



# Non Tariff Measures

**Dr R Sugant**

Dean

School of Management &

School of Economics and Commerce

# In this session

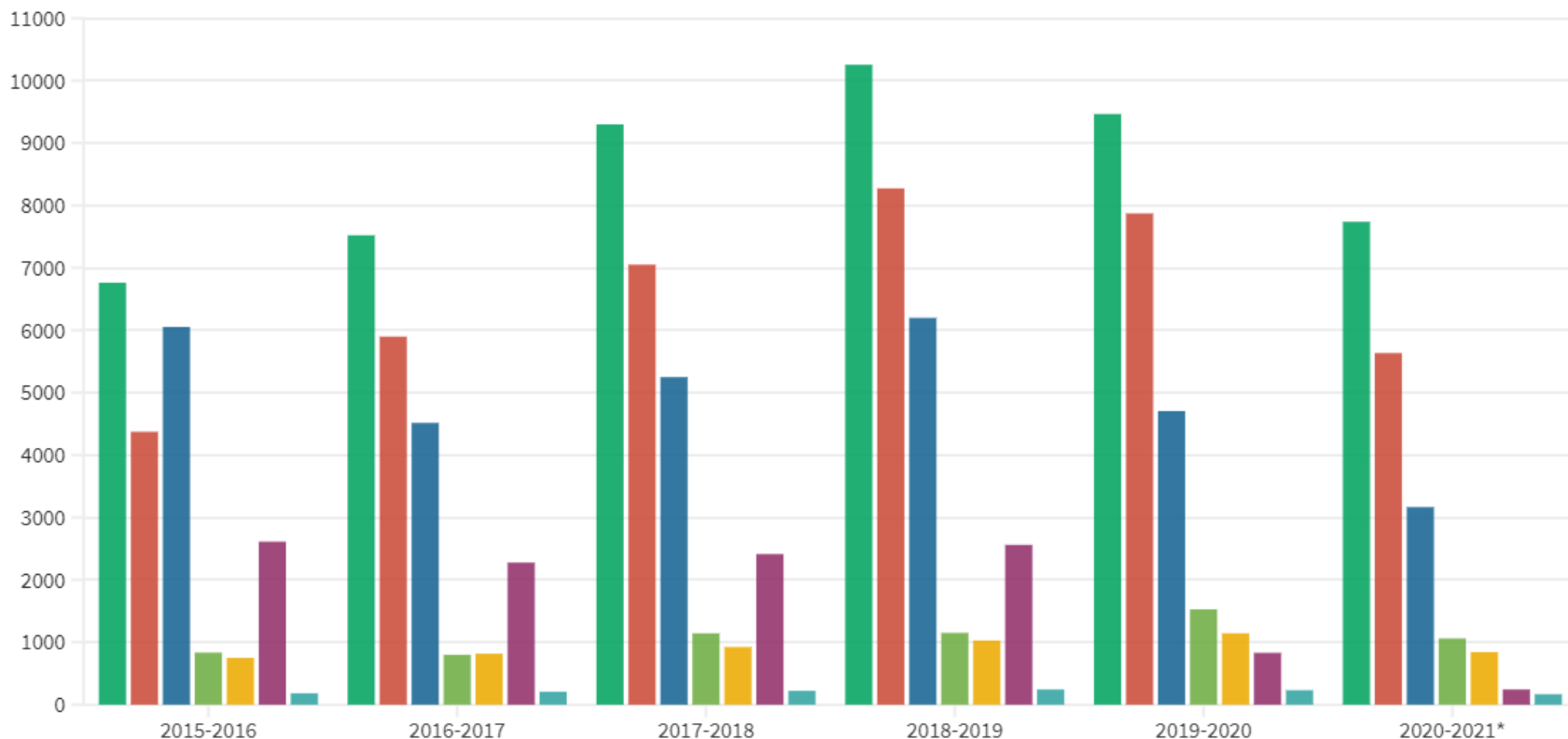
- ❑ India – Bangladesh Trade
- ❑ Non-tariff Measures
- ❑ Way forward

# Bangladesh – Largest Trade Partner Among South Asian Countries

## INDIA'S TRADE WITH SOUTH ASIA

(Figures in US \$ Millions)

■ Bangladesh ■ Nepal ■ Sri Lanka ■ Afghanistan ■ Bhutan ■ Pakistan ■ Maldives



Source: Ministry of Commerce and Industry

<https://www.moneycontrol.com/news/trends/current-affairs-trends/explained-the-flourishing-trade-ties-and-friendship-between-india-and-bangladesh-6700071.html>

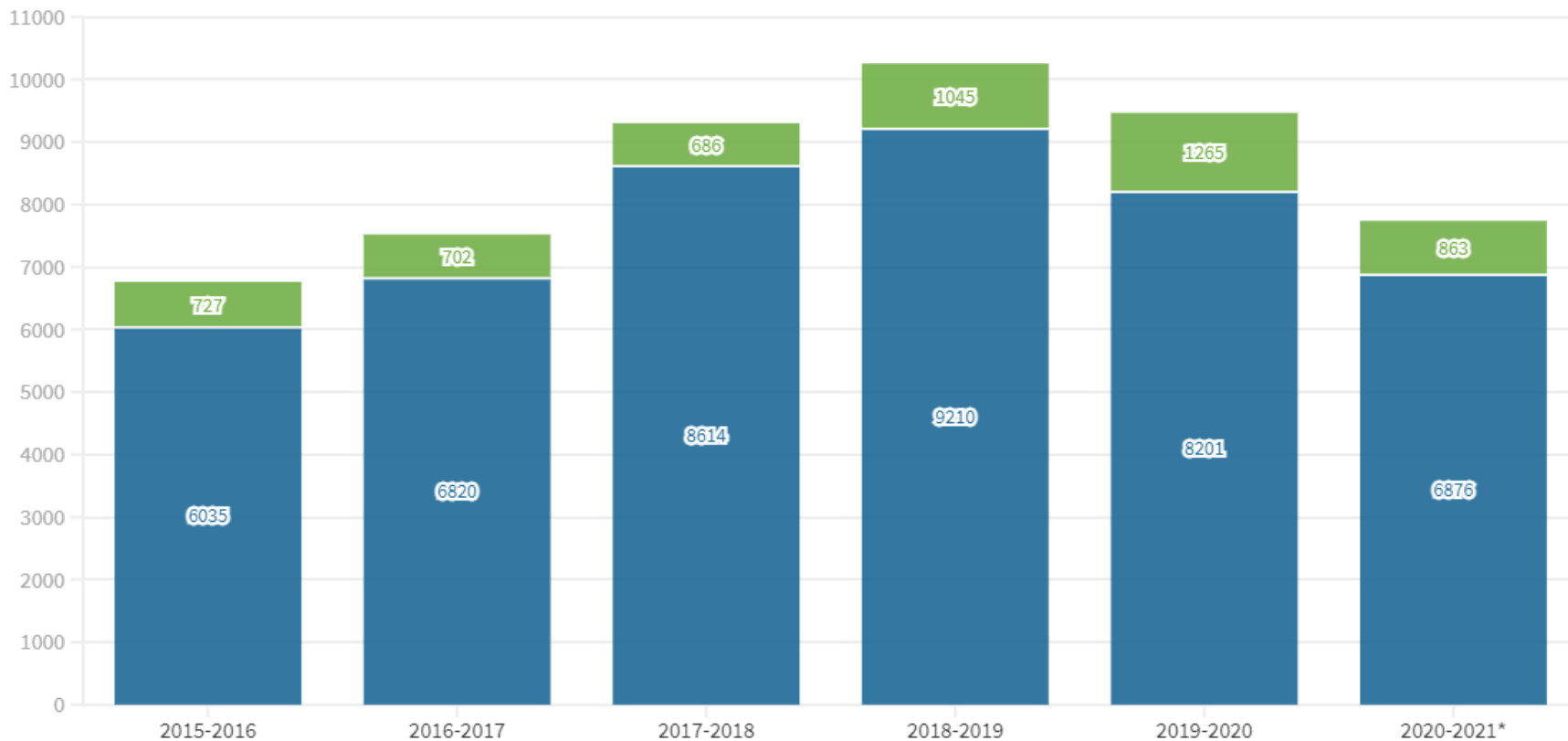
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# Bangladesh – Largest Trade Partner Among South Asian Countries

## BILATERAL TRADE BETWEEN INDIA AND BANGLADESH

(Figures in US \$ Millions)

■ Export ■ Import



# Bangladesh – Largest Trade Partner Among South Asian Countries

- ❑ In FY 2020-21, Bangladesh becomes the fifth top export destination for India
- ❑ Major Exports to Bangladesh
  - ❖ Cotton, electrical machinery, vehicles, iron and steel, plastic and related articles etc.
- ❑ Major Imports from Bangladesh
  - ❖ Apparels and clothing, textile fabrics, paper yarn, animal/vegetable fats and oils, fish etc.

# Bangladesh – Largest Trade Partner Among South Asian Countries

- ❑ Bangladesh is India's biggest development partner
  - ❖ India extended 3 Lines of Credits (LOC) amounting to \$8 billion for development of infrastructure
  - ❖ Cooperation in the power sector
    - Bangladesh currently imports 1160 MW of power from India.

# Challenges in Exporting to India

- ❑ High Tariffs
- ❑ Protectionist Policies
- ❑ Price sensitivity
- ❑ Infrastructure
- ❑ Local content requirement
- ❑ Regulatory Changes
- ❑ Protection of IP

# Non-Tariff Measures by India

- ❑ Customs Surcharges
- ❑ Certification Requirement
- ❑ Registration requirement for Importers
- ❑ Hygienic practices during production
- ❑ Tolerance limits for residues/ contamination of certain (non-microbiological) substances
- ❑ Labelling requirements
- ❑ Packaging requirements



# India-specific Issues

- ❑ Lacks a single-window repository for all of its laws, orders, rules, regulations, Acts etc.
- ❑ Complex legal framework - division of powers between the Union and state governments

	Comprehensiveness	Total
1	Total number of NTM-related regulations	479
2	Total number of NTMs reported to the WTO	NA
3	Total number of coded NTMs	4,618
4	Total number of affected products (Harmonized System codes, national tariff lines)	11,483
5	Total number of issuing institutions	38 agencies (17 at the ministry level)

Source: UNCTAD Report on "Non-Tariff Measures in Australia, China, India, Japan, New Zealand and the Republic of Korea: Preliminary Findings"

# India-specific Issues

## Proportion of non-tariff measures by issuing ministries and institutions

No	Issuing institution	Number of NTMs	% of total number of NTMs
1	Ministry of Health and Family Welfare	1686	37%
2	Ministry of Agriculture & Farmers Welfare	1254	27%
3	Ministry of Commerce and Industry	565	12%
4	Bureau of Indian Standards	520	11%
5	Ministry of Consumer Affairs, Food and Public Distribution	134	3%
6	Ministry of Environment, Forests and Climate Change	132	3%
7	Ministry of Petroleum & Natural Gas	64	1%
8	Ministry of Finance	56	1%
9	Ministry of Home Affairs	42	1%
10	Ministry of Power	40	1%
11	Ministry of Chemicals and Fertilizers	35	1%
12	Ministry of Textiles	35	1%
13	Ministry of Fisheries, Animal Husbandry and Dairying	20	0%
14	Department of Atomic Energy	18	0%
15	Ministry of AYUSH	12	0%
16	National Disaster Management Authority	4	0%
17	Ministry of Steel	1	0%
	Total	4618	100%

# India-specific Issues

## Classification of non-tariff measures by type

Code	NTMs by type	No. of NTMs	%
A	Sanitary and phytosanitary (SPS) measures	2,311	50.04
B	Technical barriers to trade (TBT)	1,674	36.24
C	Pre-shipment inspection and other formalities	47	1.01
D	Contingent trade-protective measures	13	0.28
E	Non-automatic licensing, quotas, prohibitions and quantity control measures other than for SPS or TBT reasons	22	0.47
F	Price control measures including additional taxes and charges	43	0.93
G	Finance measures	3	0.06
H	Measures affecting competition	18	0.38
I	Trade-related investment measures	1	0.02
J	Distribution restrictions	0	0
K	Restriction on post-sales services	0	0
L	Subsidies (excluding export subsidies under P7)	0	0
M	Government procurement restrictions	0	0
N	Intellectual property	1	0.02
O	Rules of origin	0	0
P	Export-related measures	485	10.50
	<b>Total coded NTMs:</b>	<b>4,618</b>	<b>100</b>

Source: UNCTAD Report on "Non-Tariff Measures in Australia, China, India, Japan, New Zealand and the Republic of Korea: Preliminary Findings"

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# Way Forward

- ❑ India – Bangladesh trade expected to grow steadily
- ❑ India-Bangladesh CEO's Forum launched in December 2020 to provide policy level inputs in various areas of trade and investment
- ❑ India-Bangladesh Textile Industry Forum held in February 2020



*Thank you for your time*

**sugant.r@cmr.edu.in**