# Trade Finance and Foreign Exchange (TFFE)

# For AIBB

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***Table of Content***

# Syllabus

**Module A: International Trade and Foreign Exchange-Overview**

- Concepts of International Trade and Foreign Exchange, Domestic and International Trade, Recording of International Trade and Foreign Exchange Transactions-components, BOT and BOP, Currency Convertibility, Foreign Exchange Reserves, International Banking, Foreign Exchange and Trade Services.

**Module B: International Trade Payment Methods**

- Sales/Purchase Contract; Different Forms of Trade Payment Methods- Cash in Advance; Open Account; Documentary Collection- Operational Procedures, Documents Against Acceptance and Documents Against Payment; Documentary Credit-Procedures and Parties involved, Settlement Procedures, Different Types of Documentary Credits, Presentation and Examination of Documents and Negotiation, Lodgment and Retirement of Documents under Documentary Credit; Open Account Payment Secured by International Factoring, Bank Guarantee or Standby Letter of Credit.

**Module C: Documents in Trade Services**

- Different Types of Documents used in Trade services- Commercial Invoice; Transport Document; Insurance Document; bill of exchange; Commercial Documents and Financial Documents; and Other Documents

**Module D: Regulatory Framework**

- Domestic Regulatory Framework for International Trade and Foreign Exchanges-Foreign Exchange Regulation Act 1947; Export and Import Policies of Bangladesh; Bangladesh Bank Guidelines on Foreign Exchange Transactions.

- International Regulations for Trade Services-Uniform Customs and Practice for Documentary Credits (UCPDC); Uniform Rules for Bank-to-Bank Reimbursement (URR) under Documentary Credit; International Standard Banking Practices (ISBP); Uniform Rules for Collection (URC); International Commercial Terms (Inco terms); International Standby Practices (ISP); Uniform Rules for Demand Guarantee (URDG); The General Rules for International Factoring (GRIF).

**Module E: International Trade Finance**

- Export Finance- Back-to-Back L/C, Packing Credit, Export Development Fund (EDF)-Purchasing Documents, Supply Chain Finance-International Factoring, Loan against Imported Merchandise (LIM), Loan against Trust Receipt (LTR), International Bank Guarantees, Trade Financing and Offshore Banking-UPAS.

**Module F: Foreign Remittance, Foreign Currency Accounts, and Exchange Rate**

- Foreign Remittance-Commercial Remittance, Private Remittance-Foreign Currency Accounts- Opening and Operational Procedures of Private Foreign Currency Accounts, Non-Resident Foreign Currency Deposit Accounts (NFCD), Resident Foreign Currency Deposit Accounts (RFCD); Exchange Rate relevant for trade services.

**Module G: Malpractices in Tarde Services**

- Irregularities and fraudulent activities associated with trade payment, trade finance, Sanctions, TradeBased Money Laundering, Illicit Financial Flows, and Illegal Remittance Flows.

# Module A:
# International Trade and Foreign Exchange-Overview

### Q-01. What is international Trade?

**International trade** is the way countries trade or exchange goods and services. Picture a situation where Country A produces lots of computers but has few natural resources, while Country B has plenty of resources but not many computers. By trading computers for resources, both countries benefit. This trading can happen through imports (buying from other countries) and exports (selling to other countries). It allows countries to focus on what they do best and still get what they need. This exchange helps economies grow, creates jobs, and gives people more choices. Just like neighbors sharing stuff, international trade helps nations share what they're good at and makes the world more connected.

### Q-02. Who are the core parties in international trade?

In **international trade**, the main parties are buyers and sellers from different countries. The buyers are called "importers," and they're the ones who bring products into their country from other places. On the other side, the sellers are called "exporters." They're the folks who send goods or services from their country to other parts of the world. These importers and exporters could be businesses or even entire countries. They work together to exchange products like toys, clothes, electronics, or even services like tourism. This trading helps everyone get what they need and want, making economies stronger and allowing people to enjoy a variety of things from different places.

### Q-03. How BOP and BOT are different?

| Aspect | Balance of Payments (BOP) | Balance of Trade (BOT) |
|---|---|---|
| **1.Definition** | Record of all economic transactions with the rest of the world | Difference between the value of exports and imports |
| **2.Components** | Includes current account, capital account, and financial account | Includes only goods (merchandise) |
| **3.Scope** | Broader, covering goods, services, and financial transactions | Narrower, covering only goods |
| **4.Surplus/Deficit Implications** | Reflects the overall economic position | Reflects trade performance |
| **5.Frequency of Calculation** | Usually quarterly or annually | Often monthly or quarterly |



### Q-04. What is the role of banks in international trade?

Banks play a crucial role in international trade by helping businesses and countries move money and manage transactions across borders. They make global trade smoother and safer in a few key ways:

1. **Payment Handling:** Banks process payments between buyers and sellers in different countries. They make sure that money is sent securely and on time, reducing the risk of fraud.
2. **Letters of Credit:** Banks issue letters of credit, which act like promises. When a seller provides the right goods, the bank guarantees to pay them. This builds trust between parties who might not know each other well.

3. **Currency Exchange:** Countries have different currencies, so banks help convert one currency into another. This helps buyers and sellers use the money they have effectively.
4. **Financing:** Banks provide loans and credit to support businesses involved in trade. This helps them cover costs until they get paid for their goods or services.
5. **Risk Management:** Banks offer tools like insurance to protect against unexpected events that could disrupt trade, like goods getting damaged during shipping.

**Q-05. When does this international trade (export or import) happen?**

**International trade**, which involves exporting and importing, happens when countries or businesses want things that they can't easily produce themselves. Exporting is when a country or business sells its goods or services to another country.

**For example**, a toy company in Country A might export its toys to Country B because people there love those toys. Importing is when a country or business buys goods or services from another country. For instance, Country B might import fresh fruits from Country A because it doesn't grow those fruits easily. Trade takes place all the time as people look for better prices, unique products, or things they can't make. It's like sharing between countries to get what everyone needs and wants, making the world more connected and exciting.

**Q-06. What is the gain on the part of a country in international trade? Who are the losers and to what extent?**

In international trade, countries gain by getting things they need but can't make as well or at all. For example, if a country is great at making cars but not at growing bananas, they can trade cars for bananas. This makes both countries happier. Gains include more choices, better products, and economic growth.

However, there can be losers too. Some industries might struggle to compete with cheaper imports, leading to job losses. Also, if a country heavily relies on imports without producing much, it could affect their economy if trade suddenly changes. This is why governments use rules to make sure trade is fair. By balancing the good and the not-so-good parts, countries try to ensure that most people benefit from international trade.
So, while countries gain by trading and cooperating, there can be challenges for specific industries or if things aren't balanced well.

**Q-07. What is the Balance of Trade? June 16. Dec 12.**

The Balance of Trade is like keeping track of your pocket money—just for countries. It's about comparing how much stuff a country sells (exports) to how much it buys (imports) from other countries. If a country sells more toys, cars, and things abroad than it buys from other places, it's a "surplus," which is good. But if it buys more than it sells, that's a "deficit," which is not so good.
Imagine trading stickers with a friend. If you give more stickers than you get, you have a sticker deficit. But if you get more stickers than you give, you have a sticker surplus. Similarly, countries aim to balance the money and stuff they trade to keep their economies healthy. The Balance of Trade helps understand how well a country is doing in the global swapping game.



**Q-08. How can you explain country's positive Balance of Trade (BOT) position in a given period and its impact to the economy?**

Imagine a country selling more toys and gadgets to other countries than it buys from them. This creates a positive Balance of Trade (BOT). It's like getting more pocket money than you spend. This is good for the economy because it means the country is making money from outside and people are loving their products.

With a positive BOT, the country's industries are busy, jobs increase, and the economy grows. It can also use the extra money earned to invest in things like schools or roads. But too much focus on a positive BOT might mean people have to save a lot and not spend much.

So, while a positive BOT boosts the economy, a balance between earning from exports and spending on imports is important. It's like keeping a healthy money flow between a country and its friends around the world.

**Q-09. How can you explain country's negative Balance of Trade (BOT) position in a given period and its impact to the economy?**

Think of a country buying more toys and gadgets from other countries than it sells to them. This leads to a negative Balance of Trade (BOT), kind of like spending more pocket money than you get. This can have effects on the economy.

A negative BOT might mean the country isn't making enough money from outside and is relying on savings or borrowing. This can slow down industries and lead to fewer jobs. However, sometimes it's okay if the country is buying things, it can't make itself. But if it's always negative, it can lead to debts and problems.

So, while a little negative BOT isn't bad, a balance between earning from exports and spending on imports is important. This way, the country can enjoy a variety of goods while keeping its economy strong and stable.

**Q-10. Can BOT of a country be positive and BOP of the same country is negative?**

**Yes,** it's possible for a country to have a positive Balance of Trade (BOT) while having a negative Balance of Payments (BOP). Imagine a country that sells more toys and gadgets to other countries than it buys from them. This gives it a positive BOT because it's making money from exports.

But the Balance of Payments looks at all the financial transactions a country has with the rest of the world, including trade, investments, and loans. If a country is borrowing a lot or paying back loans, it could lead to a negative BOP even if the BOT is positive.

So, a positive BOT shows good trading, while a negative BOP might mean the country is relying on borrowing or facing other financial challenges. It's like having a good allowance but still having to manage other expenses and debts.

**Q-11. For some years now the balance of trade of Bangladesh is declining quite fast. What are the causes that can be attributed to this declining trade? How this trend can be reversed? June-18, BDE-95th.**

The declining balance of trade in Bangladesh could happen for a few reasons. One might be that the country is importing more than it's exporting, which can make the balance go down. Also, changes in global demand or competition can affect what Bangladesh can sell.

To reverse this trend, Bangladesh could focus on producing things that other countries want more of, boosting its exports. Improving the quality and variety of products could also attract more buyers. Creating new industries and investing in technology might help too. Moreover, negotiating fair trade deals with other countries and promoting local products can make a positive impact.

Balancing trade is like finding the right mix of buying and selling to keep the country's economy strong. With the right strategies, Bangladesh can work towards a more balanced and thriving trade situation.

**Q-12. Differentiate between Balance of Trade and Balance of Payments. June-15, 13; BDE-93rd,95th.? BPE-98th.**

| Aspect | Balance of Trade (BOT) | Balance of Payments (BOP) |
|---|---|---|
| 1.Definition | Measures the difference between a country's exports and imports of goods only. | Measures all financial transactions a country has with the rest of the world, including trade, investments, and loans. |
| 2.Components | Includes only exports and imports of tangible goods, like toys, cars, and electronics. | Includes exports, imports, foreign investments, loans, aid, and more. |
| 3.Focus | Focuses only on the trade of physical goods. | Looks at the overall financial relationship a country has with the world. |
| 4.Scope | Narrower in scope, considering only trade in goods. | Broader in scope, covering various financial interactions and flows. |
| 5.Impact on Economy | Reflects the health of a country's trading activities in goods. | Reflects the overall financial health, including trade, investments, and loans. |
| 6.Influence on Currency | Can influence a country's currency value based on the demand for its goods. | Can impact currency value due to all financial interactions, including investments and loans. |

**Q-13. What is Balance of payments? Dec 17, Dec 12, BPE-97th.**

Balance of Payments (BOP) is like a country's money diary—it tracks all the money coming in and going out. Imagine you jot down every bit of money you earn and spend. Similarly, BOP keeps a record of a country's transactions with other nations, including money from exports, money spent on imports, investments, loans, and more. It helps see if the country is spending more than it's earning or vice versa. A positive BOP means a country is earning more than it's spending, which is good. A negative BOP can signal borrowing a lot. BOP helps countries manage their money flows, making sure they're not getting into financial trouble and maintaining a stable economy.

**Q-14. What are the causes of unfavorable balance of payments? Mention the measures to remove unfavorable balance of payment. Dec-11, June-10, Dec-10.**

An **unfavorable balance** of payments happens when a country is spending more money on imports, investments, and other transactions with the world than it's earning from exports and other sources. This can occur due to several reasons:

1. **High Imports:** Buying more from other countries than selling can lead to a deficit.
2. **Debts and Interest:** Paying back loans and interest can drain money from the country.
3. **Weak Exports:** If the country's products aren't in demand globally, it can hurt the balance.

To improve the situation, countries can take measures like:

1. **Boost Exports:** By making better-quality products and promoting them globally.
2. **Control Imports:** Limiting unnecessary imports or substituting them with local products.
3. **Encourage Investments:** Attracting foreign investors can bring in money.

4. **Increase Tourism:** Promoting tourism can earn foreign money.
5. **Restructure Debt:** Refinancing loans can ease financial burden.

By balancing the money going in and out, countries can work towards a better balance of payments and maintain a healthier economy.

**Q-15. How to balance in the balance of payments? What is meant by surplus and deficit in the balance of payments? Dec 11.**

Balancing the balance of payments means making sure a country's money going out (like payments for imports, loans, etc.) is matched by the money coming in (like earnings from exports, investments, etc.). If the money going out is more, it's a deficit. If the money coming in is more, it's a surplus.

**Surplus:** This is when a country earns more money from exports, investments, and other sources than it spends on imports and other payments. It's like having extra money left after all your bills are paid.

**Deficit:** This happens when a country spends more on imports, loans, and other payments than it earns from exports and investments. It's like spending more than you earn and borrowing to cover the difference.

To balance, countries can promote exports, control imports, attract investments, and manage their finances wisely. The goal is to avoid extreme deficits or surpluses, keeping the economy stable and healthy.

**Q-16. Why do countries seek currency convertibility, and what preconditions must be met for successful implementation?**

**Reasons for Seeking Currency Convertibility:**

- To make the economy internationally competitive.
- To integrate the economy with the global monetary and financial system.
- To increase investment and economic growth.

**Preconditions for Successful Convertibility:**

- **Internal Financial Balance:**
  - Establish sound fiscal and monetary policies to avoid excessive inflation.
- **External Financial Balance:**
  - Ensure the stability of the exchange rate.
- **Adequate Level of Reserves:**
  - Maintain sufficient reserves to absorb domestic or external shocks.
- **Incentives System:**
  - Liberalize the system to ensure the positive impact of market forces on resource allocation.



**Q-18. Why currency convertibility is important for an economy? What disadvantage a country may face due to poor currency convertibility?**

**Currency convertibility** is like having a magic ticket that lets a country's money change into other countries' money easily. This is crucial for a strong economy. When a country's currency can be easily traded for other currencies, it attracts foreign investments, trade, and tourism.

**Importance:** Currency convertibility encourages international business and investment. It makes it simpler for tourists and companies to buy and sell goods, and for countries to work together smoothly.

**Disadvantages of Poor Convertibility:** If a country's currency can't be easily changed, it can discourage foreign investors, making it harder to get money to grow the economy. Limited convertibility might lead to economic isolation, making it tough to buy needed goods or services from other countries. It can also impact tourism and the country's reputation in the global market.

So, good currency convertibility is like opening doors for a country to connect with the world and prosper.
[[

**Q-19. What are the components of current account?**
**Or, What are the components of the current account and the financial account of BOP? BPE-97th.**

The current account is like a big wallet that tracks a country's day-to-day money flows with the rest of the world. It has a few key components:

1. **Exports and Imports:** This is about buying and selling things with other countries. When a country sells more stuff abroad (exports) than it buys (imports), it's good for the current account.
2. **Services:** This includes money earned from services like tourism, transportation, and technology services that people from other countries pay for.
3. **Income:** This is the money earned from investments abroad and payments received from foreign companies.
4. **Transfers:** These are like gifts or help from one country to another, such as foreign aid or remittances from people living abroad.

So, the current account is a mix of trading goods, selling services, earning from investments, and receiving gifts. It shows how a country is doing in its daily money business with the world.

**Financial Account Components:**

1. **Foreign Direct Investment (FDI):** Investments made by residents in a foreign country that provide significant influence.
2. **Foreign Portfolio Investment (FPI):** Investments in foreign financial instruments like stocks and bonds without obtaining significant control.
3. **Official Reserves:** Changes in a country's foreign exchange reserves held by its central bank.
4. **Other Investments:** Includes short-term and long-term loans, banking capital, and trade credits.

Together, these components provide a comprehensive overview of a country's economic transactions with the rest of the world.

**Q-20. Define the components of capital account.**

The **capital account** is like a special pocket where a country keeps track of the big money movements that aren't part of regular trading. It has a few parts:



1. **Foreign Investments:** This is when people from other countries put their money into a country's businesses or properties.
2. **Foreign Loans:** It's like borrowing money from outside the country to invest in big projects like infrastructure or industries.
3. **Gifts and Donations:** Sometimes, countries give or receive big donations or gifts. These are also part of the capital account.
4. **Sale of Assets:** If a country sells big things like land or buildings to other countries, it's recorded here.

**Q-21. What are the key functional areas of International Banking?**

International banking has a few key areas where it works:

1. **Foreign Exchange:** This is like a money exchange counter but for countries. Banks help convert one currency into another, making it easy for businesses and people to trade worldwide.
2. **Trade Finance:** Banks help businesses with payments, insurance, and paperwork when they trade with other countries. It's like making sure things go smoothly in the global shopping mall.
3. **Cross-Border Investments:** Banks assist people and businesses in investing their money abroad. It's like helping your piggy bank grow in different parts of the world.
4. **International Payments:** Banks make sure money moves safely between countries when people buy things, send money home, or pay for services overseas.
5. **Global Correspondence:** Banks talk to each other across countries, like pen pals, to ensure smooth transactions and solve any issues.

**Q-22. Foreign trade is a win-win game. Explain the statement. BDE 95th.**

Foreign trade being a win-win game means that both countries involved can benefit. Imagine you have extra cookies, and your friend has extra candies. If you trade some cookies for candies, you both end up with treats you like. Similarly, when countries trade, they swap things they're good at making. One might have great cars, and the other grows tasty fruits. By trading cars for fruits, both countries get what they need and want. This boosts their economies and creates more choices for everyone. It's like teamwork – both countries win by focusing on their strengths and sharing with each other.

**Q-23. What are your suggestions for boosting up export in Bangladesh? BDE-95th.**

To boost exports in Bangladesh, a few steps could help:

1. **Quality Improvement:** Making sure the products are of top quality can attract more buyers from other countries.
2. **Diversification:** Producing a variety of goods instead of relying on just one product can make exports more stable.
3. **Innovation:** Creating new and unique products can attract attention and boost demand.
4. **Marketing:** Promoting Bangladeshi products globally can make people aware of what the country has to offer.
5. **Trade Agreements:** Forming favorable trade deals with other countries can make exporting easier and cheaper.
6. **Infrastructure:** Improving transport and logistics can help products reach international markets faster and cheaper.
7. **Skills Development:** Training workers to be more skilled can lead to higher quality products.
8. **Support for SMEs:** Helping small businesses can lead to more diverse products and job creation.
9. **Technology Adoption:** Using advanced technology can improve production efficiency and product quality.
10. **Government Support:** Policies that encourage exports and provide incentives can give the industry a boost.



**Q-24. Discuss the problems exist in export trade of Bangladesh and write the probable ways to solve the problems. BDE -95th.**

In Bangladesh's export trade, a few challenges exist:

1. **Limited Product Diversity:** Overreliance on textiles and garments makes the economy vulnerable to market shifts.
2. **Quality Concerns:** Maintaining consistent quality is essential to compete globally.

3. **Infrastructure Issues:** Inadequate transport, ports, and energy supply can hinder efficient trade.
4. **Trade Barriers:** High tariffs and non-tariff barriers in target markets can limit access.
5. **Lack of Value Addition:** Selling raw materials instead of finished goods limits earning potential.

**To solve these issues:**

1. **Diversification:** Promote sectors like IT, pharmaceuticals, and jute-based products to lessen dependence on textiles.
2. **Quality Assurance:** Invest in technology, skills, and certifications to ensure consistent product quality.
3. **Infrastructure Development:** Improve transportation, ports, and energy supply for smoother trade operations.
4. **Diplomatic Efforts:** Work on trade agreements with partner countries to reduce tariffs and ease market access.
5. **Value Addition:** Encourage manufacturing of finished products for better profits.

By addressing these concerns, Bangladesh can strengthen its export trade, create a more resilient economy, and offer a wider range of products to the global market.

**Q-25. Bangladesh exports are dominated by export of readymade garments and knitwear. What are the measures necessary to diversify alternative export-oriented industries to reduce dependence on the apparel sector? Dec-19.**

To diversify Bangladesh's export industries and reduce reliance on garments, these measures can be taken:

1. **Support for New Sectors:** Encourage growth in sectors like IT, pharmaceuticals, jute-based products, and agro-processing by providing incentives and favorable policies.
2. **Invest in Research and Development:** Fund R&D to innovate and create unique products that can compete globally.
3. **Skills Development:** Train the workforce for emerging industries, ensuring they have the right skills.
4. **Infrastructure Improvement:** Develop necessary infrastructure like technology parks, research centers, and industrial zones for new sectors.
5. **Access to Finance:** Offer financial support, grants, and low-interest loans to startups and alternative industries.
6. **Market Research:** Identify high-demand markets for alternative products and tailor production accordingly.
7. **Branding and Marketing:** Build strong brands and market effectively to gain international recognition.
8. **Trade Agreements:** Negotiate trade agreements to access new markets with reduced trade barriers.



**Q-26. As a banker of a Bangladeshi Garments' Exporter, how will you facilitate the exporter starting from LC, shipment and to export bill realization? BPE-97th.**

As a banker facilitating a Bangladeshi Garments' Exporter, the process starts with assisting in the establishment of a Letter of Credit (LC).

1. **Letter of Credit (LC) Guidance:**
    - Assist in the proper establishment of the LC, ensuring adherence to international trade standards.
    - Provide expertise on required documentation for LC compliance.
2. **Shipping Process Facilitation:**
    - Collaborate with shipping and logistics partners for secure and timely transportation.
    - Aid in document preparation, including the bill of lading and commercial invoice.

3. **Export Bill Realization:**
   - Guide the exporter in submitting compliant documents for negotiation or collection.
   - Stress the importance of timely document submission for efficient fund realization.
4. **Communication and Coordination:**
   - Maintain open communication channels to address any challenges promptly.
   - Ensure coordination among all stakeholders involved in the export process.

By employing these points, the bank aims to facilitate a seamless and efficient export transaction for the Bangladeshi Garments' Exporter, from the initiation of the LC to the realization of export bill proceeds.

### Q-27. What is foreign direct investment (FDI)?

Foreign Direct Investment (FDI) is when people or companies from one country invest their money directly into businesses or projects in another country. It's like a friend buying part of your lemonade stand to help it grow. For example, if a toy company from Country A builds a factory in Country B, that's FDI. The toy company puts its money and expertise into the factory, creating jobs and boosting the economy of Country B. In return, the toy company gets a share of the profits. FDI helps countries work together and share resources. It's a way to make businesses stronger and help both countries grow economically.

### Q-28. Discuss ways to increase foreign direct investment in Bangladesh.

To boost Foreign Direct Investment (FDI) in Bangladesh:

1. **Infrastructure Enhancement:** Improve transport, energy, and digital infrastructure to make doing business easier.
2. **Investor Incentives:** Offer tax breaks, reduced tariffs, and special benefits for foreign investors to attract their interest.
3. **Streamlined Approvals:** Simplify regulatory processes, permits, and licenses to save time for investors.
4. **Sector Promotion:** Focus on sectors like textiles, IT, pharmaceuticals, and energy, showcasing opportunities and potential returns.
5. **Special Economic Zones:** Create zones with ready-made infrastructure to attract investments, like the Dhaka Export Processing Zone.
6. **Skilled Workforce:** Enhance education and training to provide a skilled labor force for foreign investors.
7. **Political Stability:** Ensure a stable political environment to build investor confidence.
8. **Investor Support:** Establish agencies to assist foreign investors with information and issues they might face.
9. **Transparency:** Ensure transparent governance and legal systems to build trust.



### Q-29. Analyze the favorable and adverse impacts of foreign investment on Bangladesh economy. June-15, Dec-11.

**Favorable Impacts:** Foreign investment can bring positive changes to Bangladesh's economy. It creates jobs, improving employment rates. New technologies and skills introduced by foreign companies can enhance productivity and knowledge. Investments in sectors like textiles and energy boost production capacity. Also, increased foreign exchange reserves strengthen the country's monetary position, aiding economic stability.

**Adverse Impacts:** However, foreign investment might also pose challenges. Over-reliance on certain industries can lead to vulnerability if those industries face issues. There's a risk of profits leaving the country. In some cases, local businesses might struggle to compete against foreign giants. Additionally, if environmental or labor regulations are not followed, it can lead to negative consequences.

Overall, foreign investment offers opportunities for growth but needs careful management to ensure benefits outweigh potential drawbacks for Bangladesh's economy.

**Q-30. What are the main incentives available for foreign investment in Bangladesh? Offer your suggestions to improve the investment climate for foreigners in Bangladesh. BDE 93th June 16, 15 Dec 11, 09.**

Main incentives for foreign investment in Bangladesh include tax holidays, reduced import duties, repatriation of profits and capital, and favorable exchange rates. To further improve the investment climate:

1. **Simplified Regulations:** Streamline approval processes, permits, and licenses to reduce bureaucratic hurdles for investors.
2. **Investor Protection:** Strengthen legal frameworks to ensure fair treatment and protection of foreign investors' rights.
3. **Infrastructure Development:** Continue enhancing transportation, energy, and digital infrastructure for smoother business operations.
4. **Skill Development:** Invest in education and training to provide a skilled workforce that meets investors' needs.
5. **Sector-Specific Promotions:** Focus on promoting sectors with high potential for growth, like IT and pharmaceuticals.
6. **Transparency:** Maintain transparency in governance and regulatory procedures to build trust.
7. **Political Stability:** Ensure a stable political environment to create a secure investment atmosphere.
8. **Economic Zones:** Expand and develop special economic zones with ready-made infrastructure to attract investors.
9. **Investor Support:** Establish one-stop service centers to assist foreign investors in navigating local regulations.

By implementing these suggestions, Bangladesh can make its investment climate even more appealing, attracting more foreign investors and fostering economic growth.

**Q-31. Your customer ABC Company wants to import large volume of raw materials from a new supplier abroad. As a Banker what will be your advice to make the import secured. BPE-98th.**

As a banker, I would advise ABC Company to take the following steps to secure their large-volume import of raw materials from a new supplier abroad:

1. **Use a Letter of Credit (LC)**: This ensures payment is made only after the supplier meets all the specified terms and conditions.
2. **Conduct Due Diligence**: Verify the new supplier's credibility and track record through references, industry reports, or credit agencies.
3. **Insurance Coverage**: Obtain insurance for the shipment to cover risks like damage, theft, or loss during transit.
4. **Quality Assurance**: Arrange for pre-shipment inspection to confirm the quality and quantity of the materials before they are shipped.
5. **Legal Compliance**: Ensure all import regulations and documentation requirements are thoroughly followed to avoid legal complications.

These steps help mitigate risks and ensure a smooth and secure import process.

**Q-32. What are the key trade theories and barriers, and how have they evolved?**

**Trade Theories:**

1. **Mercantilism (16th to mid-18th century):**
   - Advocated exporting more than importing to accumulate wealth.
   - Government should stimulate exports and restrict imports.
2. **Adam Smith's Free Trade (1776):**
   - Nations should specialize in products with an absolute advantage.
   - Increased global output through specialization and free trade.
3. **Ricardo's Law of Comparative Advantage:**
   - Even less efficient nations should specialize where their disadvantage is smallest.
   - Increases global output through comparative advantage.

**Trade Barriers:**

1. **Tariffs:**
   - Taxes on imports, raising the price for consumers.
2. **Quotas:**
   - Limits on the amount of certain goods that can be imported.
3. **Non-Tariff Barriers:**
   - Include voluntary export restraints, technical regulations, international cartels, dumping, and export subsidies.

**Modern Trends:**

- **Globalization and Trade Liberalization:**
  - Favorable forces for expanding trade and foreign exchange transactions.
  - Free trade agreements and the WTO work to reduce protectionism.

## Chapter End