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# No strings attached tariff eliminations key for Bangladesh-Sri Lanka FTA: IPS researchers

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No strings attached tariff eliminations should be the key feature of a trade deal between Bangladesh and Sri Lanka, according to IPS Research Economist Dr. Asanka Wijesinghe and IPS Research Assistant Chathurrdhika Yogarajah.

This observation is from a paper titled 'Bangladesh-Sri Lanka Free Trade Agreement: Initial Framework and Lessons from Existing Trade Policy of South Asia,' co-authored by the two IPS researchers.

The paper was presented by Dr. Wijesinghe at the Second SANEM International Development Conference 2021 held under the theme 'COVID-19 Recovery: Contexts and Priorities'.

At the virtual conference, Dr. Wijesinghe highlighted the importance of incorporating the lessons learnt from the existing regional trade agreements into a Bangladesh-Sri Lanka Free Trade Agreement. He explained that in trade negotiations, Sri Lanka and Bangladesh need to get concessions for products produced with a comparative advantage and with capacity for expansion. The majority among such products identified were intermediate products showing the significance of tariff cuts from a value chain perspective.

"Complete elimination of tariffs will boost bilateral exports by as much as 30-60% but existing regional agreements do not positively impact global value chain participation. Complex rules of origins and long sensitive lists may explain the trivial gains from regional integration. Higher tariffs are negatively affecting the global value chain participation. Hence non-string attached tariff eliminations should be the key feature of a trade deal between the two countries," he explained.

Link to full virtual conference:

<https://www.facebook.com/sanemnet/videos/224669442611310/>

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