

US – Bangladesh Trade Facts

USA is Bangladesh's most important trading partner, with about a quarter of its exports being destined for USA. Bangladesh exported worth \$4.23 billion in 2010 to USA, with more than 90 percent being the clothing items. From US perspective, however, Bangladesh is a small trading partner – currently the 58th largest goods trading partner.

Bangladesh's exportable include textile and clothing products, shrimps, tea, cap, golf shafts, etc; while importables include raw cotton, chemicals, machinery and equipments, pharmaceuticals, etc.

Bangladesh, as an LDC, is the beneficiary of US Generalized System of Preferences (GSP) Program. Bangladeshi products such as tobacco, plastic bags and articles, golf equipment, sleeping bags, bone china and porcelain kitchen/ tableware, cereal based prepared foods, hand-loomed woven cotton carpets and other textile floor coverings, spectacles and goggles, headgear other than rubber and plastics, etc. are eligible to enter duty-free under GSP in the US market.

Even though the US GSP program cover many products and thus benefits many developing countries, it unfortunately does not help Bangladesh much as it mostly exports apparel items in USA and apparel, being in the sensitive list is not covered under GSP program. As a result, exported apparel from Bangladesh, like other exporting countries such as China, face a stiff tariff penalty in USA ranging from 0% to as high as 32%. For example, Bangladesh exports in USA faced tariff penalty of \$652 million in 2010. Product-wise custom duties or tariffs for imports in USA can be found in the link: <http://hts.usitc.gov>

Despite high import tariffs in USA, the apparel based products from Bangladesh have made successful inroads there in recent times. While Bangladesh's total apparel products exports in USA was worth \$2.37 billion in 2005, it reached to \$3.91 billion in 2010. Now Bangladesh is the 4th largest apparel exporter in USA – just behind China, Vietnam and Indonesia. The comparative export comparison in USA for major apparel exporting nations over the recent years can be observed from the table below.

Comparative position of major apparel exporting countries

Country	2005	2008	2010
China	19.89	27.19	31.87
Vietnam	2.74	5.25	5.87
Indonesia	2.97	4.15	4.55
Bangladesh	2.37	3.44	3.91
Mexico	6.32	4.21	3.75
India	3.15	3.20	3.21
Honduras	2.69	2.67	2.48
Thailand	2.22	2.13	1.85

Source : USITC data

If the present growth trend continues, Bangladesh might even overtake Indonesia and Vietnam in future. Taking that reality into consideration, US based brands and importers now can take avail of low-cost but quality apparels from Bangladesh.