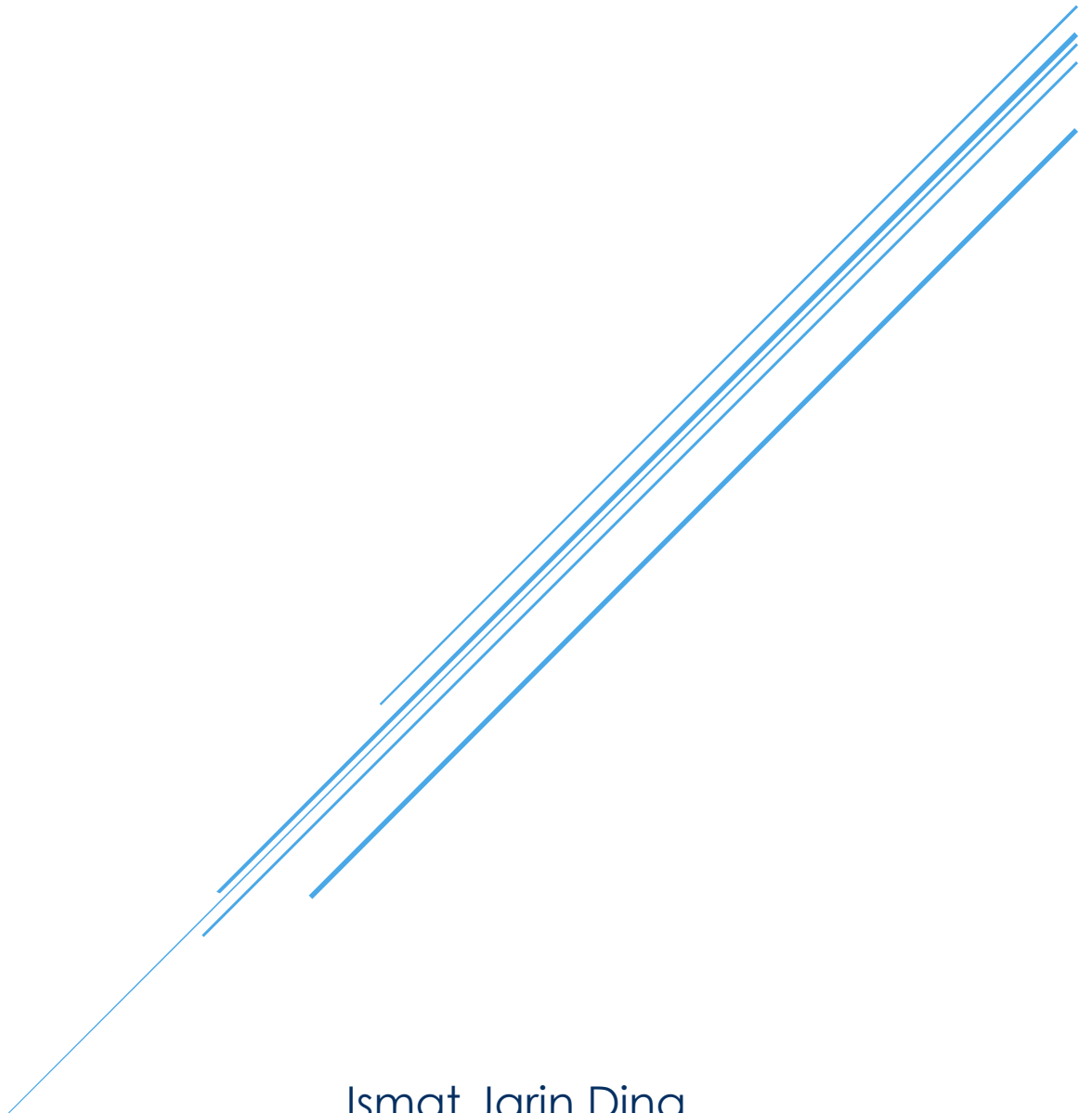


# EU-INDIA FTA: POSSIBLE IMPACT ON BANGLADESH'S EXPORT



Ismat Jarin Dina  
Research Associate

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**ISMAT JARIN DINA  
RESEARCH ASSOCIATE  
BANGLADESH FOREIGN TRADE INSTITUTE**

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## A. EU-INDIA FTA AND THE IMPACT ON BANGLADESH'S EXPORTABLE PRODUCTS

### 1. INTRODUCTION

The recent trend of spread of RTAs and FTAs worldwide has become a common concern of many countries including least developed countries (LDCs), which have been benefitting from duty free access provided by the developed and developing countries. Concerns have also been articulated that unilateral preferences become havoc for inferior LDCs and small economies when RTAs and FTAs erode the preferential margin of unilateral tariff reduction. Possible EU-India might have adverse effect on Bangladesh's export to the EU, which is the major export destination of Bangladesh. In fact, major portion of Bangladesh's export to the EU have been enjoying duty free access in this market under the Everything but Arms initiatives. .

This paper is an endeavor to assess the impact of EU-India FTA on Bangladesh to identify important export products of Bangladesh likely to be affected due to this FTA. The Paper is divided in four sections. After a brief introductory part second section reviews the EU-India FTA negotiations and its current status. Third section assesses the probable implication for Bangladesh on the basis of empirical evidence using quantitative tools. Third section makes recommendations on the list of products that are likely to be affected.

### 2. OVERVIEW OF EU-INDIA FTA

Negotiations on EU-India FTA in June 2007 following the agreement reached at the 2006 EU-India Summit in Helsinki. A European Union-India High Level Trade Group agreed the parameters for an ambitious Free Trade Agreement (FTA) between the two countries covering trade in goods and services as well as TBT, SPS, investment, competition, IPR, and government procurement etc. The FTA aims to improve bilateral trade and specifically aims to eliminate substantially all import tariffs on both countries' exports, improve the access for suppliers of services and for investors, and tackle non-tariff barriers to trade.

According to available information, 14 rounds of negotiations have been held so far. However, both countries are yet to reach an agreement. It is reported that insurance and government procurement are the areas where no agreement has been reached. Discussion is still underway on service and market access on goods. There are other important issues including sustainable development, which is very important for the European Parliament and require further discussion with the India government. So, it can be assumed that there is long way to go for concluding the negotiations. No document is available on the interim results of the negotiations. However, for the purpose of this analysis it is considered that India is likely to receive duty free access from the EU for all products.

## B. ASSESSMENT OF IMPACT OF EU- INDIA FTA ON THE EXPORT OF BANGLADESH

### 1. EXPORT PERFORMANCE OF INDIA IN EU MARKET

From 2005 to 2012 India's export to EU has doubled from € 19,088 million to €37,338 million. The major exporting items of India in the EU market are mineral fuels, mineral oils, organic chemic, natural pearls, precious stones, metals, imitation jewellery, woven and knit products, electrical machinery. However, majority of export sectors of India including textiles covering chapters 50-60 are graduated from the GSP facility. Despite around 45 percent of India's total export India enter the EU enjoying GSP facilities (Table 1). Products covered by the EU GSP scheme represent 68.9%percent of total export of India to the EU and utilization rate of India for these products were more than 45% percent in three consecutive years. The present scenario of the export of India to THE EU clearly demonstrates India will be in a position to fully utilize benefit of preferential market access to be offered under India-EU FTA.

Table 1. Export of India to the European Union

[Value in Million Euro]

Year	Total Export	Export under GSP		Share of Import under GSP
		Zero Duty	Non Zero Duty	
2005	19,088.17	3,203.76	5,358.71	44.86%
2006	22,611.47	4,004.41	6,216.10	45.20%
2007	26,627.44	5,524.49	6,763.78	46.15%
2008	29,579.86	7,280.76	7,421.14	49.70%
2009	25,431.53	5,398.35	7,726.82	51.61%
2010	33,360.44	7,023.58	8,469.78	46.44%
2011	39,957.46	8,854.34	9,531.00	46.01%
2012	37,338.35	9,043.94	8,108.21	45.94%

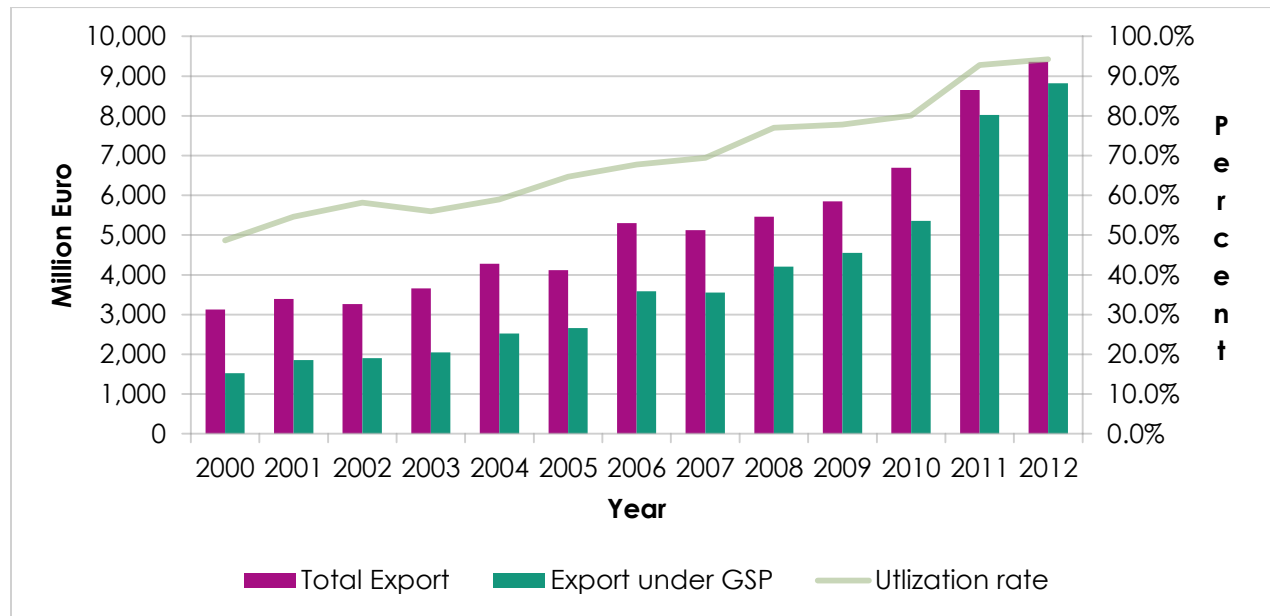
**Source:** Estimated by the Authors using Data of EuroStat

### 2. EXPORT PERFORMANCE OF BANGLADESH IN EU MARKET VIS-À-VIS INDIA

Bangladesh is highly dependent on the market of the EU for its export. In fact, export to the EU account for more than 50 percent of Bangladesh's total export. As can be seen from Figure 1 during the period between 2000 and 2012 Bangladesh's export to the EU has nearly tripled. Such robust performance of Bangladesh export sector to the EU can be attributed to the GSP facilities provided to the EU. As evident from GSP utilization rate in 2012, 94.26% of Bangladesh's export to the EU entered duty free, while the same was 48.65% in 2000. Over the

period Bangladesh has increased its capability to meet the rules of origin criteria of the EU GSP scheme. Thanks to introduction of LDC friendly rules of origin in 2011 Bangladesh's export to the EU has increased by 50% between 2010 and 2012. As evident, woven RMG sector has benefitted from the relaxation of rules of origin, which resulted in a sharp increase of utilization rate as well as export of woven garments.

Figure 1. Export performance of Bangladesh in the EU



**Source:** Estimated from figures available at Euro Stat

It is to be mentioned that EBA initiative which was introduced in 2001 has no impact on export product diversification in the EU market. Rather, Bangladesh's export to the EU is increasingly concentrated on 5 top HS chapters, particularly to clothing and home textiles. Such concentration is likely to increase in future. The top major exporting sectors of Bangladesh are 03, 24, 41, 53, 61, 62, 63, 64, 69 and 87. Within these sectors the export value and the utilization rate is high on sectors 61, 62 and 63. These top three sectors of Bangladesh cover almost 92.62% of the total export to EU (Table 2). A comparison of export performance of Bangladesh and India in these sectors shows that although export of India in most of sector of major export interest to Bangladesh is less than Bangladesh in terms of value, major portion of export from India have been facing duty in the EU. Therefore, if India receives duty free access under EU-India FTA, Bangladesh's export is likely to be affected. However, it will depend on the competitiveness of Bangladeshi products vis-à-vis the competitiveness of similar products of India. Therefore, a more disaggregated level analysis is carried out in order to identify the products with possibility of adverse effect.

Table 2. Performance of India in the EU market in major export sector of Bangladesh

[Value is in Million Euro]

Chapter	Description	India				Bangladesh		
		Export	Export Under GSP		Share of Export under GSP	Total Export	Export under GSP	Share of Bangladesh Export under GSP
			Zero Duty	Non Zero Duty				
61	Articles of apparel and clothing accessories, knitted or crocheted	1,786.12	0.00	1,685.45	94.36%	5,130.91	4,924.58	95.98%
62	Articles of apparel and clothing accessories, not knitted or crocheted	2,248.74	0.00	1,971.40	87.67%	3,265.87	3,049.42	93.37%
63	Other made-up textile articles; sets; worn clothing and worn textile articles; rags	850.98	0.00	791.85	93.05%	274.10	258.62	94.35%
03	Fish and crustaceans, molluscs and other aquatic invertebrates	593.16	0.01	580.78	97.92%	251.00	248.70	99.08%
64	Footwear, gaiters and the like; parts of such articles	1,115.58	162.10	832.39	89.14%	140.87	138.22	98.12%
53	Other vegetable textile fibres; paper yarn and woven fabrics of paper yarn	60.75	0.00	0.00	0.00%	29.11	7.29	25.04%
87	Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof	1,807.84	533.42	423.95	52.96%	43.04	41.65	96.76%
41	Raw hides and skins (other than furskins) and leather	230.26	88.58	112.95	87.52%	52.00	42.19	81.15%
24	Tobacco and manufactured tobacco substitutes	156.03	0.00	75.50	48.39%	21.38	17.57	82.21%
69	Ceramic products	55.06	15.39	31.31	84.84%	11.22	11.18	99.66%
	<b>Sub-Total</b>	<b>8,904.51</b>	<b>799.51</b>	<b>6,505.58</b>	<b>82.04%</b>	<b>9,219.48</b>	<b>8,739.42</b>	<b>94.79%</b>

Source: Estimated by the Authors using the data available at Eurostat

### 3. PROBABLE IMPLICATION OF EU-INDIA FTA ON BANGLADESH'S EXPORT

Table 3 shows the similarity and competitive pressure of Bangladesh and India. To assess the competition of Bangladesh and India to EU market, it is vital to find similarity of the structure of export. The structure of export similarity of Bangladesh and India can be showed at aggregate and disaggregate level. The sectoral FKI indicates 19% export similarity to Bangladesh and India. The structural export similarity at disaggregate level specifies that the similarity index is 14% explaining that structural similarity of Bangladesh and India. Within 9383 tariff lines there is export commodity overlap between both countries to EU market. The major exporting chapters of Bangladesh are chapter 61, 62, 63 and last but not the least 64. At disaggregate level, chapters 61 and 64 have the identical patterns of exports to EU market. The FKI at chapter 61 and 64 are consequently 69% and 65%. The degree of competition Bangladesh faces from India can be measured by Relative Export Competitive Pressure Index (RECPI). Though The RECPI Index shows that there are the competitive pressure comes from India at aggregate level is 0.46 and at more disaggregate level it is 0.28. This means Bangladesh has competitive pressure from India. The RECPI index shows that India gave competitive pressure on Bangladesh at chapter 63 and 64. The RECPI result at chapter 63 and 64 accordingly is 1.15 and 5.71. From FKI and RECPI result, it can be projected that the export competition with India will create pressure on Bangladesh in EU market where the tariff lines are similar.

Table 3: The utilization rate and RECPI of aggregate and disaggregate level

Sectors	Level of Aggregation	FKI	RECPI
All Products	2 Digit	0.19	0.46
	8 Digit	0.14	0.28
Ch 61-Articles of Apparel & Clothing Accessories, Knitted or Croached	8 Digit	0.69	0.26
Ch 62- Article of Apparel & Clothing Accessories, not Knitted or Croched	8 Digit	0.42	0.30



Ch 63- Other made up of Textile Articles; sets Worn Clothing and Worn Textile Articles Rags	8 Digit	0.44	1.15
Ch 64- FOOTWEAR, GAITERS AND THE LIKE; PARTS OF SUCH ARTICLES	8 Digit	0.65	5.71

*Source: Author's calculation from data collected from EuroStat and WTO Tariff Analysis Online*

Annex 1 shows the total tariff line and the tariff line India used under EU GSP. This table indicates that out of 9383 tariff lines India is exporting under GSP is 7033 lines. Some of the sectors major exporting sectors HS chapters 25, 26, 27, 28, 29, 31, 41, 50-60, 87-89 are out of GSP preference. Under zero India exports 2223 tariff lines and under non zero India exports 2114 tariff lines. Within these tariff lines chapter 61, 62, 63 and 64 are fully utilized by India. All the tariff lines are used to export under GSP. India exports more under MFN duty than then the preferential duty under GSP. The tariff line of India in the EU market shows that due to the product graduation criteria India's export to EU market suffered as the major exporting chapters are graduated due to exceeding the export value. But the supply of India in EU market is high by giving MFN duty. The similarity overlays Bangladesh India tariff lines and competitive pressure Bangladesh faces from India in EU market. After signing the FTA most of the tariff lines will be duty free depending on the mutual concessions. In later the likely affected products are to be identified to assess the impact of EU-India FTA over Bangladesh.

The mostly affected tariff lines that will be affected if EU-India FTA is signed are to be analyzed taking top 100 exporting items of both the countries in the EU market in consecutive years- 2010, 2011 and 2012. These top 100 exporting items of Bangladesh covers 94% of Bangladesh export. In contrast the top 100 exporting items of India covers 56% of India's total export in EU market. These items are crucial importance for both the countries. Annex 2 shows the BRCA of Bangladesh and India in EU market. Among the top 100 exporting items of India and Bangladesh, the exports of more or less 30 identical products have been identified varying in over the period 2010-2012. These identical products exported to EU market representing chapters of shrimp, knitwear, woven, textile and footwear. Point to be remembered that these exporting items are major concern for Bangladesh. The comparative advantage of these items

in EU market will depicts the comparative advantage Bangladesh has over India. This comparative advantage can be calculated through the use of trade policy indicators Bilateral Revealed Comparative Advantage (BRCA). The BRCA represents the competition more specifically by taking the shares of the products for which Bangladesh has revealed comparative advantage in EU market, with respect to share of the product of India. The BRCA shows in which products Bangladesh has competitive advantage in EU market. Most of the products Bangladesh have competitive advantage over India in EU market except 11 exporting items mostly covers tobacco, woven and textile items. Bangladesh has comparative advantage in exporting to EU market on top five export items of HS 6-digit 610910, 611020, 620342, 611030 and 620462. These products are mainly t-shirts, pullovers, men's trousers and women's trousers. Bangladesh has more comparative advantage in exporting denim and t-shirt. On the other hand India has comparative advantage in exporting home textiles. Bangladesh may seemingly face competition from India if India gets duty free access to EU market. The relaxed and simplified rules of origin gave Bangladesh the opportunity to increase export in EU market. After removal of duty from textile and clothing India will try to sharply grab the market by supplying more products at relatively low price than earlier. Probably after signing FTA India is proved with duty concession of those products where Bangladesh has competitive advantage in EU market. These will hamper the export of Bangladesh specially clothing and textiles items.

India may not affect the Bangladesh export item but in the long run India will capture the market by increasing supply.

The USA market can be another example where the competition of Bangladesh and India can be assessed taking the same competitive exporting items of EU market. In 2012, the total export of Bangladesh in the USA is US\$ 4.87 billion while the same time the total export of India is US\$ 40.11 billion. Like EU, India is the major supplier in the USA markets. The export of India in the USA market is ten times higher than the export of Bangladesh. Annex 3 shows the BRCA of Bangladesh and India of the same tariff lines following the EU. Despite that the BRCA indicates in most of the items Bangladesh has comparative advantage over India like EU. In home textiles items Bangladesh is in disadvantage position in the USA market. The footwear chapter is not in good position. The analysis in the USA market shows that India exports to the USA market but Bangladesh major exporting items are saved in the USA market except textile items.

Covering the major two partners of Bangladesh, it is observed the comparative position of Bangladesh. India can supply the items without any preference in the big two markets. Bangladesh's major exporting tariff lines have comparative advantage in the major two exporting markets over India. The global market takes the similar tariff lines and identifies the export items in the USA. In the world market Bangladesh has comparative advantage almost all products except medicaments covering items 300490 and on the other hand India is disadvantaged. Annex 4 will show BRCA of Bangladesh and India in the world market and depicts the position over the 3 years period. Above all Bangladesh as an LDC has a comparative advantage in EU market over and above the USA market.

Table 4 Thirteen top exported items have been identified where Bangladesh has comparative disadvantage in supplying the major markets. These items cover shrimps, medicaments, tobacco, woven, home textiles and footwear. The supply of India of these items is thousand times higher than that of Bangladesh. The duty of Bangladesh in EU for the granted EBA preference is zero while India is paying preferential duty. India is giving preferential duty at

Table 4: The mostly affected items of Bangladesh

US\$ Million										
HS CODE	Product Description	EU Duty		Bangladesh Export in 2012		India Export in 2012		BRCA		
		Bangladesh	India	EU	World	EU	World	EU	USA	World
030613	SHRIMPS AND PRAWNS, INCLUDING IN SHELL, COOKED BY STEAMING OR BY BOILING IN WATER, FROZEN	0.00	N/A	0.00	423.22	0.00	1,707.71			
030617	OTHER SHRIMPS AND PRAWNS, COOKED IN SHELL OR UNCOOKED, DRIED, SALTED OR IN BRINE, FROZEN	0.00	6.38	185.23	0.00	236.56	0.00		0.59	
240120	TOBACCO, PARTLY OR WHOLLY STEMMED OR STRIPPED, OTHERWISE UNMANUFACTURED	0.00	7.40	13.01	64.23	103.84	598.90	0.49		
300490	MEDICAMENTS CONSISTING OF MIXED OR UNMIXED PRODUCTS FOR THERAPEUTIC OR PROPHYLACTIC PURPOSES, PUT UP IN MEASURED DOSES "INCL. THOSE IN THE FORM OF TRANSDERMAL ADMINISTRATION" OR IN FORMS OR PACKINGS FOR RETAIL SALE (EXCL. MEDICAMENTS CONTAINING ANTIBIOTIC	0.00	0.00	2.73	33.22	661.16	6,631.78			0.05
620442	WOMEN'S OR GIRLS' DRESSES OF COTTON (EXCL. KNITTED OR CROCHETED AND PETTICOATS)	0.00	9.60	17.54	61.03	163.32	710.58	0.42	0.65	0.91
620630	WOMEN'S OR GIRLS' BLOUSES, SHIRTS AND SHIRT-BLOUSES OF COTTON (EXCL. KNITTED OR CROCHETED AND VESTS)	0.00	9.60	86.41	331.51	265.38	822.36			
620640	WOMEN'S OR GIRLS' BLOUSES, SHIRTS AND SHIRT-BLOUSES OF MAN-MADE FIBRES (EXCL. KNITTED OR CROCHETED AND VESTS)	0.00	9.60	38.10	104.28	156.45	371.38	0.96		
621142	WOMEN'S OR GIRLS' TRACKSUITS AND OTHER GARMENTS, N.E.S. OF COTTON (EXCL. KNITTED OR CROCHETED)	0.00	9.60	8.76	45.44	42.14	224.57			

630221	BED LINEN, PRINTED, OF COTTON, NOT KNITTED OR CROCHETED	0.00	9.60	55.40	166.66	40.03	93.20		0.36	
630260	TOILET LINEN AND KITCHEN LINEN, OF TERRY TOWELLING OR SIMILAR TERRY FABRICS OF COTTON (EXCL. FLOOR-CLOTHS, POLISHING-CLOTHS, DISH-CLOTHS AND DUSTERS)	0.00	9.60	17.93	137.43	103.47	674.54	0.68	0.87	
630391	CURTAINS, INCL. DRAPES, AND INTERIOR BLINDS, CURTAIN OR BED VALANCES OF COTTON (EXCL. KNITTED OR CROCHETED, AWNINGS AND SUNBLINDS)	0.00	9.60	5.72	11.76	38.98	99.83		0.06	
630532	FLEXIBLE INTERMEDIATE BULK CONTAINERS, FOR THE PACKING OF GOODS, OF SYNTHETIC OR MAN-MADE TEXTILE MATERIALS	0.00	7.00	14.58	0.00	121.96	0.00	0.47	0.00	
640391	FOOTWEAR WITH OUTER SOLES OF RUBBER, PLASTICS OR COMPOSITION LEATHER, WITH UPPERS OF LEATHER, COVERING THE ANKLE (EXCL. INCORPORATING A PROTECTIVE METAL TOECAP, SPORTS FOOTWEAR, ORTHOPAEDIC FOOTWEAR AND TOY FOOTWEAR)	0.00	4.17	30.53	114.09	209.21	333.59	0.57		
640399	FOOTWEAR WITH OUTER SOLES OF RUBBER, PLASTICS OR COMPOSITION LEATHER, WITH UPPERS OF LEATHER (EXCL. COVERING THE ANKLE, INCORPORATING A PROTECTIVE METAL TOECAP, SPORTS FOOTWEAR, ORTHOPAEDIC FOOTWEAR AND TOY FOOTWEAR)	0.00	4.12	39.30	149.84	388.46	200.96	0.40	0.65	

average 9.6% in woven items. In textiles the average duty ranges from 4.17%-9.60%. The average duty of footwear items is more than 4%. The reality is clear that India's supply side capacity is strong to enhance the export in EU market.

## C. FINDINGS

This paper provides an analysis of the affected items of Bangladesh If EU- India FTA is signed. Some technical tools are used to assess the impact. The most affected items in EU are market are tried to be identified by this way. Key findings of the major analysis are as follows-

- The less similarity exists between the products exported by Bangladesh and India. The similarity exists higher in knitwear and footwear chapters. The competitive pressure is higher in home textiles and footwear.
- Bangladesh gets the EBA preference in EU market and India gets the GSP preference in though most of the top exporting chapters are out of GSP preference. India exports four times higher than Bangladesh. India mainly exports more under non zero duty preference and MFN duty.
- The competitive position Bangladesh has over India in EU, USA and world market except exporting fourteen items that covers shrimps, woven articles, home textiles and footwear. But Bangladesh may also be affected the knitwear and other major exporting chapters if the proposed EU-India FTA is signed. Their products will be duty free in the EU market with cheap price and there will be no bar on product graduation.
- The supply side capacity gave India enormous advantage in increasing EU market eroding the preference of LDCs and GSP countries specially Bangladesh. But the ultimate impact will depend on how much India gets preferential treatment in the FTA in export apparel items to the EU.
- The clothing and apparel sectors are greatly hampered because India will try grab the EU market and remove the major clothing exporters from the EU market.

## D. ANNEXES

### Annex 1: Number of GSP tariff lines and export of India 2012

Chapters	Product Descriptions	Total Lines	Number of GSP Tariff Lines		India Export at 2012 in Million Euro
			Zero	Non Zero	
01	LIVE ANIMALS	64	2	4	0.03
02	MEAT AND EDIBLE MEAT OFFAL	248	1	13	-
03	FISH AND CRUSTACEANS, MOLLUSCS AND OTHER AQUATIC INVERTEBRATES	425	9	385	593.16
04	DAIRY PRODUCE; BIRDS' EGGS; NATURAL HONEY; EDIBLE PRODUCTS OF ANIMAL ORIGIN, NOT ELSEWHERE SPECIFIED OR INCLUDED	172	0	18	5.54
05	PRODUCTS OF ANIMAL ORIGIN, NOT ELSEWHERE SPECIFIED OR INCLUDED	20	0	1	38.99
06	LIVE TREES AND OTHER PLANTS; BULBS, ROOTS AND THE LIKE; CUT FLOWERS AND ORNAMENTAL FOLIAGE	41	5	29	20.99
07	EDIBLE VEGETABLES AND CERTAIN ROOTS AND TUBERS	116	8	73	100.85
08	EDIBLE FRUIT AND NUTS; PEEL OF CITRUS FRUITS OR MELONS	124	25	50	257.21
09	COFFEE, TEA, MATÉ AND SPICES	50	4	23	575.78
10	CEREALS	62	0	1	319.91
11	PRODUCTS OF THE MILLING INDUSTRY; MALT; STARCHES; INULIN; WHEAT GLUTEN	71	0	6	7.02
12	OIL SEEDS AND OLEAGINOUS FRUITS; MISCELLANEOUS GRAINS, SEEDS AND FRUIT; INDUSTRIAL OR MEDICINAL PLANTS; STRAW AND FODDER	73	10	6	155.95
13	LAC; GUMS, RESINS AND OTHER VEGETABLE SAPS AND EXTRACTS	13	3	2	201.14
14	VEGETABLE PLAINTING MATERIALS; VEGETABLE PRODUCTS NOT ELSEWHERE SPECIFIED OR INCLUDED	5	0	0	34.85
15	ANIMAL OR VEGETABLE FATS AND OILS AND THEIR CLEAVAGE PRODUCTS; PREPARED EDIBLE FATS; ANIMAL OR VEGETABLE WAXES	128	20	73	212.98
16	PREPARATIONS OF MEAT, OF FISH OR OF CRUSTACEANS, MOLLUSCS OR OTHER AQUATIC INVERTEBRATES	96	0	66	32.26

Chapters	Product Descriptions	Total Lines	Number of GSP Tariff Lines		India Export at 2012 in Million Euro
			Zero	Non Zero	
17	SUGARS AND SUGAR CONFECTIONERY	44	0	14	105.56
18	COCOA AND COCOA PREPARATIONS	27	0	25	4.40
19	PREPARATIONS OF CEREALS, FLOUR, STARCH OR MILK; PASTRYCOOKS' PRODUCTS	51	1	50	11.79
20	PREPARATIONS OF VEGETABLES, FRUIT, NUTS OR OTHER PARTS OF PLANTS	304	2	274	132.24
21	MISCELLANEOUS EDIBLE PREPARATIONS	39	3	26	78.69
22	BEVERAGES, SPIRITS AND VINEGAR	184	3	23	4.90
23	RESIDUES AND WASTE FROM THE FOOD INDUSTRIES; PREPARED ANIMAL FODDER	64	4	4	141.29
24	TOBACCO AND MANUFACTURED TOBACCO SUBSTITUTES	21	1	20	156.03
26	ORES, SLAG AND ASH	44	0	0	99.52
30	PHARMACEUTICAL PRODUCTS	45	0	0	1,096.52
39	PLASTICS AND ARTICLES THEREOF	205	115	63	614.48
40	RUBBER AND ARTICLES THEREOF	96	53	10	532.33
42	ARTICLES OF LEATHER; SADDLERY AND HARNESS; TRAVEL GOODS, HANDBAGS AND SIMILAR CONTAINERS; ARTICLES OF ANIMAL GUT (OTHER THAN SILKWORM GUT)	36	22	14	1,057.23
43	FURSKINS AND ARTIFICIAL FUR; MANUFACTURES THEREOF	23	13	0	2.74
44	WOOD AND ARTICLES OF WOOD; WOOD CHARCOAL	176	53	32	46.96
45	CORK AND ARTICLES OF CORK	12	6	3	0.11
46	MANUFACTURES OF STRAW, OF ESPARTO OR OF OTHER PLAINTING MATERIALS; BASKETWARE AND WICKERWORK	23	18	2	6.01
47	PULP OF WOOD OR OF OTHER FIBROUS CELLULOSIC MATERIAL; RECOVERED (WASTE AND SCRAP) PAPER OR PAPERBOARD	24	0	0	0.07
48	PAPER AND PAPERBOARD; ARTICLES OF PAPER PULP, OF PAPER OR OF PAPERBOARD	149	0	0	68.87
49	PRINTED BOOKS, NEWSPAPERS, PICTURES AND OTHER PRODUCTS OF THE PRINTING INDUSTRY; MANUSCRIPTS, TYPESCRIPTS AND PLANS	22	0	0	59.30
61	ARTICLES OF APPAREL AND CLOTHING ACCESSORIES,	147	0	147	1,786.12



Chapters	Product Descriptions	Total Lines	Number of GSP Tariff Lines		India Export at 2012 in Million Euro
			Zero	Non Zero	
	KNITTED OR CROCHETED				
62	ARTICLES OF APPAREL AND CLOTHING ACCESSORIES, NOT KNITTED OR CROCHETED	194	0	194	2,248.74
63	OTHER MADE-UP TEXTILE ARTICLES; SETS; WORN CLOTHING AND WORN TEXTILE ARTICLES; RAGS	76	0	74	850.98
64	FOOTWEAR, GAITERS AND THE LIKE; PARTS OF SUCH ARTICLES	78	13	65	1,115.58
65	HEADGEAR AND PARTS THEREOF	12	10	0	8.99
66	UMBRELLAS, SUN UMBRELLAS, WALKING-STICKS, SEAT-STICKS, WHIPS, RIDING-CROPS AND PARTS THEREOF	8	2	6	0.44
67	PREPARED FEATHERS AND DOWN AND ARTICLES MADE OF FEATHERS OR OF DOWN; ARTIFICIAL FLOWERS; ARTICLES OF HUMAN HAIR	8	8	0	21.20
68	ARTICLES OF STONE, PLASTER, CEMENT, ASBESTOS, MICA OR SIMILAR MATERIALS	61	38	0	323.40
69	CERAMIC PRODUCTS	45	10	32	55.06
70	GLASS AND GLASSWARE	132	67	59	103.27
71	NATURAL OR CULTURED PEARLS, PRECIOUS OR SEMI-PRECIOUS STONES, PRECIOUS METALS, METALS CLAD WITH PRECIOUS METAL, AND ARTICLES THEREOF; IMITATION JEWELLERY; COIN	56	11	0	2,601.49
72	IRON AND STEEL	344	12	6	1,261.78
73	ARTICLES OF IRON OR STEEL	242	132	0	1,018.91
74	COPPER AND ARTICLES THEREOF	59	13	31	96.86
75	NICKEL AND ARTICLES THEREOF	18	4	0	6.24
76	ALUMINIUM AND ARTICLES THEREOF	57	0	50	115.79
78	LEAD AND ARTICLES THEREOF	10	1	3	0.85
79	ZINC AND ARTICLES THEREOF	11	0	3	9.82
80	TIN AND ARTICLES THEREOF	6	0	0	2.26
81	OTHER BASE METALS; CERMETS; ARTICLES THEREOF	67	15	17	22.57
82	TOOLS, IMPLEMENTS, CUTLERY, SPOONS AND FORKS, OF BASE METAL; PARTS THEREOF OF BASE METAL	98	85	13	167.70

Chapters	Product Descriptions	Total Lines	Number of GSP Tariff Lines		India Export at 2012 in Million Euro
			Zero	Non Zero	
83	MISCELLANEOUS ARTICLES OF BASE METAL	42	39	0	210.18
84	NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	873	690	2	2,420.09
85	ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS, AND PARTS AND ACCESSORIES OF SUCH ARTICLES	500	324	53	2,109.20
86	RAILWAY OR TRAMWAY LOCOMOTIVES, ROLLING-STOCK AND PARTS THEREOF; RAILWAY OR TRAMWAY TRACK FIXTURES AND FITTINGS AND PARTS THEREOF; MECHANICAL (INCLUDING ELECTRO-MECHANICAL) TRAFFIC SIGNALLING EQUIPMENT OF ALL KINDS	29	27	0	14.23
90	OPTICAL, PHOTOGRAPHIC, CINEMATOGRAPHIC, MEASURING, CHECKING, PRECISION, MEDICAL OR SURGICAL INSTRUMENTS AND APPARATUS; PARTS AND ACCESSORIES THEREOF	241	140	12	353.52
91	CLOCKS AND WATCHES AND PARTS THEREOF	51	31	20	5.00
92	MUSICAL INSTRUMENTS; PARTS AND ACCESSORIES OF SUCH ARTICLES	30	30	0	4.37
93	ARMS AND AMMUNITION; PARTS AND ACCESSORIES THEREOF	22	0	0	5.50
94	FURNITURE; BEDDING, MATTRESSES, MATTRESS SUPPORTS, CUSHIONS AND SIMILAR STUFFED FURNISHINGS; LAMPS AND LIGHTING FITTINGS, NOT ELSEWHERE SPECIFIED OR INCLUDED; ILLUMINATED SIGNS, ILLUMINATED NAME-PLATES AND THE LIKE; PREFABRICATED BUILDINGS	77	41	10	408.20
95	TOYS, GAMES AND SPORTS REQUISITES; PARTS AND ACCESSORIES THEREOF	62	34	7	69.13
96	MISCELLANEOUS MANUFACTURED ARTICLES	73	65	0	69.85
97	WORKS OF ART, COLLECTORS' PIECES AND ANTIQUES	7	0	0	7.25
	TOTAL	7033	2223	2114	36,913.13

Source: Author's calculation from Eurostat and WTO Tariff Analysis Online

## Annex 2: BRCA in EU

HS CODE	Product Description	EU BRCA		
		2010	2011	2012
030613	FROZEN SHRIMPS AND PRAWNS, WHETHER IN SHELL OR NOT, INCL. SHRIMPS AND PRAWNS IN SHELL, COOKED BY STEAMING OR BY BOILING IN WATER	4.29	3.79	#DIV/0!
030617	FROZEN SHRIMPS AND PRAWNS, EVEN SMOKED, WHETHER IN SHELL OR NOT, INCL. SHRIMPS AND PRAWNS IN SHELL, COOKED BY STEAMING OR BY BOILING IN WATER (EXCL. COLD-WATER SHRIMPS AND PRAWNS)	#DIV/0!	#DIV/0!	3.08
240120	TOBACCO, PARTLY OR WHOLLY STEMMED OR STRIPPED, OTHERWISE UNMANUFACTURED	0.57	0.68	0.49
300490	MEDICAMENTS CONSISTING OF MIXED OR UNMIXED PRODUCTS FOR THERAPEUTIC OR PROPHYLACTIC PURPOSES, PUT UP IN MEASURED DOSES "INCL. THOSE IN THE FORM OF TRANSDERMAL ADMINISTRATION" OR IN FORMS OR PACKINGS FOR RETAIL SALE (EXCL. MEDICAMENTS CONTAINING ANTIBIOTIC)	0.03	-	-
610442	WOMEN'S OR GIRLS' DRESSES OF COTTON, KNITTED OR CROCHETED (EXCL. PETTICOATS)	3.03	3.30	#DIV/0!
610462	WOMEN'S OR GIRLS' TROUSERS, BIB AND BRACE OVERALLS, BREECHES AND SHORTS OF COTTON, KNITTED OR CROCHETED (EXCL. PANTIES AND SWIMWEAR)	10.36	10.59	12.81
610510	MEN'S OR BOYS' SHIRTS OF COTTON, KNITTED OR CROCHETED (EXCL. NIGHTSHIRTS, T-SHIRTS, SINGLETs AND OTHER VESTS)	9.47	11.47	11.03
610610	WOMEN'S OR GIRLS' BLOUSES, SHIRTS AND SHIRT-BLOUSES OF COTTON, KNITTED OR CROCHETED (EXCL. T-SHIRTS AND VESTS)	6.04	6.43	6.90
610711	MEN'S OR BOYS' UNDERPANTS AND BRIEFS OF COTTON, KNITTED OR CROCHETED	2.33	-	-
610721	MEN'S OR BOYS' NIGHTSHIRTS AND PYJAMAS OF COTTON, KNITTED OR CROCHETED (EXCL. VESTS AND SINGLETs)	2.22	2.37	-
610831	WOMEN'S OR GIRLS' NIGHTDRESSES AND PYJAMAS OF COTTON, KNITTED OR CROCHETED (EXCL. T-SHIRTS, VESTS AND NÉGLIGÉS)	2.07	2.20	2.45
610910	T-SHIRTS, SINGLETs AND OTHER VESTS OF COTTON, KNITTED OR CROCHETED	12.68	13.38	14.66
610990	T-SHIRTS, SINGLETs AND OTHER VESTS OF TEXTILE MATERIALS, KNITTED OR CROCHETED (EXCL. COTTON)	3.34	-	-!
611020	JERSEYS, PULLOVERS, CARDIGANS, WAISTCOATS AND SIMILAR ARTICLES, OF COTTON, KNITTED OR CROCHETED (EXCL. WADDED WAISTCOATS)	24.46	25.21	24.14
611120	BABIES' GARMENTS AND CLOTHING ACCESSORIES OF COTTON, KNITTED OR CROCHETED (EXCL. HATS)	3.82	3.66	3.80

HS CODE	Product Description	EU BRCA		
		2010	2011	2012
620342	MEN'S OR BOYS' TROUSERS, BIB AND BRACE OVERALLS, BREECHES AND SHORTS, OF COTTON (EXCL. KNITTED OR CROCHETED, UNDERPANTS AND SWIMWEAR)	23.49	25.14	29.12
620442	WOMEN'S OR GIRLS' DRESSES OF COTTON (EXCL. KNITTED OR CROCHETED AND PETTICOATS)	0.29	0.25	0.42
620452	WOMEN'S OR GIRLS' SKIRTS AND DIVIDED SKIRTS OF COTTON (EXCL. KNITTED OR CROCHETED AND PETTICOATS)	1.80	1.81	-
620462	WOMEN'S OR GIRLS' TROUSERS, BIB AND BRACE OVERALLS, BREECHES AND SHORTS OF COTTON (EXCL. KNITTED OR CROCHETED, PANTIES AND SWIMWEAR)	15.90	18.12	23.94
620520	MEN'S OR BOYS' SHIRTS OF COTTON (EXCL. KNITTED OR CROCHETED, NIGHTSHIRTS, SINGLET AND OTHER VESTS)	4.21	5.00	6.21
620630	WOMEN'S OR GIRLS' BLOUSES, SHIRTS AND SHIRT-BLOUSES OF COTTON (EXCL. KNITTED OR CROCHETED AND VESTS)	0.65	0.79	1.28
620640	WOMEN'S OR GIRLS' BLOUSES, SHIRTS AND SHIRT-BLOUSES OF MAN-MADE FIBRES (EXCL. KNITTED OR CROCHETED AND VESTS)	1.46	1.12	0.96
621142	WOMEN'S OR GIRLS' TRACKSUITS AND OTHER GARMENTS, N.E.S. OF COTTON (EXCL. KNITTED OR CROCHETED)	0.56	-	-
630221	PRINTED BED-LINEN OF COTTON (EXCL. KNITTED OR CROCHETED)	6.49	6.78	-
630260	TOILET LINEN AND KITCHEN LINEN, OF TERRY TOWELLING OR SIMILAR TERRY FABRICS OF COTTON (EXCL. FLOOR-CLOTHS, POLISHING-CLOTHS, DISH-CLOTHS AND DUSTERS)	0.74	0.68	0.68
630391	CURTAINS, INCL. DRAPES, AND INTERIOR BLINDS, CURTAIN OR BED VALANCES OF COTTON (EXCL. KNITTED OR CROCHETED, AWNINGS AND SUNBLINDS)	0.33	0.35	-
630532	FLEXIBLE INTERMEDIATE BULK CONTAINERS, FOR THE PACKING OF GOODS, OF SYNTHETIC OR MAN-MADE TEXTILE MATERIALS	0.47	0.45	0.47
640391	FOOTWEAR WITH OUTER SOLES OF RUBBER, PLASTICS OR COMPOSITION LEATHER, WITH UPPERS OF LEATHER, COVERING THE ANKLE (EXCL. INCORPORATING A PROTECTIVE METAL TOECAP, SPORTS FOOTWEAR, ORTHOPAEDIC FOOTWEAR AND TOY FOOTWEAR)	0.41	0.49	0.57
640399	FOOTWEAR WITH OUTER SOLES OF RUBBER, PLASTICS OR COMPOSITION LEATHER, WITH UPPERS OF LEATHER (EXCL. COVERING THE ANKLE, INCORPORATING A PROTECTIVE METAL TOECAP, SPORTS FOOTWEAR, ORTHOPAEDIC FOOTWEAR AND TOY FOOTWEAR)	0.43	0.45	0.40

Source: Author's calculation form EuroStat data

### Annex 3: BRCA in the USA

HS CODE	Product Description	USA BRCA		
		2010	2011	2012
030613	SHRIMPS AND PRAWNS, INCLUDING IN SHELL, COOKED BY STEAMING OR BY BOILING IN WATER, FROZEN	2.18	0.89	-
030617	OTHER SHRIMPS AND PRAWNS, COOKED IN SHELL OR UNCOOKED, DRIED, SALTED OR IN BRINE, FROZEN	-	-	0.59
240120	TOBACCO, PARTLY OR WHOLLY STEMMED/STRIPPED	6.53	4.58	3.28
610442	WOMEN'S OR GIRLS' DRESSES OF COTTON, KNITTED OR CROCHETED	1.14	1.68	2.90
610462	WOMEN'S OR GIRLS' TROUSERS, BIB AND BRACE OVERALLS, BREECHES AND SHORTS OF COTTON, KNITTED OR CROCHETED	8.89	11.28	21.55
610510	MEN'S OR BOYS' SHIRTS OF COTTON, KNITTED OR CROCHETED	2.25	2.58	3.18
610610	WOMEN'S OR GIRLS' BLOUSES AND SHIRTS OF COTTON, KNITTED OR CROCHETED	3.11	2.85	3.88
610711	MEN'S OR BOYS' UNDERPANTS AND BRIEFS OF COTTON, KNITTED OR CROCHETED	1.99	4.01	8.32
610721	MEN'S OR BOYS' NIGHTSHIRTS AND PAJAMAS OF COTTON, KNITTED OR CROCHETED	1.57	15.41	4.95
610831	WOMEN'S OR GIRLS' NIGHTDRESSES AND PAJAMAS OF COTTON, KNITTED OR CROCHETED	7.33	5.44	7.25
610910	T-SHIRTS, SINGLETs, TANK TOPS AND SIMILAR GARMENTS OF COTTON, KNITTED OR CROCHETED	5.11	4.38	6.80
610990	T-SHIRTS, SINGLETs, TANK TOPS AND SIMILAR GARMENTS, OF TEXTILE MATERIALS NESOI, KNITTED OR CROCHETED	2.84	6.23	5.48
611020	SWEATERS, PULLOVERS, SWEATSHIRTS, VESTS AND SIMILAR ARTICLES OF COTTON, KNITTED OR CROCHETED	3.74	3.43	4.02
611120	BABIES' GARMENTS AND CLOTHING ACCESSORIES OF COTTON, KNITTED OR CROCHETED	4.80	5.23	-
620342	MEN'S OR BOYS' TROUSERS, BIB AND BRACE OVERALLS, BREECHES AND SHORTS OF COTTON, NOT KNITTED OR CROCHETED	55.53	73.87	-
620442	WOMEN'S OR GIRLS' DRESSES OF COTTON, NOT KNITTED OR CROCHETED	0.68	0.58	0.65
620452	WOMEN'S OR GIRLS' SKIRTS AND DIVIDED SKIRTS OF COTTON, NOT KNITTED OR CROCHETED	2.32	2.20	3.10
620462	WOMEN'S OR GIRLS' TROUSERS, BIB AND BRACE OVERALLS, BREECHES AND SHORTS OF COTTON, NOT KNITTED OR CROCHETED	17.20	23.53	33.74
620520	MEN'S OR BOYS' SHIRTS OF COTTON, NOT KNITTED OR CROCHETED	14.30	16.18	21.61

HS CODE	Product Description	USA BRCA		
		2010	2011	2012
620630	WOMEN'S OR GIRLS' BLOUSES, SHIRTS AND SHIRT-BLOUSES OF COTTON, NOT KNITTED OR CROCHETED	2.24	2.87	3.13
620640	WOMEN'S OR GIRLS' BLOUSES, SHIRTS AND SHIRT-BLOUSES OF MANMADE FIBERS, NOT KNITTED OR CROCHETED	3.27	1.91	1.28
621142	WOMEN'S OR GIRLS' GARMENTS NESOI, OF COTTON, NOT KNITTED OR CROCHETED	1.08	1.14	1.13
630221	BED LINEN, PRINTED, OF COTTON, NOT KNITTED OR CROCHETED	0.45	0.51	0.36
630260	TOILET AND KITCHEN LINEN OF COTTON TERRY TOWELING OR SIMILAR COTTON TERRY FABRICS	0.79	0.89	0.87
630391	CURTAINS (INCLUDING DRAPES), INTERIOR BLINDS AND CURTAIN OR BED VALANCES OF COTTON, NOT KNITTED OR CROCHETED	0.02	0.05	0.06
630532	SACKS AND BAGS, OF A KIND USED FOR THE PACKING OF GOODS: OF MANMADE TEXTILE MATERIALS: FLEXIBLE INTERMEDIATE BULK CONTAINERS	-	0.02	0.00
640391	FOOTWEAR, WITH OUTER SOLES OF RUBBER, PLASTICS OR COMPOSITION LEATHER AND UPPERS OF LEATHER NESOI, COVERING THE ANKLE	0.38	1.79	1.39
640399	FOOTWEAR, WITH OUTER SOLES OF RUBBER, PLASTICS OR COMPOSITION LEATHER AND UPPERS OF LEATHER NESOI, NOT COVERING THE ANKLE	0.40	0.58	0.65

Source: Author's calculation from USITC data

#### Annex 4: World BRCA

HS CODE	Product Description	World BRCA		
		2010	2011	2012
030613	Frozen shrimps and prawns	4.73	3.37	2.61
240120	Tobacco, partly or wholly stemmed/s	1.07	1.70	1.13
300490	Other medicaments of mixed or unmix	0.09	0.07	0.05
610442	Dresses of cotton, knitted or croch	13.61	13.91	14.67
610462	Women's or girls' trousers, etc, of	31.79	46.53	51.77
610510	Men's or boys' shirts of cotton, kn	17.54	21.75	25.16
610610	Women's or girls' blouses, etc, of	8.92	11.18	17.30
610711	Men's or boys' underpants and brief	8.36	10.74	12.91
610721	Men's or boys' pyjamas of cotton, k	5.69	6.73	6.99
610831	Women's or girls' nighties..., etc,	6.92	6.79	7.99
610910	T-shirts, singlets and other vests,	23.60	26.16	25.31
610990	T-shirts, singlets, etc, of other t	4.75	6.84	6.97
611020	Jerseys, pullovers, etc, of cotton,	153.96	161.08	216.39
611120	Babies' garments, etc, of cotton, k	9.11	9.70	9.65
620342	Men's or boys' trousers, breeches,	76.13	80.17	86.73
620442	Dresses of cotton	0.89	0.76	0.91
620452	Skirts and divided skirts of cotton	5.48	5.43	7.08
620462	Women's or girls' trousers, breeche	48.50	59.13	74.18
620520	Men's or boys' shirts of cotton	15.89	17.86	20.46
620630	Women's or girls' blouses, shirts,	2.63	2.92	4.25
620640	Women's or girls' blouses, shirts,	3.70	2.93	2.96
621142	Women's or girls' garments of cotto	5.23	3.06	2.13
630221	Printed bed-linen of cotton (excl.	22.78	23.23	18.84
630260	Toilet linen and kitchen linen, of	2.98	2.10	2.5
630391	Curtains and interior blinds; curta	0.87	1.05	1.24
640391	Footwear with rubber... soles and l	2.39	3.15	3.60
640399	Footwear with rubber... soles, leat	5.58	6.22	7.86

Source: Author's calculation from WITS data

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