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Working Paper

Duty-free market access in the Republic of Korea: Potential for least developed countries and Bangladesh

ARTNeT Working Paper Series, No. 62

Provided in Cooperation with:

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

Suggested Citation: Khan, Mostafa Abid; Farhad, Mohammad (2009) : Duty-free market access in the Republic of Korea: Potential for least developed countries and Bangladesh, ARTNeT Working Paper Series, No. 62, Asia-Pacific Research and Training Network on Trade (ARTNeT), Bangkok

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Asia-Pacific Research and Training Network on Trade
Working Paper Series, No 62, March 2009

Duty-free market access in the Republic of Korea: Potential for least developed countries and Bangladesh

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Abstract

The paper attempts to assess the benefits of Duty-Free and Quota-Free Market (DFQF) access initiatives of the Republic of Korea for least developed countries (LDCs), which have been in place since 1 January 2008. Following a brief introduction on the background of this initiative, this paper examines the exports profile of LDCs, reviews the DFQF scheme of the Republic of Korea, and assesses the potential benefits of the DFQF scheme for LDCs as well as Bangladesh.

The export profile of LDCs shows that the share of those countries in world exports in recent years has increased; this can be attributed to price increases for petroleum constituting a major share of LDC total exports. The Republic of Korea is the tenth largest destination of LDC exports, which indicates that the DFQF initiatives of the Republic of Korea for LDCs will have a positive impact on LDC exports.

The DFQF scheme of the Republic of Korea covers 6,967 tariff lines, representing about 59 per cent of the all tariff lines of its Customs Schedule. There are at least 25 chapters where product coverage within the chapter is very low, notably below 10 per cent. These include garments, made-up textiles, and major agricultural products including fisheries. Among the DFQF lines, 1,464 lines are duty-free on a most-favoured nation (MFN) basis. Hence, LDCs enjoy tariff preferences on 5,503 tariff lines, while the average margin of preference on these lines is 7.89 per cent. The margin of preferences in most cases is either 6 per cent or 8 per cent. In order to enjoy the preference granted under the scheme, the products should be wholly obtained, or should have at least 50 per cent value addition.

Analysis also reveals that the DFQF scheme covers 36.1 per cent of LDCs' export to the Republic of Korea in 2007, keeping 64.9 per cent of current LDC exports to that country outside the purview of preferential treatment. Only three major export items from LDCs – copper cathodes, raw tobacco and plywood – enjoy -free access. Bangladesh, Congo, the Lao People's Democratic Republic, Malawi, Myanmar, Tanzania, Uganda and Zambia are likely to benefit from duty-free access for these items.

The Republic of Korea is the seventh-largest destination for Bangladesh exports. Bangladesh enjoys preferential access to the Republic of Korea under the Asia-Pacific Trade Agreement (APTA). DFQF access for LDCs adds 5,471 tariff lines for Bangladesh under preferential access. However, analysis shows that the additional lines cover only 4.63 per cent of Bangladesh's exports to the Republic of Korea in 2007. However, there are important apparel articles in the scheme that may yield benefits for Bangladesh. APTA continues to remain attractive to Bangladesh because of higher trade coverage and more relaxed rules of origin. Nevertheless, the DFQF scheme currently offered by the Republic of Korea is a milestone for the developing countries' initiative for LDCs, and one that is likely to lead to other countries coming up with similar initiatives. In time, the Republic of Korea is likely to incrementally increase the product coverage, which will lead to higher trade coverage and more favourable rules of origin, and will yield significant benefits for LDCs.

Introduction

Since the first World Trade Organization (WTO) Ministerial Conference held in Singapore, the LDCs have been striving for duty-free access for their products to the markets of major trading partners. During the High-level Meeting on LDCs held in 1997, most of the developed countries and some advanced developing countries committed to announcing duty-free treatment for LDCs. In the wake of the interest shown by some developing countries, the WTO General Council in June 1999 decided to waive the MFN principle for developing countries for 10 years to enable them to provide preferential treatment to LDCs. The Republic of Korea was the first developing country that came up with an initiative to provide duty-free access to all LDCs on 87 tariff lines at the 6-digit HS code level, which came into effect on 1 January 2000.

Demand for duty-free market access became much stronger while preparing for the Doha Ministerial Conference and thereafter. Consequently, at the Hong Kong Ministerial Conference, while commitment to providing duty-free and quota-free market access (DFQFMA) for all products of all LDCs was obtained from developed countries, the developing countries were also urged to provide such access to LDCs if they were in a position to do so. However, developing countries were allowed to phase in their commitments and enjoy appropriate flexibility in coverage. In response to the demand by LDCs, many developed countries improved their GSP schemes to provide DFQFMA to LDCs both before and after the Hong Kong Ministerial Conference. Some other countries expressed their intention to abide by the Hong Kong Ministerial Decision only after the conclusion of the Doha Round. In contrast, there were a few developing countries that did not have a binding commitment to provide DFQFMA for LDCs but which came up with the new initiative to provide enhanced market access to LDCs without waiting for the conclusion of Doha Round. The Republic of Korea was the first country among them to unilaterally decide to provide duty-free access to a number of products originating from LDCs. The duty-free scheme for LDCs became effective on 1 January 2008. This paper attempts to review the new initiative of the Republic of Korea and to assess the potential benefits for LDCs as well as Bangladesh from this initiative.

1. Methodology and data issues

Despite the fact that the Republic of Korea introduced the DFQF scheme in January 2008, it has yet to notify the scheme to WTO. For this reason, there has been a lack of awareness about this initiative. Tariff information on the recent initiative was collected from the ESCAP¹ website. The Republic of Korea maintains tariffs at the 10-digit HS code level. However, export data of LDCs as well as Bangladesh, and import data of the Republic of Korea, are available only at the 6-digit HS code level. Therefore, it was necessary to convert the tariff data to the 6-digit HS code level; this required a thorough examination of tariff data at the 10-digit level to ensure that each tariff line at the 6-digit level used for analysing the potential benefits of the DFQF initiative contained all 10-digit codes within the 6-digit codes. After conversion, the 6-digit duty-free HS codes were matched with trade data available at the Trade Map website of the

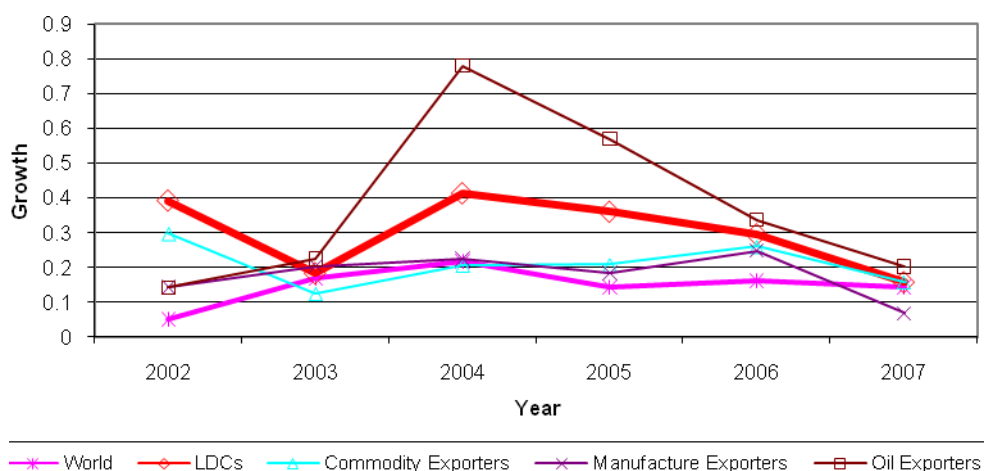
¹ <http://www.unescap.org/tid/apta4.asp>

International Trade Centre (ITC).² It should be noted that trade data are available only up until 2007. Moreover, the trade data do not contain any information regarding imports under preferential access. Therefore, the findings of this report are confined to potential benefits only. The actual benefits largely depend on the fulfillment of rules of origin and other requirements of the scheme. Potential benefits from the duty-free scheme have been looked at, using three indicators: (a) coverage of imports from LDCs and Bangladesh by the Republic of Korea under the duty-free scheme in terms of relative share of imports from LDCs and Bangladesh that have become duty-free in total bilateral imports; (b) the coverage of exports by LDCs and Bangladesh in terms of share of exports from LDCs and Bangladesh under the duty-free tariff lines in their total exports; and (c) market access under the duty-free scheme in terms of import value in the Republic of Korea.

2. LDC export profile

Since 2001, exports from LDCs have registered steady growth. In fact, between 2001 and 2007, the growth of exports from LDCs was higher than that of world exports (figure 1). As a result, the LDCs' share of world exports increased significantly from 0.4 per cent in 2001 to 0.9 per cent in 2007 (table 1).

Figure 1. Growth of exports from LDCs vis-à-vis world exports



Source: Estimated from data available at Trade Map, ITC.

² <http://www.intracen.org/mat/lci/Default.aspx>

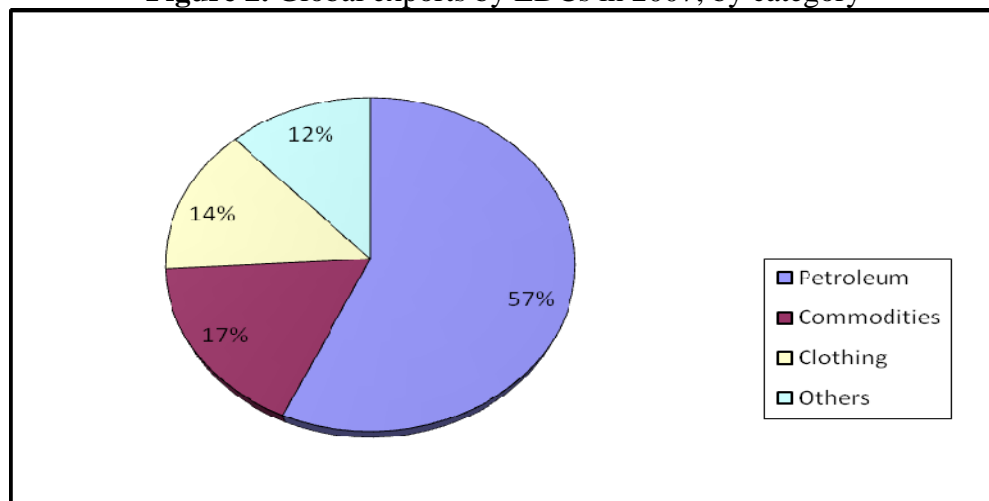
Table 1. Exports from LDCs vis-à-vis world exports

(Unit: US\$ million)

Exporters	2001	2002	2003	2004	2005	2006	2007
World	6 074 320	6 380 449	7 453 357	9 069 790	10 364 915	12 036 912	13 754 932
Least developed countries	25 335	35 284	41 805	59 090	80 401	104 201	120 797
Share (%)	0.4	0.6	0.6	0.7	0.8	0.9	0.9

Source: Estimated from data available at Trade Map, ITC.

During the last 50 years of the twentieth century, LDCs were marginalized in terms of their share of world exports, despite policy reforms undertaken by them to make their economies export-oriented since the early 1980s. Reversal of the trend in the first decade of the twenty-first century can be attributed to the increases in the prices of oil and commodities. As shown in figure 1, five oil exporters³ that, as a group accounted for 54.5 per cent of total LDC exports in 2007, experienced much higher growth between 2002 and 2007. In contrast, manufacturing exporters among the LDCs experienced the lowest growth, although their growth rates were slightly higher than world growth rates during the same period. This is also evident from the composition of LDC global exports. As can be seen from figure 2, petroleum and commodities accounted for 74 per cent of LDC global exports in 2007.

Figure 2. Global exports by LDCs in 2007, by category

Source: Estimated from data available at Trade Map, ITC.

In terms of specific country markets, table 2 shows that the European Union and the United States continue to be the most important destinations for LDC exports. However, between 2001 and 2007, China became an important market accounting for 20.4 per cent of the LDCs' global exports. The importance of the Republic of Korea as a market for LDCs has declined slightly, but it remains among the top 10 markets for

³ Five oil exporters are Angola, Equatorial Guinea, Sudan, Yemen and Chad

LDCs. From this perspective, the preferential market access provided by the Republic of Korea is important for the expansion and diversification of LDC exports.

Table 2. Top 12 markets for LDC exports, 2001-2007

(Unit: Percentage)

Rank	Importers	2001	2002	2003	2004	2005	2006	2007
1	EU (27)	33.8	33.9	30.9	28.8	26.0	22.8	24.6
2	United States of America	26.8	23.9	24.4	21.6	24.0	23.9	22.3
3	China	8.0	8.7	13.3	16.9	18.8	19.8	20.4
4	India	3.6	3.3	3.1	2.7	2.8	4.7	5.3
5	Japan	3.0	4.0	3.4	4.0	4.3	5.2	4.5
6	Thailand	5.2	5.2	5.0	5.7	4.4	4.8	4.3
7	Taiwan Province of China	2.0	2.2	2.1	2.8	2.2	3.1	3.2
8	South Africa	0.5	0.6	0.5	1.1	0.9	1.2	2.3
9	Canada	0.9	1.0	1.6	1.5	1.9	1.5	1.9
10	Republic of Korea	2.7	2.5	1.9	1.7	1.4	1.8	1.8
11	Brazil	0.8	0.1	0.1	0.1	0.4	0.7	1.2
12	Saudi Arabia	0.7	1.1	0.9	0.9	0.7	0.7	0.9

Source: Estimated from data available at Trade Map, ITC.

3. Brief description of the DFQF Initiative of the Republic of Korea

The new scheme is an extension of Korea's earlier initiative, which now covers around 6,967 tariff lines at the 10-digit HS code level. These tariff lines cover around 59 per cent of total HS lines of the Republic of Korea's Customs Schedule. However, chapter-wise analysis shows that there are at least 25 chapters where product coverage within the chapter is very low, notably below 10 per cent (annex 1). These include garments, made-up textiles and major agricultural products including fisheries.

In view of the fact that the Republic of Korea did not notify its new initiative to WTO, other features of the scheme were not available to Bangladesh Foreign Trade Institute (BFTI). However, if the new Republic of Korea scheme is considered to be an extension of the earlier scheme for LDCs, it can be safely assumed that other features of the new scheme are similar to those of the previous one, which was notified to WTO in April 2000. According to the Presidential Decree on Preferential Tariff for Least Developed Countries notified to WTO⁴, in the case of agriculture products that are eligible for minimum market access (MMA) in-quota, the preferential tariffs for LDCs apply only to in-quota amounts. In order to enjoy the preference granted under the scheme, the products should be wholly obtained or should have at least 50 per cent value addition, measured at FOB value of the product minus CIF value of inputs not originating in the exporting country or the Republic of Korea. There is a requirement for a certificate of origin to be issued by the authority designated by the Government of the exporting

⁴ WTO document WT/COMTD/N/12/Rev.1, 28 April 2000.

country. There is scope for suspension of the preferential access for duly justified reasons such as injury to the domestic industry.

4. Potential benefits for least developed countries from the duty-free scheme of the Republic of Korea

Although the Republic of Korea's current scheme extends duty-free treatment to 6,967 tariff lines, 1,464 lines are duty-free on an MFN basis. Hence, LDCs can enjoy tariff preferences on 5,503 tariff lines; the average margin of preference on these lines is 7.89 per cent ranging from 1 to 800 (table 3). As can be seen from table 3, LDCs enjoy a margin of preference at rates of between 1 per cent and 10 per cent on the majority of the products, out of which the preference margins on most of the products are 6 per cent or 8 per cent.

Table 3. Frequency distribution of margin of preferences

Margin of preference	Number of HS lines at the 10-digit level
0<MP<=10	5 444
10<MP<=20	40
20<MP<=30	8
30<MP<=40	5
40<MP<=50	1
50>MP	5
Total	5 503

Source: Estimated from the tariff database of the Republic of Korea, available at the ESCAP website.

It should be noted that there are 4,365 tariff lines that are not subject to duty-free market access; the average tariff on these products is 24.7 per cent. Apparently, from the point of view of margin of preference, those products are more attractive to LDCs.

As mentioned above, in order to assess the benefits of the scheme in terms of trade coverage of LDCs, an analysis was carried out at the 6-digit HS code level, since the trade data are available only at that level. In converting 10-digit duty-free lines into 6-digit HS codes, it was found that 5,503 10-digit HS lines cover 1,819 tariff lines at the 6-digit level. However, of those 1,819 tariff lines, LDCs enjoy preferential treatment on all 10-digit HS lines within each code of 1,722 6-digit HS lines. There are 94 6-digit HS lines where LDCs enjoy duty-free access, either under MFN or under the duty-free scheme for LDCs. Therefore, in practice, LDCs enjoy duty-free preferences on 1,816 HS lines at the 6-digit level.

The share of imports from LDCs in the overall global imports by the Republic of Korea is very small, although the figures in value terms have increased significantly in recent years (table 4). However, the number of tariff lines of LDC exports declined during the past three years. As shown in table 5, the increase in the value of imports was

basically due to increases in the prices of oil and metals, which together accounted for around 80 per cent of LDC exports to the Republic of Korea in 2007. Moreover, the top 10 export products of LDCs represented 94 per cent of LDC exports to the Republic of Korea (table 5).

Table 4. Republic of Korea imports from LDCs vis-à-vis its total imports

(Unit: US\$ million)

	Particulars	2005	2006	2007
Values	Republic of Korea total imports	261 235	309 379	356 841
	Republic of Korea imports from LDCs	1 159	1 881	2 072
	Share (%)	0.44	0.61	0.58
No HS codes	Republic of Korea total imports	5 028	5 034	4 858
	Republic of Korea imports from LDCs	571	579	544
	Share (%)	11.36	11.50	11.20

Source: Estimated from data available at Trade Map, ITC.

Table 5. Top 10 products exported by LDCs to the Republic of Korea

(Unit: US\$ million)

HS code	Description	LDC exports to the Republic of Korea		
		2005	2006	2007
Total	All products	1 159.29	1 881.60	2 072.29
270900	Petroleum oils and oils obtained from bituminous minerals, crude	609.69	1 096.72	1 002.28
740311	Copper cathodes and sections of cathodes unwrought	250.73	445.73	676.03
271011	Aviation spirit	2.57	50.30	117.65
260300	Copper ores and concentrates	95.55	72.37	35.68
240120	Tobacco, unmanufactured, partly or wholly stemmed or stripped	4.16	6.55	26.17
440399	Logs, non-coniferous n.e.s.	29.63	26.51	24.75
410441	Full grain leather, unsplit, and grain split leather, in dry state	14.14	16.96	23.26
740400	Waste and scrap, copper or copper alloy	3.19	7.46	16.78
410449	Hides and skins of bovines "including buffalo" or equine animals	3.25	3.60	8.03
441231	Plywood consisting solely of sheets of wood <= 6 mm thick	-	-	7.32
	Sub-total	1 012.88	1 726.19	1 937.94
	Share of top 10 items in total exports (%)	87.37	91.74	93.52

Source: Estimated from data available at Trade Map, ITC.

Potential benefits of the Republic of Korea's duty-free scheme can be measured using various indicators. The simplest indicator shows how much of the LDC exports is covered by the new scheme of the Republic of Korea by measuring the value of imports from LDCs that are duty-free under the new scheme against the total imports by the Republic of Korea from LDCs :

$$I_a = \frac{\text{(Value of duty - free imports from LDCs)}_{\text{ROK}}}{\text{(Total imports from LDCs)}_{\text{ROK}}}$$

where “ROK” indicates imports to Republic of Korea.

.Analysis shows that out of 544 HS lines of export items of LDCs to the Republic of Korea only 144 lines may enjoy duty-free access under the scheme. These tariff lines represent 36.1 per cent of LDC exports to the Republic of Korea. Therefore, around 64.9 per cent of current LDC exports to the Republic of Korea will still be outside the purview of preferential treatment. It was found that only three tariff lines – copper cathodes, raw tobacco and plywood – out of the top 10 LDC products exported to the Republic of Korea now enjoy duty-free access under preferential treatment. Export statistics for individual LDCs show that Congo, the Lao People’s Democratic Republic, Myanmar and Zambia are major beneficiaries of duty-free access for copper cathodes, while Bangladesh, Malawi, Myanmar, Tanzania and Uganda benefit from duty-free access for tobacco. Myanmar is the only country that is likely to benefit from duty-free access for plywood.

Another important indicator of the potential benefit of duty-free access is the coverage of LDC global exports under the duty-free scheme:

$$I_b = \frac{\text{Value of global exports of LDCs based on tariff lines that are duty free under DFQF of ROK}}{\text{Global Export of LDCs}}$$

It was found that LDCs have the capacity to export 1,446 lines that can enjoy duty-free access in the Republic of Korea, representing only 15.6 per cent of LDC global exports. This indicates that only the tariff lines with low export capacity in LDCs are covered by the duty-free scheme of the Republic of Korea.

The last but certainly not the least important indicator of the potential benefit of duty-free treatment is the market access indicator, which is measured in terms of value of global imports by the Republic of Korea covered under the duty-free scheme⁵

$$I_c = \frac{\text{Value of total import of Republic of Korea based on DFQF tariff lines}}{\text{Value of total imports of Republic of Korea}}$$

Analysis shows that there are 1,775 duty-free tariff lines in the new scheme of the Republic of Korea, where the value of total imports by the Republic of Korea is US\$ 94 billion. When these lines are matched with the exportable tariff lines of LDCs, import demand in the Republic of Korea for duty-free imports from LDCs is found to amount to US\$ 79 billion (i.e., this is the value of tariff lines that are both on the DFQF scheme of the Republic of Korea and are exported by the LDCs). Further analysis shows that in the duty-free scheme there are at least 306 HS lines with LDC exports of at least US\$ 1

⁵ Along similar lines, Indicator 8.6 of MDG 8 measures share of DFQF imports in national total imports of developed country markets. More details on www.mdg-trade.org.

million (per line), where import demand of the Republic of Korea is worth of US\$ 40 billion. Therefore, it can be deduced that although a significant portion of current LDC exports to the Republic of Korea is outside the purview of duty-free treatment, the new scheme may create an opportunity to expand LDC exports to the Republic of Korea if LDCs enhance the production capacity of currently exportable goods and meet the rules of origin criteria.

Table 6. Duty-free scheme coverage of LDC exports to the Republic of Korea, LDC global exports, and global imports by the Republic of Korea, 2007

(Unit: US\$ million)

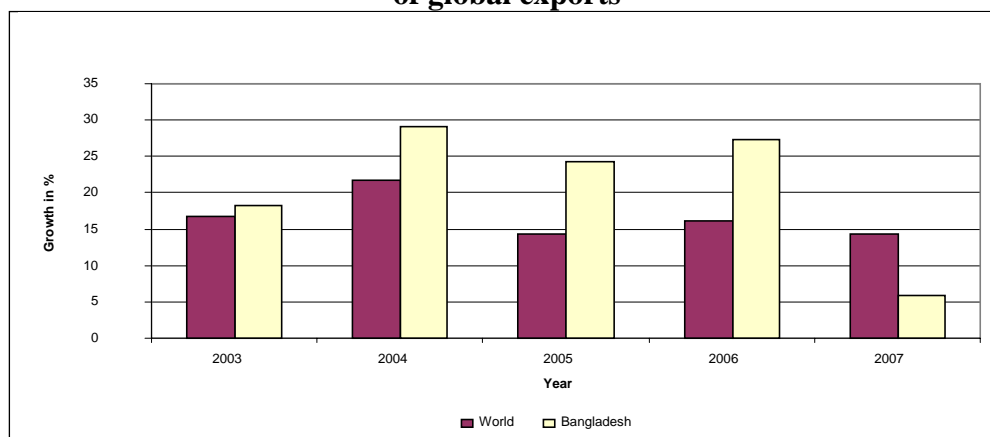
	Republic of Korea imports from LDCs	LDC global exports	Republic of Korea global imports
Total imports	2 072	120 796	356 841
Import covered by duty-free lines for LDCs	748	18 880	94 062
Share (%)	36.11	15.63	26.36
All HS lines	544	4 492	4 858
Duty-free HS line	144	1 466	1 775
Share (%)	26.47	32.64	36.54

Source: Estimated from data available at Trade Map, ITC.

5. Potential benefits for Bangladesh from the duty-free scheme of the Republic of Korea

The issue of duty-free access to developed and developing country markets has dominated the trade discourse in Bangladesh for quite some time. The main reason is that Bangladesh is now a predominantly trading country rather than a predominantly aid-recipient country. As the spokes country in WTO for the Group of LDCs, and as a major exporter among the LDCs, Bangladesh's policy makers have vigorously pursued the issue of duty-free and quota-free market access in all the Ministerial Meetings of WTO. As a major manufacturing exporting LDC, Bangladesh's export sector has shown robust performance exceeding global growth of export, although in 2007 its export growth was lower than global export growth (figure 3).

Figure 3. Growth of Bangladesh exports vis-à-vis growth of global exports



Source: Estimated from data available at Trade Map, ITC.

Bangladesh is among the few LDCs that are primarily manufacturing exporting countries. More than 75 per cent of manufactured exports, which accounted for more than 90 per cent of the country's total exports during the past 10 years, was from the apparel sector (table 7). Therefore, unlike many other LDCs, it is important for Bangladesh to secure duty-free access in the manufacturing sector.

Table 7. Composition of Bangladesh exports, 2003/04 to 2007/08

Commodity classification	Total exports (US\$ million)			Percentage of total exports		
	2003/04	2005/06	2007/08	2003/04	2005/06	2007/08
1. Primary commodities	553.36	772.7	987.56	7.28	7.34	7.00
(a) Frozen food	390.25	459.11	534.07	5.13	4.36	3.78
(b) Tea	15.81	11.89	14.89	0.21	0.11	0.11
(c) Agricultural products	41.11	105.4	120.13	0.54	1	0.85
(d) Raw jute	79.7	148.27	165.06	1.05	1.41	1.17
(e) Others	26.49	48.03	153.41	0.35	0.46	1.09
2. Manufactured goods	7 049.63	9 753.46	13 123.24	92.72	92.66	93
(a) Woven garments	3 538.07	4 083.82	5 167.28	46.54	38.8	36.62
(b) Knitwear	2 148.02	3 816.98	5 532.52	28.25	36.26	39.21
(c) Leather	211.41	257.27	284.41	2.78	2.44	2.02
(d) Jute goods	246.45	361.03	318.34	3.24	3.43	2.26
(e) Fertilizer and chemical products	121.46	205.58	215.78	1.6	1.95	1.53
(f) Footwear	68.3	95.44	169.6	0.9	0.91	1.2
(g) Ceramic products	24.07	27.55	38.33	0.32	0.26	0.27
(h) Engineering products	41.87	111.02	219.68	0.55	1.05	1.56
(i) Petroleum by products	37.02	88.43	185.11	0.49	0.84	1.31
(j) Handicrafts	4.2	4.3	5.49	0.06	0.04	0.04

Commodity classification	Total exports (US\$ million)			Percentage of total exports		
	2003/04	2005/06	2007/08	2003/04	2005/06	2007/08
(k) Others	608.76	702.04	986.7	8	6.67	6.99
Total	7 602.99	10 526.16	14 110.80	100	100	100

Source: Export Promotion Bureau, Bangladesh.

The European Union and the United States are the major destinations for Bangladesh's exports, accounting for 83 per cent of Bangladesh's global exports in 2007 (table 8). Although the Republic of Korea ranks seventh as an export destination, its share in Bangladesh's total exports has been increasing, which indicates that the importance of the Republic of Korea as an export destination for Bangladesh is increasing. In this context, the duty-free initiative by Republic of Korea for LDCs carries significant value to Bangladesh.

Table 8. Top 10 markets for Bangladesh exports, 2001-2007

(Unit: Percentage)

Rank	Export destinations	2001	2002	2003	2004	2005	2006	2007
1	European Union (EU 27)	48.9	50.8	55.1	58.1	54.9	56.4	56.8
2	United States of America	37.7	35.2	27.2	24.5	28.0	26.7	26.2
3	Canada	1.8	1.6	3.1	3.7	3.9	3.7	3.7
4	Turkey	0.3	0.5	0.5	0.8	1.0	1.3	1.8
5	India	0.9	1.0	0.9	0.6	1.2	1.7	1.7
6	Japan	1.7	1.7	1.6	1.4	1.5	1.2	1.3
7	Republic of Korea	0.4	0.3	0.4	0.4	0.4	0.5	1.0
8	China	0.3	0.5	0.4	0.6	0.8	0.8	0.8
9	Hong Kong, China	1.3	1.4	1.0	0.9	1.0	0.9	0.8
10	Switzerland	0.6	0.6	0.6	0.6	0.6	0.7	0.7

Source: Estimated using the data available at Trade Map, ITC.

While assessing the potential benefit for Bangladesh from the duty-free scheme of the Republic of Korea, the trade relations of Bangladesh outside the WTO regime should also be taken into consideration. Bangladesh and the Republic of Korea have been members of the Asia-Pacific Trade Agreement (APTA) since 1975. Both countries exchanged tariff concessions in three rounds of negotiations concluded under the Agreement. Therefore, in order to assess the benefits, it must be considered whether APTA concessions are superseded by the duty-free scheme of the Republic of Korea for LDCs. It should be noted that as an LDC member of APTA, Bangladesh enjoys duty-free access for 140 tariff lines and preferential access for 147 tariff lines in the Republic of Korea.

In addition, Bangladesh enjoys tariff preference for 1,185 tariff lines as an APTA member. The value addition requirement in the case of APTA is 35 per cent, which is more relaxed than that under the duty-free scheme. Analysis shows that of a total of

1,472 tariff lines for which Bangladesh enjoys tariff preference under APTA, 797 tariff lines enjoy higher tariff preference under the duty-free scheme than under APTA. Although the rules of origin requirement is more stringent in this case, Bangladesh continues to enjoy tariff preferences under APTA for the remaining 675 tariff lines, of which 143 tariff lines are duty free. As shown in table 9, Bangladesh continues to enjoy a higher margin of preference on those items that are duty free under APTA.

Table 9. Tariff treatment for Bangladesh by the Republic of Korea

Tariff treatment to Bangladesh	Number of 10-digit HS lines	Average MFN duty	Average duty faced by Bangladesh	Margin of preferences enjoyed by Bangladesh
Preference for all APTA members	424	9.39	6.29	3.10
Duty-free treatment for all APTA members	3	3.33	0.00	3.33
Preference for Bangladesh and the Lao PDR under APTA	108	16.55	10.70	5.84
Duty-free treatment for Bangladesh and the Lao PDR under APTA	140	10.68	0.00	10.68
Duty-free treatment for all LDCs	5 471	7.54	0.00	7.54
Duty-free treatment for all countries on an MFN basis	1 860	0.00	0.00	0.00
Dutiable products for all countries on an MFN basis	3 724	27.08	27.08	0.00
Total	11 730	12.73	8.92	3.81

Source: Estimated from the tariff database of Korea available at the ESCAP website.

Analysis of the duty-free treatment provided for LDCs under the duty-free scheme shows that the lines offered for duty-free treatment cover 33 of 199 tariff lines of Bangladesh's exports to the Republic of Korea at the 6-digit level. These lines covered only 4.63 per cent of Bangladesh's exports to the Republic of Korea in 2007, which means that coverage by the duty-free scheme in terms of exports by Bangladesh to the Republic of Korea is very low. In fact, of the top 20 tariff lines exported by Bangladesh to the Republic of Korea, only five tariff lines enjoy duty-free access under the duty-free scheme (annexes 2a and 2b).

When the potential benefit is measured in terms of the coverage of Bangladesh's global exports under the duty-free scheme, this indicator is also not encouraging as it produces a figure of only 22.35 per cent of the country's global exports. However, in value terms, the duty-free scheme accounts for US\$ 3.1 billion of Bangladesh's global exports. The indicator related to import demand in the Republic of Korea shows that there are 67 lines in the duty-free scheme where Bangladesh's exports exceed US\$ 500,000 for each line; import demand in the Republic Korea for these lines is around US\$ 11 billion (annex 3). Therefore, if Bangladesh increases its production capacity for these products, it may be able to enhance its exports to the Republic of Korea under the duty-free scheme.

Table 10. Coverage of duty-free lines in Bangladesh's exports to the Republic of Korea, Bangladesh's global exports and global imports by the Republic of Korea, 2007

(Unit: US\$ million)

	Bangladesh exports to the Republic of Korea	Bangladesh global exports	Global imports by the Republic of Korea
Total imports	141	13 859	356 841
Import covered by duty-free lines for LDCs	6.56	3 097	94 062
Share (%)	4.63	22.3	26.36
All HS lines	199	1 724	4 858
Duty-free HS lines	33	498	1 775
Share (%)	16.58	28.89	36.54

Source: Estimated using data available at Trade Map, ITC.

To make a comparison between the potential benefit for Bangladesh from the duty-free scheme and the preferences granted under APTA, a similar exercise was carried out on 675 tariff lines for which Bangladesh continues to enjoy tariff preferences under APTA in addition to the products covered by the duty-free scheme for LDCs. It was found that of the 199 tariff lines of Bangladesh's exports to the Republic of Korea, Bangladesh enjoy tariff preferences for 69 tariff lines under APTA. These 69 tariff lines represent 31.3 per cent of Bangladesh's exports to the Republic of Korea (table 11). This figure is much higher than that under the duty-free scheme. It was found that of the top 20 lines of Bangladesh's exports to the Republic of Korea, Bangladesh enjoys preferences on 10 tariff lines (annex 4). According to a study carried out by ESCAP, the utilization rate by Bangladesh for exports to the Republic of Korea of preferences granted under APTA was about 87 per cent from January 2006 to September 2006 (table 12).

Table 11. Coverage of Bangladesh's exports to the Republic of Korea, Bangladesh's global exports, and global imports by the Republic of Korea under tariff lines covered by APTA trade data for 2007

(Unit: US\$ million)

	Republic of Korea imports from Bangladesh	Bangladesh export to world	Republic of Korea imports from world
Total imports	141.82	13 859.11	356 841.02
Imports covered by APTA	44.39	2 903.82	80 699.07
Share (%)	31.30	20.95	22.61
All HS lines	199	1 724	4 858
Duty-free HS lines	69	231	335

Share (%)	34.67	13.40	6.90
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Source: Estimated using Data available at Trade Map, ITC.

Table 12. Coverage ratio, utilization ratio, and utility ratio of imports by the Republic of Korea from participating APTA member States

(Unit: Percentage)

	November 2005-August 2006			September 2006-June 2007		
	Coverage ratio	Utilization rate	Utility ratio	Coverage ratio	Utilization rate	Utility ratio
China	3.5	38.7	1.3	29.3	13.0	3.8
India	2.9	25.6	0.7	8.1	14.3	1.2
Bangladesh	9.4	63.1	5.9	59.6	87.7	52.3
Lao PDR	0.0	0.0	0.0	0.5	0.0	0.0
Sri Lanka	15.4	43.4	6.7	20.7	44.7	9.3
Total	3.4	38.1	1.3	27.8	13.4	3.7

Source: Reproduced from the "Study on review of the Third Round results: A pilot study of the real trade flows under APTA between China and the Republic of Korea", ESCAP, Bangkok.

6. Conclusion

The DFQF initiative undertaken by the Republic of Korea for LDCs is an appreciable step towards making trade an engine of LDC development. Despite the fact that coverage by the scheme, in terms of current LDC exports to the Republic of Korea, is less than 40 per cent, the initiative has opened the door to the market in the Republic of Korea, the import demand of which totals US\$ 40 billion. The LDCs could benefit from the scheme by enhancing their existing production and export capacities. However, the rules of origin requirement may play an impeding role, which appears to be stringent considering the level of development of LDCs. For Bangladesh, the duty-free scheme of the Republic of Korea is unlikely to bring any substantial enhancement of its exports unless Bangladesh increases its capacity to produce the commodities covered under the scheme.

APTA remains a useful agreement for enhancing exports by Bangladesh and is likely to yield benefits for two reasons: (a) the rules of origin requirement is relatively relaxed; and (b) the current items exported by Bangladesh to the Republic of Korea are covered by the concessions granted under APTA. There is also scope for demanding benefits on items exported by Bangladesh under the new round of negotiations under APTA. Nevertheless, the duty-free scheme currently offered by the Republic of Korea is a start by that country in implementing the decision by the Hong Kong Ministerial Conference on an autonomous basis, which is likely to lead to other countries coming up with similar initiatives. In due course, the Republic of Korea is expected to incrementally increase the scheme's product coverage. It is likely that in expanding the scheme's product coverage, the Republic of Korea will take into consideration the export items and the level of industrial development of LDCs in designing the rules of origin. Such an approach may yield significant benefits for the LDCs.

Annexes

Annex 1. Chapter-wise coverage of duty-free lines by the new initiative of the Republic of Korea

Chapter	Harmonized description	No. of HS codes in the tariff schedule	No. of tariff lines with duty-free access for LDCs	Share (%)
01	Live animals	56		0.0
02	Meat and edible meat offal	95		0.0
03	Fish and crustaceans, molluscs and other aquatic invertebrates	300	11	3.7
04	Diary produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified or included	65		0.0
05	Products of animal origin, not elsewhere specified or included	68	9	13.2
06	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage	76		0.0
07	Edible vegetables, and certain roots and tubers	133		0.0
08	Edible fruit and nuts; peel of citrus fruit or melons	78	8	10.3
09	Coffee, tea, mate and spices	39	3	7.7
10	Cereals	32	7	21.9
11	Products of the milling industry; malt; starches; inulin; wheat gluten	47		0.0
12	Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder	138	4	2.9
13	Lac; gums, resins and other vegetable saps and extracts	27	3	11.1
14	Vegetable planting materials; vegetable products not elsewhere specified or included	21	1	4.8
15	Animal and vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes	100	3	3.0
16	Preparations of meat, fish or crustaceans, molluscs or other aquatic invertebrates	91		0.0
17	Sugars and sugar confectionery	33	4	12.1
18	Cocoa and cocoa preparations	33	2	6.1
19	Preparations of cereals, flour, starch or milk; pastry cooks' products	52		0.0
20	Preparations of vegetables, fruit, nuts or other parts of plants	109	1	0.9
21	Miscellaneous edible preparations	72		0.0
22	Beverages, spirits and vinegar	52		0.0
23	Residues and waste from food industries; prepared animal fodder	46		0.0
24	Tobacco and manufactured tobacco substitutes	25	11	44.0
25	Salt; sulphur; earths and stone; plastering materials, lime and cement	145	88	60.7
26	Ores, slag and ash	56	38	67.9
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	144	37	25.7
28	Inorganic chemicals; organic or inorganic compounds of precious metals, rare-earth metals and radioactive elements	392	331	84.4
29	Organic chemicals	921	796	86.4

Chapter	Harmonized description	No. of HS codes in the tariff schedule	No. of tariff lines with duty-free access for LDCs	Share (%)
30	Pharmaceutical products	154	141	91.6
31	Fertilizers	38	28	73.7
32	Tanning or dyeing extracts; tannins and their derivatives; dyes, pigments and other colouring matter; paints and varnishes; putty and other mastics; inks	140	129	92.1
33	Essential oils and resinoids; perfumery, cosmetic or toilet preparations.	68	35	51.5
34	Soap, organic surface-active agents, washing preparations, lubricating preparations, artificial waxes, prepared waxes	53	35	66.0
35	Albuminoidal substances; modified starches; glues; enzymes	58	29	50.0
36	Explosives; pyrotechnic products; matches; pyrophoric alloys; certain combustible preparations	22	20	90.9
37	Photographic or cinematographic goods	222	211	95.0
38	Miscellaneous chemical products	230	193	83.9
39	Plastics and articles thereof	233	157	67.4
40	Rubber and articles thereof	146	84	57.5
41	Raw hides and skins (other than fur-skins) and leather	67	40	59.7
42	Articles of leather; saddlery and harnesses; travel goods, handbags and similar containers; articles of animal gut	117	30	25.6
43	Fur-skins and artificial fur; manufactures thereof	58	32	55.2
44	Wood and articles of wood; wood charcoal	285	224	78.6
45	Cork and articles of cork	7		0.0
46	Manufactures of straw, esparto or other plaiting materials; basketware and wickerwork	20	20	100.0
47	Pulp of wood or of other fibrous cellulosic material; recovered (waste and scrap) paper or paperboard.	29	16	55.2
48	Paper and paperboard; articles of paper pulp, paper or paperboard	190	121	63.7
49	Printed books, newspapers, pictures and other products of the printing industry; manuscripts, typescripts and plans	35	30	85.7
50	Silk	37	8	21.6
51	Wool, fine or coarse, animal hair; horsehair yarn and woven fabric	58	27	46.6
52	Cotton	181	104	57.5
53	Other vegetable textile fibres; paper yarn and woven fabrics of yarn	47	16	34.0
54	Man-made filaments	127	84	66.1
55	Man-made staple fibres	247	214	86.6
56	Wadding, felt and non-wovens; special yarns; twine, cordage, ropes and cables and articles thereof	50	24	48.0
57	Carpets and other textile floor coverings	21	1	4.8
58	Special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings; embroidery	60	24	40.0
59	Impregnated, coated, covered or laminated textile fabrics; textile articles of a type suitable for industrial use	30	13	43.3
60	Knitted or crocheted fabrics	45	3	6.7

Chapter	Harmonized description	No. of HS codes in the tariff schedule	No. of tariff lines with duty-free access for LDCs	Share (%)
61	Articles of apparel and clothing accessories, knitted or crocheted	152	11	7.2
62	Articles of apparel and clothing accessories, not knitted or crocheted	169	7	4.1
63	Other made up textile articles; sets; worn clothing and worn textile articles; rags	59		0.0
64	Footwear, gaiters and the like, parts of such articles	52	10	19.2
65	Headgear and parts thereof	16		0.0
66	Umbrellas, sun umbrellas, walking-sticks, seat-sticks, whips, riding-crops and parts thereof	11	4	36.4
67	Prepared feathers and down, and articles made of feathers or down; artificial flowers; articles of human hair	21	3	14.3
68	Articles of stone, plaster, cement, asbestos, mica or similar materials	89	47	52.8
69	Ceramic products	86	58	67.4
70	Glass and glassware	137	87	63.5
71	Natural or cultured pearls, precious or semi-precious stones, precious metals, and metals clad with precious metal and articles thereof; imitation, jewellery; coin	118	80	67.8
72	Iron and steel	277	203	73.3
73	Articles of iron or steel	209	118	56.5
74	Copper and articles thereof	87	54	62.1
75	Nickel and articles thereof	25	16	64.0
76	Aluminum and articles thereof	60	34	56.7
78	Lead and articles thereof	20	19	95.0
79	Zinc and articles thereof	19	16	84.2
80	Tin and articles thereof	14	11	78.6
81	Other base metals; cermets; articles thereof	78	54	69.2
82	Tools, implements, cutlery, spoons and forks of base metal; parts thereof of base metal	146	112	76.7
83	Miscellaneous articles of base metal	53	25	47.2
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	1 231	937	76.1
85	Electrical machinery and equipment, and parts thereof; sound recorders and reproducers, television imagers and sound recorders and reproducers, and parts and accessories of such articles	787	636	80.8
86	Railway and tramway locomotives, rolling-stock and parts thereof; railway or tramway track fixtures and fittings	48	36	75.0
87	Vehicles other than railway or tramway rolling-stock, and accessories thereof	192	156	81.3
88	Aircraft, spacecraft, and parts thereof	49	47	95.9
89	Ships, boats and floating structures	44	34	77.3
90	Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments	440	346	78.6
91	Clocks and watches and parts thereof	89	42	47.2
92	Musical instruments; parts and accessories of such articles	58	27	46.6
93	Arms and ammunition; parts and accessories thereof	87	80	92.0
94	Furniture; bedding, mattresses, mattress supports,	89	70	78.7

Chapter	Harmonized description	No. of HS codes in the tariff schedule	No. of tariff lines with duty-free access for LDCs	Share (%)
	cushions and similar stuffed furnishings; lamps and lighting fittings			
95	Toys, games and sports requisites; parts and accessories thereof	94	76	80.9
96	Miscellaneous manufactured articles	88	46	52.3
97	Works of art, collectors' pieces and antiques	15	15	100.0
	Total	11 730	6 967	59.4

Annex 2a. Top 20 tariff lines of Bangladesh's exports to the Republic of Korea

(Unit: US\$ million)

HS code	Description	Bangladesh exports to Republic of Korea		
		2005	2006	2007
TOTAL	All products	45.50	68.89	141.82
271011	Aviation spirit	-	20.78	72.85
410441	Full grains leather, unsplit and grain splits leather, in dry state	14.14	16.96	23.26
740400	Waste and scrap, copper or copper alloy	2.33	5.23	9.43
410449	Hides and skins of bovine "including buffalo" or equine animals, in dry state	3.25	3.60	8.02
410792	Grain splits leather "including parchment-dressed leather"	0.16	2.41	3.32
720421	Waste and scrap, stainless steel	1.01	-	2.43
620193	Men's/boys' anoraks and similar articles of man-made fibres, not knitted	0.83	0.17	1.76
530310	Jute and other textile bast fibres, raw or retted	0.74	1.14	1.62
621133	Men's/boys' garments n.e.s., of man-made fibres, not knitted	0.01	0.82	1.52
240120	Tobacco, unmanufactured, partly or wholly stemmed or stripped	0.33	0.87	1.19
650590	Hats and other headgear, knitted or made-up from lace or other textile materials	0.83	0.91	1.19
640399	Footwear, outer soles of rubber/plastics uppers of leather, n.e.s.	0.85	2.88	1.17
530710	Yarn of jute or of other textile bast fibres, single	0.55	0.68	0.86
531090	Woven fabrics of jute or of other textile bast fibres, o/t unbleached	0.51	0.67	0.78
620342	Men's/boys' trousers and shorts, of cotton, not knitted	0.18	0.42	0.73
530390	Jute and other textile bast fibres, not spun, n.e.s.; tow and waste of these fibres	0.85	0.83	0.66
030379	Fish, n.e.s., frozen, excluding heading No 03.04; livers and roes	0.18	0.21	0.55
620333	Men's/boys' jackets and blazers, of synthetic fibres, not knitted	0.28	0.46	0.52
410419	Hides and skins of bovine "including buffalo" or equine animals, in the we	0.01	0.26	0.51
030614	Crabs frozen, in shell or not, including boiled in shell	0.04	0.02	0.50
	Sub-total	27.05	59.34	132.86
	Share of the top 20 items in total exports (%)	59.46	86.14	93.68

Annex 2b. Tariff lines among the top 20 lines covered by the duty-free scheme of the Republic of Korea

(Unit: US\$ million)

HS code	Description	Bangladesh exports to the Republic of Korea		
		2005	2006	2007
530310	Jute and other textile bast fibres, raw or retted	0.74	1.14	1.62
240120	Tobacco, unmanufactured, partly or wholly stemmed or stripped	0.33	0.87	1.19
640399	Footwear, outer soles of rubber/plastics uppers of leather, n.e.s.	0.85	2.88	1.17
530390	Jute and other textile bast fibres, not spun, n.e.s.; tow and waste of these fibres	0.85	0.83	0.66
030379	Fish, n.e.s., frozen, excluding heading No. 03.04; livers and roes	0.18	0.21	0.55

Annex 3. Exportable items from Bangladesh under the duty-free scheme of the Republic of Korea

(Unit: US\$ million)

HS CODE BD	Description	Bangladesh total exports, 2007	Bangladesh exports to Republic of Korea, 2007	Republic of Korea's total imports, 2007
530310	Jute and other textile bast fibres, raw or retted	141.02	1.624	2.03
240120	Tobacco, unmanufactured, partly or wholly stemmed or stripped	17.94	1.189	131.00
640399	Footwear, outer soles of rubber/plastics uppers of leather, n.e.s.	95.08	1.169	238.17
530390	Jute and other textile bast fibre, not spun, n.e.s.; tow and waste of these fibres	3.78	0.658	0.66
030379	Fish, n.e.s., frozen, excluding heading No 03.04; livers and roes	26.26	0.551	747.37
620630	Women's/girls' blouses and shirts, of cotton, not knitted	170.89	0.31	93.96
620462	Women's/girls' trousers and shorts, of cotton, not knitted	991.25	0.2	316.55
852990	Parts suitable for use solely/principally with the application of headings 85.25 to 85.28	8.51	0.127	847.81
611020	Pullovers, cardigans and similar articles of cotton, knitted	1 067.96	0.087	127.79
621210	Brassieres and parts thereof, of textile materials	94.46	0.085	53.15
611011	Jerseys, pullovers, cardigans, waistcoats and similar articles, of wool	53.50	0.048	69.51
620463	Women's/girls' trousers and shorts, of synthetic fibres, not knitted	118.99	0.025	72.79
611012	Jerseys, pullovers, cardigans, waistcoats and similar articles, of Kashmir (cashmere) goats	36.93	0.015	19.68
030559	Fish n.e.s., dried, whether or not salted but not smoked	9.61	0.004	37.82
950300	Tricycles, scooters, pedal cars and similar wheeled toys; dolls' carriages	1.20	0.002	267.12
900211	Objective lenses for cameras, projectors/photographic enlargers/reducers	2.60	0.001	138.38
950662	Inflatable balls	0.79	0	13.39
051191	Fish, shellfish and aqua invertebrate products, n.e.s., and dead animals of Ch 3, not for human consumption	0.50	0	13.19
300420	Antibiotics, n.e.s., in dosage	6.00	0	54.27
310210	Urea, whether or not in aqueous solution in packages weighing more than 10 kg	57.75	0	221.87
251710	Pebbles, gravel, broken or crushed stone used for aggregates etc.	3.99	0	1.63
420211	Trunks, suitcases and similar containers with outer surface of leather	0.60	0	26.54
420221	Handbags with outer surface of leather	4.10	0	161.76
790500	Zinc plates, sheets, strip and foil	1.88	0	8.39
847690	Parts of automatic goods-vending machine	18.11	0	10.43
611019	Jerseys, pullovers, cardigans, waistcoats and similar articles	6.31	0	5.61
850300	Parts of electric motors, generators, generating sets and rotary converters	0.57	0	294.22

HS CODE BD	Description	Bangladesh total exports, 2007	Bangladesh exports to Republic of Korea, 2007	Republic of Korea's total imports, 2007
903289	Automatic regulating or controlling instruments and apparatus, n.e.s.	0.79	0	663.77
610832	Women's/girls' nightdresses and pyjamas, man-made fibres, knitted	16.19	0	1.12
640610	Uppers and parts thereof, other than stiffeners	1.90	0	95.62
903190	Parts and accessories for measuring or checking instruments, appliances and machines, n.e.s.	0.62	0	361.42
840810	Marine propulsion engines, diesel	0.60	0	223.25
854370	Electrical machines and apparatus, having individual functions, n.e.s.	0.74	0	1 162.26
611693	Gloves, mittens and mitts, n.e.s., of synthetic fibres, knitted	0.55	0	10.72
392620	Apparel and clothing accessories (including gloves), plastic	3.76	0	9.04
460219	Basketwork, wickerwork and other articles, made directly to shape from material other than vegetable materials	1.92	0	5.38
520531	Cotton yarn, >/=85%, multi, uncombed, >/=714.29 dtex, not put up, n.e.s.	0.88	0	0.32
293399	Heterocyclic compounds with nitrogen heteroatom[s] only	0.51	0	177.25
420291	Containers, with outer surface of leather, n.e.s.	2.08	0	7.26
300490	Medicaments, n.e.s., in dosage	22.01	0	1,417.11
340111	Toilet soap and preparations, shaped; papers and non-woven impregnated with soap, toilet use	1.60	0	21.28
080290	Nuts edible, fresh or dried, whether or not shelled or peeled, n.e.s.	4.53	0	1.04
890399	Rowing boats, canoes, sculls and other pleasure boats, n.e.s.	0.61	0	7.25
846595	Drilling or mortising machines for working wood /cork/bone/hard rubber/hard plastic etc.	0.79	0	53.50
700510	Float glass etc. in sheets, non-wired having an absorbent or reflecting layer	4.47	0	61.87
900290	Lenses, prisms, mirrors and other optical elements, mounted, n.e.s.	1.02	0	79.34
901420	Instruments and appliances for aeronautical/space navigation (other than compasses)	0.61	0	10.75
170310	Cane molasses	0.51	0	58.66
300439	Hormones, n.e.s., not containing antibiotics, in dosage, o/t contraceptive	1.25	0	88.35
390760	Polyethylene terephthalate	0.61	0	21.91
740990	Plate, sheet and strip of copper alloy, n.e.s.	0.72	0	52.75
900219	Objective lenses, n.e.s.	3.38	0	36.51
294190	Antibiotics n.e.s., in bulk	1.03	0	161.34
300440	Alkaloids or their derivatives, not containing antibiotics or hormones, in dosage	4.36	0	107.52
580710	Labels, badges and similar woven articles of textile materials	0.60	0	7.61
611692	Gloves, mittens and mitts, n.e.s., of cotton, knitted	0.91	0	13.57
870421	Diesel powered trucks with a GVW not	0.97	0	1.66

HS CODE BD	Description	Bangladesh total exports, 2007	Bangladesh exports to Republic of Korea, 2007	Republic of Korea's total imports, 2007
	exceeding 5 metric tons			
730729	Fittings pipe or tube of stainless steel, n.e.s.	1.89	0	26.23
847340	Parts and accessories of other office machines, n.e.s.	2.83	0	55.33
391590	Plastics waste and scrap, n.e.s.	8.96	0	8.91
240110	Tobacco, unmanufactured, not stemmed or stripped	3.10	0	19.61
300410	Penicillin or streptomycin and their derivatives, in dosage	0.55	0	11.34
460290	Basketwork, wickerwork and other article made up from other plaited materials	0.66	0	2.16
490900	Postcards, printed or illustrated; printed greeting cards	0.72	0	5.12
510620	Yarn of carded, wool,<85% by weight of wool, not put up for retail sale	0.56	0	2.28
851770	Parts of telephone sets, telephones for cellular networks or other systems	0.86	0	1 881.69
871200	Bicycles and other cycles (including delivery tricycles), not motorized	33.05	0	131.63

Annex 4. Tariff lines covered by the APTA concession among Bangladesh's top 20 tariff lines

(Unit: US\$ million)

HS code	Description	Bangladesh exports to Republic of Korea		
		2005	2006	2007
410441	Full grains leather, unsplit and grain splits leather, in the dry state	14.14	16.96	23.26
410449	Hides and skins of bovine "including buffalo" or equine animals, in dry state	3.25	3.60	8.02
410792	Grain splits leather "incl. parchment-dressed leather", of the portion	0.16	2.41	3.32
621133	Men's/boys' garments n.e.s., of man-made fibres, not knitted	0.01	0.82	1.52
530710	Yarn of jute or of other textile bast fibres, single	0.55	0.68	0.86
531090	Woven fabrics of jute or of other textile bast fibres, o/t unbleached	0.51	0.67	0.78
530390	Jute and other textile bast fibres, not spun, n.e.s.; tow and waste of these fibres	0.85	0.83	0.66
030379	Fish, n.e.s., frozen, excluding heading No 03.04; livers and roes	0.18	0.21	0.55
410419	Hides and skins of bovine "including buffalo" or equine animals, in the wet state	0.01	0.26	0.51
030614	Crabs frozen, in shell or not, including boiled in shell	0.04	0.02	0.50