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Tracking LDC Graduation Readiness through Bangladesh Reform Tracker

https://reformtracker.info/

BANGLADESH REFORM TRACKER

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Current Status of LDC Graduation-Related Proposals

LDC Graduation

Number of proposals we are tracking at present: 23

Reform Proposed	Reform Initiated	Legal and Policy Measures	Operationalisation	Action Implementation
6	9	2	6	0

Sub-domain at a Glance: Where the Proposals Stand

Subdomain	Total Number of Reforms Tracked	Reform Proposed	Reform Initiated	Legal and Policy Measures	Operationalisation	Action Implementation
Trade Preferences	7	1	5	1	0	0
Export Diversification and Competitiveness	11	3	3	1	4	0
Productive Capacity	4	1	1	0	2	0
Fostering partnerships and international cooperation	1	1	0	0	0	0
Total	**23**	**6**	**9**	**2**	**6**	**0**

Sub-domain at a Glance: Where the Proposals Stand

Trade Preferences and Favourable Transition Measures beyond LDC Graduation

Reform Proposal	Status	Key Observation
Engage EU for GSP+ after LDC graduation with safeguard waiver for RMG duty free access	**Reform Initiated**	Engagement with the EU has advanced, but GSP+ with relief from the textile and clothing safeguard remains unresolved.
Engage EU and UK on relaxing rules of origin and value addition requirement under GSP+	**Reform Initiated**	UK DCTS now allows single-stage transformation for apparel; no comparable relaxation confirmed under EU GSP+.
Negotiate with India for continued duty-free access under SAFTA, as with the Maldives	**Reform Proposed**	CEPA discussed as a way to retain SAFTA benefits, but no confirmed progress on continued duty-free access.
Conclude the EPA negotiations with Japan to retain preferential market access	**Legal and Policy Measures**	EPA signed on 6 February 2026 but not yet in force; Diet approval and domestic legal procedures pending.
Conclude FTA and CEPA with China and India based on less-than-full reciprocity	**Reform Initiated**	No formal negotiating rounds confirmed; less-than-full reciprocity not yet adopted as negotiating principle.
Negotiate trade agreements with partners of strategic importance, including RCEP	**Reform Initiated**	RCEP accession under way and CEPA signed with South Korea; RCEP admission needs full consensus.
Pursue with the WTO for inclusion in the Net Food-Importing Developing Countries' list	**Reform Initiated**	NFIDC application pending at the WTO; benefits materialise only once WTO members approve inclusion.

Trade Preferences and Favourable Transition Measures beyond LDC Graduation

Engage EU for GSP+ after LDC graduation with safeguard waiver for RMG duty free access

Stage: Reform Initiated
Bangladesh has ratified all 27 international conventions required under the existing EU GSP+ framework: 12 human rights, 8 labour rights, 6 environmental and climate, and 1 good-governance convention. Under the proposed revised GSP+ framework, it has also ratified five additional conventions on disability rights, child protection, labour inspection, tripartite consultation and transnational organised crime. In September 2025, the Commerce Secretary said Bangladesh aims to finalise an Economic Partnership Agreement (EPA) with the European Union by 2028. On 9 July 2026, the Commerce Minister and the EU Ambassador discussed trade relations, and the EU signalled readiness to begin exploratory talks on a bilateral free trade agreement (FTA). By 10 August, both sides had exchanged formal letters agreeing to enter FTA negotiations and appointed lead negotiators. By 21 August, the Ministry of Commerce's FTA Wing had completed preparatory work, and the EU had provided a list of non-tariff barriers to address. On 6 September, the Commerce Minister stated that 48 of the 61 non-tariff barriers had been resolved; formal FTA negotiations were discussed again on 16 September.
Observation
Bangladesh currently benefits from the EU's Everything But Arms (EBA) scheme, with duty-free, quota-free access for nearly all exports, including ready-made garments (RMG). After LDC graduation, it will be eligible to apply for GSP+, with timing depending on its effective graduation date. Although the required conventions are ratified, the main challenge is showing they are effectively implemented. The revised EU GSP framework retains the safeguard threshold for apparel: automatic safeguards suspend preferences when a country exceeds 37% of EU GSP textile imports or 6% of total EU imports. Bangladesh supplies over 15% of EU clothing imports and about half of its GSP textile imports, so RMG exports could immediately face most-favoured-nation (MFN) tariffs of around 12%. Engagement with the EU has advanced, but the STS objective of securing GSP+ with relief from the textile and clothing safeguard remains unresolved. The EPA may therefore be critical for retaining duty-free access, as about half of Bangladesh's RMG exports go to the EU market.

Trade Preferences and Favourable Transition Measures beyond LDC Graduation

Engage EU and UK on relaxing rules of origin and value addition requirement under GSP+

Stage: Reform Initiated
On 24 June 2026, the Export Promotion Bureau (EPB) and the British High Commission organised a roundtable with export associations on how Bangladesh could better utilise the UK's Developing Countries Trading Scheme (DCTS) following LDC graduation. The EPB announced plans to publish a booklet explaining DCTS eligibility, rules of origin and documentation requirements, alongside awareness workshops in Dhaka and Chattogram. On 19 August, the British High Commission formally communicated to the Commerce Secretary that Bangladesh's existing preferential market access would remain unchanged for three years following LDC graduation, after which the country would transition to the DCTS Enhanced Preferences tier without renegotiation. The communication also clarified that the revised UK rules of origin would allow garments to qualify without double-stage transformation requirements.
Observation
No publicly available official record was found indicating that Bangladesh has formally initiated or advanced negotiations with the EU or the UK specifically on relaxing the double-stage transformation rules of origin for apparel or reducing value addition requirements. However, on 19 January 2026, the UK liberalised product-specific rules for garments under its DCTS: up to 100% of inputs may be sourced from other countries, fewer processing steps (such as dyeing, printing or bleaching) are mandatory, and only one significant process, such as cutting and sewing, must take place in a DCTS country. Countries graduating to the UK's Enhanced Preferences will thus benefit from single-stage transformation. This is significant for Bangladesh's woven garment sector, which depends on imported fabrics and intermediate inputs. In contrast, no comparable relaxation has been confirmed under the EU's GSP+; recent EU materials mainly clarify cumulation under the Union Customs Code. The issue is also pertinent for the prospective EPA with the EU.

Trade Preferences and Favourable Transition Measures beyond LDC Graduation

Negotiate with India for continued duty-free access under SAFTA, as with the Maldives

Stage: Reform Proposed
This reform proposal was articulated in the Smooth Transition Strategy (STS) Action Plan but has not been initiated yet.
Observation
On 18 March 2026, it was reported that Bangladesh and India were accelerating discussions on a Comprehensive Economic Partnership Agreement (CEPA), partly aimed at maintaining Bangladesh's preferential access to the Indian market after LDC graduation. The Ministry of Commerce reportedly considered CEPA a potential mechanism for preserving the trade benefits currently available under the South Asian Free Trade Area (SAFTA). However, no publicly available official communication or subsequent media reporting has been identified confirming further progress in these discussions or negotiations specifically concerning the continuation of duty-free access under SAFTA, as proposed in the STS Action Plan. To advance this initiative, both countries would need to engage in focused negotiations and establish a mutually agreed framework for maintaining preferential market access following Bangladesh's LDC graduation.

Trade Preferences and Favourable Transition Measures beyond LDC Graduation

Conclude the EPA negotiations with Japan to retain preferential market access

Stage: Legal and Policy Framework
The Bangladesh–Japan Economic Partnership Agreement (EPA) was formally signed in Tokyo on 6 February 2026 by the Commerce Adviser of the Interim Government of Bangladesh and Japan's State Minister for Foreign Affairs. Upon entry into force, the agreement will provide Bangladesh with duty-free access to 7,379 products, including major ready-made garments, and Japan with duty-free access to 1,039 Bangladeshi products. The EPA also includes provisions for Single Stage Transformation for RMG products and commitments in the Trade in Services sector, with Bangladesh opening 97 sub-sectors and Japan opening 120 sub-sectors. The agreement further provides Bangladesh with a 10-year relaxation of intellectual-property obligations, effective from its entry into force. Subsequently, on 16 October 2026, the Japanese Cabinet approved a request to seek parliamentary approval from the National Diet for the conclusion of the EPA, marking further progress towards completing Japan's domestic legal procedures necessary for the agreement to enter into force.
Observation
Bangladesh–Japan EPA has been formally signed but is not yet in force. Both countries must complete their domestic legal procedures: in Bangladesh, the Cabinet and the President must approve the agreement, while Japan requires approval from its National Legislature (Diet). The EPA enters into force on the first day of the second month after both governments exchange diplomatic notes confirming completion. Under Article 145A of the Constitution of Bangladesh, treaties are submitted to the President and laid before Parliament, but a formal parliamentary vote on ratification is not required. The National Board of Revenue (NBR) will then need to issue Statutory Regulatory Orders (SROs) to amend customs duties according to the EPA's staging categories. At the 7th Bangladesh–Japan Foreign Office Consultations on 12 August 2026, both countries reaffirmed their commitment to economic cooperation under the EPA, and on 27 October, the Prime Ministers reaffirmed their commitment to its early entry into force. However, parliamentary approval in Japan and the EPA's entry into force are not yet confirmed.

Trade Preferences and Favourable Transition Measures beyond LDC Graduation

Conclude FTA and CEPA with China and India based on less-than-full reciprocity

Stage: Reform Initiated
On 18 March 2026, it was reported that Bangladesh and India had agreed to accelerate technical consultations on the proposed Comprehensive Economic Partnership Agreement (CEPA), aimed at strengthening bilateral trade and preserving preferential market access after Bangladesh's LDC graduation. On 10 June, China reportedly proposed initiating negotiations on a bilateral Free Trade Agreement (FTA) with Bangladesh. Subsequently, on 9 July, the Commerce Minister informed Parliament that Bangladesh and India had previously agreed to initiate formal CEPA negotiations following a joint feasibility study, with trade-related information exchanged in February 2024 to facilitate the process.
Observation
Bangladesh has continued efforts to pursue preferential bilateral trade agreements with India and China ahead of LDC graduation. With India, CEPA discussions gained renewed attention in March 2026, but no formal negotiating round or exchange of tariff offers was publicly confirmed during the review period. With China, the June 2026 proposal to initiate FTA negotiations presents an opportunity; the Bangladesh–China Joint Communiqué of 26 June 2026 reaffirmed cooperation in trade, investment and supply chains, alongside China's zero-tariff treatment for Bangladeshi products. However, no publicly verifiable evidence confirms that less-than-full reciprocity has been adopted as the negotiating principle with either country. Progress on differentiated tariff commitments and gradual market opening will be important to secure preferential access while ensuring reasonable protection for domestic industries, as envisaged in the STS Action Plan. As China and India are Bangladesh's two major import sources, the negotiations will require sound feasibility studies and coordinated efforts.

Trade Preferences and Favourable Transition Measures beyond LDC Graduation

Negotiate trade agreements with partners of strategic importance, including RCEP

Stage: Reform Initiated
Bangladesh has initiated diplomatic engagement for accession to the Regional Comprehensive Economic Partnership (RCEP). During the Prime Minister's official visit on 22 June 2026, Malaysia expressed support for Bangladesh's aspiration to join RCEP. Bangladesh then sought support from Singapore on 23 July, New Zealand on 11 August and Australia on 13 August, and submitted the RCEP accession questionnaires. On 21 September, RCEP Trade Ministers endorsed an Ad Hoc Accession Working Group for Bangladesh. Beyond RCEP, four rounds of FTA negotiations with Singapore had been completed by October 2026, and on 27 October Bangladesh and Malaysia formally commenced FTA negotiations and signed the Terms of Reference. On 4 August 2026, Bangladesh and South Korea reportedly signed a Comprehensive Economic Partnership Agreement (CEPA) after five rounds of negotiations, providing preferential tariff treatment for 97% of Bangladeshi products entering South Korea and 87% of South Korean products entering Bangladesh, with Bangladesh opening 95 and South Korea 111 services subsectors.
Observation
Bangladesh has progressed with bilateral trade arrangements, particularly with South Korea, Singapore and Malaysia. However, the conclusion and implementation of ongoing agreements, along with completion of RCEP accession procedures, remain necessary to secure sustained preferential market access. Under the Procedures for Accession to the RCEP Agreement, an applicant must meet procedural rules and substantive market commitments, demonstrating capacity to comply with WTO-plus obligations. Bangladesh is responding to the technical questionnaires issued by the RCEP Support Unit, which assess its economic structures, trade policies and regulatory readiness. The RCEP Joint Committee (RJC) and RCEP Ministers must then reach full consensus before launching accession negotiations. Bangladesh will also need to show capacity to implement the 20 chapters of the RCEP Agreement, including tariff liberalisation, standardised Rules of Origin (RoO), openness in services and investment, and regulatory harmonisation in intellectual property and customs. Several RCEP members appear open to Bangladesh's accession, but admission is not guaranteed.

Trade Preferences and Favourable Transition Measures beyond LDC Graduation

Pursue with the WTO for inclusion in the Net Food-Importing

Stage: Reform Initiated
Bangladesh has formally requested recognition as a Net Food-Importing Developing Country (NFIDC) under the WTO framework. The application remains pending, representing the early procedural steps toward potential inclusion in the NFIDC category.
Observation
Bangladesh's request to be recognised as a Net Food-Importing Developing Country (NFIDC) under the WTO highlights its vulnerability as a major food importer. If approved, this status would allow Bangladesh to benefit from extended repayment periods for food import credits following LDC graduation and to continue providing marketing and transport subsidies for agricultural exports, helping stabilise domestic food supply and reduce the impact of global price fluctuations. As of now, the application remains pending, and the potential economic advantages will materialise only once WTO members approve the inclusion.

Sub-domain at a Glance: Where the Proposals Stand

Improving Export Diversification and Competitiveness

Reform Proposal	Status	Key Observation
Expedite the 12 sector-specific time-bound action plans of the Updated DTIS	**Reform Proposed**	12 sector strategies produced, but no consolidated official tracker shows implementation status of the plans.
Prepare and implement a time-bound action plan for National Tariff Policy 2023	**Reform Initiated**	Tariff rationalisation advanced in the FY2026–27 budget, but the time-bound action plan is not yet finalised.
Introduce bonded import of duty-free intermediate inputs of up to 70% of export value	**Operationalisation**	Bonded facilities extended to 10 more sectors, but scope of the 70% of export value entitlement remains unclear.
Ensure effective implementation and monitoring of National Logistics Policy (NLP)	**Operationalisation**	Five NLDCC working groups formed; time-bound action plans and National Logistics Dashboard not yet confirmed.
Undertake legal amendments to strengthen labour standards and ESG compliance	**Legal and Policy Measures**	Labour Act amended in April 2026; Labour Rules revision ongoing and ESG compliance largely limited to RMG.
Increase the share of man-made fibre (MMF) and natural fibre-based apparel in RMG	**Reform Proposed**	Non-cotton share of RMG exports rose to 30.7%, but higher duties on MMF inputs raise production costs.

Sub-domain at a Glance: Where the Proposals Stand

Improving Export Diversification and Competitiveness

Reform Proposal	Status	Key Observation
Fully operationalise Tannery Estate Dhaka	**Reform Initiated**	Declared complete in 2021, but the CETP cannot handle peak effluent; the reform remains off track.
Make API Parks fully functional with required infrastructure, utilities and services	**Reform Initiated**	Declared complete in 2021, yet no gas supply, CETP never used and no commercial-scale production.
Develop a digital One-Stop Service (OSS) model to streamline business registration	**Operationalisation**	BanglaBiz offers a single entry point, but full integration of agency portals is expected only by 2030.
Establish a specialised IP court and enhance capacity for IP protection enforcement	**Operationalisation**	General commercial courts set up instead of a specialised IP court; IP capacity building remains limited.
Document genetic resources and traditional knowledge and register products as GIs	**Reform Proposed**	64 GIs registered but state-driven; no national database of genetic resources and traditional knowledge.

Improving Export Diversification and Competitiveness

Expedite the 12 sector-specific time-bound action plans of the Updated DTIS

Stage: Reform Proposed
This reform proposal was articulated in the Smooth Transition Strategy (STS) Action Plan but has not been initiated yet.
Observation
The DTIS Update roadmap had already been validated, and the EIF country profile says 12 sector strategies have been produced. The government has discussed maintaining alternative support for 12 sectors in the post-LDC context, but no consolidated official progress tracker showing implementation status for all 12 plans was found.

Improving Export Diversification and Competitiveness

Prepare and implement a time-bound action plan for National Tariff Policy 2023

Stage: Reform Initiated
The Bangladesh Trade and Tariff Commission (BTTC) has been preparing a draft action plan for implementing the National Tariff Policy 2023 for submission to the National Board of Revenue (NBR). On 6 September 2026, it was reported that the policy's Monitoring and Review Committee had held three meetings since its introduction. However, submission of the required time-bound action plan by NBR remained delayed.
Observation
The government has taken steps towards implementing the National Tariff Policy 2023 through phased tariff rationalisation. In the FY2026–27 budget presented on 11 June 2026, the government proposed reducing import duties on 69 products, reducing or withdrawing supplementary duties on 9 products, withdrawing regulatory duties on 113 products, and restructuring the regulatory-duty system from nine tiers to six. On 17 June, the Prime Minister reaffirmed the plan to gradually implement the National Tariff Policy 2023 alongside the Customs Strategic Plan 2024–2028. However, the comprehensive time-bound action plan has not yet been publicly verified as finalised, and a review published on 6 September reported delays in its submission by NBR. On 18 October, NBR requested BTTC to assess whether the FY2026–27 tariff reductions had benefited consumers through lower retail prices. These developments show progress in tariff rationalisation and monitoring, while finalisation of the time-bound action plan remains an important outstanding requirement.

Improving Export Diversification and Competitiveness

Introduce bonded import of duty-free intermediate inputs of up to 70% of export value

Stage: Operationalisation
On 6 August 2026, the Bangladesh Investment Development Authority (BIDA) and the National Board of Revenue (NBR) confirmed that bond licence validity had been extended to three years, the minimum 30% value-addition requirement for exports using duty-free imported materials had been removed, and 10 additional sectors had been permitted to import raw materials against bank guarantees without obtaining bond licences.
Observation
The government has expanded duty-free bonded import facilities beyond the ready-made garments sector through revised customs regulations, wider eligibility and simplified bank-guarantee arrangements. While the Finance Minister initially indicated the facility would extend to all exporters, the FY2026–27 budget identified selected sectors, leaving uncertainty over coverage. The inclusion of 10 additional sectors and removal of the 30% value-addition requirement are further steps. Challenges remain for partial exporters: on 2 October 2026, exporters reportedly still faced difficulties with Utilisation Declaration (UD) and Utilisation Permission (UP) procedures, prompting efforts to simplify them. NBR's upgrade of the Customs Bond Management System could improve access to bonded facilities. Although the Bangladesh Graduation Readiness Assessment (April 2026) refers to duty-free imports of up to 70% of export value against bank guarantees, 2026 regulatory evidence does not clearly establish its scope and uniform application. Clarifying eligibility and ensuring consistent implementation remain important.

Improving Export Diversification and Competitiveness

Ensure effective implementation and monitoring of National Logistics Policy (NLP)

Stage: Operationalisation
On 16 September 2026, the Prime Minister's Office formally constituted five specialised working groups under the National Logistics Development and Coordination Committee (NLDCC) to implement the National Logistics Policy 2025. The groups cover Trade Facilitation, Multimodal Logistics Infrastructure Development, Logistics Skills Development, Logistics Investment and Logistics Digitalisation. Their responsibilities include preparing time-bound action plans, identifying infrastructure and investment constraints, improving logistics skills, developing integrated digital systems and establishing monitoring indicators for a National Logistics Dashboard.
Observation
The government has made progress towards implementing the National Logistics Policy 2025 by establishing institutional mechanisms for coordination, implementation and monitoring. The formation of five specialised working groups provides a structured foundation for addressing key logistics challenges. However, the available information does not yet confirm the completion of time-bound action plans, establishment of measurable performance indicators or regular monitoring activities. Ensuring these mechanisms become fully operational, particularly through the proposed National Logistics Dashboard and periodic progress assessments, will be important for effective implementation of the policy.

Improving Export Diversification and Competitiveness

Undertake legal amendments to strengthen labour standards and ESG compliance

Stage: Legal and Policy Framework
The legal framework for strengthening labour standards was advanced through Bangladesh's ratification of three ILO conventions on 22 October 2025: Convention No. 155 on Occupational Safety and Health, Convention No. 187 on the Promotional Framework for Occupational Safety and Health, and Convention No. 190 on Violence and Harassment. The Bangladesh Labour (Amendment) Act, 2026 was later passed by the Parliament on 9 April 2026 and published in the Extraordinary Gazette on 10 April 2026. This formally converted the 2025 Labour Ordinance into parliamentary law and amended the Bangladesh Labour Act, 2006. It may be noted that the ESG compliance issue is still to be addressed.
Observation
The government has continued efforts to strengthen labour standards through amendments to the Labour Rules 2015 and stakeholder consultations. As of October 2026, the Labour Ministry's technical committee had reviewed about 180 proposals, with agreement on 60% of them; differences remain between employers and workers, particularly on festival allowances. Unresolved issues are expected to go to the Tripartite Consultative Council (TCC), with the government aiming to finalise the amendments by November 2026 under its ILO reform roadmap. The Employment Injury Scheme (EIS), piloted in the RMG sector, has reportedly been expanded to export processing zones (EPZs) and the leather and footwear sectors, with Germany reaffirming support for labour-law implementation. ESG compliance requires a more coordinated effort, as only the RMG sector has taken initiative. On 19 October 2026, BGMEA announced plans to make ESG reporting mandatory for all member factories; only 326 of about 2,500 active members have submitted ESG reports through its online ESG portal.

Improving Export Diversification and Competitiveness

Increase the share of man-made fibre (MMF) and natural fibre-based apparel in RMG

Stage: Reform Proposed
This reform proposal was articulated in the Smooth Transition Strategy (STS) Action Plan but has not been initiated yet.
Observation
MMF-based garment exports grew by 14.1% to USD 3.68 billion in the first half of FY2025–26, indicating an emerging avenue for export diversification. However, the FY2026–27 budget proposed higher import duties on MMF-related inputs, including a 5% duty on polyester textured yarn, other polyester-based yarns and polyester staple fibre, and an increase in duties on PVC and PET resin from 5% to 10%. BGMEA and other industry representatives warned these could raise production costs and affect competitiveness. The Import Policy Order 2026–2029 also introduced minimum value-addition requirements for synthetic-fibre garments: 20% under regular back-to-back letters of credit and 40% where buyers supply fabrics free of cost, creating difficulties for manufacturers with limited backward linkage. Nevertheless, EPB data show non-cotton garments accounted for 30.7% of RMG exports in January–September 2026 (USD 9.17 billion of USD 29.91 billion), up from about 28% at the start of the year and reaching 34.6% in August. Addressing input costs and backward linkages remains important.

Improving Export Diversification and Competitiveness

Fully operationalise Tannery Estate Dhaka

Stage: Reform Initiated
Planning for the Savar Tannery Industrial Estate began in 2003 to relocate tanneries from Hazaribagh. A Chinese contractor was hired in 2012 to build the Central Effluent Treatment Plant (CETP); after repeated delays, the project was declared complete in June 2021 and the CETP handed over to the Dhaka Tannery Industrial Estate Waste Treatment Plant Company Limited. By 2024, 162 tanneries were operating at the estate. In November 2025, a high-level committee was formed to prepare a roadmap for moving management of the estate from the Bangladesh Small and Cottage Industries Corporation (BSCIC) to the Bangladesh Export Processing Zones Authority (BEPZA), and submitted it to the Ministry of Industries in January 2026. In July 2026, the Industries Minister said the Italian firm Italprogetti had completed a technical assessment of the CETP; its capacity would be raised urgently to 25,000 cubic metres, with designs to expand to 40,000 and later 50,000. Six tanneries were allowed to install their own effluent treatment plants (ETPs), two already operating.
Observation
The Tannery Estate was declared complete in June 2021 but remains unfinished in practice. After repeated deadline extensions and cost overruns, the common chrome recovery unit and proper solid-waste management remain incomplete, showing implementation was judged by spending and handover rather than functionality. The CETP cannot handle peak effluent volumes, so partially treated waste is discharged into the Dhaleshwari River, shifting the pollution from Hazaribagh rather than solving it. Allowing six tanneries to install their own ETPs signals the central system's failure and risks a two-tier compliance system. The BSCIC-to-BEPZA roadmap and the Italprogetti-based CETP expansion have no public timeline, financing plan or accountability framework. With LDC graduation and loss of trade preferences, most tanneries cannot obtain Leather Working Group certification or meet buyers' due-diligence requirements, keeping the leather sector in low-value markets. This reform should be treated as off track, with clear deadlines for the CETP upgrade and management transfer.

Improving Export Diversification and Competitiveness

Make API Parks fully functional with required infrastructure, utilities and services

Stage: Reform Initiated
In 2008, the government approved the 200-acre Active Pharmaceutical Ingredients (API) Industrial Park in Gazaria, Munshiganj, run by the Bangladesh Small and Cottage Industries Corporation (BSCIC), to strengthen backward linkages and reduce dependence on imported APIs. Installation of a Common Effluent Treatment Plant (CETP) began in December 2019, but it never received a gas connection. The project was declared complete in June 2021, with production expected in early 2022. In July 2025, the government issued a gazette notification under the BSCIC Industrial City/Industrial Park Plot Allocation and Management Policy-2023 on the transfer, merger and exchange of plots. In January 2026, Titas Gas Transmission and Distribution PLC said there was no timeline for supplying gas due to insufficient reserves; 26 plots had been allocated, but most were untouched and the CETP had never been used. In September 2026, BSCIC listed four firms as operating at the park, while the CETP was still not operational.
Observation
The API Industrial Park was declared complete five years ago, yet remains non-operational: a site with roads and pipelines rather than a functioning industrial park. Gas, indispensable for API production, has never been supplied. With pipelines reaching plot boundaries, this is an unresolved gas allocation decision, not an engineering problem; no agency has taken responsibility, and Titas Gas has given no timeline. BSCIC's claim that four firms are operating overstates progress: none has a gas connection or confirmed commercial-scale production, and Ibn Sina was still conducting trial production. Diesel raises costs four to five times, and the CETP, built for about Tk 80 crore, has never been used. Bangladesh imports about 85% of its APIs, worth an estimated USD 1.2–1.5 billion annually, and produces only 10–15 of about 200 essential APIs. Once LDC graduation ends TRIPS pharmaceutical flexibilities, firms cannot produce patented medicines without licences, so failure to achieve production at the API Park will leave the industry facing graduation with the same import dependence.

Improving Export Diversification and Competitiveness

Develop a digital One-Stop Service (OSS) model to streamline business registration

Stage: Operationalisation
Following the launch of BanglaBiz, BIDA expanded the OSS by integrating services from multiple government agencies. By January 2026, the platform provided 142 services from 47 agencies, supported by MoUs with 52 institutions, including city corporations and banks. On 1 February 2026, BanglaBiz 2.0 introduced a Business Starter Package combining five steps (name clearance, temporary bank account opening, company incorporation, e-TIN registration and trade licence) into one application, with a target of three working days. It also integrated over 20 frequently used approvals, including environmental clearance, VAT registration, factory and fire licences, and added a "Know Your Approvals" tool, BanglaBiz ID and Single Sign-On. Seven city corporations were connected for trade licences. On 19 August 2026, the Export Promotion Bureau's EMES was connected to BanglaBiz. Invest Bangladesh began operations on 23 August and continues to run BanglaBiz. On 6 October 2026, the Ministry of Commerce and Invest Bangladesh were reported to be jointly preparing a 14-day Business Readiness Package.
Observation
BanglaBiz and Invest Bangladesh are among the most substantive efforts to create a genuine one-stop service, but they have created a single entry point, not an integrated process. The three-day Business Starter Package streamlines registration, which was not the main source of delay; the bigger bottleneck is the licences, clearances and approvals needed afterwards, which the 14-day Business Readiness Package is meant to address but remains under development. Institutional fragmentation persists: BEPZA, BHTPA and BSCIC retain separate platforms, and full portal integration is expected only by 2030, with no binding deadline. Trade licence services cover only seven city corporations. Performance data are self-reported; the three-working-day commitment remains a target, and deemed approval has been proposed only in the budget, not in law. The One Stop Service Act of 2018 made similar commitments but fell short. Progress is only partially on track; a binding integration deadline, a launch date for the Business Readiness Package, deemed approval in law and a public dashboard of processing times remain essential.

Improving Export Diversification and Competitiveness

Establish a specialised IP court and enhance capacity for IP protection enforcement

Stage: Operationalisation
Under the Commercial Courts Act, 2026, 75 commercial courts have been established across the country. Three courts were created in the Dhaka Metropolitan Area and two in the Chattogram Metropolitan Area, while the metropolitan areas of Gazipur, Sylhet, Rajshahi, Rangpur, Khulna and Barishal each received one court. The remaining courts were established at the district level. Commercial court judges are drawn from the ranks of District and Additional District Judges, with preference given to candidates with qualifications or experience in commercial law. The legal framework also mandates mediation prior to the filing of a suit, requires final hearings to be completed within 90 days, and provides for appeals to the High Court Division within 60 days.
Observation
The commitment has been only partially fulfilled: a general commercial court system was established rather than the specialised intellectual property (IP) court envisaged. IP disputes are heard alongside banking, insurance, joint venture and contractual matters, and most of the 75 courts operate at the district level, with judges lacking IP expertise, limiting specialised knowledge for complex patent, pharmaceutical, biotechnology and digital copyright cases. DCCI and ERD continue to advocate dedicated IP tribunals or benches in Dhaka and Chattogram. Capacity building remains limited to workshops, including WTO TRIPS training and a WIPO–DPDT national workshop on IP enforcement, rather than a systematic programme such as an IP curriculum at the Judicial Administration Training Institute. Day-to-day enforcement against counterfeiting and piracy rests with customs, police, RAB and mobile courts, which face constraints. With about 4.64 million pending cases and no public data on IP case filings or disposal rates, effectiveness cannot be assessed, although TRIPS compliance after LDC graduation will depend on enforcement.

Improving Export Diversification and Competitiveness

Document genetic resources and traditional knowledge and register products as GIs

Stage: Reform Proposed
This reform proposal was articulated in the Smooth Transition Strategy (STS) Action Plan but has not been initiated yet.
Observation
Geographical indication (GI) registration remains fragmented under the Geographical Indication of Goods (Registration and Protection) Act, 2013 and the Bangladesh Biodiversity Act, 2017. Although 64 GIs are registered, the system is largely state-driven; products such as Hazari Gur are registered in the name of Deputy Commissioners rather than producer associations. There is no official GI logo, authorised-user system, traceability or quality-certification framework, and Bangladesh is not party to the Lisbon Agreement or its Geneva Act. Genetic-resource collections sit in separate gene banks with no integrated national database, and traditional knowledge remains largely undocumented. The Gene Bank Management Policy has been under review since 2024, and despite the Nagoya Protocol ratification in 2023, no operational benefit-sharing procedures or access agreements are evident. After LDC graduation, stronger TRIPS patent rights make a searchable database vital against misappropriation. A National GI Policy, accession to the Geneva Act and a traditional knowledge register based on prior informed consent are needed.

Sub-domain at a Glance: Where the Proposals Stand

Building Productive Capacity

Reform Proposal	Status	Key Observation
Establish a low-cost strategic investment fund for MMF and backward linkage activities	**Reform Proposed**	Fund not established; MMF and backward linkage investment still lacks long-term, affordable financing.
Establish commercial courts for foreign investors to streamline dispute resolution	**Operationalisation**	Commercial courts serve all litigants, not foreign investors; key investor disputes fall outside their scope.
Bring all investment promotion agencies under one institution and expand OSS coverage	**Operationalisation**	Invest Bangladesh merged BIDA, BEZA and PPPA, but BEPZA and BHTPA remain outside; OSS not fully integrated.
Formulate a medium to long-term climate financing strategy	**Reform Initiated**	National Committee on Climate Finance formed; strategy under development through IBFCR II until 2027.

Building Productive Capacity

Establish a low-cost strategic investment fund for MMF and backward linkage activities

Stage: Reform Proposed
This reform proposal was articulated in the Smooth Transition Strategy (STS) Action Plan but has not been initiated yet.
Observation
The proposed fund remains unimplemented: the government has not established it, published its design or assigned its management. The Export Diversification Refinance Scheme is not an adequate substitute, given its limited scale, three-year loan tenures and focus outside the garment sector. Recent policy measures lack coherence: removing the supplementary duty on synthetic woven fabric helps garment makers, while a duty on polyester staple fibre (PSF) raises costs for domestic spinners, although local PSF producers meet only 10-15 per cent of demand; the resin-duty increase was reversed within weeks. The US$50 million ADB loan to Modern Syntex Limited in September 2026 for polyester-chip capacity is positive but remains a single private transaction, highlighting the need for long-term, affordable financing. After EU Everything But Arms (EBA) preferences expire, apparel exports must meet double-transformation requirements, yet Bangladesh imports about 60 per cent of its woven fabric and 90 per cent of its MMF fabric. A dedicated financing mechanism with long loan tenures is needed before the post-graduation regime.

Building Productive Capacity

Establish commercial courts for foreign investors to streamline dispute resolution

Stage: Operationalisation
Under the Commercial Courts Act, 2026, 75 commercial courts have been established nationwide. Three courts were created in the Dhaka Metropolitan Area and two in the Chattogram Metropolitan Area, while the metropolitan areas of Gazipur, Sylhet, Rajshahi, Rangpur, Khulna and Barishal each received one court. The remaining courts were established at the district level. Commercial court judges are drawn from the ranks of District and Additional District Judges, with preference given to candidates with qualifications or experience in commercial law. The legal framework also mandates mediation before filing a suit, requires final hearings to be completed within 90 days, and provides for appeals to the High Court Division within 60 days.
Observation
Bangladesh has established commercial courts, but not the specialised courts for foreign investors described in this proposal; the Act creates general commercial courts for all litigants. The Law Minister has said disputes of most concern to foreign investors, such as regulatory, tax, labour and criminal cases, largely fall outside its scope. Implementation is uneven: 75 courts have been notified, but their staffing remains unclear, pre-suit mediation depends on rules that may not yet exist, and the 90-day limit applies only after the final hearing. The courts operate amid more than 4.6 million pending cases. Investors still describe the legal system as slow, report uneven enforcement of arbitral awards, and no data exist on filings, disposals or case durations. As trade preferences decline after LDC graduation, Bangladesh will depend more on foreign investment. The government could amend the Act for tax, regulatory and criminal matters, appoint trained judges in high-investment centres, issue mediation rules, clarify the courts' role in arbitration and publish performance data.

Building Productive Capacity

Bring all investment promotion agencies under one institution and expand OSS coverage

Stage: Operationalisation
On 23 August 2026, Invest Bangladesh formally began operations under the Prime Minister's Office following the merger of BIDA, BEZA and PPPA. The new authority took responsibility for investment facilitation, economic zones and public-private partnerships, and continued BanglaBiz as its digital investment-service platform. BanglaBiz had already been introduced under the interim government, with its OSS interface linking investment promotion agencies and providing services including environmental clearance, VAT registration and fire-safety-related licences.
Observation
Progress on consolidating investment promotion agencies and establishing a one-stop service (OSS) covering land, building approvals, fire safety, environmental compliance and taxation has been substantial but incomplete. Invest Bangladesh is narrower than envisaged, as BEPZA and BHTPA were excluded, so investors in export processing zones still face separate registration and approval procedures. Fire safety and environmental compliance are integrated into BanglaBiz, with fire licences processed exclusively online, and tax administration is partially integrated through e-TIN and VAT registration. Building approvals remain fragmented, with RAJUK digitising on its own platform, while NOCs and inspections remain largely manual and land administration is not integrated. Establishing a manufacturing enterprise typically requires 19 licences, 154 supporting documents, about 16 agencies and 351 to 457 days. There is no statutory deadline for merging portals, full integration depends on a project targeted for 2030, and the seven-day licence issuance requirement and deemed approval remain policy proposals rather than law.

Building Productive Capacity

Formulate a medium to long-term climate financing strategy

Stage: Reform Initiated
On 1 September 2026, the Ministry of Environment, Forest and Climate Change issued a notification establishing a 25-member National Committee on Climate Finance, chaired by the Prime Minister. The committee was tasked with setting national priorities for climate financing, coordinating relevant institutions, mobilising financial resources and providing strategic guidance on carbon-credit and carbon-trading activities.
Observation
Bangladesh's National Adaptation Plan (2023-2050) sets its long-term climate adaptation framework. Consultations on the country's first National Climate Finance Strategy began under the interim government in late 2025. On 7 October 2026, the Finance Division and UNDP launched phase two of the Inclusive Budgeting and Financing for Climate Resilience initiative (IBFCR II), running through December 2027, to develop the strategy, revise the Climate Fiscal Framework, and strengthen climate-finance tracking and budgeting. Yet Bangladesh still lacks a comprehensive medium- to long-term climate finance strategy; financing targets, mobilisation mechanisms, institutional roles and implementation arrangements remain undefined. The government should publish a draft for public consultation and adopt it well before the end of 2027, with quantified targets for domestic, international public and private finance aligned with the National Adaptation Plan, a lead institution, access to LDC-specific finance before graduation, and a unified public database of climate-finance allocations and disbursements.

Sub-domain at a Glance: Where the Proposals Stand

Fostering Partnerships and International Cooperation for Sustainable Development

Reform Proposal	Status	Key Observation
Map development partners' interest in supporting STS implementation in different areas	**Reform Proposed**	No development partner mapping found; the Bangladesh Development Forum has not been convened for years.

Fostering Partnerships and International Cooperation for Sustainable Development

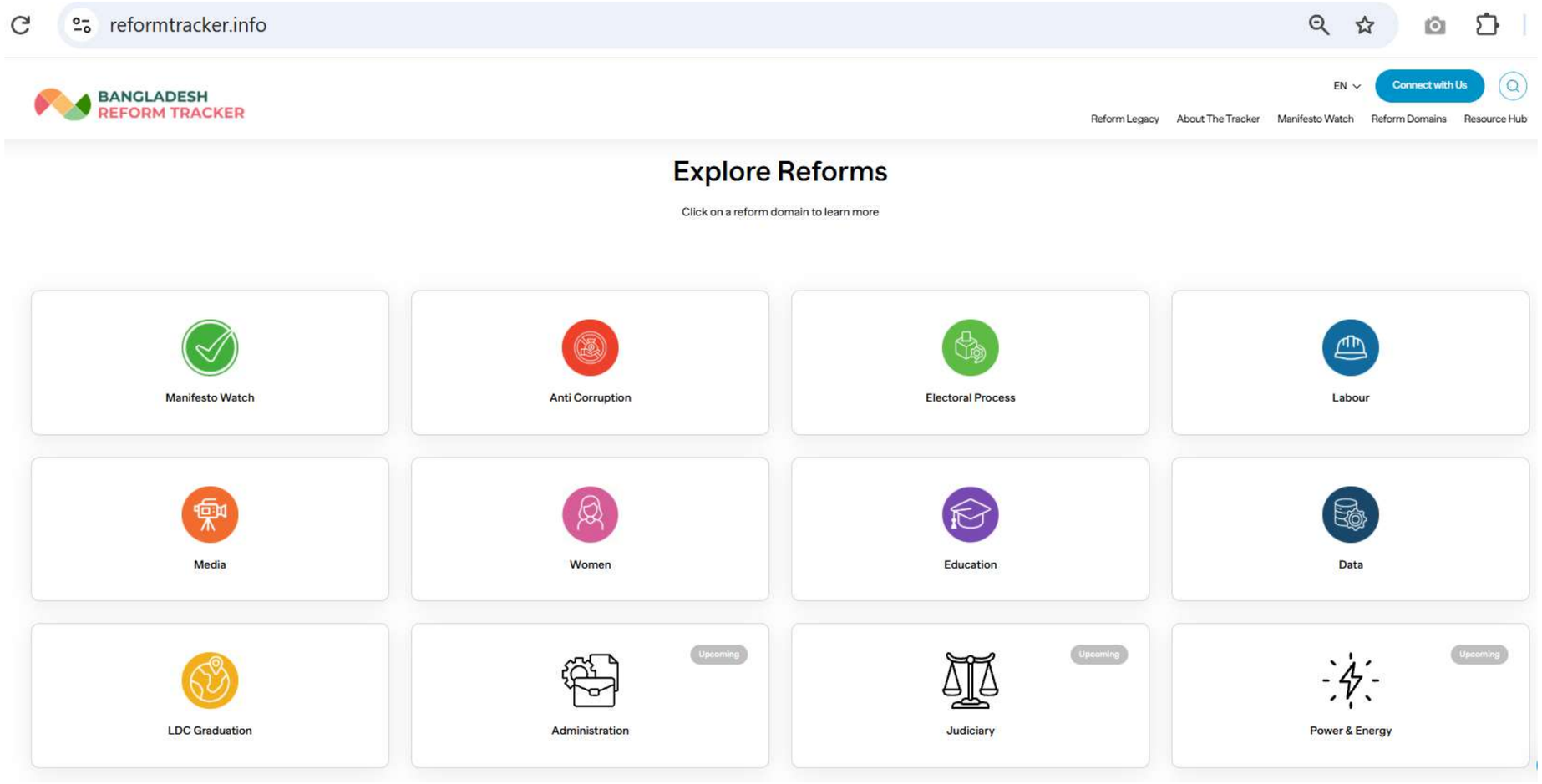
Map development partners' interest in supporting STS implementation in different areas

Stage: Reform Proposed
This reform proposal was articulated in the Smooth Transition Strategy (STS) Action Plan but has not been initiated yet.
Observation
As reported, development partners have been engaged through broader graduation-readiness consultations and assessment processes. However, no publicly available development partner interest mapping matrix or partner-allocation framework has been identified. As a result, it remains unclear whether development partner support is being systematically aligned with specific STS priorities and implementation areas. It may be recalled that the Bangladesh Development Forum (BDF) has not been convened for the last several years. The White Paper on Bangladesh Economy 2024 called for convening such a Forum. The government may organise the Forum at the earliest convenience to mobilise support and improve coordination among development partners. The STS can be one of the guiding pillars, along with the election manifesto and the strategic framework, to shape the agenda of the Forum.

Part 02

Introduction to the Reform Tracker

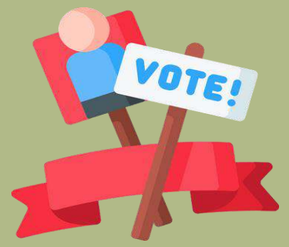
Introduction of the tracker



https://reformtracker.info/

What are we tracking?

Anti Corruption



Electoral Process

Labour

Media

Wome

Education

Data

LDC Graduation

Manifesto Watch

What are we tracking?

This section of the tracker will monitor progress on implementing the BNP's election manifesto pledges.

What’s on the pipeline

Judiciary

Economy

Public Finance

05 Stages of Reform

1. Reform Proposed
2. Reform Initiated
3. Legal and Policy Framework
4. Operationalisation
5. Action Implementation

05 Stages of Reform

Stage 01: Reform Proposed

The reform idea or commitment is publicly articulated

Stage 02: Reform Initiated

Preliminary steps are taken (e.g., circulars or notices by relevant body).

05 Stages of Reform

Stage 03: Legal and Policy Measures

The reform is codified in policy, law, or regulation.

Stage 04: Operationalisation

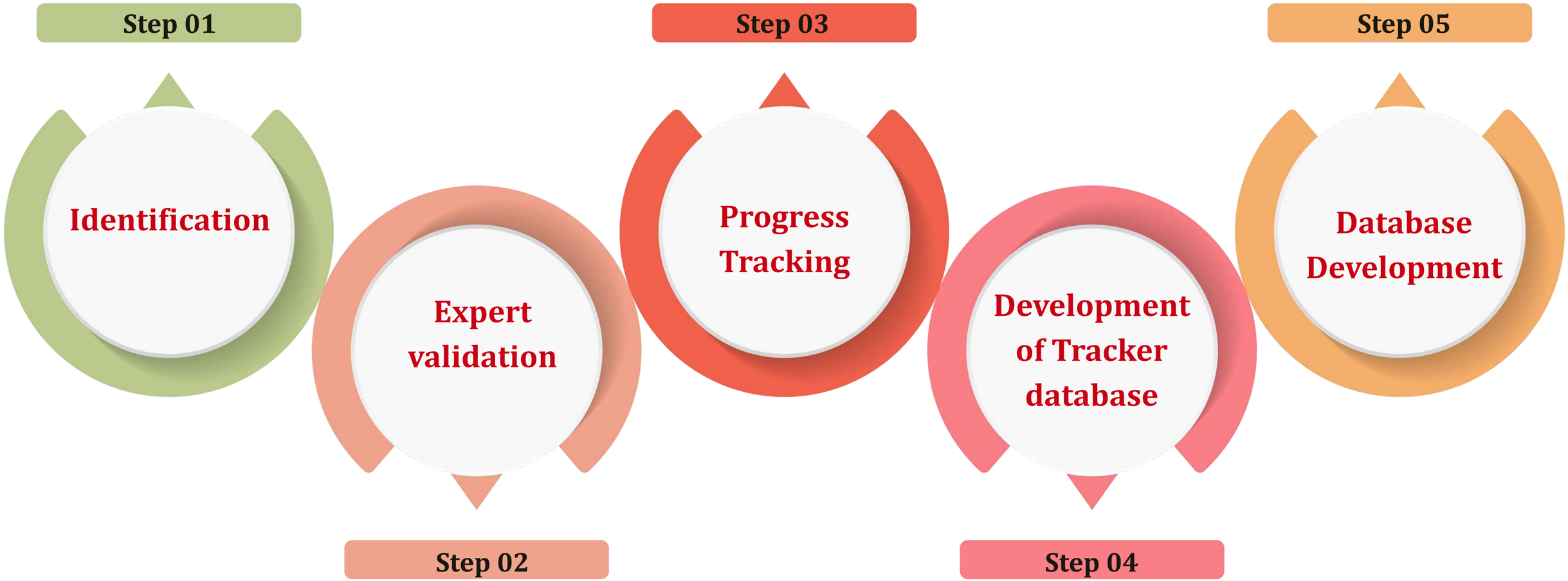
Institutional or administrative mechanisms are established for the reform delivery.

05 Stages of Reform

Stage 05: Action Implementation

Tangible actions showing visible progress or outcomes are taken.

How did we do it?



BANGLADESH
REFORM TRACKER

https://reformtracker.info/

Citizen's Platform for SDGs, Bangladesh
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