Opening Opportunities: The Goal of Trade Liberalization in Bangladesh
An Empirical Study from Bangladesh

A N M Shibly Noman Khan
Associate Professor
Independent University Bangladesh
Corresponding Author's email: *Khan_shibly@yahoo.com*

Abstract
Bangladesh enters the 21st facing a vastly different external economic environment than the one it inhabited for the last 46 years and devised economic policies for. Like other developing countries, Bangladesh had inherited the framework of the liberalized global world economy and is in the midst of opening its economy to the inflow of trade and investment from beyond its borders. This paper empirically investigates the growth in trade and investment between Bangladesh and China, India and the United States to understand future economic cooperation and development.

Keywords: *Trade, China, India, United States, Bangladesh, FDI, Competitiveness*

INTRODUCTION

Since the early 90s, the development strategy of Bangladesh underwent a significant change. After experimenting with domestic demand based import substitution strategy for nearly two decades, the country finally opted for a more open market-based economy, letting the private sector take the lead in the development of the economy. Trade liberalization reforms were introduced that slashed tariff rates, reduced tariff slabs and largely eliminated quantitative restrictions. Various measures were implemented to encourage exports. As a result the trade ratio increased steadily.

A key aspect of export trade is that demand for a country's export depends on the import propensities of the people of other countries. Such propensities are known to be influenced by their economic growth. The recession of 2008 and 2009, which ravaged much of the western world's richest countries, had profound implications for export efforts and therefore, economic growth of the world. Imports plummeted as western economies moved into the negative growth zone. Consequently, the exports of the rest of the world also plummeted.

Initially, the economy of Bangladesh was not affected substantially, giving rise to the false hope that the country might be able to escape the adverse impact of the recession in the west. Indeed, many experts believed that since Bangladesh specialized in producing cheap apparel products and economic hardship caused by the recession would force consumers in the western world to resort to cheaper products, therefore import demand for Bangladeshi apparel and hence import from Bangladesh would increase. This argument was based on false premises and it is abundantly clear from recent data that apparel export of Bangladesh did not escape the impact of the impact. Rather the impact was delayed, not denied. Trade liberalization is also seen as expanding economic opportunities by enlarging the market size and enhancing the impact of knowledge spillover.

The remarkable expansion of Bangladesh's trade during the period of 1980-2016 stemmed from the introduction of more outward looking trade policies, involving less domestic protection as well as from favorable developments in the access Bangladesh enjoyed in developed country markets. Supply and logistic constraints have continued to plague trade volume in recent times but the growth of Bangladesh trade has been impacted greatly by the spread of off-shore production and the increased role played by value chains.

Over the last two decades, the economy of Bangladesh has undergone distinctive shifts in trade, fiscal, industrial and financial policies. The 1970s were characterized by a highly regulated financial system, a narrow-base fiscal regime, an inward-looking trade and industrial policy and an overvalued exchange rate regime. This was despite the fact that the domestic currency was depreciated by 75% in 1975. The result was not a satisfactory macroeconomic scenario in terms of growth of Gross Domestic Product (GDP) and manufacturing output, foreign debts, fiscal and current account deficits and the stability of the general price level. In 1982, at the behest of the World Bank and the International Monetary Fund, Bangladesh launched strategies leading to a greater market- and export orientation by initiating the structural adjustment programs (SAP) in different spheres of the economy. While the changes in the fiscal, financial and industrial policies laid the building blocks of a market-oriented economy, the trade policy shifts have provided the nucleus for liberalized economic policies. Since the beginning of the 1990s, there has been a turn-around in the macroeconomic picture as the economy witnessed a record-low rate of inflation, significant accumulation of foreign reserves and a better resource position of the government. According to some, this is evidence of successful stabilization while others claim them to be symptoms of stagnation and a low level of economic activity. After gaining Independence in 1971, Bangladesh adopted a strategy of highly restricted trade regime. This trade policy was characterized by high tariffs and non-tariff barriers to trade and overvalued exchange rate system, which was propped up by the import-substitution industrialization strategy of the government. A large scale liberalization of trade was undertaken only during the early 1990s. During this time, considerable rationalization of tariff rates had been taking place instead of high tariff rates. Tariff Bands were also kept compressed. Due to this, average custom duty (unweighted) and average protective duty fell and the maximum tariff rate was reduced.

After FY 1991-1992, average custom duty (unweighted) and maximum custom duty rate were both gradually reduced. In 1991-92, they were 70% and 350% respectively. After two decades of liberalization and numerous reforms, they are now much more liberal than other developing countries. In 2012, they were 15% and 25% respectively.

A successful transition needed to be accomplished from a system of extensive controls and regulations and a large public-sector involvement in production and investment to an economy which was relatively free of controls and dominated by private enterprise. The 1980s saw the slow liberalization of output and input markets, particularly in the agriculture sector, and intensified during the 1990s. Also during the 1990s, controls on domestic private investment was liberalized and was accompanied by significant liberalization of the foreign trade regime. The early 1990s also saw improved Macroeconomic stability through the reduction of financial deficit. The creation of an economic environment and a framework of public policies which provide appropriate incentives to encourage the volume of foreign trade and FDI from different countries of the world took place during this time.

The merits of trade liberalization is still hotly debated. Whether it promotes growth and leads to a more equitable distribution of income is the subject of much literature. However, empirical evidence to support these propositions is far from conclusive and there is a lack of consensus on this issue. There is also continuing debate over the future direction of trade liberalization in Bangladesh. Questions have arose whether Bangladesh shouldundertake a drastic wholesale liberalization of trade or it should adopt a more gradual approach. Against this backdrop, this paper assesses trade liberalization possibilities in Bangladesh and analyzes the merits of these paths.

Bangladesh: ***Duty Free Access to the global Market.***

Bangladesh has been experiencing a rapid pace of global integration over recent years. Contributing factors include both domestic policy changes (in the form of trade liberalization, market oriented reforms, removal of an anti-export bias and the pursuance of an export-oriented growth strategy) and a demonstrated ability to take advantage of emerging global market opportunities. The cumulative result has been an increasing degree of openness of the Bangladesh economy, as evidenced by the growing ratio of exports and imports of both goods and services to the country's GDP. The middle of the 1980s saw Bangladesh begin the process of integrating with the global economy. Before that period, the Bangladesh economy was highly protected and inwardly looking and did not recognized that trade could serve as an engine of growth. The trade policies pursued in those days protected domestic industries, supported import substitution strategies and discriminated against exports through export control and taxes, over valued exchange rates and use of tariffs and other control measures. In 1985, a trade reform program launched with set Bangladesh on a path of rationalization and reduction of tariffs and other import taxes and the gradual elimination of import prohibition and quantitative restrictions. Side by side, incentives were introduced to boost exports and diversity the export base. It was in the early 1990s that Bangladesh seriously embarked on a liberal trade and investment policy path.

The thrust of the policy of private sector driven export-led growth was steady and Bangladesh achieved an export growth rate of 13.58% during the 1991-2001 period. Exports were US$ 1994 Million in 1991-92 and grew to US$ 6467 Million in 2000-2001. For countries like Bangladesh, external demand (quantity) shocks also appear as the most likely exogenous shocks to affect export performance from time to time. Cyclical movements in the economics of North America and the European Union, the destinations to which the bulk of Bangladesh's exports are directed, result in such shocks. The income effect of these cyclical movements is to stimulate export revenues of trading partners in boom times with its reciprocal negative counterpart in contractionary periods. While a developing country cannot escape fully from the adverse effects of a global crisis, a diversified export market can help soften the impact considerably. Recent developments in the global economy that has given rise to a new grouping of countries – developed, emerging markets, and developing – should give pause for rethinking. In recent times, the traditional recessions and expansions ingrained in capitalist economic systems of the developed countries has given way to adverse movements of a more severe kind – those resulting from a globalized financial crisis or a sovereign debt crisis in the Euro zone and other OECD countries prompting austerity measures in public spending.

Our saving grace might be the emerging market economies of Brazil, Russia, India, China and South Africa (BRICS). Together they have a combined market size that is roughly equal to that of the EU or North America. Geographical diversification, one more characteristic of export diversification, into these potential and sizable export markets could help stabilize export revenues in times of crises or cyclical movements in the traditional markets in developed countries. This is the rationale that calls for an effective strategy for export diversification.

The prior discussion highlights the fact that Bangladesh not only relies on a small number of markets. Bangladesh has not been able to achieve a more diversified, modern industrial export base making her highly vulnerable to the whims of the market. The growth in exports achieved so far has been primarily a preference led affair riding on the back of (a) MFA quota and (b) GSP facilities.

The quota facility allowed Bangladesh RMGs an assured share of market in United States and an unrestricted access to EU markets (theoretically for unlimited quantity).The quota arrangement for others further helped Bangladesh in the EU by restraining the developing country competitors through an allocation of quantity while Bangladesh and other LDCs were given the opportunity to supply unlimited quantity. The availability of zero duty facility under GSP and later under EBA to Bangladesh goods-provided they meet the Rules of Origin criteriahas been an additional advantage in the EU market. However in the United States market, RMG sector was not granted GSP facility to any country before 2000. Since then under AGOA, 33 sub-Saharan & Caribbean countries have been granted GSP type facility for garments, footwear, luggage and other 1835 tariff lines. This facility on an average grants 15 percent price advantage to them over Bangladesh and other non-AGOA countries and who do not get GSP. And as such, Bangladesh can be said to be at a positive disadvantage in the United States market.

Bangladesh's present level of success in export expansion, as noted earlier, has been achieved primarily due to opportunities available under the twin global preferential arrangements of (me) MFA quota facility and (ii) the GSP facility. Fortunately for Bangladesh both these important initiatives in the international arena were launched (to assist the developing nations to enhance their market access into the developed country markets) at about the time she started her journey as a sovereign nation. Of these two, the MFA quota arrangements was specific to one sector: the readymade garments.

The other facility GSP covered many items (including sometimes readymade garments) as in EU but not in United States markets which were declared to be covered by the scheme. The MFA quota facility which came into being in 1974 as a special trading arrangement and had controlled world trade regime in readymade garments till it ended on 2004. Under this regime, each importing country had the authority to establish on a bilateral basis an annual but renewable quota for import from each exporting country. An assured quota level acted like a great market access opportunity for the exporting country's companies. Bangladesh and other countries developed a RMG industry to service the assured market. In case of Bangladesh, the RMG industry has now over 6000 units employing 4.2 million workers (about 80 percent being women).

Since January 01, 2005, the world RMG trade is a quota –free one similar to all other commodities and a part of WTO liberal and open trade regime. Bangladesh had certainly benefited from the operation of quota arrangements: firstly to enter into the world garments market and secondly to become an important player.

The General System of Preference (GSP) is the other global preferential arrangement granted by developed countries to developing countries by giving their imports preferential treatment. It was started in the early 1970s and is still in operation. Under the GSP, developed countries apply lower than MFN rate of custom duty on specific goods originating from designated developing countries while similar goods from developed countries have the MFN rate applied. The GSP facility has been suspended by the US after the Rana Plaza disaster of 2014.

Bangladesh, an original member of the World Trading Organization (WTO), grants MFN treatment to all its trading partners and receives the special and deferential treatment provided for in the WTO agreements. The country continued to be an active member of the WTO, serving twice as the coordinator of the LDC Group in Geneva in 2007 and 2011.

Bangladesh's involvement and commitment to regional integration initiatives has been strengthened with the development of the South Asian Free Trade Area (SAFTA) and the Bangladesh, India, Myanmar, Sri Lanka and Thailand Economic Cooperation (BIMST-EC) Free Trade Area, as well as expansions agreed upon in the Bangkok Agreement. Exports of these partner countries remain limited, accounting for only 3% of total exports. Bangladesh is actively pursuing efforts to obtain duty free access to the United States market for its textiles and clothing, even though preferential exports to the US remains insignificant.

Custom tariff serves as both Bangladesh's main trade policy instrument as well as a significant, albeit declining course of government revenue (approximately 18.1% of total tax revenue during the review period). A high degree of transparency comes from almost all tariff rates being ad valorem. The average applied MFN tariff fell from 15.5% in 05-06 to 14.9% in 11/12. The average customs duty on agricultural products (19.4%) remains higher than for industrial goods (14.3%). The three higher custom duty rates sees a concentration of tariff lines and a pronounced escalation in several areas in line with national policy priorities, such as textiles and leather.

Additional protection has been maintained through other charges and internal taxes, aimed at discouraging the import of luxury goods and the supply of goods or services considered undesirable for social, moral, religious or health grounds Significant custom modernization is under way to facilitate speedy custom clearance through automation and to improve transparency in the custom clearance process. Import clearance and export procedures have been further simplified by reducing the number of signatures needed for clearance of consignments and the frequency of inspection of goods. The port of Chittagong, which handles over 90% of the country's import/export trade, has significantly improved its competitiveness and efficiency relative to other ports in the region in terms of costs, vessel turn-around time and container handling productivity.

Present estimates state that the annual expenditure on procurement of goods and services and works in the public sector of Bangladesh account for 20-24% of the annual national budget. The 2008 Public Procurement Act and Public Procurement Rules contain most features of good international public procurement practices and the new framework establishes inter alia a domestic preference of 15% of the delivered price for goods and 7.5% of the contract price for works. A new legal framework for competition is now in place. Widespread state involvement in the economy persists with state-owned enterprises largely engaged in commercial activities and exercising a dominant influence in many key industries including jute, textiles, steel, chemical/fertilizer production, sugar, utilities and transport.

Export prohibitions are maintained mainly for reasons of health, ecological balance, security, archeological value or maintenance of domestic supply. Export permits are required for a few key items. Exports of urea fertilizer remain restricted. Assistance for domestic production and exports (export-oriented firms, "deemed exporters", and firms operating in export processing zones) varies by type of activity to, inter alia, encourage use of domestic technology, import substitution, adjustment and/or boost export performance, as well as to offset the adverse effects of tariffs and other border taxes. Such assistance is available in the form of tax and non-tax incentives.

Despite the success that Economic Processing Zones have had in attracting investment and contributing to exports, their impact remains limited in the amount of exports, investments and employment. Bangladesh aims to establish 20 economic zones by 2021, which are expected to generate 1.5 million new jobs and produce 85% of the country's exports.

Bangladesh is upgrading its quality and standards infrastructure towards international levels by collaborative efforts with the newly operational Bangladesh Accreditation Board, established under the Bangladesh Accreditation Act (2006). Bangladesh has overcome critical challenges in meeting export standards, especially to the EU market. Bangladesh continues to bring its intellectual property laws in line with the TRIPs agreement with other international commitments and recognizes that enforcement of IPRs is important for encouraging innovation and creativity.

According to Bangladesh Export Promotion Bureau, Bangladesh is getting duty free market access to various markets such as 82.6 percent duty free compression from the United States, 61.5 percent from China, and 94.1 percent from India respectively.

Bangladesh should embrace domestic strategy measures to deliver issues identified with exports, particularly through RMG financial discretion to probe United States entryways. About 84 percent of United States tariff lines are covered by the United States Generalized System of Preferences (GSP) scheme for the Least Developing Countries. This GSP scheme is the most prohibitive among those of the developed trading partners of Bangladesh since it avoids the better part of tariff lines in the clothes and materials sectors. This omission has ramifications for Bangladesh. In addition, Bangladesh is off-guard in the United States showcase, selective LDC and DC countries profit form duty free provision for array and materials under either the 'North American Free Trade Area' (NAFTA) or the ‘Caribbean Basin Initiative’ (CBI).

India is another of Bangladesh's major trading partners. Since the Indian economy is a stepping stone to Bangladesh's development, expansion of Bangladeshi exports to India will continue. One of the fundamental obstacles to full utilization of this relationship is the non-duty hindrances that have troubled bilateral trade between the two. It is estimated that 30% of Bangladesh's import needs are being sourced from India, regardless of Bangladesh's capacity ability to meet the import requirements locally.

Since early 1990s India and Bangladesh have pursued trade liberalization policies. Before that, in 1985, the South Asian Association for Regional Cooperation (SAARC) was established, comprising of seven South Asian countries (Bangladesh, Bhutan, India, Nepal, Maldives, Pakistan and Sri Lanka) with the vision of accomplishing political and economic cooperation among the member countries.

Despite best efforts, the SAARC initiative did not take off in an impressive way, especially when compared to other regional initiatives in other parts of the world. To rectify the situation, the SAARC Preferential Trading Agreement (SAPTA) was signed by SAARC member countries in 1993. This agreement aimed at trade expansion among the member countries through mutual concessions relating to tariff, para-tariff, non-tariff measures and direct trade measures. In 2005, SAPTA paved the way for the Agreement on South Asian Free Trade Area (SAFTA), which is expected to user in a new era of gradual trade liberalization.

SAFTA resulted in significant progress on tariff liberalization in the region. However, due to different speeds of initiating trade policy and reforms by the respective countries, Bangladesh's Bangladesh’s bilateral trade deficit with India widened substantially over the years. This created a trade imbalance in favor of India and contributed to economic and political tensions between the two neighbors. It is important to mention that though trade imbalance has widened, over the last decade, there was not much change in the share of Bangladesh's import from India as a percentage of its global import.

Although SAFTA came into effect from 1 January 2006, tariff concessions offered under SAPTA remained valid. At present, India gives Bangladesh preference on around 2925 tariff lines, or 58% of its 5000 6-digit HS lines. Two thirds of these preferences were agreed upon in the third SAPTA negotiating round and came into force during India's 2000/01 fiscal year. A majority of the preferences are special "LDC-only" preferences: most of these are 50%, some are 60%, and a few 15%, 75% or 100%.

Bangladesh's high trade deficit and its long negative list on India is a major concern. This list was reduced to 480 items but still includes most apparel items. In 2010, Bangladesh asked for a review of the items of export interest which remained on the Indian negative list. In 2011, India agreed to remove 46 apparel items from its negative list and to grant them duty free entry to the Indian market.

In practice Bangladesh is the only relevant beneficiary of India's LDC-only SAPTA preferences, since Nepal and Bhutan have long had duty free access to the Indian market under their bilateral treaties, and the Maldives' trade is negligibly small (at least from India's perspective). These preferences constitute a de facto bilateral asymmetric preferential trade arrangement between India and Bangladesh, since many significant preferences have been given by India but few and negligible preferences for Indian imports have been given by Bangladesh.

In order to qualify for India's SAPTA preferences, products imported from Bangladesh would have to satisfy the SAPTA origin rule, which is that the cif value of non-SAPTA imported inputs included in the exported product should not exceed 70% of the fob price. This provision is extremely important for firms in Bangladesh wishing to export woven garments to India, because value-added margins in cutting, sewing and assembling garments from imported fabrics are typically around 30% of fob prices, and may be less. To get around this constraint, they can use imported Indian fabrics, even though they might not have done so if they had a free choice unconstrained by this consideration.

Because of the contributions of Bangladesh's RMG export sector, $147 million was imported from the area while the regions aggregate exports of similar sources were nearly USD 2.7 Billion in 2011. Bangladesh-India trade suffers from poor trade assistance and high trade costs related with cross-fringe trades.

Bangladesh receives preferential market access to a large number of developing countries (including China, India, Pakistan, Republic of Korea, Sri Lanka and Thailand) under the various RTAs of which she is a member, notably SAFTA, APTA and BIMSTEC (which was elevated to a free trade agreement (FTA) in July 2008). The margin of preference ranges between 10 and 100 per cent. Some of Bangladesh's major exportable are excluded from preferential treatment in some developing country markets, such as the Republic of Korea. Moreover, the RoO for preferential treatment in some of these markets are severe and stringent. RoK calls for a 50% domestic value addition while China calls for 40% value addition or change of tariff heading (CTH). India's RoO requirements call for 30% value addition and CTH. While most of Bangladesh's exports are eligible to enter China and India duty-free, it's exports to these two countries have remained low in 06-07. Bangladesh's imports from China were as high as USD 3 billion compared with USD 3.656 billion in 2010.

About 84 per cent of United States tariff lines are covered under the United States GSP scheme for the LDCs. Bangladesh's exports of such items as shrimp, jute and jute products and fertilizers are imported MFN duty-free into the United States but, with respect to other potential exports, the United States GSP scheme is the most restrictive among those of the developed trading partners of Bangladesh because it excludes the majority of tariff lines in the apparels and textiles categories.

This exclusion has important implications for Bangladesh's competitiveness in the United States apparels market because apparels items constitute over 90 per cent of Bangladesh's exports to United States and average MFN tariff rates on Bangladesh's apparels exports to United States were about 16.3 per cent, with most items facing tariff peaks. Duties imposed on Bangladesh's exports (mainly on apparels items) at United States custom points were USD 596 million in 2008. This was more than four times the bilateral aid that the United States disbursed to Bangladesh in 2008 (about USD 135.0 million)

Bangladesh's trade feasibility

Trade liberalization has been one of the major policy reforms carried out by Bangladesh under the SAD and ESAF programs of the IMF and the WB. The adjustment program initiates a wide range of policy reforms including trade, industrial, monetary, fiscal and exchange rate policies, privatization of state-owned enterprises policy and the promotion of foreign direct investment.

In the early 1990s, large scale liberalization of trade was implemented. Since then, successive governments have reaffirmed their commitment to the development of a more liberal trade regime. The share of GDP coming from trade has been rising since 1990. Exports, imports and general stock trades have all climbed and help support the claim that Bangladesh has now transformed into a trading country. In a break from the past, trade has average double digit growth each year for nearly 25 years. In 2014, exports-imports was USD 30 Billion, which was fivefold the amount of 2000.

Export concentration is not a new phenomenon for Bangladesh. Prior to the emergence of RMG exports, jute and jute goods dominated the export sector for many decades. They made up 70% of exports in 1981. With advice of development experts being to diversify exports, the development of non-traditional exports has become the dominant mantra of export policy. Nontraditional exports implied a shift into manufactured goods. The spark for this shift came from the multi-fiber arrangement of 1974 which offered a lifeline for the emergence and rapid expansion of the RMG industry. At the same time, domestic policy errors and the emergence of jute substitutes globally lead to a rapid decline in the export of jute and jute goods. By 1990, RMG exports had overtaken Bangladesh's traditional exports and by the end of the 1990s, export concentration emerged afresh, with RMG exports reaching 81% of exports in 2014.

However, the notable development in this evolution was the vertical diversification of its exports (from primary to manufactures) so that by the year 2000 Bangladesh became a unique LDC exporting predominantly manufactures (over 90%). So, Bangladesh – a low-income country by World Bank classification – has export concentration of a different kind. It is not a case of export concentration in a primary product, like jute or petroleum, but in the group of textile manufactures called readymade garments. As Bangladesh emerged as a global leader in RMG exports and all indications are there that is plenty of room and scope for expansion in the medium to long term, the need of diversifying its export basket needs to be seen in a different light compared to another low income country which is reliant on narrow base of primary exports. Global demand for clothing will continue to grow with income though shocks to the global economy may result in slowdowns.

Bangladesh received more than three fourth (about 82%) of total export earnings from Readymade garments (Woven and Knitwear). Total export of Readymade Garments rose by 8.6 percent year-on-year in April-June 2016 and by 0.7 percent decreased from the previous United States quarter. The RMG export increased in April-June, 2016 was mainly driven by increase of the export of Knitwear garments. However, against the target of April-June, 2016, total RMG export growth higher by 0.7 percent. During July-June FY 2016, 43.0 percent and 39.0 percent of total export earnings received respectively from woven and knitwear. In FY 2015, share of these two subsectors in total export earnings were 41.9 percent and 39.8 percent respectivelyi .

In the year 2015-16, we have earned from exports 34,257.18 Million Dollars. During the current 2016-17, our export target is 37,000.00 Million Dollars. The export earnings of JulyNovember of 2016-17 are 13,690.17 Million dollars, which is 6.30% higher than the export earnings of last year during the July-November period: 1,879.83 Million dollars. We are 4.17% less than our strategic export target of 14,287 Million Dollars.

The main product review of exports shows that in 2016-17, a total of 8 sectors: oven garments, knitwear, home textile, frozen food, agricultural products, jute and jute goods, leatherleather products and footwear and engineering, contributed 1306 Million dollars to export earnings, or 95.46% of total export earnings. During the same 2016-17 year, the sectors which have increased their exports earnings compared to the export earnings of last year are: Knitwear, Oven garments, Jute and jute goods, pharmaceutical goods, furniture, Caps, spices, leather products, paper and paper products, handicrafts, leafy vegetables, plastic products, frozen shrimp, leather footwear and other footwear. On the other hand, the major commodities which have decreased their exports during this year, compared to the same period of last year are: Home textiles, Bicycle, Leather, Engineering Products, Dry Foods, Rubber, frozen fish and Specialized Textile.

Items such as Knitted Clothes and Woven Clothes contributed 41.14% and 40.16% of our total export earnings respectively. Our knitted clothes earnings grew by 7.56% during JulyNovember 2016-17 compared to July-November 2015-2016. Woven clothes earnings also grew up 5.22% during this period.

Similar increases in export earnings are seen in the categories of Home textiles (0.38% increase), Leather and leather products (16.62% increase), Frozen foods (7.16% increase), Pharmaceuticals (1.30% increase), Plastic-Melamine products (55.18% increase) and Raw jute and jute goods (7.98% increase). The product categories which decreased in their export earnings are Bicycle (10.03 decrease) and Electronic products (3.45 decrease).ii .

Bangladesh unquestionably has possibilities in the export showcase since its exports held up fairly well amid the worldwide subsidence, even as significant trading countries including China and India endured this vigorously. For Bangladesh, expanded universal specialization would clearly take into consideration more quick and stable export developmentiii .

Trade familiarity with China, India and United States

Bangladesh is likely to face two scenarios simultaneously: a favorable environment due to a liberalization in the developed countries and an increasing competition with the other developing countries in the currently narrow range of export commodities. For example, the implementation of the WTO agreement after the year 2000 reduces or eliminates the quotas for the garment exports. Bangladesh will face heavy competition from countries like Vietnam or china and will need to upgrade her garments exports to more sophisticated segments of the market, which require greater skills and increased productivity. Furthermore, soon, the world trading regime is likely to introduce new rules and regulations which will effect

Bangladesh's ability to sustain its competitive edge in world export markets.

A few sectors, especially ready-made garments, have been among the beneficiaries of these reforms. The reforms have also provided exporters with unrestricted and duty-free access to imported inputs, financial incentives in the form of easy access to credit and credit subsidies, and fiscal incentives such as rebates on income taxes and concessionary duties on imported capital machinery. They have also been aimed at strengthening the institutional framework for export promotion.

In 2002, nearly 75% of Bangladesh's exports went to developed countries. In particular, the EU accounted for 43% of total exports, followed by the US and Canada, which together accounted for 29% and Japan accounted for 1%. On the flip side, the picture is very different on the import side. Developing countries accounted for more than 50% of Bangladesh's imports, highlighting the importance of SouthSouth trade for its imports. In 2001, it sourced nearly 18 percent of imports from the four members of the Association of South-East Asian Nations (ASEAN-4) -- Indonesia, Malaysia, Singapore and Thailand -- and 11 percent each from China (excluding Hong Kong) and India.

Official figures however underestimate the true magnitude of imports from India due to pervasive illegal cross-border trade. Despite the lack of reliable estimates of overall volume or value of smuggling, illegal imports are believed to be widespread and substantial. Of Bangladesh's imports from developed countries, 10 percent came from the EU, 7 percent from Japan, and nearly 4 percent from the United States and Canada combined.

Since its independence in 1971, Bangladesh has grown and developed. During this process, the relationship between Bangladesh and its trading partners such as India, China and the US has been transformed. Previously this relationship was based on humanitarian aid and remittances and now rests on a foundation of trade, investment and mutual benefit.

Trade between Bangladesh and China has always been at a negative balance of payment account. This means that Bangladesh imported from china more than it exported to china. In 2005, the total export amount to china totaled $65.18 million and it increased to $715.21 million in 2015; and total import amount from China in 2005 was $2002.26 million and in 2015 the total import increased to $10349.33 million. The balance of payment account of china has had a negative impact on total GDP and this effect as in increasing yearly. In 2005 it was -2.26%, in 2010 it was -4.85% and in 2015 it was -6.15%.

Bangladesh imports more goods from India than it exports to India. In 2005 total export amount to India was $177.73 million and in 2015 it increased to $517.89 million. On the other hand, import has been always more than export with India; in 2005 total import amount from India was $1372.04 million and in 2015 it increased to $5882.08 million. Therefore, import increased much faster than export. Moreover, the total export decreased in 2008, 2009, 2011, 2012, 2013 and 2015; whereas the total import decreased in 2009, 2012 and 2013. In the case of GDP, balance of payment account of India also has a negative impact on total GDP and the negative impact is increasing year to year; such as in 2005 it was -1.39%, in 2010 it was -3.48% and in 2015 it was -3.45%.

Trade between Bangladesh and the US has always maintained a positive balance of payment account. In 2005 total export amount to USA was $2662.02 million and in 2015 it increased to $6139.35 million, a rise of over 100%. On the other hand, in 2005 total import amount from USA was $431.33 million and in 2015 it increased to $978.44 million. Hence, both export and import increased but export to USA increased much faster than import from USA. Since the balance of payments account has remained positive, trade with the US has had minor contributions to GDP. In 2005 the contributions to GDP was 2.60%, in 2010 it was 3.84% and in 2015 it was 3.30%.

In 2014, the US exported USD 1.1 Billion worth of goods and services to Bangladesh and imported USD 2 Billion worth of goods and services from Bangladesh. Export rate of Bangladesh increased by 12% and imports diminished by 19.5%. If both countries can adopt the right policies, the achievements of the next 5 years can match those of the last 40[iv].

The balance of payment of Bangladesh has always been negative since the country's independence. Over the first three decades of the country's history, the transaction in import and export has been increasing at a very steady rate. In 1971 Bangladesh had exported 550 million and imported 940 million of goods and services. In the early 80s the country faced a short period of decline in both export and import but ever since both trading with the world has always been increasing.

In 2005 Bangladesh's import total was USD 13.89 billion and export was USD 9.99 billion. Within a span of ten years these values have increased to USD 48.28 billion and USD 33.82 billion respectively. This is an increase in import by 347% and increase in export by 339% over ten years. The average annual economic growth of the country was 6.85 percent during this period.

Despite the fact that our Balance of Payment account has always been in the negative, as is the case with almost every developing nation, this can be seen as an indication of how the economy is developing every rapidly. With the recent progress of the country, we can expect to see an increase in exportable goods which can be exported to help balance the trade account.

There is a clear and unmissable motivation behind the low level of imports from the US to Bangladesh, despite there being a strong and mature relationship. The reason is China. China is seeking to develop Bangladesh as one of its markets and sees Bangladesh as a business and economic opportunity. Bangladesh and China have signed a Memorandum of Understanding (MoU) on fortifying venture and production limit collaboration in October 2016, with Bangladesh set to get USD 24.45 billion in reciprocal help from China for 34 tasks and projects. Along with USD 13.6 Billion investment in 13 joint ventures, the Chinese total of USD 38.05 Billion is the greatest amount any country has given or invested in Bangladesh to date.

Why Bangladesh?

The Government of Bangladesh recognizes that export-led growth and a broadening of the export structure are pivotal to the country's growth ambitions. In the Sixth Five-Year Plan, trade is considered a strong source for accelerating growth and providing high productivity and high-income jobs. The government recognizes that a dynamic manufacturing sector will benefit from greater outward orientation, particularly based on the experiences of other successful Asian exporters, such as

China, India, the Republic of Korea, Thailand, and Vietnam. The government has emphasized product and market diversification and regional and global integration. The Sixth Five-Year Plan projects the share of exports in relation to gross domestic product (GDP) to rise by 7.4 percentage points to 23.9 percent of GDP by the end of the Seventh Five-Year Plan, reflecting a leading role that export sector is envisaged to play in increasing domestic activityv .

Global growth is expected to be tepid at 3.1 percent in 2016, down from 3.2 percent in 2015 (World Economic Outlook, October 2016). Growth, however, is projected to rise up to 3.4 percent in 2017. Advanced economies are expected to grow by 1.6 percent in 2016, 0.5 percentage points lower than in 2015, edging up to 1.8 percent in 2017. However, emerging markets and developing economies are projected to grow by 4.2 percent in 2016, 0.2 percentage points higher than in 2015, and rising further to 4.6 percent in 2017[vi] .

The downward growth revisions in advanced economies reflect a deterioration of economic activities in Euro zone following the exit process of UK from EU (Brexit) and its subsequent impact on the US and the Japanese economies. US growth is expected to decrease to 1.6 percent in 2016 from 2.6 percent in 2015 and increase to 2.2 percent in 2017. Reflecting the adverse impact from Brexit, growth in the Euro area has been revised downward to 1.7 percent and 1.5 percent in 2016 and 2017 respectively from 2.0 percent in 2015. Japan is projected to grow by 0.5 percent in 2016 as in 2015 and is expected to grow by 0.6 percent in 2017vii .

Bangladesh economy grew by 7.1 percent, exceeding the 7.0 percent growth target and the 6 percent growth trajectory. This strong growth was mainly supported by industry and services sectors. Annual average CPI inflation continued to decline to 5.9 percent in June 2016, below the target of 6.2 percent. The declining trend in average CPI inflation is mainly driven by favorable food inflation *Export grew by 8.9 percent, while import by 5.5 percent in FY16. Remittances, however, ended up with a negative growth of 3.0 percent during the same period. The current account surplus of USD 3.7 billion led to an overall balance of USD 5.0 billion, building net foreign assets.

Import benefitted from subdued global commodity prices. Despite some initial competitiveness concerns from appreciation in REER, exports held up well, despite weak external demand. Support mechanisms like low cost export development fund (EDF) financing for input imports and cash incentives provide some cushion to competitiveness. Foreign exchange reserves reached USD 30.2 billion at the end of FY16, around 8 months of prospective import. Bangladesh Bank tried to smooth out any large fluctuations in the exchange rate and nominal Taka-USD exchange rate remained broadly stableviii. According to estimates released by the Bangladesh Bureau of Statistics (BBS), the economy grew by 7.24 percent during FY17, compared to6, 6.6 and 7.1 percent in FY14, 15 and 16 respectivelyix .

Exports grew faster than imports in recent years. Exports stood at USD 33,441 million in FY16 from USD 30,697 million in FY15. During the same period the total import payments also increased to USD 39,715 million from USD 37,662 million. As export grew more than import, trade deficit shrank to USD 6,274 million from USD 6,965 million over the same period. The services and income account including primary income and secondary income registered a surplus of USD 9980 million. Current account surplus widened to USD 3706 million in FY16 from USD 2875 million in FY15. The capital and financial account surplus narrowed to USD 2088 million in FY16 from USD 2421 million in FY15. The overall balance of payments registered a surplus of USD 5036 million in FY16, which was USD 4373 million in *FY15. Gross international foreign exchange reserves stood at USD 30168 million at the end of FY16 representing around 8 months of prospective import coverage[x] .

The growth of export earnings showed an improvement of 8.9 percent in FY16 from 3.1 percent in FY15, although it as percentage of GDP decreased marginally to 15.1 from 15.7 over the same period. Manufactured goods were the main drivers for such higher growth. Among the major sectors of exports, woven garments and knitwear (representing 84.9 percent of total export) petroleum by-products, raw jute, engineering products, vegetables, footwear supported overall export performance in FY16 while shrimps, tobacco, fruits, cut flower, fish and home textile slowed down the pace of that performance.

Import payments as a percentage of GDP decreased from 19.3 in FY15 to 17.9 in FY16 for the third consecutive year. Imports grew at a rate of 5.5 percent in FY16 compared with the 3.0 percent growth in FY15. Total import bills for edible oil, textile & textile articles thereof, oil seeds, POL, pharmaceutical products, chemicals, yarn, staple fiber, crude petroleum and capital machinery rose in FY16 compared to FY15 while those for the food grains (rice and wheat), fertilizer, sugar, plastic and rubber articles thereof, clinker, milk & cream, raw cotton and iron, steel & other base metals declined during the same period.

Foreign Direct Investment (FDI) is now an important driver of the economic growth. The Government in its 7th five year plan placed strategic priority on FDI. FDI inflow increased by 9.3 percent, crossing the USD 2.0 billion Mark for the first timexi .

As Bangladesh enters the Twenty-First Century and seeks to achieve a higher rate of growth in savings, investment and income, she faces two important challenges. One is to expedite the process of transition to a market oriented private enterprise economy. The second challenge is to accelerate the integration of Bangladesh world economy by liberalizing the trade and foreign exchange as a complement to and in reinforcement of the liberalization domestic economy.

What lies ahead?

Bangladesh is not making the most of the growth of the Asian giants. Exports have been boosted by duty-free access to Australia, Canada, China, the European Union, Japan, and Norway. In June 2013, the United States suspended the GSP facility provided to Bangladesh. However, the GSP facility did not provide duty free access for some of Bangladesh’s key exports, and only a few goods qualified under the U.S. GSP. At present, 96 percent of Bangladesh’s exports to the United States consist of RMG and textile products, which are bought by retail groups such as Walmart, Gap, and Target[xii] .

Bangladesh’s export patterns have changed little over time, indicating a lack of dynamic churning. First, the same products have dominated the market over the decade. The sophistication of Bangladesh’s export basket has also stagnated over time. The level of sophistication of products appears to matter for economic growth. The data for Bangladesh and selected peer countries show that the sophistication of Bangladesh's export basket is comparable to that of Pakistan, despite Bangladesh's lower per capita income. However, Bangladesh's sophistication stagnated between 2002 and 2008, whereas India's and China's have increased over time. However, Bangladesh need to attract Foreign Direct Investment (FDI) to accelerate the export sophistication to maintain the 7 percent GDP growth.

Foreign Direct Investment is the category of international investment that reflects the objective of a resident entity in one economy obtaining a lasting interest in an enterprise resident in another economy (The resident entity is the direct investor and the enterprise is the direct investment enterprise). Inward Direct Investment, also called direct investment in the reporting economy, includes all liabilities and assets transferred between resident direct investment enterprises and their direct investors. It also covers transfers of assets and liabilities between resident and nonresident fellow enterprises, if the ultimate controlling parent is nonresident.

Gross FDI inflows during FY 2015 reached US$ 2524.78 million. The size of disinvestment (including capital repatriation, reverse investment, loans to parents, repayments of intra-company loans to parents) during FY 2015 recorded US$ 690.91 million which was 27.37% of gross FDI inflows. Hence, net FDI inflows in Bangladesh during FY 2015 were US$ 1833.87 million. [xiii] .

Total FDI inflows during the fiscal year 2015-16 reached US$ 2502.41 million. The size of disinvestment (including capital repatriation, reverse investment, loans to parents, and repayments of intra-company loans to parents) during the fiscal year 2015-16 recorded US$ 498.88 million which was 19.93% of gross FDI inflows. Hence, net FDI inflows in Bangladesh during the fiscal year 2015-16 were US$ 2003.53 million.[xiv] .

FDI inflows (net) from major countries for FY 2015 arranged in descending order of magnitude were: United Kingdom (US$ 273.55 million), United States of America (US$ 224.60 million), Singapore (US$ 135.17 million),South Korea (US$ 131.39 million), Pakistan (US$ 120.75 million), Norway (US$ 107.27 million), Netherlands (US$ 97.77 million),Hong Kong (US$ 93.40 million), India (US$ 82.79 million) and Japan (US$ 77.74 million) which were 14.92%, 12.25%, 7.37%, 7.16%, 6.58%, 5.85%, 5.33% , 5.09% , 4.51% and 4.24%

respectively towards the contribution of total FDI inflows (net).

The foreign direct investment in Bangladesh from China initially was 0, as there was no foreign direct investment at all. Then, there was an investment of $43.19 million in 2010, but it fell to $10.2 million and then it kept on rising from 2012 to 2015 resulting in an amount of $185.49 million. That seemed to be the highest FDI from China as it fell again a bit in 2016 to $167.2 million.

The foreign direct investment in Bangladesh from India was gradually rising from the year 2008 to 2010 from an amount of $18.69 million to $23.74 million. The FDI then kept on increasing from the year 2013 to 2016 resulting in an amount of $113.77 million, which seemed to be the highest FDI from India.

The foreign direct investment in Bangladesh from USA was rising from the year 2008 to 2011 from an amount of $40.94 million to $117.74 million which was a drastic rise. There was a huge increase in the FDI in 2015 resulting in an amount of $798.37 million. That seemed the highest FDI from USA and then it fell again in 2016 to $667.48 million[xv] .

The vision document 2021 of Bangladesh aims to provide access to quality electricity to all people at an affordable price by the year 2021. The Government of Bangladesh projected USD 40 billion investment requirement for new generation of Power, and USD 8 billion requirement for power transmission network development. India is working to alleviate Bangladesh's power shortage and engage Bangladesh's Industrial sector. India's one billion dollar aid to Bangladesh, USD 200 million of which has been converted into an outright grant, needs to see acceleration in implementation8. Tata's investment proposal on 20 years uninterrupted gas supply once sparked hot debate in Bangladesh. In the revised offer, Tata proposed $3.10 for per unit of gas for fertilizer plant and $2.60 for steel plant. Some tax-break was also sought by the conglomerate. But the negotiation over guaranteed supply of gas with subsidized price and tax break failed and Tata Group finally called off its plan in 2008. But, the failure to do so was actually a setback for Bangladesh as Tata's presence could have given positive signal to other foreign investors. Another set of investment proposals worth $2.9 billion was forwarded by the Mittal Group (based in United Kingdom but renowned as Indian conglomerate) in 2007. A memorandum of understanding (MOU) was also signed with the Board of Investment (BOI) to invest in coal mine development, oil exploration and production, power plant and petrochemicals[xvi] .

Bangladesh and China are partners in the new Asian Age. Bangladesh has also offered to set up Special Economic Zone for Chinese investors to boost Chinese investment in the country whereas China expressed its intention to relocate labor-intensive industries to Bangladesh. Dhaka-Beijing relations reached new heights as China became the largest trading partner of Bangladesh overtaking India in 2009-2010. China has helped Bangladesh build six bridges and one conference center, which have become symbols of friendship between the two countries. Beijing has also been cooperating with Dhaka regarding upgrading of airport at Cox's Bazar.

China is providing US$ 133 million in loan to Bangladesh for developing the country's Information and Communication Technology (ICT) infrastructure network that will not only bring all government offices at the district and upazilla level under a single network but will also carry out maintenance of about 100,000 km of rural road. China is also providing concessional loan to Bangladesh Shipping Corporation for buying six ships that will cost about US$ 171 million. This is likely to increase bilateral and regional coastal trade for Bangladesh. Recently, a Chinese firm, Wuhuan Engineering Company Limited, has showed interest in establishing liquefied natural gas (LNG) based power plant in Maheshkhali Island in Cox's Bazar. In addition, the Bangladesh-China-India-Myanmar (BCIM) corridor offers Bangladesh an exposure to make utmost use of its geo-strategic location as the center point of the region. The BCIM Forum, which took off as a Track-II initiative with the focus of transport connectivity has now transformed into a BCIM Economic Corridor with the objective of greater economic integration in this region receiving tremendous impetus from the government of the respective countries. Moreover, the Chittagong port has the potential to become a modern busy port like Singapore. The deal between Bangladesh and China regarding upgrading the Cox's Bazar Airport, the fourth international airport, has been signed on 25 October 2013[xvii] .

Bangladesh formally sought Chinese assistance to build a deep water sea port in the Bay of Bengal near the southeastern island of Sonadia. Such a port could become a key shipping hub for northeast India and China's Yunnan Province, as well as for Nepal, Bhutan and Myanmar. It is evident that this will provide both sides with significant economic and security benefits.

China want to explore offshore gas and oil which can contribute to Bangladesh economy enormously if properly explored and used. As a trusted friend and having advancement in maritime technology, Chinese support can be useful for exploring those valuable resources. Bangladesh has already sought Chinese support for exploring resources under sea-bed. Bangladesh has some reputed pharmaceutical companies including the Square Group of Bangladesh and the Incepta Pharmaceuticals, which export medicine worldwide.

The energy sector is key to Bangladesh's national development and offers the country some of its most important international investment opportunities. Bangladesh offers opportunities to U.S. investors in oil and gas exploration production services. However, for the energy sector to reach its potential in the short term, U.S. companies believe that Bangladesh's deep-water terms need to be improved.

CONCLUSION

Bangladesh is likely to face in the future competing scenarios which it must navigate if it is to continue on its path of development. On the one hand, a favorable environment may arise due to a liberalization in the developed countries. On the other hand, increasing competition with*the other developing countries in the currently narrow range of export commodities will make progress difficult.

The implementation of the WTO agreement after the year 2000 reduces or eliminates the quotas for the garment exports. As a result Bangladesh would face heavy competition from producers like India or China. She will need to upgrade her garment exports to more sophisticated segments of the market requiring greater skills and increased productivity. In addition, in not too distant a future, the world trading regime is likely to introduce new issues and rules that will affect Bangladesh's ability to sustain its competitive ability in world export markets.

The exports of garments from Bangladesh have already faced in recent past obstacles in the USA due to compliance issues. An agreement between the USAID, ILO, EU and the Bangladesh garments manufacturers association dictates that she maintains worker safety and environmental issues in garment industry.

On the topic of external economic polices and their impact on the development of Bangladesh, one particular economic relationship stands out: Bangladesh's complex relationships with China, India and the US, respectively. What should be Bangladesh's trading future and investment relationships with China, India and the US? These relationships cannot exist in isolation, ignorant of the political and strategic relationships that exist between these countries.

In this period of globalization, Bangladesh's battle to defeat market restrictions and gain market access in developing markets is crucial and delicate. While Bangladesh needed to significantly diminish its powerful tariff[xviii], evacuate import limitations[xix], liberalized economy, its entrance into business sectors of developed countries still stays a bit restrictive[xx] .

In order to thrive and survive in the global marketplace, Bangladesh needs a dedicated level of export-imports, settlements, remote guidance and outside speculation in order to maintain a predictable GDP development trajectory. It needs an enduring commitment to developing outside speculation, benefit salary and trade. The future development of Bangladesh relies on it advancing exports, maintaining settlements and being able to activate trade. The way forward lies in the powerful merger between Bangladesh's economy and the global economy, which offers crucial fuel for growth and development. This development will ultimately depend on the capacity of the political masters and administrators to attempt crucial arrangement changes and to undertake foundation building measures.

The way forward for Bangladesh can be turbulent but with prudent policy changes and a keen export oriented trade policy aimed at product diversification and market access will produce predictable and genuine growth.

REFERENCES

[1] Bangladesh Bank Quarterly (2016) Quarterly Review on RMG: April-June 2016, Bangladesh Bank, Dhaka.

[2] The Export Promotion Bureau (2017) Statement of monthly export, July-November 2016, Ministry of Commerce,

[3] Rahman Sultan Hafiz (1990) The External Economy of Bangladesh: Trends, Structure and the Terms of Trade (mimeo.), Research Report No. 120, BIDS, Dhaka, Bangladesh

[4] U.S. Chamber of Commerce (2013) The United States and Bangladesh: Toward the Future Policy Recommendations to Strengthen the U.S.-Bangladesh Commercial Relationship, Washington, DC, https://www.UnitedStateschamber.com/sites/default/files/legacy/international/files/020706_Bangladesh_Report_final.pdf.

[5] World Bank (2016) Strengthening Competitiveness in Bangladesh—Thematic Assessment A Diagnostic Trade Integration Study, Washington, DC.

[6] Bangladesh Bank (2017) Annual Report 2015-2016, Bangladesh Bank, Ministry of Finance, Peoples Republic of Bangladesh.

[7] Ibid p 3.

[8] Ibid p. 5

[9] Bangladesh Bureau of Statistics (2017) Statistical year Book, Ministry of Planning, Peoples Republic of Bangladesh.

[10] Bangladesh Bank (2017) Annual Report 2015-2016, Bangladesh Bank, Ministry of Finance, Peoples Republic of Bangladesh, p 7.

[11] Ibid p 99.

[12] World Bank (2016) Strengthening Competitiveness in Bangladesh—Thematic Assessment A Diagnostic Trade Integration Study, Washington, DC. p 8.

[13] Bangladesh Bank (2015) Foreign Direct Investment (FDI) in Bangladesh Survey Report January-June, 2015 Statistics Department, Bangladesh Bank.

[14] Bangladesh Bank (2015) Foreign Direct Investment (FDI) in Bangladesh Survey Report January-June, 2016 Statistics Department, Bangladesh Bank.

[15] Computed Data from 2008 to 2016 Foreign Direct Investment (FDI) in Bangladesh Survey Report January-June, 2016 Statistics Department, Bangladesh Bank.

[16] FICCI (2012) Status Paper on India – Bangladesh Economic Relations, Federation of Indian Chambers of Commerce and Industry, New Delhi, India.

[17] Ahmed S M S. (2013) Bangladesh-China Relations: Scopes for Attaining New Heights, BIISS Journal, VOL. 34, NO. 4, OCTOBER 2013: 273-292.

[18] Michalopoulos Constantine and Francis Ng (2013) Developing Country Trade Policies and Market Access Issues: 1990–2012, the World Bank Development Research Group Trade and Integration Team, Washington, DC.

[19] Trade Policy Review (2012) Trade Policy Review: Bangladesh in World Trade Organization, , World Trade Organization,Geneva,Switzerlandhttp://www.wto.org/english/tratop_e/tpr_e/tp370_e.htm

[20] Adhikari R, and Y. Yamamoto (2008) Textiles and Clothing Industry: Adjusting to the Post-Quota world, Unveiling Protectionism: Regional Responses to the remaining barriers in the textiles and clothing trade, UNESCAP, 2008 /