**EU FTA with India, Vietnam not a threat to Bangladesh**

**Internal barriers need to be removed, seminar told**

FE Report

The proposed free trade agreement (FTA) of the European Union (EU) with India and Vietnam would not have any major impact on exports of locally- made products as Bangladesh's product base is not similar to those of India and Vietnam, speakers at a seminar said Thursday.

They, however, stressed on removing internal barriers including scarcity of power, poor infrastructure and political instability and limited  products and markets, poor productivity and workers' skills.

The observations came at the seminar on 'Possible Implication of EU-India and EU-Vietnam FTA on Bangladesh's Exports' jointly organised by the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and the Bangladesh Foreign Trade Institute at the BGMEA headquarters in the city.

Commerce Minister Tofail Ahmed and State Minister for Foreign Affairs Md Shahriar Alam were present while BGMEA president Md Atiqul Islam, among others, spoke there.

"There is no significant similarity between export structure of Bangladesh and India and also that of Vietnam. However, similarities are higher in four top export sectors namely knit, woven, home textiles and footwear," Dr Mostafa Abid Khan, Acting Chief Executive Officer of the BFTI said while presenting his keynote paper.

However, Bangladesh is likely to face competitive pressure from the two countries in knit products, especially six knit items and footwear if India and Vietnam get duty-free treatment under the proposed FTA, he said adding home textiles also might face competitive pressure.

Terming the growth of India and Vietnam not a new phenomenon, Policy Research Institute (PRI) Executive Director Dr Ahsan H Mansur said, "I am not worried about Vietnam but Myanmar and Cambodia could be our competitors in future."

"Right now, we need more investment rather FTA," he said suggesting initiatives to attract investment and increasing economic diplomacy in this regard.

Vietnam is able to attract foreign investment as there are no barriers while export of the US also increased following its business friendly initiatives, he opined.

"India and Vietnam are not threat for Bangladesh as they focused on items other than apparels," Zillul Hye Razi, Trade Advisor of the European Union Delegation to Bangladesh said adding Bangladesh faces challenges due to its internal problems including GSP suspension by the US and industrial disasters.

Referring to statistics, he said in 2014, Vietnam's total RMG export to the EU is less than that of a single Bangladesh-made apparel product like T-shirt or cotton trouser.

"I have never seen external factors as threat to Bangladeshi garments," he said recommending improving internal factors.

Former Tariff Commission Chairman Mujibur Rahman urged all not to be afraid of TPP (Trans-Pacific Partnership) and instead concentrate on developing the sectors' strength and market access.

Bangladesh Institute of Development Studies (BIDS) Senior Research Fellow Dr Nazneen Ahmed suggested restoring political stability and ensuring good governance to overcome internal challenges.

"Our exports will not suffer due to the proposed FTA of the EU with India and Vietnam," Commerce Minister Tofail Ahmed said adding stable political situation, lands and liberal policy help Vietnam to attract foreign investment.

"We also want investment but failed to give lands to them (investors)," he said admitting internal problems like scarcity of gas.

He, however, recommended FTA signing with countries that do not provide duty-free facility like Malaysia, Brazil, Chile, India and Argentina.

Referring to ongoing political instability, Mr Ahmed said, "What is happening in the country can't be termed as politics. This is sheer terrorism. Innocent people are being murdered in the name of blockade and hartal."

The minister termed people requesting the government to initiate a dialogue 'pessimists', saying, "Those who have proposed the government to sit with the terrorists are indeed encouraging militancy and terrorism."

Referring to militant organisation Islamic State, Mr Tofail said, "Dialogue is not possible with the militants."

The speakers, however, recommended increasing productivity and value addition, market and product diversification, improving labour rights and standards and establishing commercial wings to retain competitiveness.

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