ceramic products; glass and glassware | 0.40 | 0.75 | 1.04 |
| Base metals and articles of base metal | 6.38 | 6.51 | 7.85 |
| *- Iron and steel* | 3.62 | 3.45 | 5.61 |
| Machinery and mechanical appliances; electrical equipment; parts thereof; sound recorders and reproducers; and parts and accessories of such articles | 11.75 | 7.57 | 6.45 |
| *- Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof* | 9.30 | 5.61 | 3.89 |
| Vehicals, aircrafts, vessels and associated transport equipment | 4.15 | 5.72 | 8.38 |
| *- Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof* | 4.09 | 5.67 | 8.15 |
| Others | 8.00 | 9.27 | 5.64 |
| Total (in million USD) | **100 (2012.39)** | **100 (828.25)** | **100 (688.54)** |

**Source:** Computations based on data from Annual Import Payments (Various issues), Statistics Department, Bangladesh Bank.

**Table: 14 Principal Import Commodities of Bangladesh from Myanmar (1995 - 2005)**

| **Commodity** | **2005**% | **2000**% | **1995**% |
|---|---|---|---|
| Vegetables products | 47.67 | 25.63 | 81.15 |
| - *Edible fruit nuts; peel of citrus fruit or melons* | 0.00 | 0.03 | 0.12 |
| - *Coffee, tea, mate and spices* | 0.07 | 0.19 | 0.69 |
| - *Cereals* | 39.08 | 19.22 | 79.22 |
| Mineral products | 0.00 | 0.00 | 0.00 |
| - *Salt; sulphur; earths and stone; plastering materials, lime and cement* | 0.00 | 0.00 | 0.00 |
| Products of the chemical or allied industries | 0.00 | 0.00 | 0.00 |
| - *Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, of radioactive elements or of isotopes* | 0.00 | 0.00 | 0.00 |
| - *Organic chemicals* | 0.00 | 0.00 | 0.00 |
| - *Fertilizers* | 0.00 | 0.00 | 0.00 |
| Plastics and articles thereof; rubber and articles thereof | 0.06 | 0.03 | 0.00 |
| - *Plastic and articles thereof* | 0.06 | 0.03 | 0.00 |
| - *Rubber and articles thereof* | 0.00 | 0.00 | 0.00 |
| Textiles and textiles articles | 0.54 | 1.04 | 0.00 |
| - *Cotton* | 0.00 | 1.04 | 0.00 |
| - *Man-made filaments* | 0.00 | 0.00 | 0.00 |
| - *Man-made staple fibres* | 0.54 | 0.00 | 0.00 |
| - *Special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings; embroidery* | 0.00 | 0.00 | 0.00 |
| - *Knitted or crocheted fabrics* | 0.00 | 0.00 | 0.00 |
| - *Articles of apparel and clothing accessories, not knitted or crocheted* | 0.00 | 0.00 | 0.00 |
| Articles of stone, plaster, cement, absestos, mica or similar materials; ceramic products; glass and glassware | 0.02 | 0.00 | 0.00 |
| Base metals and articles of base metal | 0.53 | 0.00 | 0.00 |
| - *Iron and steel* | 0.00 | 0.00 | 0.00 |
| Machinery and mechanical appliances; electrical equipment; parts thereof; sound recorders and reproducers; and parts and accessories of such articles | 0.02 | 0.90 | 0.00 |
| - *Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof* | 0.00 | 0.90 | 0.00 |
| Vehicals, aircrafts, vessels and associated transport equipment | 0.00 | 0.00 | 0.00 |
| - *Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof* | 0.00 | 0.00 | 0.00 |
| *Others* | 51.15 | 72.40 | 18.85 |
| Total (in million USD) | **100(32.71)** | **100(13.09)** | **100(9.10)** |

**Source:** Computations based on data from Annual Import Payments (Various issues), Statistics Department, Bangladesh Bank.

**Table: 15 Hs Chapter Wise Regional Orientation Index (Rtoi) of BCIM Countries In 2005**

| HS Code | Description | China | India | Myanmar | Bangladesh |
|---|---|---|---|---|---|
| 01 | Live animals | 0.007 | 0.054 | 0.000 | 0.000 |
| 02 | Meat and edible meat offal | 0.000 | 0.071 | 0.000 | 118.481 |
| 03 | Fish, crustaceans, molluscs, aquatic invertebrates nes | 0.003 | 1.203 | 0.091 | 1.555 |
| 04 | Dairy products, eggs, honey, edible animal product nes | 1.964 | 1.226 | 0.129 | 0.000 |
| 05 | Products of animal origin, nes | 0.680 | 0.851 | 0.120 | 11.166 |
| 06 | Live trees, plants, bulbs, roots, cut flowers etc | 0.401 | 0.184 | 1.485 | 0.581 |
| 07 | Edible vegetables and certain roots and tubers | 0.782 | 3.571 | 13.978 | 0.000 |
| 08 | Edible fruit, nuts, peel of citrus fruit, melons | 0.843 | 0.404 | 4.834 | 165.092 |
| 09 | Coffee, tea, mate and spices | 1.448 | 0.102 | 0.543 | 2.888 |
| 10 | Cereals | 0.141 | 2.212 | 5.285 | 0.000 |
| 11 | Milling products, malt, starches, inulin, wheat gluten | 0.342 | 0.245 | 0.407 | 10.037 |
| 12 | Oil seed, oleagic fruits, grain, seed, fruit, etc, nes | 0.206 | 0.507 | 2.526 | 0.000 |
| 13 | Lac, gums, resins, vegetable saps and extracts nes | 0.249 | 1.022 | 58.069 | |
| 14 | Vegetable plaiting materials, vegetable products nes | 0.034 | 2.528 | 4.471 | 0.000 |
| 15 | Animal,vegetable fats and oils, cleavage products, etc | 0.477 | 1.577 | 0.000 | 0.000 |
| 16 | Meat, fish and seafood food preparations nes | 0.002 | 0.874 | 3.708 | 0.000 |
| 17 | Sugars and sugar confectionery | 0.998 | 1.650 | 0.008 | 0.199 |
| 18 | Cocoa and cocoa preparations | 0.046 | 0.360 | | 0.000 |
| 19 | Cereal, flour, starch, milk preparations and products | 0.187 | 0.339 | 0.000 | 0.665 |
| 20 | Vegetable, fruit, nut, etc food preparations | 0.113 | 0.035 | 0.000 | 6.430 |
| 21 | Miscellaneous edible preparations | 0.814 | 0.065 | 0.008 | 0.000 |
| 22 | Beverages, spirits and vinegar | 0.773 | 0.012 | 0.000 | 0.000 |
| 23 | Residues, wastes of food industry, animal fodder | 0.413 | 2.046 | 1.431 | 18.974 |
| 24 | Tobacco and manufactured tobacco substitutes | 1.142 | 0.128 | 0.000 | 0.000 |
| 25 | Salt, sulphur, earth, stone, plaster, lime and cement | 1.991 | 2.739 | 290.224 | 0.000 |
| 26 | Ores, slag and ash | 3.274 | 39.403 | 15.691 | 30.437 |
| 27 | Mineral fuels, oils, distillation products, etc | 2.157 | 0.156 | 0.001 | 5.544 |
| 28 | Inorganic chemicals, precious metal compound, isotopes | 2.107 | 8.782 | 0.000 | 70.853 |
| 29 | Organic chemicals | 6.972 | 1.306 | 0.000 | 2.915 |
| 30 | Pharmaceutical products | 1.624 | 0.327 | 0.000 | 3.039 |
| 31 | Fertilizers | 9.140 | 0.389 | | 16.441 |
| 32 | Tanning, dyeing extracts, tannins, derivs,pigments etc | 3.214 | 0.906 | 0.193 | 0.000 |
| 33 | Essential oils, perfumes, cosmetics, toileteries | 0.599 | 0.615 | 7.211 | 0.000 |
| 34 | Soaps, lubricants, waxes, candles, modelling pastes | 0.771 | 0.552 | 6.646 | 164.349 |
| 35 | Albuminoids, modified starches, glues, enzymes | 1.270 | 0.249 | 0.427 | 2.716 |
| 36 | Explosives, pyrotechnics, matches, pyrophorics, etc | 0.577 | 0.043 | 0.000 | |
| 37 | Photographic or cinematographic goods | 3.789 | 0.235 | | 0.584 |

| | | | | | |
|---|---|---|---|---|---|
| 38 | Miscellaneous chemical products | 1.872 | 0.509 | 1.114 | 0.000 |
| 39 | Plastics and articles thereof | 0.840 | 1.846 | 1.076 | 22.536 |
| 40 | Rubber and articles thereof | 1.131 | 0.831 | 3.372 | 2.788 |
| 41 | Raw hides and skins (other than furskins) and leather | 0.491 | 0.664 | 0.763 | 2.551 |
| 42 | Articles of leather, animal gut, harness, travel goods | 0.138 | 0.032 | 0.005 | 0.151 |
| 43 | Furskins and artificial fur, manufactures thereof | 0.030 | 0.000 | | |
| 44 | Wood and articles of wood, wood charcoal | 0.141 | 0.217 | 6.659 | 0.355 |
| 45 | Cork and articles of cork | 2.419 | 0.289 | | |
| 46 | Manufactures of plaiting material, basketwork, etc. | 0.034 | 0.887 | 0.040 | 0.000 |
| 47 | Pulp of wood, fibrous cellulosic material, waste etc | 0.141 | 0.000 | 17.512 | 0.000 |
| 48 | Paper & paperboard, articles of pulp, paper and board | 0.951 | 0.497 | 0.687 | 1.494 |
| 49 | Printed books, newspapers, pictures etc | 0.651 | 0.179 | 0.000 | 8.618 |
| 50 | Silk | 29.236 | 0.157 | 0.000 | 1232.106 |
| 51 | Wool, animal hair, horsehair yarn and fabric thereof | 2.252 | 0.392 | | 0.000 |
| 52 | Cotton | 6.479 | 4.087 | 0.532 | 2.138 |
| 53 | Vegetable textile fibres nes, paper yarn, woven fabric | 4.000 | 0.019 | 3.422 | 8.744 |
| 54 | Manmade filaments | 3.881 | 0.320 | 0.198 | 2.498 |
| 55 | Manmade staple fibres | 5.482 | 0.756 | 0.737 | 0.806 |
| 56 | Wadding, felt, nonwovens, yarns, twine, cordage, etc | 3.971 | 0.064 | 1.762 | 2.858 |
| 57 | Carpets and other textile floor coverings | 0.322 | 0.018 | 0.000 | 3.040 |
| 58 | Special woven or tufted fabric, lace, tapestry etc | 3.760 | 0.180 | 0.997 | 0.048 |
| 59 | Impregnated, coated or laminated textile fabric | 15.238 | 0.608 | 3.060 | 2.877 |
| 60 | Knitted or crocheted fabric | 2.348 | 0.812 | 0.000 | 0.508 |
| 61 | Articles of apparel, accessories, knit or crochet | 0.026 | 0.016 | 0.000 | 0.006 |
| 62 | Articles of apparel, accessories, not knit or crochet | 0.031 | 0.037 | 0.000 | 0.054 |
| 63 | Other made textile articles, sets, worn clothing etc | 0.239 | 0.011 | 0.013 | 0.680 |
| 64 | Footwear, gaiters and the like, parts thereof | 0.153 | 0.016 | 0.000 | 0.075 |
| 65 | Headgear and parts thereof | 0.059 | 0.079 | 0.007 | 0.064 |
| 66 | Umbrellas, walking-sticks, seat-sticks, whips, etc | 0.929 | 0.182 | 0.247 | 0.000 |
| 67 | Bird skin, feathers, artificial flowers, human hair | 0.259 | 12.656 | 0.000 | 0.000 |
| 68 | Stone, plaster, cement, asbestos, mica, etc articles | 0.555 | 0.259 | 1.242 | 0.000 |
| 69 | Ceramic products | 1.325 | 0.142 | 0.000 | 0.445 |
| 70 | Glass and glassware | 1.616 | 0.517 | 0.180 | 48.234 |
| 71 | Pearls, precious stones, metals, coins, etc | 1.022 | 0.008 | 0.811 | 0.000 |
| 72 | Iron and steel | 1.496 | 1.871 | 0.062 | 7.885 |
| 73 | Articles of iron or steel | 1.064 | 0.216 | 0.723 | 27.066 |
| 74 | Copper and articles thereof | 0.697 | 0.962 | 0.002 | 85.085 |
| 75 | Nickel and articles thereof | 0.206 | 0.049 | | |
| 76 | Aluminium and articles thereof | 0.747 | 0.718 | 0.000 | 0.000 |
| 77 | Metal | | | | |

| | | | | | |
|---|---|---|---|---|---|
| 78 | Lead and articles thereof | 2.068 | 0.000 | 2.032 | |
| 79 | Zinc and articles thereof | 3.097 | 1.742 | 12.611 | |
| 80 | Tin and articles thereof | 0.062 | 0.070 | 12.916 | 0.000 |
| 81 | Other base metals, cermets, articles thereof | 1.171 | 0.305 | 0.000 | |
| 82 | Tools, implements, cutlery, etc of base metal | 0.725 | 0.140 | 1.409 | 0.000 |
| 83 | Miscellaneous articles of base metal | 0.940 | 0.124 | 0.084 | 0.000 |
| 84 | Nuclear reactors, boilers, machinery, etc | 0.787 | 0.528 | 0.018 | 7.567 |
| 85 | Electrical, electronic equipment | 0.766 | 0.410 | 0.013 | 21.108 |
| 86 | Railway, tramway locomotives, rolling stock, equipment | 0.249 | 0.117 | 0.000 | 2.166 |
| 87 | Vehicles other than railway, tramway | 0.859 | 0.336 | 0.113 | 0.182 |
| 88 | Aircraft, spacecraft, and parts thereof | 0.056 | 0.000 | 0.000 | 72.653 |
| 89 | Ships, boats and other floating structures | 0.611 | 0.000 | 0.000 | 122.150 |
| 90 | Optical, photo, technical, medical, etc apparatus | 0.453 | 0.680 | 0.189 | 6.219 |
| 91 | Clocks and watches and parts thereof | 0.430 | 0.031 | 0.000 | 0.000 |
| 92 | Musical instruments, parts and accessories | 0.145 | 0.566 | 0.005 | 10.146 |
| 93 | Arms and ammunition, parts and accessories thereof | 2.864 | 0.183 | | 0.000 |
| 94 | Furniture, lighting, signs, prefabricated buildings | 0.230 | 0.085 | 0.016 | 4.929 |
| 95 | Toys, games, sports requisites | 0.135 | 0.057 | 0.165 | 4.818 |
| 96 | Miscellaneous manufactured articles | 1.035 | 0.402 | 0.352 | 1.246 |
| 97 | Works of art, collectors pieces and antiques | 0.033 | 0.020 | 14.682 | 0.000 |
| 98 | Agric, Construction, Trans, Electric/ Gas/ Sanitary, Eng & Mgmt & Envir.Quality | | | | |
| 99 | Commodities not elsewhere specified | 2.235 | 0.313 | 0.126 | 0.512 |
| | Trade weighted average RO | 0.038 | 0.177 | 0.122 | 0.369 |

Note: For China and India 2005 data and for Bangladesh and Myanmar 2004 data has bee used
**Source:** UN Comtrade, Trademap Database.

**Table: 16 Symmetric Revealed Comparative Index of Bangladesh To CIM Countries**

| HS Code | Description | CIM's Imports from World | Bangladesh's Exports to CIM | Regional Trade Orientation Index (RTOI) for CIM | Revealed Symmetric Comparative Advantage (RSCA) | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | India | China | Myanmar | CIM |
| 030199 | Fish live, nes | 3.772 | 1.191 | 0.114 | -1.000 | 0.999 | -1.000 | 0.998 |
| 030269 | Fish nes, fresh or chilled excl heading No 03.04, livers and roes | 31.363 | 7.4 | 0.136 | 0.998 | -1.000 | -1.000 | 0.998 |
| 030379 | Fish nes, frozen, excluding heading No 03.04, livers and roes | 375.355 | 0.817 | 0.011 | -1.000 | 0.897 | -1.000 | 0.788 |
| 030420 | Fish fillets frozen | 23.939 | 2.163 | 0.014 | -1.000 | 0.998 | -1.000 | 0.994 |
| 030613 | Shrimps and prawns, frozen, in shell or not, including boiled in shell | 156.242 | 0.986 | 0.005 | 0.956 | 0.954 | -1.000 | 0.921 |
| 030749 | Cuttle fish and squid,shelled or not,frozen,dried,salted or in brine | 166.486 | 0.466 | 0.011 | -1.000 | 0.918 | -1.000 | 0.831 |
| 050400 | Guts, bladders and stomachs of animals except fish | 91.225 | 0.042575 | 0.001 | -1.000 | -1.000 | 0.953 | 0.288 |
| 080290 | Nuts edible, fresh or dried, whether or not shelled or peeled, nes | 51.842 | 2.925 | 0.199 | 0.990 | -1.000 | -1.000 | 0.991 |
| 151620 | Veg fats &oils&fractions hydrogenatd,inter/re-esterifid,etc,ref'd/not | 266.086 | 1.425 | 0.024 | 0.752 | -1.000 | -1.000 | 0.908 |
| 170310 | Cane molasses | 15.65 | 0.876 | 0.106 | 0.975 | -1.000 | -1.000 | 0.991 |
| 220290 | Non-alcoholic beverages nes,excludg fruit/veg juices of headg No 20.09 | 53.911 | 0.889 | 0.012 | 0.961 | -1.000 | -1.000 | 0.969 |
| 251710 | Pebbles, gravel, broken or crushed stone used for aggregates etc | 4.172 | 0.983 | 0.046 | 0.994 | -1.000 | -1.000 | 0.998 |
| 271000 | Oils petroleum, bituminous, distillates, except crude | 15767.696 | 0.422876 | 0.000 | -1.000 | -1.000 | 0.056 | -0.812 |
| 281410 | Anhydrous ammonia | 554.693 | 39.337 | 0.484 | 0.978 | -1.000 | -1.000 | 0.993 |
| 294190 | Antibiotics nes, in bulk | 388.711 | 0.00573 | 0.000 | -1.000 | -1.000 | 0.901 | -0.892 |
| 300420 | Antibiotics nes, in dosage | 230.517 | 0.041286 | 0.000 | -1.000 | -1.000 | 0.733 | -0.181 |
| 300450 | Vitamins, derivatives,in dosage | 38.701 | 0.03309 | 0.001 | -1.000 | -1.000 | 0.628 | 0.536 |
| 300490 | Medicaments nes, in dosage | 973.569 | 1.064816 | 0.000 | -1.000 | -1.000 | 0.915 | 0.618 |
| 340111 | Toilet soap&prep,shaped;papers&nonwovens impreg with soap toilet use | 18.021 | 0.705334 | 0.020 | 0.985 | -1.000 | 0.511 | 0.987 |
| 391510 | Polyethylene waste and scrap | 484.365 | 0.707 | 0.031 | -1.000 | 0.850 | -1.000 | 0.700 |
| 391590 | Plastics waste and scrap nes | 1010.682 | 8.139 | 0.184 | 0.279 | 0.972 | -1.000 | 0.938 |
| 391731 | Plastic tube, pipe or hose, flexible, mbp > 27.6 MPa | 44.987 | 0.04336 | 0.004 | -1.000 | -1.000 | 0.954 | 0.578 |
| 392329 | Sacks and bags (including cones) of plastics nes | 102.172 | 0.040276 | 0.001 | 0.251 | -1.000 | 0.668 | 0.209 |
| 392690 | Articles of plastics or of other materials of Nos 39.01 to 39.14 nes | 1760.797 | 1.488 | 0.002 | 0.805 | -0.662 | -1.000 | 0.532 |
| 401410 | Sheath contraceptives | 13.695 | 0.007682 | 0.001 | -1.000 | -1.000 | 0.686 | 0.370 |
| 410429 | Bovine and equine leather, tanned or retanned, nes | 442.007 | 3.441286 | 0.150 | 0.762 | 0.971 | -1.000 | 0.936 |
| 410431 | Bovine and equine leather, full/split grains, nes | 1742.241 | 17.353113 | 0.089 | 0.946 | 0.976 | 0.312 | 0.949 |
| 410439 | Bovine and equine leather, nes | 644.234 | 5.626892 | 0.072 | 0.896 | 0.970 | 0.801 | 0.943 |
| 410620 | Goat or kid skin leather, nes | 92.04 | 0.72 | 0.049 | 0.895 | 0.970 | -1.000 | 0.936 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 410900 | Patent leather and patent laminated leather; metallised leather | 134.473 | 0.621 | 0.057 | -1.000 | 0.950 | -1.000 | 0.894 |
| 411100 | Composition leather, in slabs, sheets or strip | 28.285 | 2.141 | 0.541 | -1.000 | 0.997 | -1.000 | 0.993 |
| 520299 | Cotton waste, nes | 16.223 | 1.538 | 0.348 | 0.996 | -1.000 | -1.000 | 0.995 |
| 530310 | Jute and other textile bast fibres, raw or retted | 47.256 | 46.938 | 36.312 | 0.998 | 1.000 | -1.000 | 0.999 |
| 530710 | Yarn of jute or of other textile bast fibres, single | 6.371 | 6.022 | 3.333 | 0.998 | 1.000 | -1.000 | 0.999 |
| 530720 | Yarn of jute or of oth textile bast fibres,multiple (folded) or cabled | 2.265 | 1.691 | 0.558 | 0.998 | 0.999 | -1.000 | 0.999 |
| 531010 | Woven fabrics of jute or of other textile bast fibres, unbleached | 12.614 | 1.816 | 0.562 | 0.988 | 0.998 | -1.000 | 0.996 |
| 551313 | Wovens nes >85% polyester+cotton, <170g/m2 unbl/blchd | 9.477 | 0.006793 | 0.005 | -1.000 | 0.722 | -1.000 | 0.471 |
| 560710 | Twine, cordage, ropes and cables, of jute or other textile bast fibres | 12.999 | 3.6 | 4.874 | 0.994 | 0.999 | -1.000 | 0.998 |
| 620193 | Mens/boys anoraks and similar articles,of man-made fibres,not knitted | 11.091 | 1.006 | 0.013 | -1.000 | 0.997 | -1.000 | 0.994 |
| 620293 | Womens/girls anoraks & similar article of man-made fibres,not knitted | 11.138 | 0.743 | 0.011 | -1.000 | 0.996 | -1.000 | 0.992 |
| 630221 | Bed linen, of cotton, printed, not knitted | 3.243 | 0.451 | 0.014 | -1.000 | 0.998 | -1.000 | 0.996 |
| 630510 | Sacks&bags,for packg of goods,of jute or of other textile bast fibres | 15.982 | 14.208 | 4.797 | 0.998 | -1.000 | -1.000 | 0.999 |
| 640620 | Outer soles and heels, of rubber or plastics | 103.312 | 0.102112 | 0.005 | 0.029 | -1.000 | 0.949 | 0.586 |
| 701010 | Ampoules of glass for conveyance or packing | 2.558 | 0.019643 | 0.006 | -1.000 | -1.000 | 0.990 | 0.935 |
| 720924 | Cold rolled iron or non-alloy steel, coil, width >600mm, t <0.5mm, nes | 0 | 0.076411 | 0.001 | -1.000 | -1.000 | 0.797 | -1.000 |
| 721049 | Flat rolled prod,i/nas,plated or coated with zinc,>/=600mm wide, nes | 1550.838 | 3.149962 | 0.011 | -1.000 | 0.785 | 0.983 | 0.775 |
| 740811 | Wire of refind copper of which the max cross sectional dimension > 6mm | 790.225 | 1.275 | 0.007 | 0.929 | -1.000 | -1.000 | 0.724 |
| 740819 | Wire of refind copper of which the max cross sectionl dimension <> | 366.434 | 1.121 | 0.035 | 0.973 | -1.000 | -1.000 | 0.844 |
| 850720 | Lead-acid electric accumulators nes | 140.373 | 0.887 | 0.015 | 0.912 | -1.000 | -1.000 | 0.922 |
| 900190 | Prisms,mirrors & other optical elements of any material,unmounted,nes | 2194.179 | 1.511 | 0.013 | -1.000 | 0.707 | -1.000 | 0.455 |
| 950639 | Golf equipment nes | 148.929 | 0.669 | 0.017 | -1.000 | 0.949 | -1.000 | 0.891 |
| 960200 | Worked vegetable, mineral carving material, articles | 10.896 | 0.014203 | 0.001 | -1.000 | -1.000 | 0.975 | 0.669 |
| **Total of above 52 items** | | **31168.33** | **188.95** | | | | | |
| **All Items** | | **798477.00** | **209.78** | | | | | |

*Source: UN Comtrade, Trademap Database*

*Note: For Myanmar data for 2004 is used*

**Table: 17 Number of Hs 6 Digit Products Traded Between Bangladesh-China and Bangladesh-India In 2005**

| | |
|---|---|
| Bangladesh's Export to World | 935 |
| China's Import from Bangladesh | 93 |
| China's Import from the World | 4895 |
| Potential Products with export potentials in China | 589 |
| India's Import from Bangladesh | 162 |
| India's Import from the World | 4476 |
| Potential Products with export potentials in India | 497 |

**Table: 18 Products of Export Potentials Which Are Not Exported By Bangladesh to the India Market**

| HS Code | Product | BD's Export to World (Million US$) | India's Import from World (Million US$) | Bangladesh's Unit Export Price ('000 S/Ton) | India's Unit Import Price ('000 $/Ton) | India's MFN tariff Mean (%) | Margin of Preference after APTA |
|---|---|---|---|---|---|---|---|
| 030379 | Fish nes, frozen, excluding heading No 03.04, livers and roes | 25.9 | 1.1 | 2.09 | 0.53 | 30 | 100% |
| 090240 | Black tea (fermented) & partly fermented tea in packages exceedg 3 kg | 11.0 | 19.8 | 1.33 | 1.30 | 100 | |
| 121190 | Plants &pts of plants(incl sed&fruit) usd in pharm,perf,insect etc nes | 3.0 | 18.7 | 1.86 | 1.13 | 30 | |
| 240110 | Tobacco, unmanufactured, not stemmed or stripped | 2.8 | 6.5 | 2.08 | 6.75 | 30 | |
| 271000 | Petroleum oils&oils obtained from bituminous minerals,o/than crude etc | 35.5 | 5036.7 | 0.48 | 0.43 | NA | |
| 300390 | Medicaments nes, formulated, in bulk | 2.1 | 19.5 | NA | 16.05 | 15 | |
| 300420 | Antibiotics nes, in dosage | 4.7 | 8.9 | 92.08 | 228.67 | 15 | |
| 300490 | Medicaments nes, in dosage | 10.1 | 241.3 | NA | 184.65 | 15 | |
| 310210 | Urea,wthr/nt in aqueous solution in packages weighg more than 10 kg | 94.4 | 390.1 | 0.28 | 0.20 | 15 | |
| 420221 | Handbags with outer surface of leather | 2.4 | 1.7 | 27.80 | 3.45 | 15 | |
| 620520 | Mens/boys shirts, of cotton, not knitted | 628.7 | 3.4 | 13.84 | 11.75 | 15 | |
| 620530 | Mens/boys shirts, of man-made fibres, not knitted | 202.6 | 1.1 | 10.43 | 6.91 | 15 | |
| 620590 | Mens/boys shirts, of other textile materials, not knitted | 5.0 | 1.2 | 15.97 | 6.70 | 15 | |
| 630399 | Curtain/drape/interior blind curtain/bd valance,of oth tex mat,nt knit | 2.4 | 1.1 | 6.16 | 4.00 | 15 | |
| 640419 | Footwear o/t sports,w outer soles of rubber/plastics&uppers of tex mat | 13.3 | 5.1 | 6.00 | 3.04 | 15 | |
| 721041 | Flat rolled prod,i/nas,pltd or ctd w zinc,corrugated,>/=600m wide,nes | 2.1 | 11.9 | 0.91 | 0.84 | 20 | |
| 854140 | Photosensitive semiconduct device,photovoltaic cells&light emit diodes | 3.5 | 58.9 | 66.87 | 0.12 | 0 | |
| 900190 | Prisms,mirrors & other optical elements of any material,unmounted,nes | 2.6 | 8.1 | 138.89 | 41.96 | 15 | 5% |
| 900219 | Objective lenses, nes | 5.6 | 14.2 | 244.57 | 43.19 | 15 | 5% |
| 950699 | Articles&equip for sports&outdoor games nes&swimmg&paddlg pools | 3.0 | 16.3 | 8.98 | 6.33 | 15 | |

**Table: 19 Products of Export Potentials Which Are Not Exported By Bangladesh to the China Market**

| HS Code | Product | BD's Export to World (Million US$) | China's import from the world (Million US$) | Bangladesh's Unit Export Price ('000$/Ton) | China's Unit Import Price ('000 $/Ton) | MFN Tariff Mean (%) in China | Margin of Preference after APTA |
|---|---|---|---|---|---|---|---|
| 030269 | Fish nes, fresh or chilled excl heading No 03.04, livers and roes | 8.1 | 23.7 | 1.60 | 1.68 | 12 | 33% |
| 030420 | Fish fillets frozen | 2.3 | 20.0 | 2.26 | 2.07 | 10 | |
| 080290 | Nuts edible, fresh or dried, whether or not shelled or peeled, nes | 3.9 | 33.7 | 0.44 | 1.07 | 20.2 | 50% |
| 090240 | Black tea (fermented) & partly fermented tea in packages exceedg 3 kg | 11.0 | 3.3 | 1.33 | 2.18 | 15 | 50% |
| 121190 | Plants &pts of plants(incl sed&fruit) usd in pharm,perf,insect etc nes | 3.0 | 23.8 | 1.86 | 0.68 | 6.3 | 50% |
| 240120 | Tobacco, unmanufactured, partly or wholly stemmed or stripped | 15.3 | 321.6 | 1.94 | 4.67 | 10 | |
| 271000 | Petroleum oils&oils obtained from bituminous minerals,o/than crude etc | 35.5 | 10425.5 | 0.48 | 0.33 | NA | |
| 281410 | Anhydrous ammonia | 43.6 | 52.4 | 0.32 | 0.31 | 5.5 | |
| 300390 | Medicaments nes, formulated, in bulk | 2.1 | 78.7 | NA | 77.04 | 5.2 | 30% |
| 300420 | Antibiotics nes, in dosage | 4.7 | 215.2 | 92.08 | 196.56 | 6 | 17% |
| 300490 | Medicaments nes, in dosage | 10.1 | 918.5 | NA | 58.03 | 3.7 | 30% |
| 310210 | Urea,wthr/nt in aqueous solution in packages weighg more than 10 kg | 94.4 | 12.7 | 0.28 | 0.18 | 27 | 20% |
| 392321 | Sacks and bags (including cones) of polymers of ethylene | 8.5 | 69.8 | 1.44 | 3.81 | 10 | |
| 392390 | Articles for the conveyance or packing of goods nes, of plastics | 10.3 | 151.1 | 3.64 | 4.68 | 10 | 30% |
| 610610 | Womens/girls blouses and shirts, of cotton, knitted | 79.8 | 13.3 | 12.56 | 20.51 | 16 | 15% (60%) |
| 610620 | Womens/girls blouses and shirts, of man-made fibres, knitted | 6.3 | 2.6 | 13.58 | 22.87 | 17.5 | 30% (100%) |
| 610711 | Mens/boys underpants and briefs, of cotton, knitted | 33.3 | 3.1 | 10.14 | 13.30 | 14 | (60%) |
| 611120 | Babies garments and clothing accessories of cotton, knitted | 41.0 | 2.1 | 12.27 | 4.03 | 14 | |
| 611592 | Hosiery nes, of cotton, knitted | 5.5 | 2.3 | 9.75 | 13.89 | 14 | |
| 611710 | Shawls, scarves, veils and the like, of textile materials, knitted | 4.0 | 1.8 | 8.60 | 17.06 | 14 | 33% |
| 620630 | Womens/girls blouses and shirts, of cotton, not knitted | 163.8 | 27.8 | 16.33 | 28.56 | 16 | 15% |
| 620640 | Womens/girls blouses and shirts, of man-made fibres, not knitted | 68.1 | 3.2 | 14.67 | 25.74 | 17.5 | 30% |
| 620821 | Womens/girls nightdresses and pyjamas, of cotton, not knitted | 33.2 | 1.8 | 7.42 | 13.85 | 14 | 26% |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 620892 | Womens/girls panties, bathrobes, etc, of man-made fibres, not knitted | 2.5 | 1.1 | 15.39 | 15.69 | 16 | |
| 620920 | Babies garments and clothing accessories of cotton, not knitted | 67.4 | 1.5 | 15.51 | 8.96 | 14 | 27% |
| 621040 | Mens/boys garments nes,made up of impreg,ctd,cov,etc,textile woven fab | 45.8 | 3.2 | 32.08 | 26.72 | 16 | 27% (100%) |
| 630532 | Flexible intermediate bulk containers, man-made mater | 3.0 | 2.0 | 1.87 | 2.59 | 16 | |
| 630710 | Floor-cloths,dish-cloths,dusters & similar cleaning cloths,of tex mat | 12.1 | 17.4 | 2.03 | 5.25 | 14 | 15% |
| 630790 | Made up articles, of textile materials, nes, including dress patterns | 6.9 | 56.3 | 2.76 | 11.84 | 14 | |
| 720421 | Waste and scrap, stainless steel | 3.2 | 248.0 | 1.88 | 1.23 | 0 | |
| 847690 | Parts of automatic goods-vending machine | 21.0 | 10.3 | 78.22 | 28.58 | 10 | |
| 847920 | Mach f the extraction/prep of animal/fixd fats/oil,nes havg indiv func | 1.2 | 7.7 | 62.30 | 10.04 | 10 | |
| 880390 | Parts of balloons, dirigibles, and spacecraft nes | 1.3 | 6.0 | 147.44 | 425.64 | 0 | |
| 900219 | Objective lenses, nes | 5.6 | 298.3 | 244.57 | 341.34 | 15 | |

Note: The figure within parenthesis indicates margin of preference only for LDCs.

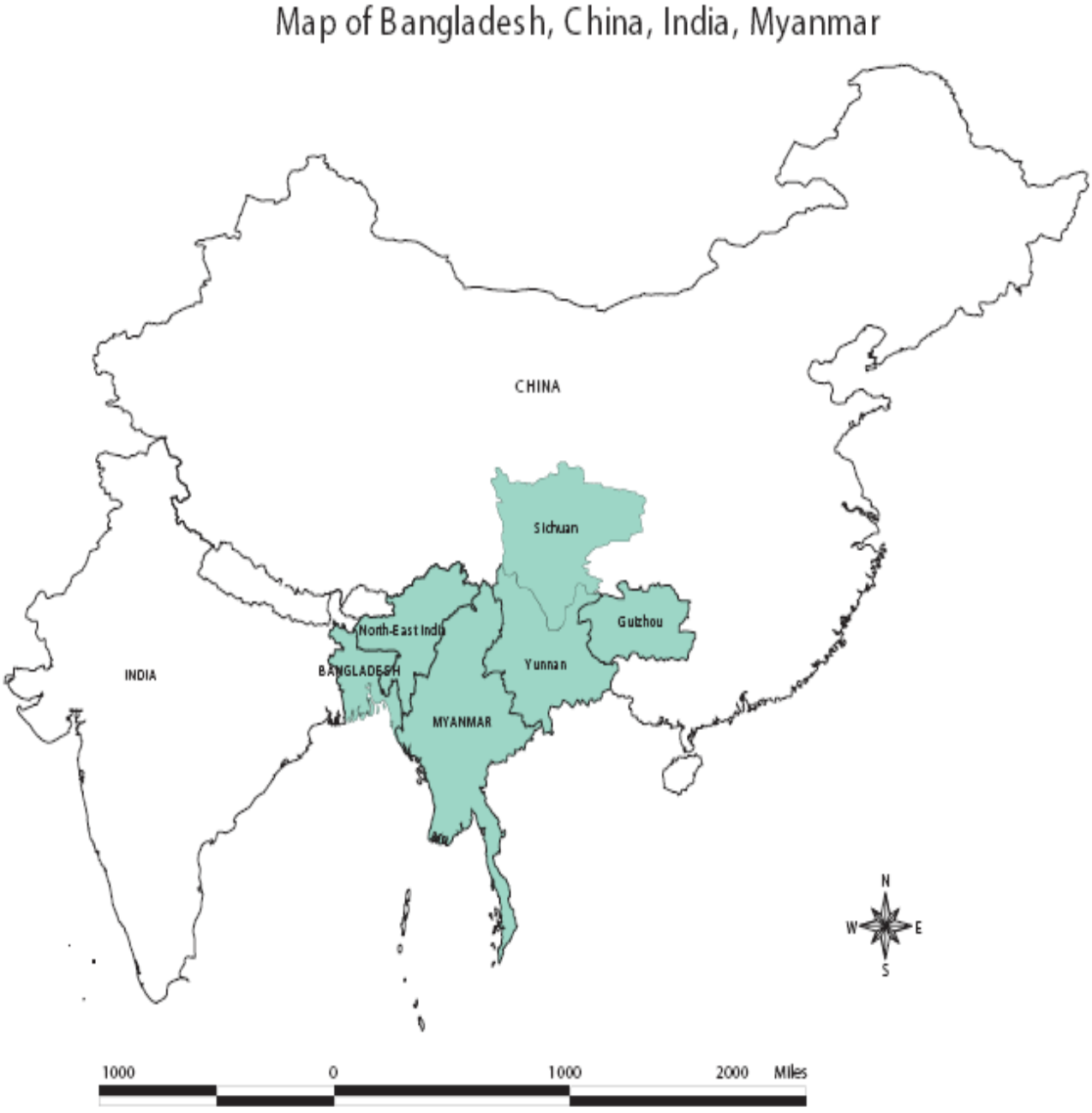

Map of Bangladesh, China, India, Myanmar
CHINA
Sichuan
Guizhou
Yunnan
North-East India
BANGLADESH
INDIA
MYANMAR
N
W
E
S
1000
0
1000
2000
Miles

**Table: 20 Export of BCIM Countries within BCIM Region in 2005 (Million Us$)**

| Product code | Product label | Bangladesh | | | China | | | India | | | Myanmar | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | C | I | M | B | I | M | B | C | M | B | C | I |
| | All products | 78.60 | 127.53 | 3.64 | 2402.74 | 8934.28 | 934.85 | 1670.76 | 6785.07 | 111.12 | 57.09 | 274.40 | 528.05 |
| 01 | Live animals | 0.00 | 0.00 | 0.00 | 0.00 | 0.04 | 0.00 | 0.03 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 02 | Meat and edible meat offal | 0.00 | 0.00 | 0.01 | 0.00 | 0.00 | 0.00 | 0.01 | 3.88 | 0.04 | 0.00 | 0.00 | 0.00 |
| 03 | Fish, crustaceans, molluscs, aquatic invertebrates nes | 3.45 | 10.22 | 0.00 | 0.00 | 0.23 | 0.00 | 0.31 | 139.04 | 0.43 | 0.42 | 2.68 | 1.09 |
| 04 | Dairy products, eggs, honey, edible animal product nes | 0.00 | 0.00 | 0.00 | 0.03 | 0.35 | 7.95 | 16.92 | 6.46 | 1.63 | 0.00 | 0.00 | 0.00 |
| 05 | Products of animal origin, nes | 0.31 | 0.38 | 0.04 | 0.37 | 9.29 | 1.48 | 0.00 | 2.95 | 0.00 | 0.00 | 0.09 | 0.00 |
| 06 | Live trees, plants, bulbs, roots, cut flowers etc | 0.00 | 0.00 | 0.00 | 0.00 | 0.46 | 0.04 | 0.06 | 1.04 | 0.02 | 0.00 | 0.00 | 0.00 |
| 07 | Edible vegetables and certain roots and tubers | 0.00 | 0.00 | 0.00 | 17.34 | 19.33 | 1.91 | 136.94 | 2.05 | 0.01 | 8.24 | 2.93 | 253.76 |
| 08 | Edible fruit, nuts, peel of citrus fruit, melons | 0.00 | 2.93 | 0.00 | 8.98 | 4.84 | 0.71 | 29.68 | 0.37 | 0.00 | 0.00 | 4.77 | 0.70 |
| 09 | Coffee, tea, mate and spices | 0.00 | 0.00 | 0.00 | 10.12 | 8.98 | 2.37 | 6.10 | 1.96 | 0.23 | 0.20 | 0.20 | 0.55 |
| 10 | Cereals | 0.00 | 0.00 | 0.00 | 3.22 | 0.00 | 0.03 | 270.55 | 0.08 | 2.42 | 15.65 | 0.93 | 0.00 |
| 11 | Milling products, malt, starches, inulin, wheat gluten | 0.00 | 0.00 | 0.00 | 0.02 | 0.02 | 1.08 | 0.27 | 0.36 | 0.00 | 0.00 | 0.29 | 0.00 |
| 12 | Oil seed, oleagic fruits, grain, seed, fruit, etc, nes | 0.00 | 0.00 | 0.00 | 0.43 | 3.38 | 0.83 | 4.20 | 13.84 | 0.47 | 0.00 | 6.35 | 0.08 |
| 13 | Lac, gums, resins, vegetable saps and extracts nes | 0.00 | 0.00 | 0.00 | 0.03 | 0.43 | 0.00 | 1.61 | 32.14 | 0.07 | 0.00 | 1.98 | 0.00 |
| 14 | Vegetable plaiting materials, vegetable products nes | 0.00 | 0.00 | 0.00 | 0.00 | 0.03 | 0.00 | 0.06 | 4.22 | 0.00 | 0.00 | 2.81 | 0.00 |
| 15 | Animal,vegetable fats and oils, cleavage products, etc | 0.00 | 2.45 | 0.00 | 0.03 | 2.14 | 0.03 | 2.51 | 32.50 | 0.03 | 0.00 | 0.00 | 0.03 |
| 16 | Meat, fish and seafood food preparations nes | 0.00 | 0.00 | 0.00 | 0.00 | 0.12 | 0.00 | 0.01 | 12.01 | 0.00 | 0.00 | 0.00 | 0.08 |
| 17 | Sugars and sugar confectionery | 0.00 | 0.94 | 0.00 | 0.97 | 4.75 | 1.00 | 21.48 | 0.45 | 0.01 | 0.00 | 0.00 | 0.00 |
| 18 | Cocoa and cocoa preparations | 0.00 | 0.00 | 0.00 | 0.05 | 0.03 | 0.00 | 0.12 | 0.00 | 0.06 | 0.00 | 0.00 | 0.00 |
| 19 | Cereal, flour, starch, milk preparations and products | 0.00 | 0.09 | 0.00 | 0.06 | 0.61 | 1.64 | 2.99 | 0.03 | 0.65 | 0.00 | 0.00 | 0.01 |
| 20 | Vegetable, fruit, nut, etc food preparations | 0.00 | 0.31 | 0.00 | 0.16 | 3.91 | 1.64 | 0.28 | 0.21 | 0.00 | 0.00 | 0.00 | 0.09 |
| 21 | Miscellaneous edible preparations | 0.00 | 0.00 | 0.00 | 0.27 | 0.58 | 8.58 | 0.53 | 0.46 | 0.05 | 0.00 | 0.00 | 0.00 |
| 22 | Beverages, spirits and vinegar | 0.00 | 1.00 | 0.00 | 0.00 | 0.28 | 8.70 | 0.01 | 0.05 | 0.00 | 0.00 | 0.00 | 0.12 |
| 23 | Residues, wastes of food industry, animal fodder | 0.00 | 0.56 | 0.00 | 0.06 | 2.97 | 0.18 | 29.84 | 145.34 | 0.58 | 0.00 | 3.87 | 0.00 |
| 24 | Tobacco and manufactured tobacco substitutes | 0.00 | 0.00 | 0.00 | 0.25 | 0.16 | 9.46 | 2.86 | 0.58 | 0.00 | 0.00 | 0.00 | 0.00 |
| 25 | Salt, sulphur, earth, stone, plaster, lime and cement | 0.00 | 1.54 | 0.00 | 38.95 | 26.13 | 3.56 | 28.52 | 152.24 | 0.00 | 0.00 | 4.79 | 0.00 |
| 26 | Ores, slag and ash | 0.00 | 0.06 | 0.00 | 0.19 | 56.97 | 0.00 | 10.85 | 3478.32 | 0.00 | 0.00 | 26.40 | 0.00 |
| 27 | Mineral fuels, oils, distillation products, etc | 0.00 | 0.00 | 0.42 | 7.09 | 508.85 | 85.19 | 145.33 | 18.82 | 1.75 | 0.00 | 0.33 | 0.00 |
| 28 | Inorganic chemicals, precious metal compound, isotopes | 0.00 | 39.34 | 0.00 | 52.08 | 164.40 | 15.13 | 13.79 | 329.92 | 0.34 | 0.00 | 0.00 | 0.00 |

| Product code | Product label | Bangladesh | | | China | | | India | | | Myanmar | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | C | I | M | B | I | M | B | C | M | B | C | I |
| 29 | Organic chemicals | 0.00 | 0.00 | 0.01 | 34.04 | 1188.63 | 20.43 | 50.62 | 461.99 | 1.62 | 0.00 | 0.03 | 0.00 |
| 30 | Pharmaceutical products | 0.00 | 0.00 | 1.14 | 0.94 | 22.25 | 12.14 | 23.64 | 21.20 | 25.49 | 0.00 | 0.00 | 0.00 |
| 31 | Fertilizers | 0.00 | 0.46 | 0.00 | 111.95 | 16.23 | 3.38 | 0.27 | 0.12 | 0.00 | 0.00 | 0.00 | 0.00 |
| 32 | Tanning, dyeing extracts, tannins, derivs,pigments etc | 0.00 | 0.00 | 0.00 | 26.86 | 90.88 | 6.60 | 23.06 | 40.66 | 0.57 | 0.00 | 0.00 | 0.00 |
| 33 | Essential oils, perfumes, cosmetics, toileteries | 0.00 | 0.00 | 0.00 | 0.73 | 9.25 | 1.67 | 3.66 | 18.55 | 0.84 | 0.00 | 1.43 | 0.00 |
| 34 | Soaps, lubricants, waxes, candles, modelling pastes | 0.00 | 1.03 | 0.01 | 1.08 | 4.91 | 5.68 | 1.75 | 3.30 | 0.15 | 0.02 | 0.00 | 0.00 |
| 35 | Albuminoids, modified starches, glues, enzymes | 0.00 | 0.00 | 0.00 | 1.97 | 8.57 | 1.51 | 2.01 | 0.96 | 0.10 | 0.00 | 0.00 | 0.00 |
| 36 | Explosives, pyrotechnics, matches, pyrophorics, etc | 0.00 | 0.00 | 0.00 | 0.06 | 0.61 | 3.62 | 0.00 | 0.00 | 0.13 | 0.00 | 0.00 | 0.00 |
| 37 | Photographic or cinematographic goods | 0.00 | 0.00 | 0.00 | 2.94 | 59.02 | 0.73 | 0.43 | 0.14 | 0.01 | 0.00 | 0.00 | 0.00 |
| 38 | Miscellaneous chemical products | 0.00 | 0.04 | 0.00 | 16.21 | 84.80 | 7.74 | 13.04 | 33.00 | 1.61 | 0.01 | 0.48 | 0.00 |
| 39 | Plastics and articles thereof | 9.10 | 1.91 | 0.06 | 29.61 | 195.50 | 16.24 | 33.12 | 274.87 | 1.86 | 0.00 | 0.94 | 0.00 |
| 40 | Rubber and articles thereof | 0.00 | 0.00 | 0.01 | 10.76 | 68.60 | 20.66 | 16.82 | 51.24 | 4.45 | 0.00 | 9.96 | 4.01 |
| 41 | Raw hides and skins (other than furskins) and leather | 28.94 | 2.22 | 0.03 | 1.93 | 10.26 | 0.29 | 0.39 | 35.89 | 0.32 | 0.00 | 0.13 | 0.97 |
| 42 | Articles of leather, animal gut, harness, travel goods | 0.02 | 0.21 | 0.00 | 2.97 | 22.23 | 0.54 | 0.15 | 3.31 | 0.03 | 0.00 | 0.00 | 0.00 |
| 43 | Furskins and artificial fur, manufactures thereof | 0.00 | 0.00 | 0.00 | 0.00 | 1.02 | 0.26 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 44 | Wood and articles of wood, wood charcoal | 0.00 | 0.00 | 0.00 | 1.14 | 13.07 | 0.59 | 1.30 | 0.64 | 0.00 | 32.53 | 194.14 | 266.06 |
| 45 | Cork and articles of cork | 0.00 | 0.00 | 0.00 | 0.06 | 0.56 | 0.00 | 0.03 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 46 | Manufactures of plaiting material, basketwork, etc. | 0.00 | 0.00 | 0.00 | 0.00 | 0.64 | 0.00 | 0.18 | 0.00 | 0.00 | 0.00 | 0.01 | 0.00 |
| 47 | Pulp of wood, fibrous cellulosic material, waste etc | 0.00 | 0.00 | 0.00 | 0.00 | 0.06 | 0.02 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.05 |
| 48 | Paper & paperboard, articles of pulp, paper and board | 0.03 | 0.07 | 0.00 | 5.41 | 49.11 | 5.71 | 16.17 | 0.94 | 0.65 | 0.00 | 0.04 | 0.00 |
| 49 | Printed books, newspapers, pictures etc | 0.00 | 0.05 | 0.00 | 1.02 | 10.48 | 0.62 | 1.92 | 0.34 | 0.03 | 0.00 | 0.00 | 0.00 |
| 50 | Silk | 0.00 | 0.00 | 0.00 | 5.78 | 425.22 | 1.60 | 0.30 | 5.22 | 0.00 | 0.00 | 0.00 | 0.00 |
| 51 | Wool, animal hair, horsehair yarn and fabric thereof | 0.46 | 0.05 | 0.00 | 21.99 | 36.41 | 7.23 | 0.83 | 1.94 | 0.00 | 0.00 | 0.00 | 0.11 |
| 52 | Cotton | 0.11 | 2.18 | 0.00 | 544.20 | 119.67 | 49.50 | 290.49 | 516.69 | 0.43 | 0.00 | 0.00 | 0.00 |
| 53 | Vegetable textile fibres nes, paper yarn, woven fabric | 26.73 | 29.94 | 0.00 | 7.98 | 28.77 | 1.24 | 0.17 | 0.09 | 0.00 | 0.00 | 0.51 | 0.00 |
| 54 | Manmade filaments | 0.28 | 0.12 | 0.00 | 116.98 | 220.90 | 14.05 | 23.35 | 2.48 | 0.00 | 0.00 | 0.17 | 0.00 |
| 55 | Manmade staple fibres | 0.40 | 0.03 | 0.01 | 244.77 | 50.62 | 66.02 | 40.53 | 12.25 | 0.04 | 0.00 | 0.02 | 0.00 |
| 56 | Wadding, felt, nonwovens, yarns, twine, cordage, etc | 0.18 | 3.49 | 0.00 | 9.00 | 40.81 | 2.71 | 0.39 | 0.10 | 0.00 | 0.00 | 0.05 | 0.00 |
| 57 | Carpets and other textile floor coverings | 0.00 | 0.06 | 0.00 | 0.26 | 2.66 | 1.97 | 1.36 | 0.50 | 0.00 | 0.00 | 0.00 | 0.00 |

| Product code | Product label | Bangladesh | | | China | | | India | | | Myanmar | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **C** | **I** | **M** | **B** | **I** | **M** | **B** | **C** | **M** | **B** | **C** | **I** |
| 58 | Special woven or tufted fabric, lace, tapestry etc | 0.02 | 0.02 | 0.00 | 105.24 | 44.68 | 7.22 | 2.17 | 0.28 | 0.00 | 0.00 | 0.00 | 0.00 |
| 59 | Impregnated, coated or laminated textile fabric | 0.01 | 0.00 | 0.00 | 33.55 | 313.86 | 3.04 | 0.61 | 3.52 | 0.00 | 0.00 | 0.00 | 0.00 |
| 60 | Knitted or crocheted fabric | 0.00 | 0.39 | 0.00 | 88.51 | 39.76 | 6.96 | 3.27 | 0.13 | 0.00 | 0.00 | 0.00 | 0.00 |
| 61 | Articles of apparel, accessories, knit or crochet | 0.42 | 0.18 | 0.00 | 2.10 | 8.03 | 2.86 | 3.68 | 0.69 | 0.35 | 0.00 | 0.07 | 0.00 |
| 62 | Articles of apparel, accessories, not knit or crochet | 2.58 | 0.58 | 0.00 | 6.36 | 5.40 | 6.06 | 16.16 | 1.98 | 0.02 | 0.00 | 0.07 | 0.03 |
| 63 | Other made textile articles, sets, worn clothing etc | 0.85 | 14.89 | 0.00 | 1.46 | 29.02 | 9.79 | 1.31 | 1.15 | 0.00 | 0.01 | 0.21 | 0.00 |
| 64 | Footwear, gaiters and the like, parts thereof | 0.14 | 0.08 | 0.09 | 4.95 | 31.65 | 10.96 | 0.83 | 0.68 | 0.00 | 0.00 | 0.00 | 0.00 |
| 65 | Headgear and parts thereof | 0.03 | 0.12 | 0.00 | 0.24 | 1.01 | 0.14 | 0.02 | 0.04 | 0.00 | 0.00 | 0.00 | 0.00 |
| 66 | Umbrellas, walking-sticks, seat-sticks, whips, etc | 0.00 | 0.00 | 0.00 | 3.05 | 8.81 | 2.53 | 0.03 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 67 | Bird skin, feathers, artificial flowers, human hair | 0.07 | 0.00 | 0.00 | 0.30 | 5.26 | 1.37 | 0.01 | 55.95 | 0.00 | 0.00 | 0.00 | 0.00 |
| 68 | Stone, plaster, cement, asbestos, mica, etc articles | 0.00 | 0.00 | 0.00 | 3.49 | 19.97 | 7.19 | 0.75 | 14.05 | 0.00 | 0.00 | 0.07 | 0.00 |
| 69 | Ceramic products | 0.04 | 0.06 | 0.00 | 9.69 | 90.09 | 3.31 | 0.74 | 0.79 | 0.04 | 0.00 | 0.02 | 0.00 |
| 70 | Glass and glassware | 0.07 | 0.00 | 0.02 | 13.52 | 98.22 | 0.05 | 1.30 | 9.24 | 0.02 | 0.00 | 0.00 | 0.00 |
| 71 | Pearls, precious stones, metals, coins, etc | 0.00 | 0.00 | 0.00 | 0.38 | 90.65 | 80.38 | 0.30 | 11.31 | 0.23 | 0.00 | 4.58 | 0.10 |
| 72 | Iron and steel | 1.62 | 0.86 | 1.78 | 21.24 | 259.09 | 56.81 | 89.52 | 426.37 | 37.46 | 0.00 | 0.00 | 0.02 |
| 73 | Articles of iron or steel | 0.00 | 0.03 | 0.00 | 44.03 | 225.21 | 0.64 | 40.75 | 9.07 | 4.26 | 0.00 | 0.00 | 0.00 |
| 74 | Copper and articles thereof | 0.45 | 3.10 | 0.00 | 3.28 | 30.57 | 0.01 | 3.35 | 117.97 | 0.72 | 0.00 | 0.07 | 0.00 |
| 75 | Nickel and articles thereof | 0.00 | 0.00 | 0.00 | 0.00 | 1.02 | 10.16 | 0.06 | 0.04 | 0.00 | 0.00 | 0.00 | 0.00 |
| 76 | Aluminium and articles thereof | 0.00 | 0.00 | 0.00 | 11.27 | 52.40 | 0.00 | 31.55 | 5.23 | 0.25 | 0.00 | 0.00 | 0.00 |
| 77 | Metal | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 78 | Lead and articles thereof | 0.00 | 0.00 | 0.00 | 0.18 | 15.69 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.07 | 0.00 |
| 79 | Zinc and articles thereof | 0.00 | 1.06 | 0.00 | 1.72 | 12.40 | 4.34 | 1.14 | 5.02 | 0.00 | 0.00 | 0.03 | 0.02 |
| 80 | Tin and articles thereof | 0.00 | 0.00 | 0.00 | 0.00 | 0.17 | 0.07 | 0.00 | 0.07 | 0.10 | 0.00 | 0.39 | 0.00 |
| 81 | Other base metals, cermets, articles thereof | 0.00 | 0.00 | 0.00 | 0.10 | 40.30 | 2.87 | 0.48 | 0.25 | 0.00 | 0.00 | 0.03 | 0.00 |
| 82 | Tools, implements, cutlery, etc of base metal | 0.00 | 0.00 | 0.00 | 7.22 | 48.99 | 4.56 | 1.58 | 2.82 | 1.71 | 0.00 | 0.00 | 0.00 |
| 83 | Miscellaneous articles of base metal | 0.00 | 0.00 | 0.00 | 12.75 | 57.82 | 3.96 | 1.15 | 0.85 | 0.48 | 0.00 | 0.00 | 0.00 |
| 84 | Nuclear reactors, boilers, machinery, etc | 0.09 | 1.17 | 0.00 | 243.02 | 1543.27 | 119.39 | 57.66 | 127.59 | 6.09 | 0.00 | 0.00 | 0.00 |
| 85 | Electrical, electronic equipment | 0.02 | 2.75 | 0.00 | 263.01 | 1799.61 | 71.85 | 43.15 | 51.19 | 4.82 | 0.01 | 0.12 | 0.01 |
| 86 | Railway, tramway locomotives, rolling stock, equipment | 0.00 | 0.00 | 0.00 | 3.76 | 21.99 | 0.27 | 0.22 | 0.05 | 0.06 | 0.00 | 0.00 | 0.00 |
| 87 | Vehicles other than railway, tramway | 0.00 | 0.02 | 0.00 | 84.86 | 86.60 | 58.80 | 80.16 | 12.52 | 4.73 | 0.00 | 0.00 | 0.00 |
| 88 | Aircraft, spacecraft, and parts thereof | 0.00 | 0.00 | 0.00 | 0.53 | 0.13 | 0.03 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 89 | Ships, boats and other floating structures | 0.00 | 0.00 | 0.00 | 4.46 | 14.64 | 27.06 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 90 | Optical, photo, technical, medical, etc apparatus | 1.51 | 0.00 | 0.00 | 19.57 | 159.01 | 9.07 | 7.30 | 32.64 | 1.24 | 0.00 | 0.51 | 0.00 |
| 91 | Clocks and watches and parts thereof | 0.00 | 0.00 | 0.00 | 0.41 | 13.44 | 0.08 | 0.10 | 0.03 | 0.00 | 0.00 | 0.00 | 0.00 |
| 92 | Musical instruments, parts and accessories | 0.00 | 0.00 | 0.00 | 0.12 | 1.99 | 0.07 | 0.20 | 0.29 | 0.00 | 0.00 | 0.00 | 0.00 |

| Product code | Product label | Bangladesh | | | China | | | India | | | Myanmar | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **C** | **I** | **M** | **B** | **I** | **M** | **B** | **C** | **M** | **B** | **C** | **I** |
| 93 | Arms and ammunition, parts and accessories thereof | 0.00 | 0.00 | 0.00 | 1.27 | 0.00 | 0.00 | 0.00 | 0.04 | 0.00 | 0.00 | 0.00 | 0.00 |
| 94 | Furniture, lighting, signs, prefabricated buildings | 0.00 | 0.42 | 0.00 | 6.48 | 74.27 | 3.08 | 0.65 | 1.64 | 0.02 | 0.00 | 0.16 | 0.14 |
| 95 | Toys, games, sports requisites | 0.67 | 0.00 | 0.00 | 4.91 | 35.54 | 1.69 | 0.36 | 0.31 | 0.90 | 0.00 | 0.00 | 0.00 |
| 96 | Miscellaneous manufactured articles | 0.00 | 0.07 | 0.01 | 16.60 | 42.51 | 5.19 | 4.31 | 1.04 | 0.00 | 0.00 | 0.00 | 0.02 |
| 97 | Works of art, collectors pieces and antiques | 0.00 | 0.01 | 0.00 | 0.00 | 0.02 | 0.00 | 0.09 | 0.75 | 0.00 | 0.00 | 1.65 | 0.00 |
| 98 | Agric, Construction, Trans, Electric/ Gas/ Sanitary, Eng & Mgmt & Envir. Quality | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 99 | Commodities not elsewhere specified | 0.00 | 0.04 | 0.00 | 37.75 | 10.21 | 8.71 | 3.97 | 23.76 | 0.49 | 0.00 | 0.00 | 0.00 |

Note: Data on export between Bangladesh and Myanmar are taken for 2004
B, C, I, M are indicated as Bangladesh, India, China, Myanmar