BPA of Orange Juice and Fresh Orange through Corridor 2: Preliminary Findings from Bangladesh Segment

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- **Introduction**

- Both imports and exports of Bangladesh have increased continuously even during the period of global economic crisis during 2008 to 2010 period.

- Growth rates of export and import were 5.47 and 4.11 respectively.

- In FY 2011-12 Bangladesh’s export earning was US$ 24301.90 million against an import of US$ 32463.99 million.

- Export comprises 20.65 percent of GDP while share of import in GDP is 27.58 percent.
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- **Exports of Orange Juice to Bhutan**
  - Orange juice accounts for 32.5 percent export of Bangladesh to Bhutan. In FY11-12 Bangladesh exported US$ 3 million worth of orange juice to Bhutan.
  - About 46.5 percent of total orange juice export from Bangladesh is destined to Bhutan.

- **Imports of Orange from Bhutan**
  - An important import item of Bangladesh from Bhutan is fresh orange. This comprises 28.56 percent of Bangladesh’s total import from Bhutan.
  - About 3.8 percent of Bangladesh’s total imports of fresh oranges come from Bhutan.
Steps to Export Orange Juice to Bhutan

- Sales contract is finalized between Bhutanese importer and Bangladeshi exporter
- Order is placed through email
- Exporter goes for production of juice
- Exporter sends EXP form detailing quantity, quality and price, etc.
- Exporter procures certificate of origin from MCCI
- Juice trucks with exporter’s representative on board takes the shipment to Burimari
- C&F agent files for customs clearance and provides sample to be examined
- Customs verifies documents and if necessary examines sample and gives clearance
- Cargo is unloaded from Bangladeshi truck and loaded on to Bhutanese trucks
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- **Documents Needed to Export Orange Juice to Bhutan**

<table>
<thead>
<tr>
<th>Documents Required in Export of Orange Juice</th>
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</thead>
<tbody>
<tr>
<td>Proforma Invoice</td>
<td>Export Registration</td>
</tr>
<tr>
<td>Sales Contract</td>
<td>EXP Form</td>
</tr>
<tr>
<td>TT Copy</td>
<td>Certificate of Origin</td>
</tr>
<tr>
<td>Commercial Invoice</td>
<td>Truck <em>Challan</em>/Bill of Lading</td>
</tr>
<tr>
<td>Packing List</td>
<td>Customs Export Declaration</td>
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<td>Port Exit Receipt</td>
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Steps to Import Fresh Orange from Bhutan

- Sales contract is finalized between Bangladeshi importer and Bhutanese exporter
- Importer opens L/C with bank submitting copies of trade license, VAT registration, TIN certificate and sends the documents to the exporter
- Another set of documents is sent to the C&F agent at Burimari
- C&F agent submits bill of entry and files for customs clearance
- Customs verifies documents and if necessary cargo and gives clearance
- Cargo is unloaded from Bhutanese truck and loaded on Bangladeshi truck to arrive Dhaka
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- **Documents Needed to Import Fresh Orange from Bhutan**

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<thead>
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<tbody>
<tr>
<td>Proforma Invoice</td>
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<tr>
<td>Import Certificate</td>
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<tr>
<td>VAT Registration</td>
</tr>
<tr>
<td>TIN Certificate</td>
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<tr>
<td>Commercial Invoice</td>
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<td>Packing List</td>
</tr>
<tr>
<td>Truck <em>Challan/Bill of Lading</em></td>
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<tr>
<td>NOC, Import Registration Certificate</td>
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Observations

- It is a general impression of the interviewed company that the procedures involved in completing an export/import order are quite simple and do not entail any significant hassles.
- However, the process of obtaining a document is slightly expedited by a lengthy relationship with agencies such as banks and the Chamber of Commerce.
- There are a number of peripheral issues that sometimes increase the costs of doing business.
- Institutional facilities are all located in Lalmonirhat.
- Need automation of clearing and forwarding procedures, adequate parking clearance facilities, warehousing, etc.
- Will get more attention if it can cater to north-western districts of Assam such as Kokrajhar and Dhuburi as well.
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Thank You for Your Patience!