

# Trade Negotiation for Doing Business in Asian Region: A Conceptual Framework

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**Abstract:** Developing countries face various complexities and challenges while negotiating trade particularly large-scale trade with other countries. A strong and good trade negotiation can play a vital role in achieving the destination by implementing trade agreements suitably. The objectives of this paper is to provide the concept of trade negotiation in details and to sketch some guidelines for constructing strong trade negotiation. For this reason, by using various secondary data sources, this study tries to explain all the basic knowledge for trade negotiations and suggests some negotiating trade fashions which should improve the trade relationship between Bangladesh and other countries of Asia region like ASEAN countries.

**Key Words:** International trade, Negotiation, Free Trade Agreement (FTA), Regional Trade Agreement (RTA), Trade Barriers, ASEAN.

## I. Introduction

When countries have not enough resources or advantages to meet all the economic necessities of people then they involve in trade with each other. By evolving and manipulating their domestic scarce resources, countries can produce an excess amount and trade this adequate product for the inadequate resources. The trading relationship among countries enhances economic growth as well as economic development by raising standards of living, generating work for unemployed and empowering consumers to taste a larger variety of goods and services.

Bangladesh became recognized as an economic miracle and model for the Least Development Countries (LDC) due to its prudent macro-economic environment with standard achievement in UN Millennium Development Goals (MDGs) agenda. With this consistent performance, many heavy-weight multinational companies remarked positively great about Bangladesh. These transformational visions can be emerged through the expansion of bilateral trade, multi-lateral trade, business, investment, and economic network.

With this continuous high economic growth, Bangladesh needs desperately expanding trade with Asian countries including ASEAN and South Korea-Japan-China (KJC). ASEAN<sup>1</sup> is yet to be connected for Bangladesh towards mutual trade based on mutual close cooperation for multi-modal connectivity and Free Trade Agreement (FTA). This regional economic connectivity can increase socio-economic benefits and

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<sup>1</sup>ASEAN (Association of Southeast Asian Nations), Members: Indonesia, Thailand, Malaysia, Singapore, Vietnam, Philippines, Myanmar, Laos, Brunei, Cambodia

reinforce the economic scenery by improving the fate of one billion people in this greater region which is the potential largest market in terms of population.

A very small export basket, non-exploration of trade items and trade opportunities, poor negotiation skills are responsible for the negative trade balance between Bangladesh and ASEAN. Looking to capture the opportunity of being a “Regional Economic Corridor”, Bangladesh is very eager to get the membership of ASEAN. Bangladesh has to engage in a strategic regional trade agreement with ASEAN like RCEP, TPP, and ASEAN 3 (S. Korea, China, Japan) etc.

Negotiation is the prerequisite for any trade agreements. Negotiation can take place to finalize and implement trade agreements and explore opportunities for trade agreements with other trade partners. A country can trade with one country or multiple countries. The term '*bilateral*' refers to link between two states and '*multilateral*' refers to affiliation of more than two states.

***Bilateral Trade Negotiation*** helps to achieve bilateral agreement where two countries are involved by agreements to exchange their products for the mutual benefit of both of the countries, whereas ***Multilateral Trade Negotiation*** involves to accomplish trade agreement between different countries.

Developing countries face various complexities and challenges when negotiating trade particularly large-scale trade with other countries. A strong and good trade negotiation can play a vital role in achieving the destination by implementing trade agreements suitably. The objectives of this chapter is to provide the concept of trade negotiation in details and sketch some guidelines for constructing strong trade negotiation.

Under this background, whenever Bangladesh implements trade with Asian countries such as ASEAN Countries and Korea-Japan-China (KJC), the country should negotiate a variety of trade terms. For this reason, this study tries to explain all the basic knowledge for trade negotiations and suggests some negotiating trade fashions which should improve the trade relationship between Bangladesh and other countries of Asia region like ASEAN countries, Korea-Japan-China (KJC) etc.

## II. Objectives

The current study mainly focused on trade negotiations among various countries in Asia while they are involved in international trade. The following specific objectives of this paper are given below:

- To provide various concepts about Trade Negotiation particularly in free trade.
- To identify some facts and shortcomings of the Free Trade Agreement.
- To suggest some guidelines to initiate an effective trade negotiation that accelerates trade among countries.

## III. Methodology

To achieve the aims, the paper is structured based on secondary data sources. Secondary data collected from various online sources such as journals, publications and annual reports of world economics, WTO reports, authentic media news (television), daily newspapers, relevant articles, websites paper etc. for more meaningful and logical explanation and conclusion. However, the secondary data sources have been carefully scanned prior to using them in this study.

## IV. Literature Review

**Alma Pekmezovic (2019)** highlights that the SDGs visualizes a flourishing world by focusing ‘sustainability’ by incorporating social, economic, and environmental goals, aspiring both developed and developing countries.

The analysis by **Lucian Cernat, Omar Alam (2019)** states that The EU fosters “Trade for All” strategy by elevating the idea of free trade in a multitude approaches, mostly done by expanding its escalating network at the bilateral, unilateral and multilateral levels. This can be related to the research by **Jayant M. (2009)** who describes that free trade agreements (FTAs) as spaghetti bowl effect or, in the Asian region, the noodle bowl effect, which may be can be executed in ASEAN’s strategy as **Kazunobu H. Daisuke H. Kohei S. Seiya S. (2013)** conducted a study to reveal that the excising capacity of ASEAN free trade agreements (FTA) is not credible by international standards.

**Gyoung-Gyu C. (2018)** stated in her academic journal that Bangladesh is a rapidly advancing country with recruit able human resources, while analyzing the contemplation of Bangladesh’s economic policy to form alliance with ASEAN along with its potential advantages. She recommends the possible development of strategic maneuver to initiate foreign affiliation by focusing on trade growth and diversity with ASEAN.

**Richard P., Patricia S. (2016)** suggested the measures depicting the actions of value-chain accelerating in the 21<sup>st</sup> century, collaboration of East Asian emerging market economies with EU emerging market economies to establish notable administrative activities, and the diversity in cross-country diversity, with value- chain actions directed by countries in both continents.

**Jung H., Larry D. (2019)** denoted that, FTA is plausible to be established between two countries at equilibrium when their tariff gap is smaller and if not it is potent to be formed when their tariff levels are neither very high nor very low.

Focusing on the 15 years’ prior research **Silvia S., (2017)** established that the countries that collaborate to a greater extent with FTAs are able to engage in increased export compared than those who engage at lesser extent.

In the research by **Amelia U., Alisa D., Maria V. (2019)**, they sought the consolidation dimension of the advantages for developing countries actively participating in regional trade agreements and demonstrates the capacity of developmental procurement by lower- income countries through use of both bilateral and regional integration measures.

**Yasuyuki S., Cyn- Young P., Fahad H., Cindy J. (2019)** suggests free trade are enabling access to affordable procedures, advanced technological transference mediated to ameliorate skilled human resources to economic facilitation and creating new industries and sectors. **Islam, Uddin, Chowdhury (2012)** stated that the growth rates of export are fluctuating but increasing positively.

## V. Conceptual Analysis

### Concept and History of Trade Negotiation

#### Concept of Trade Negotiation

World economy expands mostly on the basis of international trade. Many domestic producers are blooming their business at home but it is quite difficult to explore themselves globally. International trade helps domestic producers to grab the world market share. It creates access to trade such type of goods and services that are not produced domestically and that have enough in own country. For example, if a country cannot produce leather, it needs to be able to obtain leather from another nation in order to meet the demand for leather within its borders.

Trade negotiation is such a process that brings different countries to attain a target of a trade agreement. Negotiating a trade agreement successfully is one of the important parts of international trade. International trade opens and expands the market for business and thus it creates opportunities among the nation's

producers. Therefore, a successful trade agreement is the reflection of successful negotiation that helps to enhance economic growth as well as economic development. Economic protections and safeties at the different aspects of different countries are also highlighted in a trade agreement. So trade negotiation is a complex process because more than two countries may involve trade and negotiating experts have to take a neutral stance to help the countries reach an agreement.

During a trade negotiation, negotiators are interested to discuss the terms of those trade where the beneficiaries' aspects of both countries are reflected. The topics such as trade barriers or restrictions, a constant period for goods etc. may be the main discussion issues in this regard.

All signatories must emphasis on due attentions during a trade negotiation. Negotiators with strong negotiation skills can make a trade agreement more favorable, while unskilled negotiators of international negotiations may make the deal with less beneficial. In consequence nation with good negotiators will be gainer.

### **Types of Trade Negotiation**

Trade negotiation helps to implement and finalize trade agreements. Three types of trade agreements are considered as major which are given below:

#### ***Unilateral Trade Agreement:***

It's a situation when a nation levies trade barriers and other nation does not reciprocate. Rarely, any country may be a loser in unilateral trade restrictions. A nation may face adverse situations arising from competition in this agreement. Many developed countries such as the United State usually do this when committing foreign aid. They aim at reinforcing specific industries in the emerging markets. It helps to increase the economy of the emerging markets, generates new markets for the exporters and so on.

#### ***Bilateral Trade Agreements:***

A situation where two countries are committed to trade with each other. Both countries follow liberal trade policies to swell their business. They reduce the tariff rate to a percentage that is lower before that of the agreements. They apply common terms and conditions of trade between them. It seems to resemble infant industrialization strategies but differences lie. In this agreement, domestic industries may be subsidized or saved from the threat. This agreement is generally applicable to automobile, oil or food production industries.

#### ***Multilateral Trade Agreements:***

A situation where three or more countries are involved to trade. Since different countries have different economic scenarios, it is tough to reach a common set of terms and conditions of trade. Actually, negotiation among countries is a critical part of this agreement. The multilateral negotiations become more complex if the number of participation or engagement of countries are increased. It takes difficult form as different nations have different economic necessities

Once negotiated, multilateral agreements are considered as one of the influential agreements. A larger geographical area is covered by these agreements. Under these agreements, each country presents their favored status to other countries and agree to act each other equal.

**NAFTA** (North American Free Trade Agreement) is an example of the largest multilateral agreement. Three North American countries (U.S, Mexico and Canada) formed NAFTA. At present, they jointly traded

\$20 trillion. After forming NAFTA trade has increased by \$1.14 trillion in 2015. But it also cost between 500,000 to 750,000 U.S. jobs.

At present **Trans-Pacific Partnership (TPP)** is the largest multilateral agreement in the world which is the replacement of NAFTA.

### Controversy on Trade Negotiation

Any trade negotiations will conclude with both gainers and washouts. Consumers advantage from the free trade agreement as they have a wide variety of items at less prices. A decline in prices leads to decline the production of existing firms. As a result, it lowers firms profit as well as level of employments and producers in the importing countries incurring losses. However, the aggregate national welfare is the combination of all losses and gains to consumers, producers and the government.

Trade agreements are also involved with pros and cons. Consumers are gainers with lower import price which is the result of the removal of tariff barriers. In contrast, domestic producers are suffering from lower tariffs or without tariff. Competition with poor living standard countries is uncertain in this situation and producers may not continue their business and consequently, employees endure. A trade-off between consumers and producers is frequently occurred by trade agreements.

However, some domestic industries can get benefit from removal tariff. A new market place is established for their tariff-less products. Those industries develop and hire more workers.

**Table 1: Advantage & Disadvantage of Free Trade**

<b>Pros of Free Trade:</b>	<b>Cons of Free Trade:</b>
<ul style="list-style-type: none"><li>• <b>Promote Free Trade</b></li><li>• <b>Raises world output via specialization.</b></li><li>• <b>Establishes a standard rule for greater efficiency</b></li></ul>	<ul style="list-style-type: none"><li>• <b>Enhanced job outsourcing</b></li><li>• <b>Poor working condition</b></li><li>• <b>Degradation of natural resources</b></li></ul>

*Source: Authors' Compilation*

The above table is the summarization of some pros and cons of Free Trade Agreements.

### Main Issues in FTA and RTA Negotiation

#### Emergence of Free Trade

Free trade agreements are approached to extend trade between two or more countries. Such agreements diminish trade barriers and increase trade of products with each other. The removal of barriers to trade will result in an increase in the welfare of each nation at an aggregate level.

Based on *Ricardian*<sup>2</sup>“Comparative Advantage” theory-free trade involves analysis and trading products without restrictions. Nations engage trade to exchange their products. They export those products that have their efficiency and import those products that have less efficiency. Free trade can ensure people to get enough economic resources and tradable goods easily to meet their demand. Liberalized trade is constructed upon the comparative advantage theory, disseminated by David Ricardo, an English political economist, in the early 1800s.

Dr. Ricardo promoted the idea of free trade through the economic concept of comparative advantage. A comparative advantage occurs when one nation has the advantage to produce goods better than another. Nations can then export these goods to other countries that have an inadequate supply of these products. Free trade also affects the use of economic resources to produce consumer goods. Nations with a limited supply of certain economic resources can export these items to other countries, which can transform them into valuable consumer goods. For example, **Bangladesh** has a comparative advantage in producing Readymade Garments (RMG) products over **South Korea**. According to free trade, Bangladesh exports its RMG product (knitwear, woven garments) to South Korea. In this case, bilateral trade between Bangladesh and South Korea can create a win-win situation for both nations.

### **Object of Free Trade**

Any nation can formulate its economic policies in an effective way through free trade. Free trade can explore a variety of items to the producer and therefore they increase their output and meet consumer demand. Industries permit to import goods or resources from other countries without tariff or any government restriction under liberalized trade. Producers may face higher costs for doing business in the domestic market due to government restrictions or tariffs on imported goods. So, lowering trade barriers is an important objective to liberalize trade.

The prime objective of the Free Trade Agreement (FTA) is to establish a region, which known as the free trade area (01 January, 2001, in accordance with CEFTA and GATT). The members of the free trade area are signed a Free Trade Agreement that involves to create cooperation between two or more countries by reducing trade barriers such as tariff, quota etc.

In addition, the objectives of the Agreement are:

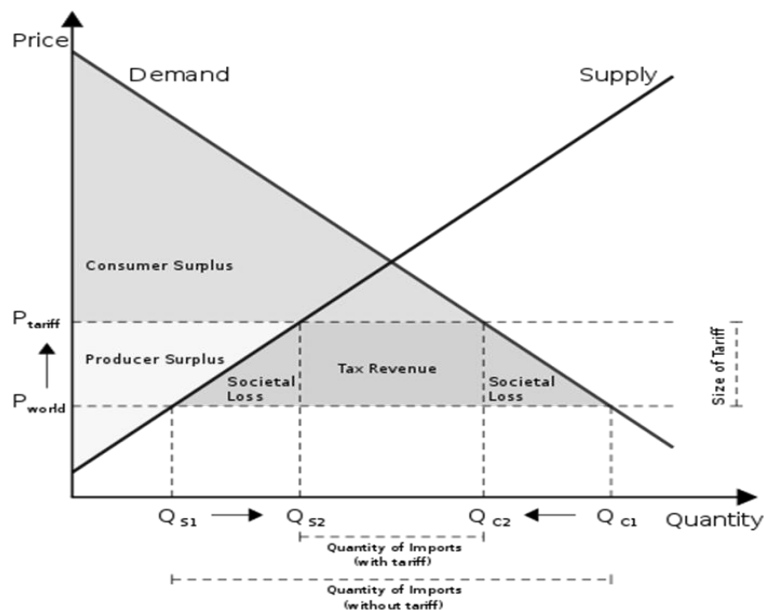
- Stimulate the sustainable development of economic relations among countries by the expansion of trade. Also to raise the productivity and financial stability, employment situation as well as living standard conditions.
- To ensure fair conditions of competition for trade among the nations,
- To contribute by removing barriers to trade, to the pleasant development and enlargement of world trade

### **Characteristics of Free Trade Agreement**

Free trade policies generally promote the following features:

- Trade liberation in goods or products, i.e.: without tariff or non-tariff restrictions, such as without taxes or without quotas on imports or subsidies for producers.
- Trade liberation in services, i.e.: without tariff or non-tariff restrictions, such as without taxes or without quotas on imports or subsidies for producers.

Figure 1: Trade under the Free Trade Agreement



Source: Authors' Compilation

The above graph indicates; a nation can import more quantity under free trade.

Free trade agreement regulates the various types of trade barriers such as tariffs, taxes, quotas, and duties that nations impose on their exported and imported products. Member of free trade area sign FTA. While trade agreements do make it easier for countries to buy products from each other, they can also cause a host of serious problems.

### Advantages of FTA

- i. **Increase Economic Growth:** FTA is a key factor of economic growth. It aims at the specialization of the economy. Nations are connecting with each other by trade to reach a wealthy economy. Free trade helps to make a country to be specialized on the specific products with an abundant resource to meet a higher level of productivity. Competition arises among countries for free trade and product price become lower that indicates the symbol of higher growth of the economy.
- ii. **More dynamic business climate:** With protection, local producer's risks become stagnant and non-competitive on the global market. But, with removed protection, countries have the inducement to become true global competitors and boost domestic business.
- iii. **Advantages of customers:** Under the free trade, consumers of different nations face diversified (variety and surplus) alternative to choose their products that will lead to decline prices.
- iv. **International Specialization:** Free trade leads to international specialization as it allows the different nations to produce such goods which have their comparative advantage. In contrast, the importing nations can also get advantage from the lower prices of these products. Therefore, both trading nations will be in a win-win situation.



**v. Higher Efficiency and Optimum Utilization of Resources:** Local producers are encouraged by free trade that helps them to compete in the global market. As a result, domestic producers try to put their highest effort to increase the value of product quality. Therefore, global competition increases their productivity and efficiency. Again, comparative advantage allows the country to produce those products for which they have abundant, so each country has the possibility to make the optimal utilization of their resources.

#### **Disadvantages of Free Trade Agreement**

- i. Adverse impact on domestic producer:** As free trade increases rivalry, producers of less developed countries have to compete with the producer of developed countries. Consequently, the domestic producers of less or developing countries will not be able to develop rapidly with the strength of the producer of developed countries. Free trade levies low tariffs or zero tariff on traded goods and foreign traders easily lower the prices but it is very difficult for a local producer to compete with this lower price. In this situation, consumers chose to import products over domestic products.
- ii. Decline of domestic employments:** Local employees suffer from free trade. Employ opportunities increase for foreign workers compare to domestic workers. Some companies easily hire foreign labor at lower cost and thus local employees are replaced by the foreigner and also relocate their facilities overseas.
- iii. Empire-BUILDER:** Free trade leads to create foreign traders mostly dominant nations as future empire builder. It is found in various evidence in the past that free trade created colonialism and empire-building.
- iv. Dumping:** Rivalry and dumping arise from free trade. Dumping leads to a very low product price for producers and often set the product price below their cost of production in order to capture international market share.
- v. Entry of Risky products:** Harmful or risky products may be produced and traded under liberalized trade. Trade of such type of product can be controlled by necessary trade restrictions.
- vi. Degradation of natural resources:** Under free trade, a producer can transfer their manufacturing facilities with low or without environmental regulations which is the reason for creating huge environmental damages.

#### **Regional Trade Negotiation (RTA)**

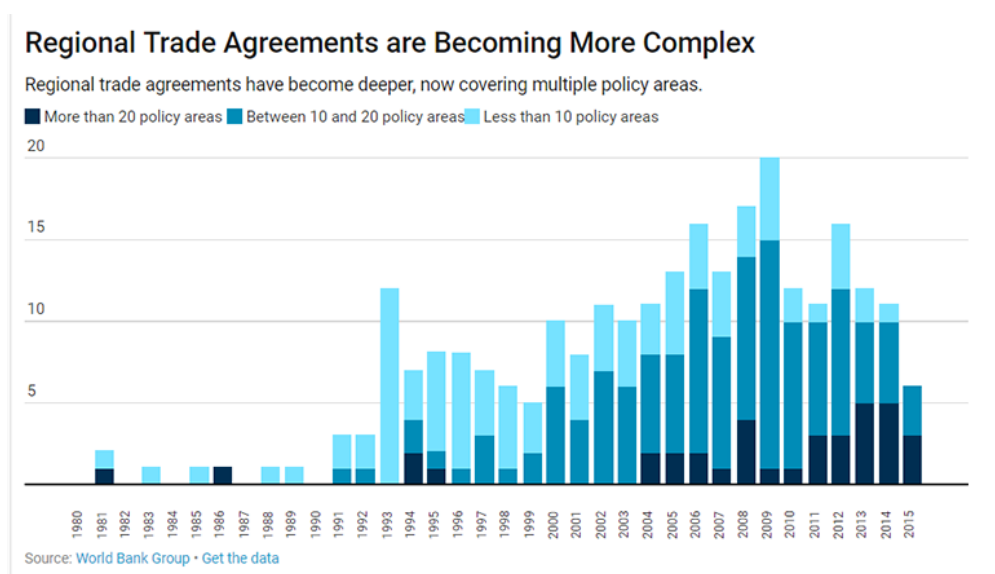
##### **Definition of RTA**

Regional trade agreements (RTAs) are outlined as reciprocal trade agreements between two or more partners, not necessarily belonging to the identical region. They comprise free trade agreements and customs unions. As of June 2016, all WTO members currently have an RTA in effect.

Regional Trade Agreements are growing in range with their unique nature. In 1990, more than fifty trade agreements were in effect and these are increased to over two hundred and eighty (280) in 2017. Now-a-days some agreements are negotiated in such a way that goes beyond tariffs to cover multiple trade policies which have a significant effect on trade and investment on products and policies that are related to board regulations like rivalry policy, procurement policy, intellectual property rights etc. Agreements that cover a larger set of policy areas are called 'deep' agreements which deal with at the border and behind the border area while 'shallow' agreements are referred to cover a tiny set of policy.



**Figure 2: Regional Trade Agreement Scenario.**



*Source: RTA-The World Bank, April 5, 2018*

### Core principle of the WTO

International organizations such as WTO are based on the principle of equality or non-discrimination and 'not to favor one country over another' is the commitment among member countries. But the recent rules of RTAs shows the exception of this principle.

Some specific conditions are applicable for the members of WTO to access into RTAs which are explained by the three particular sets of rules. The following issues are included under these rules:

- Act and arrangement of custom unions and free trade areas covering trade in goods (Article XXIV of the General Agreement on Tariffs and Trade 1994)
- Regional or global formulations and agreements among developing countries covering trade in goods and trade in services respectively (Article V of the General Agreement on Trade in Services).

WTO members have continuously emphasized the issue of accumulating information on RTAs which provide a forum for discussions on their effect since February 1996, the establishment year of the RTAs committee.

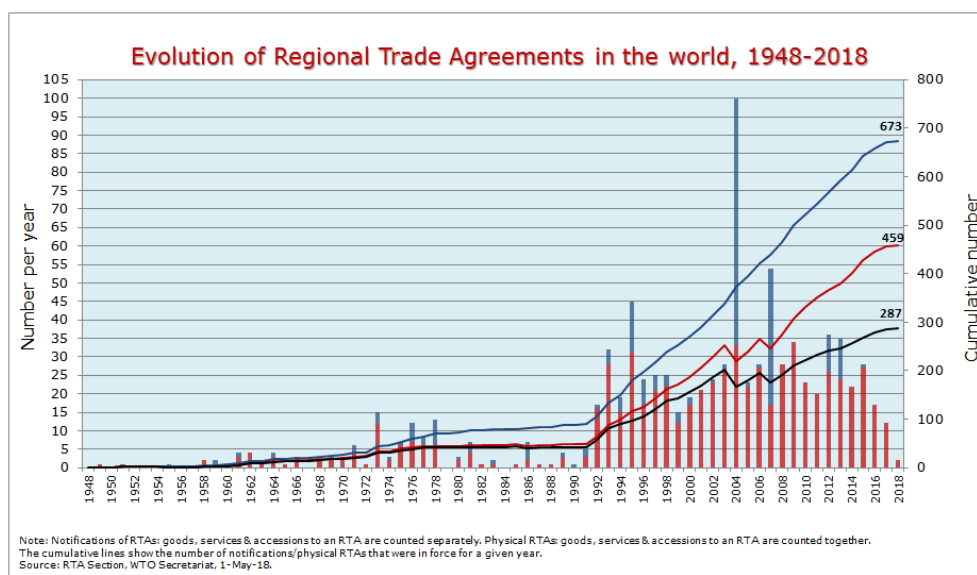
Towards the transformation of the current provisional Transparency Mechanism into a permanent mechanism. The transparency mechanism has some following features:

Enhancing transparency and creating a comprehensive body of information on RTAs are the success of the mechanism which may support the members for open discussion in the CRTA.

### Evolution of RTAs, 1948-2018

The following chart shows all RTAs notified to the GATT/WTO (1948-2018), including inactive RTAs, by year of entry into force.

**Figure 3: Evolution of Regional Trade Agreements**



Source: RTA Section, WTO Secretariat, May, 2018.

### Negotiation on Trade Barriers

#### Concept of Trade Barriers

Trade barriers or trade restrictions are referred to some policies of government that place protectionism on international trade. Trade can either both be difficult and costly and avert completely by trade barriers, such as tariff barriers, trade embargo etc.

The usual forms of trade barriers are:

- Import policies reflected in tariffs and other import charges, quotas, import licensing, customs practices,
- Standards, testing, labeling, and various types of certification
- Direct procurement by government,
- Subsidies for local exporters,
- Lack of copyright protection,
- Restrictions on franchising, licensing, technology transfer,
- Restrictions on foreign direct investment, etc.

The major principle of trade barriers is the levied cost on trade. Most of the trade barriers follow this principle to impose some cost on trade that increases the price of the traded product. If two or more

nations repeatedly use trade barriers against each other, then it creates a trade war<sup>2</sup>. Economists generally agree that trade barriers are detrimental and decrease overall economic efficiency<sup>3</sup>

### **Types of Trade Barriers:**

There are several types of trade barriers that a government can employ. These are mainly formed as Tariff and Non-tariff barriers.

**i. Tariff Barriers:** These are taxes on certain imports. They raise the price of goods making imports less competitive. Tariff Barriers are two types: i) Specific Tariff, ii) Ad valorem Tariff.

- **Specific Tariffs**

A specific tariff is referred to as a fixed payment imposed on per unit of imported goods. Different tariffs rates are charged for different types of imported goods. For example, a country could impose a \$25 tariff on each pair of earring imported, but levy a \$250 tariff on each television imported.

- **Valorem Tariffs**

The term ad valorem originated from a Latin word that means 'according to the value'. According to the percentage of the product's value, ad valorem tariff is imposed on that product. An example of an ad valorem tariff would be a 20% tariff levied by Japan on U.S. automobiles. This increases the value of the automobile to Japanese consumers. Therefore, ad valorem tariff protects domestic producers from being undercut but keeps prices preciously high for Japanese car shoppers.

**ii. Non-Tariff Barriers:** These trade barriers make trade more complex due to its rules and regulations. For example, trade becomes difficult if foreign industries have to follow complex manufacturing laws.

- **Quotas.**

Quota is a restriction that is placed on the amount of imported goods. This sort of barrier is often associated with the issuance of licenses. For example, Bangladesh may place a quota on the volume of rice that is imported.

- **Voluntary Export Restraint (VER).**

According to voluntary export restraint, nations also place a limit on the imported goods. Since the exporting country is creating this restriction rather than the importing one, VER is considered as "voluntary" restriction. Generally importing country request to exporting one to levy such type of barrier. For example, Japan could place a VER on the exportation of car to the U.S, based on a request by the U.S.

- **Subsidies.**

Subsidy is a sum of money granted by the government to assist an industry or business so that the price of a commodity or service may remain low or competitive. For example, the Bangladesh government provides 5 million takas to the agricultural sector as a subsidy. It makes the agriculture sector of Bangladesh more competitive and farmers also get benefits in trade.

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<sup>2</sup>A trade war is an economic conflict resulting from extreme protectionism in which states raise or create tariffs or other trade barriers against each other.

<sup>3</sup>Economic efficiency is a situation in which nothing can be gained without something else being loss

- **Embargo.** A complete prohibited trade restriction on a certain country. By this restriction, the import is banned from a particular country, e.g. US embargo with Cuba.

### The GATT and Trade Barriers

General Agreement on Tariffs and Trade (GATT) main emphasis mostly to reduce trade barriers. In 1948 (January 1), GATT has enforced this as the major international instrument. The GATT has worked mainly two activities:

First, all signatories are involved obligatory commitments through this multilateral trade agreement.

Second, it acts as a forum for negotiation and consultation. This forum helps to overcome various trade obstacles and diminish trade restrictions.

GATT has been established a guiding principle to all signatories. According to the principle, favorable trade conduct of one contracting party by another party must be extended to all parties. Formulation of custom unions, free trade regions (EEC- the European Economic Community, NAFTA- the North American Free Trade Agreement) and UNCTAD GSP (Generalized System of Preferences) scheme are the exception of the latter condition. According to GSP scheme, the producers (exporters) of developing nations get privilege access to the market of certain developed nations for specific products.

Round – an international negotiation processes is used for the revisions and the extensions of GATT. There have been nine such GATT rounds negotiated and agreed.

**Table: 2: GATT & WTO Trade Rounds**

GATT & WTO Trade Rounds					
Name	Start	Duration	Countries	Subjects covered	Achievements
Geneva	April 1947	7 months	23	Tariffs	Gain \$10 billion of trade due to signing of GATT and reduce 45,000 tariff.
Annecy	April 1949	5 months	34	Tariffs	Reduce 5,000 tariff for countries exchange.
Torquay	September 1950	8 months	34	Tariffs	Decrease 8,700 tariff for countries exchange. In 1948 tariff reduction percentage levels is 25%
Geneva	January 1956	5 months	22	Tariffs, admission of Japan	Tariff concessions amount \$2.5 billion

Dillon	September 1960	11 months	45	Tariffs	Reduction of tariff amount \$4.9 billion of world trade
Kennedy	May 1964	37 months	48	Tariffs, Anti-dumping	Reduction of tariff amount \$40 billion
Tokyo	September 1973	74 months	102	Tariffs, non-tariff measures, "framework" agreements	Achieve more than \$300 billion tariff reduction
Uruguay	September 1986	87 months	123	Tariffs, non-tariff measures, rules, services, intellectual property, dispute settlement, textiles, agriculture, creation of WTO, etc.	The round led to the creation of WTO, and extended the range of trade negotiations, leading to major reductions in tariffs (about 40%) and agricultural subsidies, an agreement to allow full access for textiles and clothing from developing countries, and an extension of intellectual property rights.
Doha	November 2001		159	Tariffs, non-tariff measures, agriculture, labor standards, environment, competition, investment, transparency, patents etc.	Bali Package signed on the 7th December 2013.

*Source: WTO Wikipedia*

It is usually found that the post-war GATT negotiations have a growing impact on reducing trade barriers significantly and the extension of world trade.

The post-war GATT negotiations have focused to decline tariff barriers specially import tariff which is the most visible trade barriers. However, many countries have chosen to use non-tariff barriers instead of tariff. Less visibility, more diversity, easy implementation features and unique formalization from the international tariff schedule of non-tariff barriers have stimulated many nations to shift their trend from tariff to non-tariff measures as barriers to trade.

The member countries of WTO usually seeking for assistance when the agreements move beyond the regional level. The World Trade Organization is such an international body that helps to negotiate global trade agreements. The organization implements the agreements and responds to complaints. The WTO currently enforces the General Agreement on Tariffs and Trade (GATT). The contemporary round of trade negotiations among the members of WTO is known as “Doha Round” that aims to reduce trade barriers and revise trade rules for achieving major trade reform.

## **VI. Conclusion and Policy Suggestions**

### **Conclusion**

Different nations embody different benefits and welfares with their countries' aspect involve international trade, so trade negotiation among countries is a difficult process. It is essential to learn the national and international impact of trade negotiations for all businesses, organizations, and firms in order to benefit from the evolving global trading environment.

Since Bangladesh government has recently targeted to achieve various visions like vision 2021, vision 2030, so expanding volume of trade with regional countries like South Korea is one of the important economic strategies for attaining higher economic growth. For this reason, it is inevitable for Bangladesh to settle FTA with Asian countries through various associations such as ASEAN and KJC to expand trade with them.

### **Suggestions/Recommendations**

What and how should Bangladesh prepare for its reality? The representative samples are as follows.

**Firstly**, Bangladesh should study perfectly the contents of lots of FTA which they concluded in order to launch a satisfactory trade negotiation with them in the near future.

**Secondly**, Bangladesh should educate a lot of trade negotiation experts for launching to conclude FTA negotiation with them.

**Thirdly**, Bangladesh should open a joint degree course-based undergraduate and graduate school between S. Korea, the most advanced country in FTA all over the world and Bangladesh to educate many trade negotiation experts

**Fourthly**, Bangladesh should engage experts and adequate human and financial resources to negotiate the best possible deals.

**Fifthly**, Appropriate negotiating guidelines and procedures should be established by assign authority.

**Sixthly**, Bangladesh can establish support units to provide assistance to governments in negotiating, renegotiating or implementing large and medium scale businesses. It will also identify trade negotiation specialists.

**Finally**, Negotiation should be directed in such a way that tries to reduce or eliminate the adverse effect of both countries. A negotiator should identify the cost and opportunities of negotiation properly and after that appropriate strategy should be taken.

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