

Qi, Tao; Chanda, Rupa

Working Paper

Bangladesh's service trade and RCEP accession

ARTNeT Working Paper Series, No. 247

Provided in Cooperation with:

Asia-Pacific Research and Training Network on Trade (ARTNeT), Bangkok

Suggested Citation: Qi, Tao; Chanda, Rupa (2025) : Bangladesh's service trade and RCEP accession, ARTNeT Working Paper Series, No. 247, Asia-Pacific Research and Training Network on Trade (ARTNeT), Bangkok, <https://hdl.handle.net/20.500.12870/8522>

This Version is available at:

<https://hdl.handle.net/10419/339392>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

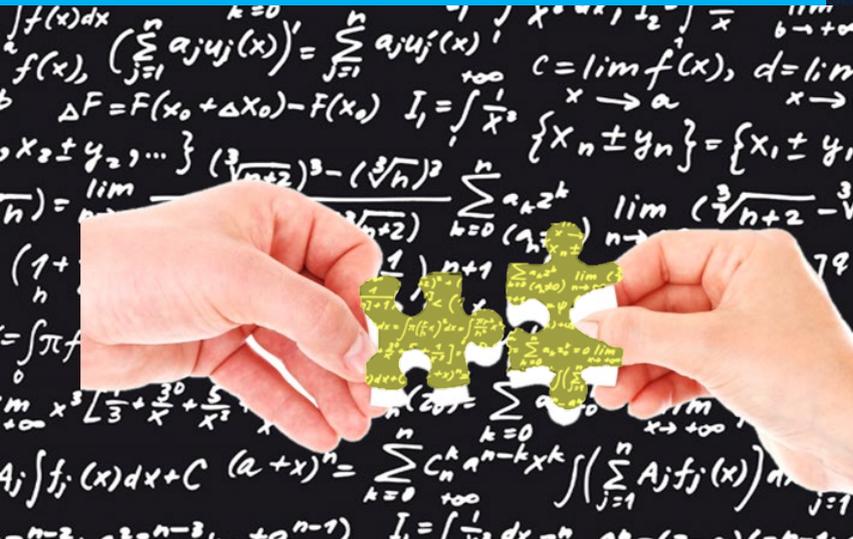
You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.



ESCAP
Economic and Social Commission
for Asia and the Pacific

Bangladesh's Service Trade and RCEP Accession



Tao Qi

Rupa Chanda

ASIA-PACIFIC RESEARCH AND TRAINING NETWORK ON TRADE

Working Paper

No. 247 | 2025

The Asia-Pacific Research and Training Network on Trade (ARTNeT) is an open regional network of research and academic institutions specializing in international trade policy and facilitation issues. ESCAP, WTO and UNCTAD, as key core network partners, and a number of bilateral development partners, provide substantive and/or financial support to the network. The Trade, Investment and Innovation Division of ESCAP, the regional branch of the United Nations for Asia and the Pacific, provides the Secretariat of the network and a direct regional link to trade policymakers and other international organizations.

The ARTNeT Working Paper Series disseminates the findings of work in progress to encourage the exchange of ideas about trade issues. An objective of the series is to publish the findings quickly, even if the presentations are less than fully polished. ARTNeT Working Papers are available online at <http://artnet.unescap.org>. All material in the Working Papers may be freely quoted or reprinted, but acknowledgment is requested together with a copy of the publication containing the quotation or reprint. The use of the Working Papers for any commercial purpose, including resale, is prohibited.

Disclaimer:

The designations employed and the presentation of the material in this Working Paper do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area, or of its authorities, or concerning the delimitation of its frontiers or boundaries. Where the designation “country or area” appears, it covers countries, territories, cities or areas. Bibliographical and other references have, wherever possible, been verified. The United Nations bears no responsibility for the availability or functioning of URLs. The views expressed in this publication are those of the author(s) and do not necessarily reflect the views of the United Nations. The opinions, figures and estimates set forth in this publication are the responsibility of the author(s) and should not necessarily be considered as reflecting the views or carrying the endorsement of the United Nations. Any errors are the responsibility of the author(s). The mention of firm names and commercial products does not imply the endorsement of the United Nations.



ASIA-PACIFIC RESEARCH AND TRAINING NETWORK ON TRADE

WORKING PAPER

Bangladesh's Service Trade and RCEP Accession

Tao Qi¹, Rupa Chanda²

Please cite this paper as:

Qi, Tao and Rupa Chanda (2025). "Bangladesh's Service Trade and RCEP Accession", **ARTNeT Working Paper Series** No. 247, September 2025, Bangkok, ESCAP.

Available at <http://artnet.unescap.org>

¹ PhD student, Department of Agricultural and Applied Economics, Virginia Tech.

² Director, Trade, Investment and Innovation Division, UN ESCAP.

Abstract

This paper assesses Bangladesh's readiness to join the Regional Comprehensive Economic Partnership (RCEP) from the perspective of services trade. In Bangladesh, services exports have grown rapidly but remain narrow in scope and overshadowed by rising imports, leading to persistent deficits. RCEP countries account for a substantial share of Bangladesh's services trade. While Bangladesh demonstrates competitiveness in construction and professional services, it lags in ICT, transport, and travel services. Unlike tariffs on goods, barriers to services trade are typically regulatory or institutional in nature. Bangladesh faces regulatory gaps relative to RCEP commitments, including restrictive investment approval processes, equity caps, data localization requirements, and underdeveloped transport and tourism infrastructure. Accession could help secure reciprocal market access and offset the loss of LDC trade preferences after 2026, but will require targeted reforms to liberalize investment regimes, close regulatory gaps, and align domestic policies with RCEP commitments.

Keywords: Service Trade, RCEP, Accession, Trade, Policy, Commitments

JEL classification: L81, F13, F15, F23

Table of Contents

Abstract.....	1
List of Tables	i
Acknowledgement	ii
1. Introduction	3
2. Bangladesh’s Services Trade	4
3. Barriers and Liberalization	26
4. RCEP Commitments and Gaps.....	42
5. Foreign Direct Investment	52
6. Expert Perspectives	56
References	62

List of Tables

Table 1: Bangladesh’s Service Exports to the World, 2015-2023	6
Table 2: Bangladesh’s Service Import from the World, 2015-2023	7
Table 3: Bangladesh’s Service Exports to RCEP and Major Partners, 2015-2023	9
Table 4: Bangladesh’s Services Exports by Sector and Countries/Regions, 2023	10
Table 5: Bangladesh’s Service Imports from RCEP and Major Partners, 2015-2023 ...	13
Table 6: Bangladesh’s Services Imports by Sector and Countries/Regions, 2023	15
Table 7: Bangladesh’s Merchandise Exports to RCEP and Major Partners, 2015-2023	18
Table 8: Bangladesh’s Merchandise Imports from RCEP and Major Partners, 2015-2023	20
Table 9: RCA of Different Countries / Regions by Services Categories.....	24
Table 10: World Bank Logistics Performance Index Ranking of Selected Countries in 2023	32

Acknowledgement

This study is the outcome of a UN internship that was undertaken by Tao Qi in the Trade, Investment and Innovation Division (TIID) from May to October 2024 under the guidance of Dr. Rupa Chanda, Director of TIID. Research and analysis were continued beyond the internship period to finalize the study.

We are grateful to Professor Selim Raihan, Department of Economics, University of Dhaka, for generously sharing his insights and providing valuable perspectives through a research interview.

1. Introduction

Signed on November 15, 2020, and entered into force on January 1, 2022, the Regional Comprehensive Economic Partnership (RCEP) is the largest regional free trade agreement (FTA) in the world. RCEP is constituted by 15 original Asia-Pacific members, including 10 ASEAN nations plus Australia, China, Japan, South Korea, and New Zealand. As of 2023, RCEP countries together covers a regional Gross Domestic Product (GDP) of USD 29.5 trillion (28 per cent of global GDP), 2.3 billion people (29 per cent of global population), and USD 15.5 trillion global exports and imports of goods and services trade (25 per cent of global trade) (World Bank, [2023](#)). RCEP significantly expands market access across a large and strategically important region. Specifically, the share of duty-free tariff lines will rise from 22.9 per cent at the start of negotiations to 63.4 per cent once the Agreement is fully implemented by all RCEP members (APEC, [2022](#)). Members benefit from the improved customs procedures and trade facilitation. For example, for express consignments and perishable goods, due to the Agreement six hours fast customs clearance policy, fresh flowers from Yunnan can complete customs procedures within three hours before being transferred to Japan (APEC, [2022](#)). By reducing trade costs, RCEP has significantly unlocked the regional trade growth potential. UNCTAD's World Investment Report 2023 shows that, while global foreign direct investment (FDI) inflows declined by 12 per cent in 2022 to USD 1.3 trillion, the RCEP region attracted USD 527.5 billion in FDI inflows, marking an increase of 14 per cent from USD 462.6 billion in 2021 (UNCTAD, [2023](#)).

The RCEP Agreement aims to create a modern, comprehensive, high-quality, and mutually beneficial economic partnership that promotes regional trade and investment while supporting global economic growth and development. The Agreement contains commitments and schedules for eliminating barriers on merchandise trade and services trade, investment, e-commerce, and intellectual property.

In 2024, Bangladesh formally requested to join RCEP, motivated by the imminent loss of Least Development Country (LDC) trade preferences upon graduation in 2026 (VNTR, [2024](#)). Bangladesh's goods trade currently benefits from unilateral duty-free schemes which may lapse post-LDC, whereas RCEP would lock in reciprocal access.

This report, however, focuses on Bangladesh's services trade profile, regulatory environment, and FDI regime, identifying gaps versus RCEP commitments, and gauges accession readiness using official and multilateral sources.

2. Bangladesh's Services Trade

2.1 The Broader Context of Bangladesh's Services Trade

Bangladesh's trade in services has expanded strongly but remains small relative to goods trade. Table 1 shows that services exports roughly doubled from USD 3.0 billion in 2015 to USD 6.4 billion in 2023, averaging 9.8 per cent compound annual growth rate (CAGR). The bulk of services exports come from other business services subsector, which contributed 37.5 per cent of 2023 exports, rising from 35 per cent in 2015. Transport services and government services are also significant, each accounting for 12.9 per cent and 17 per cent of exports respectively. Construction services sector is playing a steady important role in export. It accounts for 12.2 per cent of 2023 total exports, changing from 13.5 per cent in 2015 and 11.6 per cent in 2020. The export value increased from USD 411 million in 2015 to USD 784 million in 2023. ICT services and travel services exports remain relatively small, each takes 7.5 per cent and 6.8 per cent share in 2023. Other less tradable subsectors including insurance services, financial services, maintenance services comprise only for a small percent of exports. Overall, services exports have shown resilience, with most sectors growing with a rate between 5 per cent to 15 per cent for a small per cent from 2015 to 2023.

On the import side, Table 2 shows that Bangladesh's service imports are much larger, rising from USD 6.5 billion in 2015 to USD 11.0 billion in 2023 with a 6.8 per cent CAGR. Transport services sector is the single largest imported service (USD 3.86 billion, 35 per cent of imports in 2023), reflecting heavy spending on freight, shipping, and logistics. Construction services (e.g., foreign contractors in infrastructure) are next (USD 1.85 billion, 17 per cent share). Other business services and travel services are each on the order of USD 1.94 billion and USD 1.5 billion (18

per cent and 14 per cent share, respectively). ICT imports (USD 0.68 billion, 6 per cent) and financial services (USD 0.57 billion, 5 per cent) are smaller, as are insurance and government charges.

Total net services trade was negative at USD 4.6 billion in 2023 due to the fact that service imports exceed services exports by roughly 70 per cent. The deficit has widened as imports grew faster than exports (15.6 per cent AAGR vs. 10.5 per cent AAGR post-2020). These patterns reflect Bangladesh's strong domestic demand for infrastructure and travel services, versus a nascent services export base. In aggregate, services only accounts for 12 per cent of Bangladesh's total trade profile. Bangladesh's services exports are growing but from a low base, heavily weighted to other business services and government services categories. The economy runs a persistent services trade deficit, primarily driven by high import demand for transport and construction services. Travel and ICT exports are underdeveloped.

Table 1: Bangladesh's Service Exports to the World, 2015-2023 (US \$ millions)

Sectors	CAGR (2015-2023)	AAGR (2020-2023)	AAGR (2015-2020)	2023		2020		2015	
				Value	Share (%)	Value	Share (%)	Value	Share (%)
Charges for the use of intellectual property n.i.e.	2.4	-6.0	9.5	3.0	0.0	3.6	0.1	2.4	0.1
Construction	8.4	12.7	7.7	783.9	12.2	568.2	11.6	410.5	13.5
Financial services	8.7	11.9	8.7	121.3	1.9	89.5	1.8	62.4	2.1
Government goods and services n.i.e.	14.5	-5.3	50.2	1091.6	17.0	1299.1	26.6	370.1	12.2
Insurance and pension services	4.0	-2.6	9.7	94.2	1.5	102.3	2.1	68.8	2.3
Maintenance and repair services n.i.e.	1.6	5.2	-0.4	2.8	0.0	2.4	0.0	2.4	0.1
Manufacturing services on physical inputs owned by others	18.5	10.3	39.2	168.1	2.6	128.5	2.6	43.4	1.4
Other business services	10.8	18.0	9.4	2412.6	37.5	1566.2	32.0	1064.4	35.0
Personal, cultural, and recreational services	23.4	32.4	34.6	5.1	0.1	2.6	0.1	0.9	0.0
Telecommunications, computer, and information services	5.4	17.3	0.0	483.0	7.5	317.9	6.5	318.0	10.5
Transport	7.3	10.1	7.0	830.7	12.9	636.9	13.0	471.6	15.5
Travel	8.9	50.9	-4.3	440.5	6.8	174.3	3.6	222.3	7.3
Services in Total	9.8	10.5	12.2	6436.7	100.0	4891.4	100.0	3037.3	100.0

Source: Based on OECD Balanced Trade in Services (BaTIS)

https://www.oecd.org/en/publications/the-oecd-wto-balanced-trade-in-services-database-batis_c321a7a7-en.html

(accessed April 15, 2025)

Table 2: Bangladesh's Service Import from the World, 2015-2023 (US \$ millions)

Sectors	CAGR (2015-2023)	AAGR (2020-2023)	AAGR (2015-2020)	2023		2020		2015	
				Value	Share (%)	Value	Share (%)	Value	Share (%)
Charges for the use of intellectual property n.i.e.	7.4	17.5	3.1	1.9	0.0	1.2	0.0	1.1	0.0
Construction	2.3	10.5	-1.7	1848.6	16.8	1406.9	18.8	1538.2	23.6
Financial services	8.1	10.1	8.7	571.1	5.2	438.0	5.8	305.2	4.7
Government goods and services n.i.e.	2.0	-1.0	4.1	191.9	1.7	198.1	2.6	164.3	2.5
Insurance and pension services	6.2	2.4	10.2	50.9	0.5	47.5	0.6	31.5	0.5
Maintenance and repair services i.e.	7.2	21.6	1.2	368.8	3.3	223.8	3.0	211.0	3.2
Manufacturing services on physical inputs owned by others	-46.8	28.1	-19.9	0.0	0.0	0.0	0.0	0.0	0.0
Other business services	10.1	14.8	9.9	1940.9	17.6	1344.9	17.9	899.4	13.8
Personal, cultural, and recreational services	22.3	39.5	25.9	14.7	0.1	6.7	0.1	2.9	0.0
Telecommunications, computers, and information services	8.3	20.4	3.5	679.0	6.2	421.3	5.6	358.2	5.5
Transport	6.1	9.5	5.0	3857.0	35.0	3003.3	40.0	2406.5	36.9
Travel	12.0	88.0	-6.4	1496.1	13.6	411.1	5.5	606.2	9.3
Services in Total	6.8	15.6	3.0	11020.9	100.0	7503.0	100.0	6524.5	100.0

Source: Based on OECD Balanced Trade in Services (BaTIS)

https://www.oecd.org/en/publications/the-oecd-wto-balanced-trade-in-services-database-batis_c321a7a7-en.html

(accessed April 15, 2025)

2.2 Services Trade with RCEP Members and Major Partners

2.2.1 Export trends

RCEP countries are a significant but not dominant market for Bangladeshi services. Bangladesh's services exports to RCEP have grown modestly (8.2 per cent CAGR 2015–2023). From Table 3, Bangladesh exported USD 1.5 billion of services to RCEP members in 2023, which accounts for 23.8 per cent of its total services exports. Among them, ten ASEAN countries only accounted for USD 0.56 billion (8.6 per cent). In terms of individual RCEP countries, the largest service export markets for Bangladesh in 2023 were China (USD 522 million, 8.1 per cent), Singapore (USD 362 million, 5.6 per cent), and Japan (USD 272 million, 4.2 per cent). Exports to Korea (USD 112 million), Malaysia (USD 89 million), and Australia (USD 65 million) were much smaller. Many smaller RCEP markets (Brunei, Laos, Myanmar) are negligible in services trade. For countries outside RCEP, India is a traditional important trading partner for Bangladesh. A notable trend is that exports to China and India each more than doubled since 2015, reflecting rising business ties. In 2023, Bangladesh exported USD 439 million services to India, which accounts for 6.8 per cent of its total service exports. Western markets remain larger. EU, the U.S., and UK accounted for USD 1.12 billion (17.5 per cent), USD 0.78 billion (12 per cent), and USD 1.05 billion (16.3 per cent), respectively.

In sectoral terms, Table 4 reveals that nearly 37 per cent of services exported to RCEP were other business services in 2023, mirroring the global composition. The RCEP share of Bangladesh's exports is particularly high in Construction and Transport services, and moderate in ICT and Travel services. RCEP markets absorb nearly half of Bangladesh's exported professional and construction services possibly due to offshore projects, and a sizable portion of its logistic services.

Table 3: Bangladesh's Service Exports to RCEP and Major Partners, 2015-2023 (US \$ millions)

Countries / Regions	CAGR (2015-2023)	AAGR (2020- 2023)	AAGR (2015- 2020)	2023		2020		2015	
				Value	Share (%)	Value	Share (%)	Value	Share (%)
Brunei Darussalam	0.8	-2.2	2.8	1.0	0.0	1.1	0.0	0.9	0.0
Cambodia	6.8	21.6	0.6	1.2	0.0	0.7	0.0	0.7	0.0
Indonesia	9.1	28.6	1.6	14.9	0.2	8.0	0.2	7.4	0.2
Laos	-3.2	20.7	-10.5	0.2	0.0	0.1	0.0	0.2	0.0
Malaysia	0.6	0.1	0.9	88.6	1.4	88.4	1.8	84.7	2.8
Myanmar	6.0	-7.5	21.2	2.8	0.0	3.6	0.1	1.7	0.1
Philippines	3.3	-14.2	25.2	24.0	0.4	41.8	0.9	18.5	0.6
Singapore	8.6	0.9	17.8	362.3	5.6	353.3	7.2	187.1	6.2
Thailand	7.5	3.4	12.4	44.9	0.7	40.8	0.8	25.2	0.8
Viet Nam	10.4	17.3	9.0	15.4	0.2	10.1	0.2	7.0	0.2
Australia	9.8	32.5	1.3	64.7	1.0	32.7	0.7	30.7	1.0
China	7.8	0.3	16.2	522.1	8.1	518.2	10.6	286.5	9.4
Japan	13.0	22.6	11.7	272.2	4.2	162.3	3.3	102.4	3.4
Korea	7.9	-0.7	17.5	112.3	1.7	114.9	2.3	61.2	2.0
New Zealand	9.7	6.4	15.3	4.7	0.1	3.9	0.1	2.2	0.1
EU	11.2	15.8	11.7	1124.0	17.5	762.9	15.6	480.7	15.8
India	10.2	5.5	17.4	439.0	6.8	376.9	7.7	201.7	6.6
United Arab Emirates	6.6	-3.1	16.9	178.4	2.8	196.9	4.0	106.6	3.5
United Kingdom	14.1	48.4	3.4	1046.0	16.3	426.3	8.7	364.4	12.0
United States	10.2	15.9	9.4	774.8	12.0	524.5	10.7	356.7	11.7
ASEAN	6.6	0.4	12.9	555.3	8.6	548.0	11.2	333.5	11.0
RCEP	8.2	3.7	13.8	1531.3	23.8	1380.0	28.2	816.5	26.9
World	9.8	10.5	12.2	6436.7	100.0	4891.4	100.0	3037.3	100.0

Source: Based on OECD Balanced Trade in Services (BaTIS)

https://www.oecd.org/en/publications/the-oecd-wto-balanced-trade-in-services-database-batis_c321a7a7-en.html

(accessed April 15, 2025)

Table 4: Bangladesh's Services Exports by Sector and Countries/Regions, 2023 (US \$ millions)

Countries / Regions	Other Business Services	Travel	Transport	ICT	Construction	Finance	Services in Total
Brunei Darussalam	0.1	0.1	0.0	0.0	0.6	0.0	1.0
Cambodia	0.1	0.3	0.2	0.1	0.5	0.0	1.2
Indonesia	8.6	1.1	1.5	0.9	0.6	0.4	14.9
Laos	0.1	0.0	0.0	0.0	0.0	0.0	0.2
Malaysia	35.4	8.9	8.6	14.7	12.4	1.3	88.6
Myanmar	1.0	0.2	0.6	0.7	0.0	0.0	2.8
Philippines	7.9	0.8	1.4	0.4	10.8	0.1	24.0
Singapore	164.4	8.6	72.7	36.8	13.8	9.7	362.3
Thailand	19.9	1.7	3.9	0.7	1.8	0.6	44.9
Viet Nam	2.3	0.3	2.2	0.1	8.3	0.1	15.4
Australia	21.8	12.7	9.0	7.7	0.5	0.9	64.7
China	139.4	27.0	58.5	11.9	223.7	6.0	522.1
Korea	48.2	4.5	11.2	4.7	18.4	1.3	112.3
New Zealand	0.9	0.8	0.3	0.5	0.5	0.8	4.7
EU	531.8	61.1	194.3	78.0	65.3	19.1	1124.0
India	162.8	52.0	44.9	12.5	58.3	10.6	439.0
United Arab Emirates	21.4	10.1	27.8	9.1	39.6	3.6	178.4
United Kingdom	494.3	96.9	105.7	118.9	54.7	22.0	1046.0

United States	201.5	64.0	70.7	105.4	8.4	23.3	774.8
ASEAN	239.8	22.1	91.1	54.3	48.7	12.3	555.3
RCEP	553.6	75.2	193.2	94.6	356.0	24.5	1531.3
World	2412.6	440.5	830.7	483.0	783.9	121.3	6436.7

Source: Based on OECD Balanced Trade in Services (BaTIS)

https://www.oecd.org/en/publications/the-oecd-wto-balanced-trade-in-services-database-batis_c321a7a7-en.html

(accessed April 15, 2025)

2.2.2 Import trends

By contrast, RCEP economies are the main suppliers of Bangladesh's service imports. Table 5 shows that, in 2023, service imports from RCEP totaled USD 3.61 billion (33 per cent of total service imports). The largest RCEP suppliers for Bangladesh were China (USD 1.3 billion, 11.4 per cent), and Singapore (USD 1.2 billion, 10.8 per cent). Together these two accounted for over 22 per cent of Bangladesh's service import bill. Among ASEAN, Malaysia (USD 162 million, 1.5 per cent) and Indonesia (USD 75 million, 0.7 per cent) and are moderate players while Thailand, Vietnam and others are smaller sources. The RCEP share in imports (33 per cent) is somewhat larger than in exports (24 per cent), reflecting Bangladesh's heavy dependence on the region for high-cost services. Other important import partners are India, the European Union (EU), the United States (US), the United Kingdom (UK), and United Arab Emirates (UAE). Their services exports accounts for 46.7 per cent of Bangladesh's total service imports.

In sectoral terms (Table 6), the biggest RCEP-sourced import categories are Transport services (USD 1.4 billion, 38 per cent of RCEP imports) and Construction services (USD 0.9 billion, 24 per cent). The share for Other business services and Travel services sector is 15.6 per cent and 8 per cent respectively. Notably, India is the principal source for all major sectors as listed in Table 6.

Table 5: Bangladesh's Service Imports from RCEP and Major Partners, 2015-2023 (US \$ millions)

Countries / Regions	CAGR (2015-2023)	AAGR (2020-2023)	AAGR (2015-2020)	2023		2020		2015	
				Value	Share (%)	Value	Share (%)	Value	Share (%)
Brunei Darussalam	-1.9	-9.8	4.2	0.8	0.0	1.2	0.0	1.0	0.0
Cambodia	12.2	71.4	-4.0	2.7	0.0	0.8	0.0	1.1	0.0
Indonesia	6.6	30.9	-2.8	75.3	0.7	39.0	0.5	45.3	0.7
Laos	3.2	42.9	-8.7	0.2	0.0	0.1	0.0	0.2	0.0
Malaysia	2.7	60.2	-11.2	162.2	1.5	57.8	0.8	131.4	2.0
Myanmar	5.8	17.9	0.4	9.5	0.1	6.2	0.1	6.1	0.1
Philippines	6.0	18.3	0.6	17.9	0.2	11.5	0.2	11.2	0.2
Singapore	5.8	5.4	7.0	1195.2	10.8	1027.4	13.7	760.4	11.7
Thailand	3.9	25.4	-4.6	148.2	1.3	84.1	1.1	109.3	1.7
Viet Nam	6.9	30.1	-2.1	61.6	0.6	32.4	0.4	36.3	0.6
Australia	8.5	22.4	2.9	171.5	1.6	102.6	1.4	89.5	1.4
China	5.4	12.2	2.3	1261.7	11.4	923.0	12.3	827.5	12.7
Japan	10.5	36.9	1.1	343.4	3.1	163.1	2.2	154.3	2.4
Korea	5.1	20.9	-1.8	153.0	1.4	94.1	1.3	103.1	1.6
New Zealand	-1.2	-0.3	-1.6	8.5	0.1	8.6	0.1	9.4	0.1
EU	10.2	24.0	5.3	1116.5	10.1	649.4	8.7	514.3	7.9
India	7.8	14.2	5.6	1545.7	14.0	1084.7	14.5	846.8	13.0
United Arab Emirates	6.6	19.9	0.9	704.6	6.4	440.8	5.9	421.4	6.5

United Kingdom	5.2	14.5	0.9	824.8	7.5	574.5	7.7	550.9	8.4
United States	6.7	14.6	3.4	962.2	8.7	668.9	8.9	572.9	8.8
ASEAN	5.4	10.9	2.9	1673.5	15.2	1260.5	16.8	1102.1	16.9
RCEP	5.9	13.8	2.3	3611.7	32.8	2551.9	34.0	2285.9	35.0
World	6.8	15.6	3.0	11020.9	100.0	7503.0	100.0	6524.5	100.0

Source: Based on OECD Balanced Trade in Services (BaTIS)

https://www.oecd.org/en/publications/the-oecd-wto-balanced-trade-in-services-database-batis_c321a7a7-en.html

(accessed April 15, 2025)

Table 6: Bangladesh's Services Imports by Sector and Countries/Regions, 2023 (US \$ millions)

Countries / Regions	Other Business Services	Travel	Transport	ICT	Construction	Finance	Services in Total
Brunei Darussalam	0.0	0.1	0.3	0.0	0.3	0.0	0.8
Cambodia	0.2	2.0	0.3	0.1	0.1	0.0	2.7
Indonesia	9.2	7.4	31.6	2.3	22.9	0.4	75.3
Laos	0.0	0.1	0.1	0.0	0.0	0.0	0.2
Malaysia	13.9	28.4	50.6	5.1	60.3	1.1	162.2
Myanmar	1.3	0.2	5.0	0.0	2.4	0.0	9.5
Philippines	5.8	2.8	1.5	2.3	0.9	4.0	17.9
Singapore	276.7	36.7	591.2	51.9	63.9	102.0	1195.2
Thailand	28.8	56.5	50.8	0.8	8.9	0.6	148.2
Viet Nam	2.2	5.0	35.9	2.7	15.2	0.1	61.6
Australia	14.1	87.6	38.0	24.3	4.3	0.9	171.5
China	145.0	8.5	401.9	34.8	549.1	99.5	1261.7
Korea	21.4	6.6	60.7	5.0	56.7	0.9	153.0
New Zealand	1.5	1.8	3.0	0.9	0.4	0.1	8.5
EU	230.3	143.5	303.5	110.4	153.7	33.9	1116.5
India	341.4	177.5	601.7	198.6	203.8	12.3	1545.7
United Arab Emirates	21.4	108.3	354.1	21.0	173.6	12.8	704.6
United Kingdom	315.3	192.3	75.8	39.5	106.5	42.8	824.8

United States	221.8	167.9	194.8	53.5	33.4	118.5	962.2
ASEAN	338.1	139.3	767.2	65.4	174.8	108.3	1673.5
RCEP	565.6	289.0	1381.3	135.7	871.0	255.6	3611.7
World	1940.9	1496.1	3857.0	679.0	1848.6	571.1	11020.9

Source: Based on OECD Balanced Trade in Services (BaTIS)

https://www.oecd.org/en/publications/the-oecd-wto-balanced-trade-in-services-database-batis_c321a7a7-en.html

(accessed April 15, 2025)

2.2.3 Service trade and merchandise trade

Bangladesh's pattern of services trade with RCEP contrasts sharply with its merchandise trade. In goods (Table 7), only about 9.2 per cent of Bangladesh's exports in 2023 went to RCEP countries, versus 56 per cent of its imports (Table 8). The EU alone absorbs 47 per cent of Bangladeshi exports (primarily apparel, ready-made garments), whereas RCEP countries are relatively minor markets for Bangladeshi manufactures. Conversely, China and regional partners dominate Bangladesh's imports (e.g., machinery, chemicals), contributing to the large goods trade deficit with RCEP.

Although Bangladesh currently runs a trade deficit with RCEP member countries, this should not be viewed solely as a disadvantage. Rather, it underscores the importance of adopting a strategic approach to trade integration. By investing in capacity building, regulatory reforms, and quality standards in these sectors, Bangladesh can position itself as a reliable services exporter to RCEP markets. At the same time, it should actively engage in negotiations to secure greater market access for its key exports (both goods and services) within the RCEP region. This may involve seeking favorable rules of origin, reducing non-tariff barriers, and enhancing recognition of professional qualifications. In parallel, Bangladesh can use imports from RCEP countries strategically, especially in high-value services and infrastructure development. Many RCEP economies excel in advanced technologies and capital goods. By importing inputs such as machinery, digital technologies, and construction services, Bangladesh can foster domestic capability development, raise productivity in key sectors, and accelerate its structural transformation.

Table 7: Bangladesh's Merchandise Exports to RCEP and Major Partners, 2015-2023 (US \$ millions)

Countries / Regions	CAGR (2015-2023)	AAGR (2020-2023)	AAGR (2015- 2020)	2023		2020		2015	
				Value	Share (%)	Value	Share (%)	Value	Share (%)
Brunei Darussalam	15.8	-14.5	38.9	1.4	0.0	2.3	0.0	0.4	0.0
Cambodia	8.6	5.9	10.3	11.9	0.0	10.0	0.0	6.1	0.0
Indonesia	7.3	15.7	2.5	88.7	0.2	57.2	0.2	50.6	0.2
Laos	2.7	7.3	0.0	0.9	0.0	0.7	0.0	0.7	0.0
Malaysia	9.6	19.9	3.8	311.2	0.6	180.5	0.5	149.6	0.4
Myanmar	9.3	-13.2	25.4	32.1	0.1	49.0	0.1	15.8	0.0
Philippines	12.8	19.7	8.8	87.9	0.2	51.3	0.1	33.6	0.1
Singapore	-1.9	-7.5	1.7	126.7	0.2	160.1	0.4	147.3	0.4
Thailand	11.0	26.6	2.5	89.8	0.2	44.2	0.1	39.0	0.1
Viet Nam	9.8	10.5	9.4	93.7	0.2	69.5	0.2	44.4	0.1
Australia	4.5	7.7	2.6	918.7	1.7	735.3	1.9	646.4	1.9
China	3.6	8.9	0.5	962.8	1.8	746.5	2.0	727.8	2.2
Japan	5.0	8.5	3.0	1468.0	2.7	1150.2	3.0	993.5	3.0
Korea	8.8	22.1	1.6	616.5	1.1	338.3	0.9	313.0	0.9
New Zealand	10.6	17.9	6.5	139.9	0.3	85.4	0.2	62.4	0.2
EU	6.9	11.8	4.0	25543.3	47.4	18299.5	48.3	15017.1	44.8
India	14.7	29.3	6.8	1776.9	3.3	821.3	2.2	591.4	1.8

United Arab Emirates	9.7	28.9	-0.5	781.4	1.4	364.7	1.0	373.4	1.1
United Kingdom	2.0	7.7	-1.2	4031.0	7.5	3222.9	8.5	3430.2	10.2
United States	3.8	9.1	0.8	8180.1	15.2	6306.2	16.6	6057.8	18.1
ASEAN	7.1	10.6	5.1	844.2	1.6	624.8	1.6	487.7	1.5
RCEP	5.5	10.4	2.6	4950.1	9.2	3680.4	9.7	3230.7	9.6
World	6.1	12.4	2.5	53893.2	100.0	37908.3	100.0	33483.4	100.0

Source: Based on OECD Balanced International Merchandise Trade Dataset (BIMITS)

https://www.oecd.org/en/publications/the-oecd-balanced-international-merchandise-trade-dataset-bimts_07518168-en.html

(accessed April 15, 2025)

Table 8: Bangladesh's Merchandise Imports from RCEP and Major Partners, 2015-2023 (US \$ millions)

Countries / Regions	CAGR (2015-2023)	AAGR (2020-2023)	AAGR (2015- 2020)	2023		2020		2015	
				Value	Share (%)	Value	Share (%)	Value	Share (%)
Brunei Darussalam	82	-73	478	1	0	30	0	0	0
Cambodia	23	-6	45	8	0	9	0	1	0
Indonesia	10	29	1	3578	5	1685	3	1633	4
Laos	76	485	-15	7	0	0	0	0	0
Malaysia	10	26	2	2453	3	1227	2	1137	2
Myanmar	20	31	14	144	0	64	0	33	0
Philippines	2	26	-10	38	0	19	0	32	0
Singapore	0	11	-6	3228	5	2365	5	3181	7
Thailand	4	10	0	1141	2	859	2	863	2
Viet Nam	9	23	2	1291	2	693	1	629	1
Australia	12	31	2	1264	2	562	1	521	1
China	7	15	3	22934	32	15072	30	13306	29
Japan	2	6	0	1713	2	1457	3	1438	3
Korea	2	16	-5	1625	2	1033	2	1370	3
New Zealand	11	11	10	327	0	241	0	147	0
EU	2	10	-3	3199	4	2413	5	2773	6
India	9	12	7	11253	16	7913	16	5614	12
United Arab Emirates	1	8	-3	1279	2	1006	2	1142	2

United Kingdom	11	26	2	609	1	302	1	270	1
United States	12	7	15	2242	3	1831	4	930	2
ASEAN	6	20	-2	11888	17	6951	14	7509	16
RCEP	6	16	1	39751	56	25315	50	24291	53
World	6	12	2	71477	100	50521	100	46230	100

Source: Based on OECD Balanced International Merchandise Trade Dataset (BIMITS)

https://www.oecd.org/en/publications/the-oecd-balanced-international-merchandise-trade-dataset-bimts_07518168-en.html

(accessed April 15, 2025)

2.3 Competitive analysis

To maximize the benefits of potential RCEP accession, Bangladesh can focus on enhancing its overall competitiveness, particularly in areas where it holds comparative advantages. Table 9 shows the revealed comparative advantage (RCA) analysis of Bangladesh and its major trading partners. RCA is based on Ricardian trade theory, which suggests that trade patterns are shaped by differences in productivity across countries. RCA provides a practical way to infer the comparative advantage by analyzing trade data³. When a country has a revealed comparative advantage in a particular product ($RCA > 1$), it is considered a competitive producer and exporter of that product compared to countries whose export performance is at or below the global average.

It highlights Bangladesh's strengths and weaknesses in services relative to global and RCEP peers. Bangladesh's highest RCA is in Construction services (7.87)⁴, indicating a very strong relative specialization, which is consistent with its domestic construction boom and skilled engineering firms. It also shows $RCA > 1$ in Other business services (1.51) and in services incidental to Manufacturing (1.23), reflecting competitiveness in outsourced design, consulting, and product development services. By contrast, Bangladesh has RCA well below 1 in Travel (0.35) and in ICT services (0.71), confirming

³ Revealed Comparative Advantage (RCA) is a measure of a country's export performance in a specific product relative to the world average. It is defined as:

$$RCA_{Ai} = \frac{X_{Ai} / \sum_{j \in P} X_{Aj}}{X_{Wi} / \sum_{j \in P} X_{Wj}}$$

Where

P is the set of all products (with $i \in P$),

X_{Ai} is the country A 's exports of product i ,

X_{Wi} is the world's exports of product i ,

$\sum_{j \in P} X_{Aj}$ is the country A 's total exports (of all products j in P), and

$\sum_{j \in P} X_{Wj}$ is the world's total exports (of all products j in P).

⁴ The data of RCA in Construction services in Bangladesh is as per the WTO's classification. It is defined as "Construction and related engineering services, installation and assembly work, building completion and finishing work". While most general construction companies in Bangladesh focus on domestic projects, the shipbuilding sector is an exception. The two major exporters of ships in Bangladesh are Ananda Shipyards & Slipways Limited, and Western Marine Shipyards Limited.

that tourism and digital service sectors are underdeveloped internationally. Its overall services RCA is 0.43, revealing that Bangladesh's overall share of world services trade remains low.

Table 9: RCA of Different Countries / Regions by Services Categories

Countries / Regions	Service Total	Travel	Other Business	Transport	Construction	ICT	Manufacturing
Bangladesh	0.43	0.35	1.51	0.68	7.87	0.71	1.23
Brunei Darussalam	0.23	2.23	0.25	1.85	2.05	0.50	0.00
Cambodia	0.36	4.10	0.17	0.37	0.24	0.30	0.00
Indonesia	0.39	2.54	0.69	0.78	2.61	0.44	0.88
Laos	0.49	2.84	0.22	1.51	0.05	0.66	0.00
Malaysia	0.38	1.45	0.83	0.98	3.32	0.82	5.42
Myanmar	0.42	1.47	0.93	1.66	0.70	0.01	4.78
Philippines	1.24	1.31	1.44	0.58	1.03	1.39	3.59
Singapore	1.65	0.38	1.25	1.63	0.47	0.72	0.43
Thailand	0.55	2.86	0.70	0.83	1.30	0.16	1.02
Viet Nam	0.21	2.66	0.40	0.88	1.94	0.71	3.51
Australia	0.69	2.48	0.65	0.73	0.37	0.59	0.08
China	0.34	0.44	1.10	1.48	4.52	1.06	3.16
Japan	0.81	0.94	0.78	1.17	1.48	0.33	0.37
Korea	0.55	0.72	0.84	1.69	3.10	0.67	1.12
New Zealand	1.16	2.73	0.44	1.11	0.38	0.43	0.21
India	1.33	0.57	1.59	0.54	0.86	2.93	0.26

United Arab Emirates	0.87	1.66	0.67	1.52	1.46	0.42	0.16
United Kingdom	2.16	0.66	1.39	0.52	0.63	0.86	0.48
United States	1.53	0.80	1.13	0.55	0.17	0.71	0.31
Belgium	0.97	0.44	1.50	1.20	1.24	1.01	1.59
France	1.34	1.06	1.11	1.01	0.76	0.69	1.61
Germany	0.86	0.52	1.11	1.20	0.54	0.93	1.69
Italy	0.77	1.97	0.85	0.77	0.57	0.55	2.12
Spain	1.29	2.33	0.71	0.84	0.47	0.74	1.28
RCEP	0.56	0.98	0.98	1.32	2.19	0.72	1.57

Source: Based on OECD Balanced Trade in Services (BaTIS) and Balanced International Merchandise Trade Dataset (BIMITS) <https://data-explorer.oecd.org>

(accessed April 15, 2025)

Among RCEP economies, average RCAs are higher, the overall service RCA is 0.56. In travel and transport, many RCEP peers have RCAs above 1, underscoring Bangladesh's relative lag. These patterns suggest Bangladesh has competitive niches, notably construction and professional services. But it needs to build capacity in tech, travel, and transport services to compete regionally.

Bangladesh's service sector shows robust growth and some world-class strengths (construction export-related services) but remains small and concentrated. It runs a large trade deficit and has low comparative advantage in the knowledge-intensive services sectors. RCEP partners already account for a quarter of its services exports and a third of imports, so joining the RCEP would deepen integration. However, competitiveness varies. Bangladesh is in a weaker position in sectors like ICT, travel, and transport relative to many RCEP economies, indicating a need for quality and regulatory improvements in those areas.

3. Barriers and Liberalization

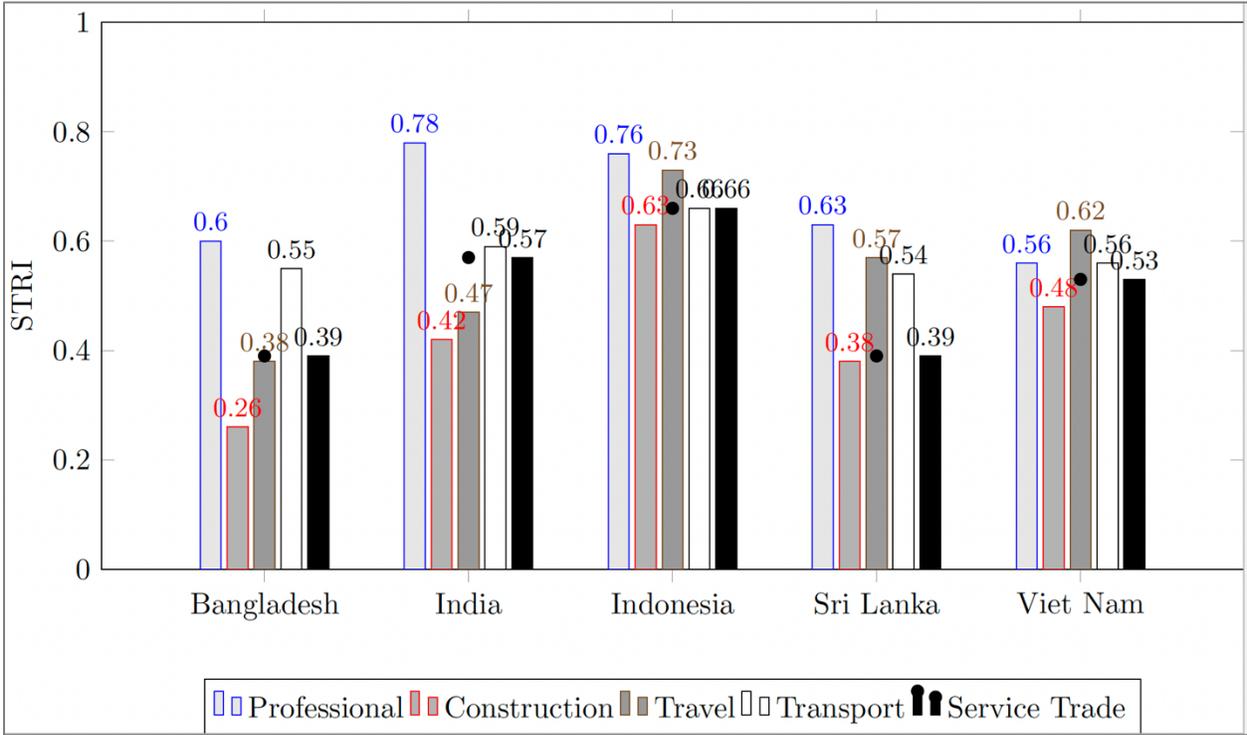
3.1 The Broader Context of Service Trade Barriers

Bangladesh has made significant progress in trade openness over the past two decades, leveraging its labor-intensive manufacturing sector particularly in garments to integrate into global markets. However, trade barriers remain pervasive in the services sector, where constraints continue to limit both imports and exports. Unlike tariffs on goods, barriers to services trade are typically regulatory or institutional in nature, including restrictive laws, licensing requirements, infrastructure gaps, and burdensome compliance processes. Besides, Bangladesh's graduation from the LDC in 2026 will have a significant impact on her current state of trade competitiveness.

Figure 1 shows the World Bank-WTO Services Trade Restrictiveness Index (STRI) of Bangladesh and its selected trading partners. Bangladesh's overall restrictiveness is

moderate, with an STRI of about 0.39 on a 0 (fully open) to 1 (fully closed) scale. This is lower than large emerging peers like India (0.57) or regional comparators such as Vietnam (0.53) and Indonesia (0.66). In other words, Bangladesh allows foreign entry and competition in some service industries but maintains significant protections in others. Notably, Bangladesh exhibits especially high restrictions in transport services (STRI = 0.55) and professional services (STRI = 0.60), indicating these sectors are relatively closed and tightly regulated. By contrast, sectors like computer and construction services are relatively more open (each around 0.26).

Figure 1: STRI for Selected Countries



Source: World Bank-WTO STRI dataset. <http://i-tip.wto.org/services/> accessed on May 5, 2025

3.2 Cross-cutting analysis

3.2.1 Investment Restrictions and Opportunities

Bangladesh formally allows 100% foreign ownership in most sectors, including services. However, equity caps persist in key areas such as telecommunications, petroleum marketing, and gas distribution. Moreover, investment in 22 “sensitive” sectors, including banking, finance, insurance, and infrastructure, requires a No Objection Certificate (NOC) from the relevant ministry (USTR, 2025). This procedural requirement introduces discretion and delays, and in some cases, functions as a de facto non-tariff barrier to foreign services providers seeking market access. In particular, the lack of transparent criteria for granting investment approvals continues to undermine the predictability and neutrality of service sector entry.

Additionally, outbound capital flows which is critical for services firms with international linkages are subject to restrictive procedures. One challenge for foreign companies, particularly in the franchise sector, is the difficulty of repatriating revenue due to strict regulations by the Bangladesh Central Bank on converting local currency into foreign exchange. Payments such as royalties and technical fees to overseas franchisors often require prior approval, which can delay the process. However, growing interest from new investor groups, despite their limited experience, offers potential entry points for foreign franchises, including digital and cybersecurity service providers (USITA, 2024).

3.2.2 Data Regulation

Bangladesh’s emerging digital policy environment presents a growing set of barriers for services trade. The most recent draft of Data Protection Act (DPA) includes data localization requirements. In Bangladesh, data localization requirements could be misused as a legal tool to access personal data, potentially enhancing the surveillance powers of law enforcement agencies. This, in turn, may lead to further restrictions on freedom of expression and access to information (Sheikh, 2024). Coupled with the Cyber

Security Act (CSA) passed the same year, which was partially designed to enhance Bangladesh's cybersecurity measures, but retains criminal penalties for certain forms of online expression (USITA, 2024b). These provisions pose potential legal risks and operational costs for foreign companies providing cloud, data, and IT-enabled services in Bangladesh. The broader implication is that foreign digital service providers face an increasingly uncertain regulatory environment, which may compel them to alter services, withdraw from the market, or face criminal or financial liability. These restrictions not only affect Mode 1 (cross-border) services supply but also Mode 2 (access to international digital services by Bangladeshi consumers) and Mode 3 (local digital services providers).

According to U.S. International Trade Administration (ITA), the new Interim Government seems to acknowledge the significant shortcomings of the CSA and is expected to introduce a revised version of the legislation in the coming months that aligns more closely with international standards (USITA, 2024b). Bangladesh's growing demand for cybersecurity particularly in the public sector and key industries like banking presents strong opportunities for foreign digital and cybersecurity service providers. Despite historical development challenges, the market is now ripe for international firms offering high quality solutions in areas such as AI, ML, blockchain, training, and regulatory compliance. As the interim government strengthens cybersecurity regulations, foreign firms can support local businesses with compliance audits, risk assessments, and tailored security frameworks aligned with global standards. International companies, in particular, benefit from strong local trust and a willingness to pay for quality, making Bangladesh an attractive and partner-friendly market for cybersecurity expansion.

3.2.3 Intellectual Property Rights

Bangladesh has made notable progress in strengthening its intellectual property (IP) framework. One key development was the passage and implementation of the Patent Act of 2019, approved by Parliament in April 2022 (USITA, 2022). This legislation is intended to align Bangladesh's intellectual property rights (IPR) protections with its future obligations under WTO, in preparation for the country's expected graduation from LDC status in 2026.

IP protections in Bangladesh present several challenges for foreign investors, particularly in the franchise and halal-certified sectors. While the franchising model is legally supported under the Contract Act of 1872 and trademark rights can be transferred under the Trademarks Act of 2009, enforcement of IP rights remains weak (USITA, 2024). Non-disclosure agreements (NDAs), commonly used to safeguard proprietary information, offer limited protection as they only provide remedies after a breach has occurred. Additionally, businesses involved in halal products must comply with mandatory certification and logo requirements issued by the Bangladesh Islamic Foundation, adding another regulatory layer. These factors contribute to legal and procedural uncertainty, potentially deterring foreign companies from entering or expanding in the Bangladeshi market.

3.2.4 Internet Connectivity

The Bangladesh Telecommunication Regulatory Commission (BTRC) has imposed a series of internet blackouts, most notably a ten-day national shutdown in mid-2024 during civil unrest (Reuters, 2024). These shutdowns, sometimes ordered without judicial or administrative approval, undermine the reliability of Bangladesh's digital infrastructure. Shutdowns and connectivity limitations disproportionately impact services trade, especially in ICT, business process outsourcing (BPO), fintech, and digital education sectors. Mobile data restrictions in Rohingya camps, political blackouts during elections, and selective censorship of platforms have further eroded the environment for digital trade.

3.3 Sectoral Barriers from Bangladesh

3.3.1 Other Business Services

Other business services, such as accounting, auditing, legal services, architecture, engineering, and other consulting services, are crucial for a modern economy but are

subject to some of the most stringent trade barriers in Bangladesh. The STRI for Bangladesh's Other Business Services is 0.6, one of the highest among its service sectors. These restrictions manifest qualification requirements, licensing rules, and limits on foreign participation that together make the sector relatively closed. All major professional services in Bangladesh require practitioners to have local qualifications or licenses, which hampers foreign professionals from offering services. Bangladesh has no GATS commitments in legal or other professional services categories, reflecting a policy of retaining regulatory freedom in these areas. Bangladesh's professional services sector is also characterized by limited domestic capacity. While this is a domestic development issue, it intersects with trade barriers. Because there are not enough professionals, one might argue for bringing in foreign expertise, yet protectionist instincts to shield local practice prevail. An implication of this demand-supply gap is that local professionals can command high fees, and services may be subpar, impacting the broader economy.

3.3.2 Construction Services

Bangladesh has a very high RCA in construction services, and construction is a significant export. The construction services are broadly open (STRI 0.26) and foreign firms can invest often via joint venture and bid on projects. The Board of Investment allows 100 per cent foreign equity in civil construction with Board approval. In practice, most large projects involve foreign contractors. Barriers include standard requirements such as tender registration, performance bonds, and hiring Bangladeshi staff, but there are no major protectionist limits. Bangladesh has committed 100% FDI in construction under GATS, and indeed many foreign firms operate here. Recent infrastructure policies encourage PPPs, and there are no major open restrictions on construction trade. The sector benefits from government incentives. Overall, construction services face relatively few formal barriers, though administrative delays can hinder projects.

3.3.3 Transport Services

Bangladesh’s transport services sector remains one of the most closed and underdeveloped, characterized by protectionist policies in aviation, restrictive or inefficient practices in shipping and ports, and severe infrastructure deficits. Transport services covering air transport, maritime shipping, land transport, and ancillary logistics are essential for trade and commerce. In Bangladesh, this sector is one of the most restricted services sectors. Table 10 shows that the World Bank Logistics Performance Index (LPI) rank Bangladesh 88 out of 140 countries, which is significantly lower than all of its main trading partners. It got near the bottom ranking on Customs score, Infrastructure score and Timeliness score. These metrics underscore that non-regulatory barriers (poor infrastructure, slow processes) in transport are as damaging as formal restrictions.

Table 10: World Bank Logistics Performance Index Ranking of Selected Countries in 2023

Sector	Bangladesh	India	Indonesia	Philippines	Sri Lanka	Viet Nam
Customs Score Rank	101	47	59	59	84	43
Infrastructure Score Rank	108	47	59	47	89	47
International Shipments Score Rank	91	22	57	47	75	38
Logistics Competence Score Rank	81	38	65	46	81	53
Tracking & Tracing Score Rank	87	35	59	21	59	59
Timeliness Score Rank	105	41	65	49	65	41
LPI Rank	88	38	61	43	73	43

Source: World Bank Logistics Performance Index (LPI)

<https://lpi.worldbank.org/international/scorecard/radar/C/BGD/2023>

accessed on May 10, 2025

For air transport, the national flag carrier Biman Bangladesh Airlines and private local airlines enjoy cabotage rights that foreign airlines are not allowed to operate domestic routes. International air services are governed by bilateral Air Service Agreements. Bangladesh fits this pattern with strict government control over route rights and no foreign competition on domestic flights.

For maritime transport services, the 2023 Rule enforces the 2019 Act, which mandates that 50 per cent of Bangladesh's maritime trade be carried by Bangladesh-flagged vessels, set discriminatory treatment of foreign-flagged vessels (European Commission, [2024](#)). However, according to EU industry sources, over 90 per cent of container ships calling at Bangladeshi ports are foreign flagged, with only eight container ships currently registered under the Bangladesh flag. Given this limited capacity, it is clear that these eight vessels alone cannot handle half of the country's trade volume, especially in light of the growing demands of Bangladeshi importers and exporters (European Commission, [2024](#)). At the same time, main seaports (Chittagong and Mongla) have been known for inefficiencies and delays, partly due to limited competition and outdated infrastructure (Kabir and Helal, [2021](#)).

Land transport with neighboring countries is limited by both infrastructure and policy. Foreign companies operating franchises in Bangladesh often face significant transportation and logistics barriers when sourcing materials from abroad. At the port and customs level, delays and inefficiencies can disrupt supply chains and increase costs, particularly for franchises requiring high-quality ingredients and raw materials (USITA, [2024](#)). Due to limited local availability, some franchises opt to source inputs from neighboring India. However, cross-border land transport is constrained by both infrastructure and restrictive policies. Trucks from India and Bangladesh are not allowed to freely deliver or transit goods across each other's territory, as noted by the World Bank (Herrera Dappe et al. [2021](#)). Furthermore, India has recently withdrawn a key transshipment facility for export cargo destined for third countries such as Bhutan, Nepal, and Myanmar, further complicating regional logistics. Although railway connections exist, their limited number and lack of interoperability hinder their effectiveness as an

alternative. Within Bangladesh, domestic road transport services are largely dominated by local trucking companies, and foreign logistics firms must operate through local subsidiaries. Even auxiliary services like freight forwarding and courier delivery require licenses that can be difficult for foreign firms to obtain. These logistical and regulatory challenges create significant barriers for transportation services and can discourage foreign investment in sectors like franchising that depend on reliable supply chains.

3.3.4 Travel Services

Tourism services encompass travel agencies, tour operators, hotels, and tourist attractions. By the STRI measure, Bangladesh’s travel and tourism services score 0.38, indicating moderate restrictiveness. However, other indicators paint a starker picture. According to Table 11, the World Economic Forum’s Travel & Tourism Development Index (TTDI) ranked Bangladesh the 109th out of 119 countries in 2024, which is again much lower than all of its main trading partners. This near-bottom ranking suggests that, practically speaking, Bangladesh have significant untapped potential but are stymied by both policy barriers and structural issues.

Table 11: World Economic Forum’s Travel & Tourism Development Index (TTDI) in 2024

Countries	Score	Rank in 2024	Change since 2019
Bangladesh	3.19	109	2
India	4.25	39	-10
Indonesia	4.46	22	14
Philippines	3.84	69	-2
Sri Lanka	3.69	76	-1
Viet Nam	3.96	59	4

Source: World Economic Forum’s Travel & Tourism Development Index (TTDI)

<https://www.weforum.org/publications/travel-tourism-development-index-2024/shareables-fb88112c8d/>

accessed on May 10, 2025

Much like transport, the tourism sector suffers from underdeveloped infrastructure. Bangladesh's strengths lie in its natural and cultural sites, but accessing these sites is difficult due to poor transport links and limited tourist facilities. This means that even when tourists want to visit, they face hurdles like inadequate hotels, unreliable transportation, and patchy information services. Many tourist areas lack proper amenities and security, discouraging higher-spending visitors. From a trade perspective, this infrastructure gap is a barrier to both attracting tourists and to foreign investment in tourism. Few investors will build resorts or attractions without supporting facilities and government facilitation. Bangladesh has made GATS commitments in subsector A (hotels and restaurants) only for five-star hotels in modes 3 and 4. Other tourism services, such as travel agencies, tour operators, and tourist guide services, are not committed and traditionally have been reserved for local firms. In practice, foreign travel companies can only operate in Bangladesh via local partnerships or not at all. The government might consider licensing foreign tour operators, but as of now it remains an uncommitted subsector. This is why UNCTAD noted that "the Government may wish to consider liberalizing subsector B (travel agencies and tour operators) ... to encourage international travel agencies to include Bangladesh in their offerings" (UNCTAD, [2016](#)). The lack of international tour operators actively promoting Bangladesh means the country is left off many global tourist itineraries.

Bangladesh has only recently begun aggressive tourism marketing ("Beautiful Bangladesh" campaign), and its tourism governance is still evolving. The absence of a robust tourism promotion board and reliable data is a barrier to growth. The lack of data and market intelligence can be seen as a soft barrier, which leads to poor policymaking and underinvestment. Additionally, regulatory oversight for adventure tourism, eco-tourism, etc., is underdeveloped. Foreign firms may find the regulatory environment neither clearly open nor clearly restricted, which often defaults to requiring case-by-case permissions. Barriers like the visa regime and lack of foreign tour operators help explain why Bangladesh has not capitalized on its attractions. Safety and security concerns in past years (e.g., isolated incidents affecting foreigners) have also hurt the country's image, though these are not policy barriers, strictly speaking.

3.4 Barriers from RCEP Countries

Bangladesh's entry into RCEP would grant its service providers access to large markets in Asia-Pacific. Similar to Bangladesh, these markets also maintain various barriers in key service sectors. RCEP services chapter does commit to significant opening on average 65 per cent of service sectors fully open, with higher foreign equity limits in areas like professional, telecom, financial, computer-related, distribution and logistics services (Kimura et al. [2022](#)). However, substantial hurdles remain across service trade. In Table 12, we detail the major barriers in RCEP partner countries for Bangladesh's priority sectors: other business services, construction, transport, travel, and ICT services.

3.5 Summary

As the country approaches middle-income status and prepares for LDC graduation, an open and efficient service sector will be key to sustaining growth. While Bangladesh has undertaken efforts to modernize elements of its trade and investment regime, services trade continues to face significant hurdles. A combination of restrictive investment procedures, digital control policies, licensing barriers, and poor infrastructure undermines the competitiveness and openness of the services sector. Addressing these issues would not only benefit foreign service providers but also unlock new opportunities for domestic firms, job creation, and export diversification. At the same time, if Bangladesh accedes to the RCEP trade pact, it could see some of the following service barriers eased in RCEP member markets. RCEP includes a chapter on trade in services committing members to progressively liberalize service sectors and enhance market access.

Table 12: Service Trade Barriers from selected RCEP Countries in Selected Sectors

Country	Construction	Other Business Services	ICT	Travel	Transport
China	<p>Foreign construction firms face licensing hurdles and ownership restrictions. Until recently, China required joint ventures or approvals for foreign construction companies. In April 2023, China lifted certain bans on branches of foreign construction firms.</p> <p>However, barriers remain. For government projects, only companies registered in China can bid. Even with these improvements, overseas contractors still contend with burdensome qualifications and the need to partner with local firms on large projects (OECD, 2025; USTR, 2025).</p>	<p>Strict limits on foreign professional service providers, especially in legal and accounting. Foreign legal offices may only advise on home-country or international law and cannot represent clients in Chinese courts. Similarly, sectors like accounting and architecture are tightly regulated. Foreign equity is capped, and partners must often hold Chinese qualifications (USTR, 2025).</p>	<p>China historically imposed a 49 per cent foreign equity cap in telecom services and requires foreign telecom investors to form joint ventures with one of a few state-approved Chinese carriers.</p> <p>However, China recently introduced a pilot program to relax some of its restrictions to allow wholly owned subsidiaries in 4 places.</p>	<p>Recently, China launched pilot programs in Shanghai, Chongqing, and a few areas to temporarily allow qualified foreign travel agencies to offer outbound travel services.</p> <p>Outside these pilots, foreign tour operators are confined to China’s inbound tourism market, and even there they face strict licensing. Overall, the travel sector remains difficult for foreigners to fully penetrate due to these policy barriers.</p>	<p>China bans foreign carriers from domestic transportation routes. Only in 2021 did China begin a limited trial to let certain foreign ocean carriers move domestic freight between select ports.</p> <p>In 2025, this pilot program has been continued. In air transport, foreign investment in Chinese airlines is tightly controlled (foreign ownership is limited to minority stakes) and foreign airlines cannot operate domestic flights (IRS, 2025; USTR, 2025).</p>

Country	Construction	Other Business Services	ICT	Travel	Transport
Singapore	<p>Singapore’s construction industry is one of the most accessible in the region for overseas firms. Singapore allows 100 per cent foreign ownership in construction companies; there are no special foreign equity caps in this sector.</p> <p>Crucially, regulations do not discriminate against foreign firms. (USDOS, 2024)</p>	<p>Singapore imposes few barriers on business services overall. The notable exception is legal services: foreign law firms cannot practice Singapore law or employ Singapore-qualified lawyers in Singapore.</p> <p>Other professional fields (architecture, engineering) require practitioners to be locally licensed but do not mandate local ownership. (USTR, 2025).</p>	<p>Singapore fully liberalized telecommunications, allowing foreign telecom operators to enter freely under a licensing regime.</p> <p>However, broadcast media is an exception: Singapore’s Broadcasting Act caps foreign shareholding in local broadcasters at 49 per cent, and foreign control of broadcast licenses is prohibited.</p>	<p>Foreign investors can fully own and operate hotels, tour companies, travel agencies, etc., with no special restrictions on equity beyond normal business registration.</p>	<p>Singapore allows foreign entrants in most transport services. Singapore is a global maritime hub with foreign shipping lines actively operating. In aviation, Singapore unusually permits majority foreign ownership of airlines—except Singapore Airlines, which by policy must remain at least 50 per cent locally owned (Liberalization Report, 2009)</p>
Australia	<p>Australia does not impose special foreign equity caps in construction. The environment is favorable and largely non-discriminatory. One general hurdle is Australia’s skilled visa and labor rules. Work permits for bringing in foreign project staff can</p>	<p>Australia’s professional and business services are largely liberalized. Legal services are completely open to foreign competition. Australian law firms can employ foreign lawyers and vice versa, subject only to</p>	<p>Foreign telecom companies operate in mobile and internet markets with no statutory foreign equity cap in telecommunications. One emerging issue is content requirements. Australia is considering</p>	<p>There are no foreign equity limits on hotels, tour operators, or travel agencies.</p>	<p>Transport services are mostly open, with some standard aviation limits. For example, foreign airlines cannot operate purely domestic routes (cabotage) in Australia without permission, though Australia occasionally grants temporary cabotage waivers for special flights</p>

	involve labor market tests and paperwork (OECD, 2025b).	qualification recognition. Similarly, accounting, engineering, consulting, and other business services have no foreign ownership limits (OECD, 2025b).	a local content quota for streaming platforms to ensure Australian programming is featured (USTR, 2025).		(Australian Government, 2025).
South Korea	South Korea allows foreign construction firms to operate, but regulations can be complex. Foreign contractors must obtain a Korean construction license and often partner with local firms, especially on public projects. South Korea is a signatory of the WTO Government Procurement Agreement, but large government tenders frequently favor Korean companies or require consortia with Korean-led firms (USTR, 2025).	Following the KORUS FTA, Korea has begun a phased opening. Full legal market is being implemented in stages. Similarly, accounting/audit firms in Korea must be majority-owned by Korean CPAs, limiting foreign ownership (USTR, 2025).	Significant foreign ownership caps and content regulations in ICT.	Travel industry is relatively accessible to foreign businesses in segments like hotels. Tour agency and guide services have some restrictions.	Transport services face typical foreign ownership limits and cabotage rules. Foreign airlines cannot establish a fully owned Korean subsidiary for domestic flights. Cabotage is banned in aviation and maritime transport. Port services and logistics are more open.

Country	Construction	Other Business Services	ICT	Travel	Transport
Thailand	<p>Highly restrictive and most construction services are off-limits to foreign majority ownership. Thailand's Foreign Business Act (FBA) explicitly lists "construction" as a restricted sector for foreigners. In general, foreign entities cannot own more than 49 per cent of a construction business in Thailand unless they obtain special permission. Foreign contractors typically must partner with Thai companies to operate (UNCTAD, 1999).</p>	<p>The FBA prohibits majority foreign ownership in professional services such as legal, architectural, and engineering services (UNCTAD, 1999).</p>	<p>Thailand limits foreign involvement in ICT through both the FBA and sector-specific laws. Foreign ownership in major telecom operators is capped at 49 per cent.</p>	<p>Tourism is vital to Thailand's economy, but the law reserves many tourism businesses for Thais. Under List 3 of the FBA, "hotel business" and "guided touring" are restricted – foreigners cannot own >49 per cent of hotels or tour companies. Travel agencies and tour operators must be Thai-majority-owned and obtain licenses from the Tourism Authority; foreign-owned agencies are generally not granted new licenses. Additionally, only Thai citizens can be licensed tour guides (USTR, 2025).</p>	<p>Thailand's transport services present substantial barriers to foreigners from ownership caps in airlines to outright prohibitions in domestic logistics.</p>

Country	Construction	Other Business Services	ICT	Travel	Transport
Malaysia	<p>Malaysia allows foreign construction firms to operate, but in practice they often need to team with local (especially Bumiputera-owned) companies. While there is no blanket law barring foreign ownership in construction, the government heavily favors local participation. In private sector projects, foreign builders can work independently but must obtain a Construction Industry Development Board (CIDB) license and typically employ Malaysian professionals in key roles (European Commission, 2024b; USTR, 2025).</p>	<p>Selected service industries retain foreign equity limits Malaysia generally permits 100 per cent foreign ownership in many services, but important exceptions remain due to “Bumiputera” affirmative action policies (USTR, 2025).</p>	<p>Malaysia’s ICT sector has seen gradual liberalization. Foreign investors may own up to 70 per cent of a telecom network services provider under current policy. Censorship and content regulations also create indirect barriers for foreign digital content providers. Malaysia encourages foreign investment in IT-enabled services (like data centers, software development) with 100 per cent ownership permitted in those areas (USDOS, 2024b; European Commission, 2024b).</p>	<p>Tourism relatively open, though some local equity preferences exist.</p>	<p>Malaysia’s transport sector allows foreign participation mainly in supporting services, while core operations (airlines, domestic shipping) stay under Malaysian ownership control in line with national interest policies. (USTR, 2025).</p>

4. RCEP Commitments and Gaps

4.1 Bangladesh's Current FTAs

As of 2024, Bangladesh had six trade agreements in force, no signed agreements pending ratification, and three agreements under negotiation (see Table 13). During 2021, 14.6 per cent of the country's total exports were destined for its trade agreement partners, while 78.7 per cent of total imports originated from those partners. Regionally, Bangladesh is active in pre-negotiation only. It is a member of BIMSTEC and APTA. These blocs include several RCEP countries (Thailand, Myanmar, China, Korea) and could serve as pathways to RCEP, but no finalized services agreement exists. By contrast, Bangladesh already relies heavily on unilateral preferences. For example, it benefits from duty-free access to China on 97 per cent of tariff lines and GSP from Japan/EU. Bangladesh has already been witnessing preferential market access to many member countries of RCEP through GSPs and PTAs (Economic Times, [2023](#)).

Table 13: Summary of Bangladesh's Free Trade Agreements

Title	Members	Status	Year in Force	Coverage	Share of Total Exports (%)	Share of Total Imports (%)
Protocol on Trade Negotiations (PTN)	Bangladesh, Brazil, Chile, Egypt, Israel, Republic of Korea, Mexico, Pakistan, Paraguay, Peru, Philippines, Serbia, Tunisia, Türkiye, Uruguay	In force	1973	Goods	4.56	7.05
Asia-Pacific Trade Agreement (APTA)	Bangladesh, China, India, Republic of Korea, Laos, Sri Lanka	In force	1976	Goods & Services	6.68	53.3
Global System of Trade Preferences (GSTP)	42 countries	In force	1989	Goods	8.35	40.96
South Asian Free Trade Area (SAFTA) and SAARC Agreement on Trade in Services (SATIS)	Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka	In force	2006 and 2012	Goods & Services	4.02	20.16
Framework Agreement on Trade Preferential System among the Organisation of the Islamic Conference (TPS-OIC)	40 countries	Not yet notified to the WTO	2002	Goods	4.23	10.34
D-8 Organization for Economic Cooperation Preferential Trade Agreement (D-8 PTA)	Azerbaijan, Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan, Türkiye	Not yet notified to the WTO	2011	Goods & Services	2.03	8.98
Bangladesh-India FTA	Bangladesh, India	Under negotiation	N/A	Goods & Services	3.41	18.74

Bangladesh-Pakistan FTA	Bangladesh, Pakistan	Under negotiation	N/A	Goods & Services	0.17	1.08
Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) Free Trade Area	Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka, Thailand	Under negotiation	N/A	Goods & Services	4.01	20.85

Source: [Asia-Pacific Trade and Investment Trends 2022/2023 Country Report](#). ESCAP, Jan 09, 2023.

4.2 Bangladesh's Current Policies

Bangladesh's only binding international commitments in services are its WTO-GATS schedule and limited bilateral/multilateral agreements. Under WTO accession, Bangladesh committed only two sectors: telecommunications (all sub-sectors) and tourism (CPC 641, five-star hotels only).

In telecom, foreign equity up to 100 per cent is allowed and Mode 4 entries (for technicians) are permitted under certain conditions, but as we discuss, domestic rules still impose nationality and licensing restrictions. In tourism, Bangladesh committed commercial presence of foreign hotels with up to 100% equity, yet has no commitments on travel agencies, tour guides or other hospitality services. For all other services (banking, legal, education, transport, etc.), Bangladesh has no GATS commitments, meaning it maintains full policy flexibility on market access.

Domestically, the Foreign Private Investment (Promotion and Protection) Act 1980 and the Bangladesh Investment Development Authority (BIDA) Act 2016 govern services FDI. These laws nominally allow 100 per cent foreign ownership in many sectors, but in practice numerous "conditional" approvals are required. For example, Bangladesh Investment Policy Review notes that while the general investment law is "rather open to FDI", its scope is limited; many industries are on a "controlled list" requiring special approval. Notably, some high-profile export sectors (ready-made garments, pharmaceuticals) are discouraged from FDI even if technically permitted. In practice, foreign bank entry is capped (max 60 per cent foreign equity), private insurance up to 40 per cent, and significant screening exists in areas like aviation and pharmaceuticals. At the same time, new policies have liberalized some areas: in 2008 Bangladesh allowed 100 per cent foreign telecom equity, and the five-star hotel segment was opened fully. Investment protection instruments (Bilateral Investment Treaties) exist with many RCEP countries, but enforcement is uneven.

Bangladesh's actual services regime is a patchwork of foreign-investment permissions and regulatory frameworks. Compared to RCEP benchmarks, Bangladesh has limited commitments and many sector-specific restrictions. The official laws suggest

openness, but regulatory exceptions mean substantial barriers remain in practice (as documented by the STRI above).

4.3 Gaps Between Current Policies and RCEP Commitments

4.3.1 Policy Gaps

If Bangladesh joins RCEP, it will need to extend liberalization far beyond current practice. RCEP's chapters include prohibition of performance requirements and full access to capital movements. Bangladesh's current policies fall short of RCEP obligations in almost every major services sector. It would have to liberalize entry conditions, expand GATS-like commitments to cover new areas, and remove nationality and local-benefit requirements. Table 14 shows the policy gaps that Bangladesh may need to address.

Table 14: Gaps Between Bangladesh Current Policies and RCEP Commitments

Sector	Member Commitments	Ready	Not Ready
Other Business Services	<ol style="list-style-type: none"> 1. RCEP promotes mutual recognition of qualifications 2. Thailand requires local authentication of foreign professional services 3. Philippines requires understudy training for locals 4. China permits wholly foreign-owned subsidiaries in engineering and architectural services 	<ol style="list-style-type: none"> 1. 100 per cent foreign ownership permitted in most business service sectors; generally, follows a non-discrimination investment policy (BIDA, 2025) 2. Presence of foreign consultancies and affiliates indicates some openness. 	<ol style="list-style-type: none"> 1. Licensing barriers restrict foreign professionals (USITA, 2022) 2. No mutual recognition agreements yet for professional qualifications
Construction	<ol style="list-style-type: none"> 1. Commitments to liberalize construction and engineering services. 2. Cambodia bound construction services in RCEP (WTO, 2022) 3. Foreign contractors are allowed market access under transparent rules. 	<ol style="list-style-type: none"> 1. Major foreign contractors participate in infrastructure projects, showing de facto openness. 2. Public procurement processes allow foreign bidders under donor-supervised rules since 2002 (USITA, 2022) 	<ol style="list-style-type: none"> 1. Bureaucratic hurdles in obtaining construction permits for foreign firms. 2. No established mechanism to recognize foreign engineering licenses.
Travel	<ol style="list-style-type: none"> 1. Tourism and travel services broadly opened, with some limits 2. Cambodia caps foreign equity in travel agencies at 51 per cent. 3. Travel-related services included in market-access schedules. 	<ol style="list-style-type: none"> 1. Hospitality sector open to foreign investment. 2. No specific bar on foreign-owned travel agencies; global online travel platforms and tour operators serve Bangladesh market. 	<ol style="list-style-type: none"> 1. Some service segments remain protected. 2. Cambodia mandates local tour guides, and Bangladesh has similar tendencies (WTO, 2025) 3. Tourism infrastructure and service standards need improvement; regulatory support

ICT	<ol style="list-style-type: none"> 1. Members raised foreign ownership ceilings 2. RCEP Chapter 12 provides comprehensive e-commerce framework 3. Annex on telecom services ensures fair interconnection and independent regulators (Serafica and Ramli, 2022) 	<ol style="list-style-type: none"> 1. Telecom sector fairly open and major operators are foreign invested. 2. Regulatory change in 2020 allows 100 per cent FDI in e-commerce, aligning with digital trade openness (USITA, 2022) 	<ol style="list-style-type: none"> 1. 100 per cent foreign ownership in telecommunications is not permitted (local partner or share limitations apply). 2. Regulatory gaps in data protection/cybersecurity could pose issues.
Transport	<ol style="list-style-type: none"> 1. RCEP aims to eliminate foreign equity caps in shipping, airline support, etc. 2. Members commit to open auxiliary transport services with few restrictions. 3. Road transport heavily restricted by most members. 	<ol style="list-style-type: none"> 1. Active involvement of foreign partners in ports, shipping, and logistics. 2. Significant foreign expertise in transportation infrastructure. 	<ol style="list-style-type: none"> 1. Foreign ownership of logistics companies is capped. 2. Restrictions in civil aviation and cumbersome customs processes indicate misalignment with RCEP's transport services commitments.
Financial Services	<ol style="list-style-type: none"> 1. Foreign equity limitations in financial services (e.g., Thailand limits to 49 per cent) 2. Required incorporation under local law (most members) 	<ol style="list-style-type: none"> 1. Several foreign banks operate in Bangladesh, some as wholly owned branches/subsidiaries 2. Central bank's regulatory framework is improving transparency and aligning with international standards, such as Basel guidelines. 	<ol style="list-style-type: none"> 1. Exchange controls and limits on capital outflow. 2. Outward FDI by Bangladeshi firms is largely restricted

Insurance Services	<ol style="list-style-type: none"> 1. Members allow foreign insurers under robust regulation. 2. Thailand limits foreign ownership to 25 per cent (up to 49 per cent by OIC) in insurance 3. Philippines requires 60 per cent local ownership 	<ol style="list-style-type: none"> 1. Government raised the foreign equity cap in insurance companies to 60 per cent. 2. Joint ventures exist (foreign insurers partnered with local firms). 	<ol style="list-style-type: none"> 1. Market remains largely closed to foreign insurers
Education Services	<ol style="list-style-type: none"> 1. Several RCEP members allow foreign universities/campuses under conditions. 	<ol style="list-style-type: none"> 1. Policy in place to allow foreign university branches. Bangladesh formulated rules in 2014 to permit foreign campuses or study centers. 	<ol style="list-style-type: none"> 1. Implementation of the 2014 policy has stalled. Stringent proposed regulations by the UGC could deter foreign universities (draft policy under review).
Intellectual Property	<ol style="list-style-type: none"> 1. RCEP Chapter 11 provides comprehensive IP protection 2. Standardized protection for copyright, trademarks, GIs, patents 3. Many developing members implementing capacity building 4. Cambodia, Laos, and Myanmar are not Madrid Protocol members. 	<ol style="list-style-type: none"> 1. Basic IP laws adopted. 2. Bangladesh is working to modernize IP administration by moving towards digital trademark application systems in line with RCEP's push for publicly accessible IP databases. 	<ol style="list-style-type: none"> 1. Bangladesh relies on LDC exemptions for IP 2. Enforcement is weak. High prevalence of counterfeit goods and piracy signals gaps in regulatory and judicial capacity. 3. Bangladesh is not a member of Madrid Protocol.
Cultural & Recreational	<ol style="list-style-type: none"> 1. Only partial commitments in cultural/audiovisual services. Many members retain restrictions to protect national culture. 2. Recreational services see some opening, but audiovisual media often excluded or limited in schedules. 	<ol style="list-style-type: none"> 1. Foreign content is accessible and foreign films/music are available subject to censorship. 2. Cultural exchanges occur. 	<ol style="list-style-type: none"> 1. Foreign ownership in media is highly restricted. 2. Strict content controls on political or religious grounds which is conflict with liberal trade in audiovisual services.

<p>Government Procurement</p>	<ol style="list-style-type: none"> 1. RCEP's Government Procurement chapter promotes transparency and cooperation. 2. Members agree to publish procurement information and rules, fostering open bidding opportunities. 	<ol style="list-style-type: none"> 1. Bangladesh has implemented an e-Government Procurement (e-GP) system and reformed its procurement law with donor support, improving transparency and efficiency (USITA, 2022). 	<ol style="list-style-type: none"> 1. Bangladesh has no binding international commitments on open procurement. 2. Local preference policies and insider contracting still occur, which contradict RCEP's non-discriminatory ideals.
--------------------------------------	---	---	---

4.3.2 Implementation Gaps

Even beyond policy adjustments, Bangladesh must ensure it actually implements liberalization. In some cases, commitments may already be broad on paper but in practice bureaucratic or legal gaps hinder trade. For instance, although Bangladesh allows 100 per cent foreign equity in telecom by law, in practice approvals (by BTRC and BIDA) and local-investment mandates complicate entry. Similarly, the commitment to open five-star hotels has been honored, but visa and marketing restrictions still limit actual tourism inflow. Bangladesh has faced criticism in WTO reviews for delayed domestic notification of regulatory changes, meaning that even promised liberalization is slow to materialize. In trade facilitation, services sectors (like customs brokers, port services) suffer from opaque licensing (often manual processes) that effectively act as hidden barriers.

A specific example: GATS Mode 4 commitments may guarantee entry for natural persons, but in practice Bangladesh imposes strict labor-market testing and short visa durations, making it costly for RCEP professionals to stay or work. Likewise, financial liberalization commitments (such as cross-border banking) have been promised under other frameworks but domestic regulations on FDI in finance persist. In summary, Bangladesh must not only modify laws but also strengthen regulatory and institutional support to ensure its commitments translate into real market access.

4.4 Summary

Bangladesh enters RCEP negotiations with virtually no existing services commitments except limited GATS bindings and unilateral liberalizations. In contrast, RCEP standards demand broad openness and full national treatment. To be accession-ready, Bangladesh will need to liberalize service subsectors far beyond its current policy. For example, by opening transport and communications as RCEP members have, and by vastly easing entry and work rules for RCEP business visitors and investors. Even where policies are liberal in principle, gaps in implementation must be addressed (e.g. simplifying foreign investment approval). There is a large gap between Bangladesh's current services regime and the commitments it would inherit

upon joining RCEP. Addressing this gap will require significant policy reforms and capacity-building to take advantage of RCEP membership.

5. Foreign Direct Investment

5.1 Overview of FDI Trends

Foreign Direct Investment (FDI) serves as a crucial channel for capital flow, technology transfer, job creation, and integration into global value chains. For Bangladesh, a country transitioning from LDC status toward a middle-income economy, FDI holds transformative potential. However, the nation continues to underutilize this instrument. This chapter evaluates Bangladesh's current FDI policy framework, identifies institutional and operational challenges, and assesses its readiness for RCEP accession from an investment policy perspective.

Bangladesh had average annual GDP growth of 6.5 per cent between 2013-2022. For FY2023-2024, GDP growth slowed to 4.22 per cent, according to the Bangladesh Bureau of Statistics (Bangladesh Bureau of Statistics, [2024](#)). Despite robust GDP growth, Bangladesh's FDI inflows have remained modest. Between 1972 and 2005, net FDI inflows averaged below 1 per cent of GDP. In 2024, Bangladesh's net FDI inflows fell to USD 1.27 billion, a 13.25 per cent year-on-year decline and the lowest in five years. This drop was largely attributed to political and economic instability. As a percentage of the country's Nominal GDP, FDI was 0.3 per cent in 2023, down from 1.7 per cent in 2013. FDI remains concentrated in a few sectors. In FY2021–22, manufacturing (36 per cent), power and energy (22.3 per cent), and trade and commerce (19.8 per cent) dominated FDI flows. In contrast, high-potential service sectors such as ICT, logistics, education, and finance continue to lag (Raihan et al. [2023](#)).

5.2 FDI Policies on Paper

The Foreign Private Investment (Promotion and Protection) Act of 1980 remains the cornerstone of Bangladesh's FDI regime. It guarantees protection from expropriation, repatriation of profits, and equal treatment for foreign investors. Complementary policies include the Industrial Policy 2016 and sector-specific incentives offered under the Bangladesh Economic Zones Authority (BEZA) and Export Processing Zones (EPZs). Key institutional players also include BIDA (Bangladesh Investment Development Authority) which oversees overall investment promotion and Bangladesh Bank which regulates monetary policy and profit repatriation guidelines. Bangladesh also offers various tax holidays, duty exemptions, and fiscal incentives. Notably, BEZA provides a One-Stop Service platform and attractive terms to investors in economic zones, including 100 per cent repatriation of profits, exemption from double taxation, and land development tax waivers.

5.3 FDI Challenges in Practice

Bangladesh's FDI policy is quite open on paper. However, there are several challenges in practice. While the institutional setup is relatively comprehensive, overlaps and lack of coordination between agencies often delay approvals and reduce investor confidence.

One of the foremost challenges to FDI is the unpredictable policy environment (Raihan et al. [2023](#)). Investors cite frequent changes in tax rates, arbitrary revisions of Statutory Regulatory Orders (SROs), and inconsistencies in customs treatment as deterrents. The absence of transparent dispute settlement mechanisms further exacerbates risk perceptions.

While progress in physical infrastructure is evident (e.g., Padma Bridge), trade logistics remain inefficient. Bangladesh continues to underperform on the World Bank's Logistics Performance Index. Customs clearance delays, port congestion, and inadequate storage facilities, especially at Dhaka airport, complicate equipment, and machinery imports. Electricity and gas shortages are also persistent problems. Despite expanded generation capacity, reliability issues deter large-scale manufacturing FDI.

These concerns are compounded by high land prices and limited government land near Dhaka.

Although legal provisions permit profit repatriation, procedural bottlenecks remain. Firms report delays in remitting profits, particularly if tax disputes arise. The recent dollar crisis has intensified these problems, with foreign firms opting to reinvest earnings locally due to lack of foreign exchange. Bangladesh Bank's policy to limit remittances exceeding USD 10 million without prior approval has created friction with multinational corporations (Raihan et al. [2023](#)). Complications in FDI registration within 14 days and lack of clarity in valuation practices further contribute to uncertainty.

On World Bank's World Governance Indicators, Bangladesh scores poorly on control of corruption, regulatory quality, and rule of law. Investor consultations reveal discontent with arbitrary tax assessments, inconsistent enforcement, and bureaucratic inertia. The National Board of Revenue (NBR) remains a bottleneck, with outdated tax collection practices and opaque tariff clauses. High collateral requirements, limited SME access to finance, and high non-performing loans further constrain investment climate quality. FDI remains heavily skewed toward low-value-added sectors. High-tech and knowledge-intensive sectors are constrained by low R&D spending, poor IP enforcement, and inadequate skilled workforce. The shortage of industry-ready graduates and lack of international recognition of Bangladeshi qualifications reduce investor appetite in knowledge-driven sectors.

5.4 RCEP Gaps

RCEP's investment chapter emphasizes liberalization, transparency, and protection of investment flows across member states. For Bangladesh, aligning with these provisions would require significant institutional and policy enhancements. Compared to successful RCEP economies like Vietnam or Malaysia, Bangladesh lacks a coherent investment policy with long-term predictability. RCEP members often offer bilateral investment treaties with dispute settlement clauses, modernized bankruptcy laws, simplified tax systems, and investor-state arbitration mechanisms.

Bangladesh's framework remains fragmented, with limited use of digital infrastructure, underdeveloped contract enforcement, and sluggish reforms in judicial redress systems. Bangladesh's FDI profile must evolve to align with RCEP sectors. RCEP economies attract significant investment in digital services, logistics, electronics, and healthcare which are all underrepresented in Bangladesh's FDI composition. Expanding ICT parks and improving IP protection are prerequisites to tapping RCEP-driven FDI spillovers.

Bangladesh's SEZ policy is a promising tool for RCEP-readiness. As of 2023, 97 zones were approved, including Government-to-Government (G2G) economic zones with China, Japan, and India (Raihan et al. [2023](#)). However, only a fraction is operational. Delays in land acquisition, fragmented logistics, and underdeveloped port connectivity reduce their effectiveness. The proposed Bangladesh Economic Corridor (BEC) could enhance RCEP integration, provided its industrial, transport, and urban infrastructures are completed on time.

5.5 Summary

Bangladesh stands at a critical juncture in its economic transformation. While it has demonstrated commitment to attracting FDI through policy initiatives and economic zone development, substantial gaps remain. Without addressing regulatory uncertainty, repatriation barriers, and sectoral as well as institutional weaknesses, Bangladesh risks missing the investment benefits of RCEP membership. A comprehensive overhaul of its investment environment backed by transparent, consistent, and forward-looking policies is necessary to unlock the full potential of FDI in the post-LDC, RCEP-integrated era.

6. Expert Perspectives

Historically, as an LDC enjoying trade preferences, Bangladesh showed little urgency to pursue FTAs. Even now, there exists a dual mindset among Bangladeshi policymakers. One group is forward-looking, alarmed that after LDC graduation in 2026 it will be “already late” to secure new trade arrangements, while another group remains complacent in a “comfort zone” believing FTAs are not critical. This split mindset has led Bangladesh to express interest in RCEP somewhat abruptly an overambitious project. Signing a few smaller FTAs with ASEAN or other partners before leaping into a mega-regional bloc would have better prepared Bangladesh for RCEP. This candid assessment enriches our discussion of Bangladesh’s motivations and readiness by underscoring that domestic political will and understanding are as important as economic indicators in gauging readiness.

In short, while the looming loss of LDC benefits has finally spurred interest in RCEP, internal consensus and strategic sequencing remain weak, reflecting a lack of seriousness in trade policymaking that could undermine Bangladesh’s RCEP ambitions.

It is suggested that Bangladesh should adopt a phased, learning-by-doing approach to trade liberalization, which complements this report’s recommendations. Bangladesh could initially liberalize selectively. For example, Cambodia and Lao PDR as RCEP members were given more time in terms of trade liberalization among RCEP members. This phased approach would allow Bangladesh to open sectors gradually, focusing first on areas of comparative strength or easier wins, and deferring more sensitive liberalization until domestic industries are better prepared.

During this phase, it is important to build negotiation capacity in parallel and realize that engagement is the key. With support from development partners, Bangladesh’s Ministry of Commerce has formed a Trade Negotiators Pool to train officials and experts in trade policy and negotiation techniques. This initiative brings in experts from the private sector, think tanks, and academia to avoid past pitfalls where trained government negotiators were rotated away, wasting expertise.

These perspectives reinforce the report's findings by highlighting that beyond economic metrics, Bangladesh's readiness will depend on steady, incremental liberalization coupled with deliberate capacity building. By starting the learning process now and phasing in commitments, Bangladesh can transition into RCEP on a stronger footing, aligning with the strategic, step-by-step preparation.

Institutional and Regulatory Bottlenecks.

Chapter 3 of the report details various regulatory restrictions, and experts' perspectives provide a ground-level validation. Bangladesh's service trade barriers often stem not from formal policy but from institutional weaknesses and implementation gaps. Officially Bangladesh is quite open. On paper, most sectors allow fully FDI, and few explicit restrictions remain. However, informal barriers and resistance by domestic interests show a different picture. For instance, the country's powerful manufacturing sector pressures policymakers to keep rules opaque so as to avoid foreign competition. Similar protectionist attitudes persist in services like power generation and transport, contributing to an overall gloomy FDI picture despite nominal openness.

To liberalize trade, improving the business climate and truly implementing liberal policies is crucial, otherwise we will not see foreign companies coming to Bangladesh. In particular, there are two main institutional bottlenecks that hinder services trade and investment flows. One is with the Central Bank and foreign exchange controls. Profit repatriation procedures are "extremely complicated" in practice, even though regulations ostensibly permit free transfers. Many foreign investors complain that Bangladesh Bank's stringent forex and capital account rules make it difficult to remit earnings, creating a hidden barrier to Mode 3 investments. Freelance IT exporters face similar issues, as they often keep earnings abroad due to banking restrictions on incoming payments. The other one is with National Board of Revenue (NBR) and taxation uncertainty. The tax regime is highly unpredictable. NBR frequently issues ad-hoc Statutory Regulatory Orders (SROs) changing duties or VAT rules, which businesses find destabilizing. This regulatory uncertainty discourages long-term service investments that rely on stable tax and incentive frameworks.

These issues are well-known and even subject to reform plans under IMF/World Bank pressure. However, executing reforms has proven difficult. When authorities attempt to modernize agencies like the NBR or Central Bank, they encounter “huge internal resistance”. In May and June 2025, some Bangladesh NBR workers went on strike to protest proposed efficiency improvements, openly opposing reforms under a weak interim government. This anecdote underscores how deeply entrenched interests and bureaucratic inertia can stall regulatory progress.

In discussing sectoral competitiveness (Chapter 4), experts offer nuanced views on where Bangladesh might find opportunities (and challenges) through services liberalization under RCEP. They particularly highlight logistics, digital services, and skilled labor exports (Mode 4) as strategic sectors. Logistics is a priority area where Bangladesh seeks foreign investment and expertise. The government is working with the Asian Development Bank to develop an “economic corridor” from the country’s north to south, aligning special economic zones and improving transport logistics. As part of this vision, policymakers are debating opening up the Chittagong Port which is Bangladesh’s busiest seaport to foreign operators for efficiency gains. However, improving trade logistics through strategic FDI could greatly enhance Bangladesh’s competitiveness. This idea, however, faces resistance from domestic quarters.

Bangladesh’s digital services sector from fintech to e-commerce to IT outsourcing stands at a crossroads. After years of hesitation, Bangladesh has begun to cautiously open its digital market to foreign players. For instance, Google Pay just launched in Bangladesh in June 2025. These moves could improve the digital ecosystem and benefit consumers and businesses with better services. However, policy instability is a concern. Major decisions are on hold pending the next government. Moreover, Bangladesh’s vast freelance IT workforce remains an untapped asset. Bangladesh has one of the largest freelancer pools globally, yet freelancers are not integrated into the formal economy. Due to strict capital controls, many freelancers keep earnings abroad and face hurdles bringing money into Bangladesh. This indicates that easing financial regulations as well as improving data and IP protections is crucial to fully realize Bangladesh’s digital export potential.

Export of labor services is another area where Bangladesh could leverage RCEP, but it requires significant upskilling. At present, Bangladesh mainly exports low-skilled workers. Japan and South Korea, for example, has high demand for higher-skilled labor, especially caregivers for the aging population. But Bangladesh is not yet well-positioned to supply. Under a potential economic partnership with Japan, it's discussed that Japan is requiring more skilled labor than Bangladesh's current typical migrant profile. If Bangladesh aspires to send professionals or skilled workers to these countries, the skill composition needs to be changed quite drastically from the status quo. Some initiatives are underway, but there has been little measurable improvement so far in upgrading worker skills. This insight complements the report's point that human capital investment is key to benefiting from services trade. RCEP accession could incentivize Bangladesh to improve its qualification recognition and skill development systems so that its workforce can compete for higher-value service jobs abroad.

If Bangladesh maintains the status quo in its trade policy, it risks losing out in the region. Competing countries are rapidly gaining preference advantages. For example, Vietnam have joined megadeals like RCEP and CPTPP. In contrast, Bangladesh could be left out facing tariff disadvantages in key markets while rivals enjoy preferential access. However, Bangladesh's export policy, import policy, and tariff schedules often "don't talk to each other," resulting in contradictions. This lack of internal coherence means Bangladesh is not prepared to meet the comprehensive obligations of an agreement like RCEP.

RCEP accession can be a potential catalyst for overdue reforms. Joining a high-standard FTA is an opportunity to streamline tariff and trade policy and remove longstanding bottlenecks. Bangladesh's tariff structure is currently one of the most protective in the world. RCEP could force a clean-up of para-tariffs and rationalization of the overall tariff regime. Similarly, to attract RCEP investments, Bangladesh would need to enhance transparency in agencies like the NBR and Bangladesh Bank aligning with international best practices on tax, customs, and investor protection. It's not only about going into an FTA but also doing the "homework" to make domestic policies more dynamic and coordinated. This means enacting institutional reforms, improving governance, and fostering a consistent policy framework that gives foreign

and local investors' confidence. If Bangladesh seizes this reform imperative, RCEP membership could indeed unlock significant FDI and services growth, complementing its export gains.

7. Summary and Key Takeaways

Bangladesh's services trade has grown substantially over the past decade yet remains a small component of the country's overall trade portfolio. In 2023, Bangladesh exported USD 6.4 billion in services, more than double its 2015 figure of USD 3.0 billion. The country's exports are heavily concentrated in other business services (37.5 per cent of services exports), followed by government services and transport. Construction services, valued at USD 784 million in 2023, have also shown strong and consistent growth. However, knowledge-intensive sectors such as ICT and travel services remain underdeveloped, contributing less than 8 per cent each to total exports. On the import side, Bangladesh sourced USD 11.0 billion in services in 2023, with a trade deficit of USD 4.6 billion. The largest import categories were transport (35 per cent of imports), construction (17 per cent), and other business services (18 per cent).

Regional Comprehensive Economic Partnership (RCEP) countries have emerged as key partners. In 2023, Bangladesh exported USD 1.53 billion in services to RCEP members, accounting for 24 per cent of its global services exports. Major destinations among RCEP countries included China, Singapore, and Japan. Imports from RCEP totaled USD 3.61 billion (33 per cent of total service imports), with China and Singapore alone supplying over one-fifth of the total. This report offers a comprehensive analysis of Bangladesh's current position in service trade, highlighting its strengths, sectoral performance, regulatory conditions, trade relationships, and the implications of potentially joining the RCEP.

The study evaluates Bangladesh's existing market openness, the nature of regulatory frameworks across various service sectors, and compares them with RCEP commitments made by current member states. By benchmarking Bangladesh's readiness against minimally committed RCEP members, the report identifies sectors where Bangladesh already complies with liberalization norms and sectors where

significant gaps remain. Most sectors need reform, but some are already compliant: travel, banking, and ICT are relatively RCEP-ready; meanwhile, IP, insurance, education, and media require extensive reform. Government procurement and mutual recognition mechanisms also require significant policy upgrades. Regulatory and market access barriers remain significant. Many sectors, including professional services, insurance, IP, and media, remain highly regulated or closed to foreign firms. In some areas, like telecom and banking, partial liberalization has occurred but still fall short with RCEP members' commitments.

RCEP membership offers long-term strategic benefits: Bangladesh can use RCEP as a roadmap for reform. Joining with a limited commitment schedule, like Cambodia, would allow gradual liberalization while boosting investor confidence and regional integration. Experts' perspectives reinforce the report's conclusion: RCEP accession, coupled with deep domestic reforms, is a strategic necessity for Bangladesh to remain competitive in the post-LDC era.

References

World Bank. World Development Indicators.

<https://databank.worldbank.org/reports.aspx?source=2&series=NY.GDP.MKTP.CD&country=>

(accessed May 2025)

Asia-Pacific Economic Cooperation (APEC) Policy Support Unit. 2022. Study on Tariffs: Analysis of the RCEP Tariff Liberalization.

[https://research.apec.org/rcep/files/Study%20on%20tariffs_RCEP%20\(Final\)%2006May2022.pdf](https://research.apec.org/rcep/files/Study%20on%20tariffs_RCEP%20(Final)%2006May2022.pdf)

UNCTAD. 2023. **Global Foreign Direct Investment Flows over the Last 30 years.**

<https://unctad.org/data-visualization/global-foreign-direct-investment-flows-over-last-30-years> (accessed July 2025)

Ministry of Industry and Trade of Viet Nam. 2024. The RCEP Agreement Continues to Attract Interest from Several Economies.

<https://vntr.moit.gov.vn/news/the-rcep-agreement-continues-to-attract-interest-from-several-economies>

(accessed May 2025)

United States Trade Representative (USTR). 2025. 2025 National Trade Estimate Report on Foreign Trade Barriers.

<https://ustr.gov/sites/default/files/files/Press/Reports/2025NTE.pdf>

U.S. International Trade Administration. Bangladesh Franchising Sector.

<https://www.trade.gov/market-intelligence/bangladesh-franchising-sector>

(accessed May 2025)

Tarazi Mohammed Sheikh. 2024. Data Localisation and Data Protection in Bangladesh: A Review. The Daily Star.

https://www.researchgate.net/publication/377695922_Data_Localisation_and_Data_Protection_in_Bangladesh_A_Review

U.S. International Trade Administration. Bangladesh Cybersecurity Opportunities.

<https://www.trade.gov/market-intelligence/bangladesh-cybersecurity-opportunities#:~:text=In%20August%202023%2C%20the%20then,developed%20over%20the%20coming%20months.>

(accessed May 2025)

U.S. International Trade Administration. Bangladesh Country Commercial Guide.

<https://www.trade.gov/country-commercial-guides/bangladesh-protecting-intellectual-property>

(accessed May 2025)

Reuters. 2024. Bangladesh's Internet Shutdown Isolates Citizens, Disrupts Business.

<https://www.reuters.com/world/asia-pacific/bangladeshs-internet-shutdown-isolates-citizens-disrupts-business-2024-07-26/>
(accessed May 2025)

European Commission. 2024. Access2Markets Toolbox-Trade Barriers-Bangladesh.
https://trade.ec.europa.eu/access-to-markets/en/barriers/details?isSps=false&barrier_id=18362
(accessed April 2025)

Kabir, RA. and Helal, K. 2021. Congestion at Chittagong Seaport: Causes and Consequences. International Journal of Social Sciences and Economic Review, September 2021
<https://scispace.com/pdf/congestion-at-chittagong-seaport-causes-and-consequences-a-2cbglvwxxk.pdf>

Herrera Dappe, M., Lebrand, M., and Van Patten, D. 2021. Bridging Bangladesh and India: Cross-Border Trade and the Motor Vehicles Agreement. The World Bank Policy Research Working Paper 9592. Washington, D.C. : World Bank Group.
<http://documents.worldbank.org/curated/en/635471616767281403>

UNCTAD. 2016. Services Policy Review: Bangladesh.
https://unctad.org/system/files/official-document/ditctncd2015d2_en.pdf

Kimura, F., Thangavelu, S., and Narjoko, D. (2022) Regional Comprehensive Economic Partnership: Implications, Challenges, and Future Growth of East Asia and ASEAN. Economic Research Institute for ASEAN and East Asia.
<https://www.eria.org/uploads/media/Books/2022-RCEP-Book1/RCEP-Implications-Challenges-Future-Growth.pdf>

OECD. 2025. Service Trade Restrictiveness Index: China.
<https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/services-trade-restrictiveness-index/oecd-stri-country-note-chn.pdf#:~:text=As%20of%2015%20March%202023%2C,personal%20information%20collected%20and%20generated>
(accessed May 2025)

International Services Shanghai. 2025. China to continue interim adjustments to administrative regulations at Lin-gang Special Area.
<https://english.shanghai.gov.cn/en-PolicyInsights/20250103/62b99de7e7da44d0adb995f8b8b7669e.html>
(accessed May 2025)

Bureau of Economic and Business Affairs of the United States Department of State. 2024 Investment Climate Statements: Singapore.
<https://www.state.gov/reports/2024-investment-climate-statements/singapore/>
(accessed May 2025)

InterVISTAS-EU Consulting Inc. 2009. The Impact of International Air Service Liberalisation on Singapore.

<https://www.iata.org/en/iata-repository/publications/economic-reports/singapore-benefits-from-further-liberalization/>

OECD. 2025. Service Trade Restrictiveness Index: Australia.

<https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/services-trade-restrictiveness-index/oecd-stri-country-note-aus.pdf#:~:text=%20Despite%20the%20overall%20favourable,are%20essential%20to%20facilitate%20economic>

(accessed May 2025)

Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts, Australian Government.

Guidelines for international airlines – Cabotage requests.

<https://www.infrastructure.gov.au/infrastructure-transport-vehicles/aviation/international-aviation/guidelines-international-airlines-cabotage-requests#:~:text=Guidelines%20for%20international%20airlines%20–,an%20application%20to%20the>

(accessed on June 8, 2025)

UNCTAD. 1999. Investment Policy Hub – Thailand Foreign Business Act.

<https://investmentpolicy.unctad.org/investment-laws/laws/40/thailand-foreign-business-act>

(accessed on Jun 8, 2025)

European Commission. Access2Markets Toolbox-Trade Barriers-Malaysia.

https://trade.ec.europa.eu/access-to-markets/en/barriers/details?isSps=false&barrier_id=11403

(accessed on June 5, 2025)

Bureau of Economic and Business Affairs of the United States Department of State. 2024 Investment Climate Statements: Malaysia.

<https://www.state.gov/reports/2024-investment-climate-statements/malaysia/#:~:text=Department%20www,and%20bumiputera>

(accessed on Jun 08, 2025)

The Economic Times. 2023. Bangladesh Explores to Join RCEP Eyeing Trade in Indo-Pacific Region.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/bangladesh-explores-to-join-rcep-eyeing-trade-in-indo-pacific-region/articleshow/102411302.cms?from=mdr>

(accessed on Jun 8, 2025)

Bangladesh Investment Development Authority (BIDA). 2025. Sectors for Investment.

<https://www.scribd.com/document/648200402/Bangladesh-Investment-Development-Authority> (accessed on June 8, 2025)

WTO and Enhanced Integrated Framework. 2022. Trade impacts of LDC graduation – Cambodia.
https://www.un.org/ldcportal/sites/www.un.org/ldcportal/files/files/documents/2022/Sep/trade_impacts_cambodia_2022.pdf#:~:text=,related%20engineering%2C%20distribution%2C%20educational%2C

WTO. 2025. Trade Policy Review – Report by the Secretariat – Cambodia.
https://www.wto.org/english/tratop_e/tpr_e/s469_e.pdf#:~:text=of%202023%2C%20Cambodia%20had%202018,and%20tourist%20guides

Serafica, R.B. and I.M. Ramli (2022). RCEP Services Liberalisation: Key Features and Implications. Jakarta: ERIA, pp.83-109.
https://www.eria.org/uploads/media/Books/2022-RCEP-Book1/8_Ch.4-RCEP-services-liberalisation.pdf#:~:text=Implications%20www,and%20sets%20out%20regulatory

Bangladesh Bureau of Statistics. 2024 Gross Domestic Product of Bangladesh 2023-24.
https://bbs.portal.gov.bd/sites/default/files/files/bbs.portal.gov.bd/page/057b0f3b_a9e8_4fde_b3a6_6daec3853586/2025-02-10-07-39-c1d0812d5872d5ff4e4b392e4e4ee4f6.pdf
(accessed on May 15, 2025)

Raihan, S., Uddin, M., Hossain, I., Sharmin, E. and Aahad, MA. 2023. Expanding Private Investment in Bangladesh in the Context of LDC Graduation”, A report prepared for the Economic Relations Division, Ministry of Finance, the Government of Bangladesh.
https://erd.portal.gov.bd/sites/default/files/files/erd.portal.gov.bd/page/6fc21888_1122_4f28_b548_75c698b5b78e/Final%20Report.pdf



The Asia-Pacific Research and Training Network on Trade - ARTNeT - is an open network of research and academic institutions and think-tanks in the Asia-Pacific region. Since its inception, ARTNeT aims to increase the amount of high quality, topical and applied research in the region by harnessing existent research capacity and developing new capacities. ARTNeT also focuses on communicating these research outputs for policymaking in the region including through the ARTNeT Working Paper Series which provide new and policy-relevant research on topics related to trade, investment and development. The views expressed in this publication are those of the authors and do not necessarily reflect the views of the United Nations and ARTNeT secretariat or ARTNeT members.

Readers are encouraged to quote or reproduce material from ARTNeT Working Papers for their own publications, but as the copyright holder, ARTNeT requests due acknowledgement and a copy of the publication.

This and other ARTNeT publications are available from artnet.unescap.org



ARTNeT Secretariat, United Nations ESCAP
Rajadamnern Nok Avenue
Bangkok 10200, Thailand
Tel: +66(0) 22881425
Fax: +66(0) 22881027

ARTNeT Secretariat, United Nations ESCAP