

Bangladesh



Issue and background:

European and global express delivery services companies are facing challenges to their operations in Bangladesh, these challenges include:

1. New Postal Law

On the 28th of January 2010, the Bangladesh Post Office (Amendment) Act 2010 was passed in Bangladesh. This Act puts unfair constraints on the postal services sector:

- It creates a new regulator – the Licensing Authority (LA). Within three months of constitution of the LA, companies providing express delivery services will have to obtain a license for providing these services together with the payment of a license fee.
- The government/LA grants itself an exclusive right to grant and cancel the license of the courier providers
- The government/LA restricts certain types of services for the Bangladesh Post Office, therefore banning the courier service providers from exercising their activity within the categories restricted (for instance, according to weight or type of the product carried)
- The government/LA sets standards of services and will impose penalty for non-compliance
- International Express Delivery Services are not exempted in the Act from its provisions

2. Draft Mailing Operator & Courier Service Rules, 2010

As the Act is already passed, the Secretary of Post & Telecommunications of the Ministry of Posts & Telecom is currently steering a committee to frame the implementation of rules following the Amendment Act. If passed, these rules will significantly impair the ability of the express delivery companies, as well as, those of the Bangladeshi postal market, and this is for the following reasons:

- No differentiation in terms of rules drafted for both Express Delivery Services (EDS) and basic postal services

- A non-independent, but managed by Bangladesh Post and the Ministry of Post & Telecommunications regulator (Licensing Authority), which will supervise not only service rates and contributions, but also internal arrangements of the EDS (such as remuneration, franchises, etc.)
- The ban of using the words 'Post' or 'Mail' by the couriers, some of which have been used in trademark for years
- The unnecessary categorization of private operators in 5 segments with a licensing fee imposed on those operating in international segment being 10 times that of those operating only in the metros

Latest developments

The International Air Express Association of Bangladesh has submitted on the 19th of September 2010 to the Secretary of the Ministry of Posts and Telecommunications its set of considerations on the proposed Draft Mailing Operator and Courier Service Rules. These are part of the express delivery operators' dialogue with the Bangladeshi government and essentially call on the latter to revise and amend the rules in order to grant better legal market conditions to courier providers. The outcome of the dialogue is not certain as of yet.

Next steps:

The EEA calls on all parties concerned to raise these issues further with the Bangladeshi authorities in the context of the 2001 EU-Bangladesh Cooperation Agreement and, where appropriate, in the context of the Doha round negotiations.

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