

## Annexure - 2

These are some of the documents relating to the first introduction of pre-shipment inspection system in Bangladesh.

a. This is the letter sent from the office of the president of the country expressing the Hon'ble president's interest in implementing the PSI system in Bangladesh. Presumably, the 'Proposal' was offered by a PSI company.

iv "cwZi mwPevjq

iv "cwZi 'dZi, XvKv| d'v t 610010-19

b/i t 21.122.13.0.10.90-213                      ZwviL :     19-03-1990

Bs

05-12-1396

evs

c iK t            Gg AvLZvi Avjx

AwZwi† mwPe,

c vcK t    mwPe

Af'v ixY m/ ' wefvM

I

Pqvig'vb, RvZxq ivRfl^ evW',

XvKv|

welq t Avg'vbx cwi'k'b KvH' g|

Dc ii wel q msjvMmn GKwU    bv Ui Abywjwc Ges

Proposal to the National Revenue Board of Bangladesh for an import verification Programme eBwU wb ''k g cvVvjvg|

2| gnvqvb' iv "cwZ m'q Awfc vq c Kvk K i Qb h, c fl vewU evfl evq b wZwb AvM nx Ges Gi h\_vh\_cixv Kiv nvK|

3| AZGe welqW m/ K' wefl vwiZ cixvi ci Ges c qvRb ev a mswk> g Yvjmg ni AwfgZ M nY K i GKwU mywbw'' c fl ve gnvqvb' iv "cwZi m'q we ePbv Ges Aby gv' bi Rb' 10 ('k) w' bi g a' cvVvevi Aby iva KiwQ|

msjvM t eY'bvq Z|

(Gg AvLZvi Avjx)

Source : Alam, 1999.

b. This is the decision of the country's Cabinet of Ministers, chaired by the Hon'ble president held on 27 May 1990, in favour of the introduction of the PSI system in Bangladesh. This was communicated to the Chairman of the National Board of Revenue on 5 June 1990. The Chairman was asked to take necessary legal steps for implementation of the proposed PSI system in Bangladesh, if necessary, in consultation other Ministries.

27 k g, 1990 Bs Zwvi L Abyw Z g x cwil' eV Ki

wm v

( eVK bs: gc e-13 (5)/90)

welq t wewea wm v

(M) weMZ 29-1-97 evsjv/13-5-90 Bs Zwvi L Abyw Z gw -cwil' eV K M nxZ wm v bs 21 wb i c c wZfl vcb Kiv nBj t

21| (K)        evsjv ' k Avg'vbxK Z c Y'ci c vK-kxc g U



- Kg'm Pxi AvIZvq wekfe<sup>Q</sup>vs Ki ewa'Z FY  
c 'v bi m/\$wZ ms v c |
- mshyw†- 6 c vK-RvnrRxKiY cY<sup>Q</sup> cwi'k'b e<sup>Q</sup>efl vi e<sup>Q</sup>q I  
myweavw' m/ wK'Z Abykxj|
- mshyw†- 7 w Zxq wk LvZ FY Pzwti Aax b c vK-  
RvnrRxKiY cY<sup>Q</sup> cwi'k'b e<sup>Q</sup>efl v c eZ'b  
m/ wK'Z kZ'vejx|
- 8| PvivPvj b iva, e 'wkK gy''v Znwej msi<sup>Q</sup>Y, Af<sup>Q</sup> ixY  
m/ ' AvniY e w eZ'gvb miKv ii ,i Z; c Y'  
AM vwaKvi weavq I c vK-RvnrRxKiY cY<sup>Q</sup> cwi'k'b  
e<sup>Q</sup>efl v c eZ' bi c fl ve Kiv nBj|
- 9| c qvRbxq c fl wZg jK Kv h' g m/ b Kwiqv  
AvMvgx b f/^i/wW m/^i 1991 Zvwi Li g a<sup>Q</sup>  
c fl vweZ e<sup>Q</sup>efl v c eZ'b Kiv hvB Z cv i|
- 10| c vK-RvnrRxKiY cY<sup>Q</sup> cwi'k'b e<sup>Q</sup>efl v c eZ' bi  
welqWU gvbbxq A\_'g xi mfvcwZ Z; Abyw Z RvZxq  
A\_' bwZK cwil 'i wbe'vnx KwgwUi 9B g 1991  
Zvwi Li mfvg Av jvwPZ nq| wbe'vnx KwgwU GB  
e<sup>Q</sup>efl v c eZ' bi c fl v e bxwZMZfv e m/\$wZ  
c 'vb K i|
- 11| mvi ms <sup>Q</sup>cwU gvbbxq A\_'g x g nv'q 'wLqv Qb I  
Aby gv'b Kwiqv Qb|
- 12| 8 bs Aby Q ' ewY'Z c vK-RvnrRxKiY cY<sup>Q</sup> cwi'k'b  
e<sup>Q</sup>efl v c eZ' bi c fl ve g x-cwil 'i m'q  
Aby gv' bi Rb<sup>Q</sup> Dcfl vcb Kiv nBj|

(b i j nv mEb Lvb)  
m w P e

Source : Alam, 1999.

e. This is an excerpt from World Bank document relating to introduction of the PSI system as a condition for releasing aid for Bangladesh. This illustrates the nature and extent of World

Bank intervention in government of an aid-dependent country.

April 3, 1991

ISC-2 ISSUES WITH PROPOSED (A) LEGAL CONDITIONS  
OR IMPLICATIONS AND (B) NON-BINDING  
UNDERSTANDINGS

This working document of the ISC-2 appraisal mission based on the matrix discussed during the pre-appraisal mission in January, amended to reflect concerns expressed by GOB officials and IDA management since then. In a few cases, additional detail has been added to clarify the intent of elements which previously were expressed in general terms, in order to minimize the scope for later misunderstanding. It is hoped by the IDA mission that remaining needs for clarification can be settled in the wrap-up meeting on April 4. ...

B. Import Pre-inspection

GOB must issue the invitation to bid for the supply of pre-inspection service soon enough in April to make 6 below a feasible target. The invitation would be accompanied by a prescription of the, services, and complemented by descriptions of the bid evaluation procedure and of the monitoring and reconciliation arrangements to be used for revenue data throughout 1992, all satisfactory to IDA (N) :

- (a) GOB is expected to implement arrangements, satisfactory to IDA, for offshore import pre-inspection and revenue

assessment, and domestic collection, monitoring and reconciliation, early in FY 92, pursuant to selection of the agency (ies) under the agreed evaluation procedure by June 1991 (E)

- (b) It must operate the above scheme through FY 92 in a manner satisfactory to IDA, yielding adequate reconciliation of at least nine-months collections (s)

Source : Alam, 1999.

- f. This is the the World Bank document that contains WB's agreement to provide aid for the sake of implementation of the PSI system in Bangladesh.

BANK/IFC/MIGA OFFICE MEMORANDUM

Date : October 5,1990

To : Files

FROM : Charles Draper, Senior Economist, ASIIE

EXTENSION : 80406

SUBJECT : BANGLADESH: ISC-2: Minute on discussion on credit amount

1. During their visit to the Bank on October 4 to discuss various trade and industry policy and institutional issues, Industry Secretary Mosharraf Hossain and NBR official Kabir Khan raised with Mr. Asanuma, Director of Asia Country Department -1, the possibility of substantially increasing the credit amount for the proposed ISC-2.

2. Mr Mosharraf Hossain suggested that an amount of \$140 million might be appropriate in view of the content of the trade and industry policy reforms which the Government of Bangladesh had embarked on and would continue during the credit period. Previous adjustment credits such as that supporting the financial sector reform had been in the range of \$ 175-190 million. A small ISC-2 credit amount such as the presently programmed \$55 million would provide little encouragement for undertaking sometimes difficult measures to liberalize foreign trade and the investment environment. He explained also that the Government intended to employ international agents to provide import pre-inspection, assessment and customs training and computerization services, at an estimated foreign exchange cost of \$ 25-30 million a year.
3. Replying, Mr. Asanuma advised the Secretary that, while it would not be appropriate to tie IDA adjustment funds directly to payments for the import inspection services, Bank staff agreed that a larger amount would be desirable for ISC-2. An amount in the \$90-100. million range might be feasible on a "best efforts" basis, taking into account the import inspection services and the need for greater inflows to help offset effects of the gulf crisis. He explained that the amount presently programmed for ISC-2 should not be regarded as the final figure; it was in the program because delays in implementing operations in Bangladesh generally make it necessary to over-programme and therefore to understate the allocation for each proposed credit.
4. Mr. Asanuma emphasized that an increase would be subject to three sets of factors :

- (a) First, it would be necessary for IDA to be convinced on the strength of the reform program, i.e. with significant further progress being made on liberalizing the trade and investment policy regime.
- (b) Second, the IDA funds that could be made available for allocation to this credit would need to be increased. This could occur through additional funds being made available for Bangladesh to help meet costs due to the gulf crisis,, and/or by scheduling ISC-2.

**Source :** Alam, 1999.