

Editorial

BIP Summit 2016 and our targets to hit FDI inflows

Bangladesh is one of the manufacturing-led economies aspiring to be a middle-income country by 2021 and a developed country by 2041. Keeping it at the top, 7th FYP targets for an increased GDP growth rate of 8%, where the growth of manufacturing sector would be 12% from the present level of 9.60%. Out of BDT 31.9 trillion investment requirements of 7th FYP about 78% will come from the private sector. Investment is planned to be at 34.4% of GDP from the present level of 26%. Private sector is in the driving seat needs better policies and infrastructural support to meet the target.

The flow of FDI in Bangladesh since 2010 has been increasing but slowly, Bangladesh needs USD 9.6 billion from the present level of USD 1.6 billion which is a mountain to climb up. Bangladesh has topped other South Asian neighbours to achieve the UN MDG targets. Poverty rate reduced from 73% of 1985 to about 24% in 2015, no alternative to create employment. A significant number of foreign skilled manpower engaged in a number of industries cleaning up a significant amount of foreign exchange, we ought to explore local skill to reduce burden of engagement of expensive expatriates.

In view of attracting more foreign investment and to inform policies to the investors, the Bangladesh Investment and Policy (BIP) Summit 2016 was organized by PMO, BOI and BUILD and inaugurated by the Hon'ble Prime Minister Sheikh Hasina where she promised for announcement of 10 Economic Zones and she did it in February 2016 just after one month of the Summit.

One of the main attractions of this Summit was the declaration of some USD 12 billion investment from leading investors, for which BOI under PMO is doing extensive follow-ups. It also received another promise for establishing industries in the border areas of Bangladesh using the raw materials of NEI (North Eastern India), and also for the Meghalaya-Bangladesh Hydropower project. To secure the promised investment, policy support is a must.

World Bank's ranking method must have some basis and we have to pick up from where it ended. Basically, the business community has been asking for a more enabling environment, which can be ensured through political and macroeconomic stability, sound policy and regulatory framework supported by relevant institutions, enforcement of laws and regulations, and building of adequate infrastructure.

"Calling Bangladesh a heaven of cost-cut may not be enough for Japanese "long-sighted" investors who usually look for sustainability that can be met through policy measures and transformation of industry alongside the right policy is expected to be taken place as early as possible. Otherwise, Bangladesh might miss the opportunity to fulfill the industrialization"-Kei Kawano, Country Representative, JETRO.

Considering the importance of the appropriate policy mix, for the first time this year's Summit integrated Investment and Policy issues and a number of policy suggestions were picked up from the Summit for corrections, extensive follow-up in this direction is priority now.

Ferdaus Ara Begum
CEO, BUILD

8th PSDPCC underscored policy simplification need for CSR and financing for WE development



Principal Secretary Md. Abul Kalam Azad presides over the meeting at PMO's Conference Room along with the representatives from Public and Private Sectors.

The eighth Private Sector Development Policy Coordination Committee (PSDPCC) meeting discussed the need for simplification of policies for CSR for banks, manufacturing of boilers in Bangladesh, financing of Women Entrepreneurs (WE) including bank charges rationalization to reduce cost of doing business.

At the meeting of PSDPCC, the Principal Secretary Md. Abul Kalam Azad underlined the need for a CSR policy, implementation of housing for tea workers and low cost funding for private sector development. Business Initiative Leading Development (BUILD), which provides technical, secretarial support to PCC, placed four reform policy papers. BUILD CEO Ferdaus Ara Begum proposed a number of areas for reforms and enactment of new laws wherever required.

The meeting underscored the idea of economic zone for women entrepreneurs and agreed to form a high level committee for a national CSR Policy.

While discussing the issue of CSR policies, BUILD Chairman Asif Ibrahim highlighted the need for greater funding in the form of CSR research. This would enable sustainability of supportive research based CSR and related policy reform initiatives carried out by the private sector.

"We do appreciate the initiatives of BUILD and PMO for policy reforms through PSDPCC. We request to hold the meeting quarterly to double the impact of its results on the business".

- Akhter Matin Chawdhury, VP, MCCI

While discussing on boiler manufacturing and boiler quality, FBCCI President Abdul Matlub Ahmed extolled for simplifying all the policy issues for the private sector development and suggested that the private industry should come forward and have self certification. He also specified for lowering the spread at 2% by the bank in an attempt to reduce the interest rate.

Hedayetullah Al Mamoon, Senior Secretary, Ministry of Commerce; Md Mosharraf Hossain Bhuiyan ndc, Secretary, Ministry of Industries, Planning Commission Secretary Mohammad Shafiqul Azam, AHM Rezaul Kabir, ndc, Secretary General of DCCI; Dr.M Masrur Reaz, Program Manager and Mohammed Lutfullah, Operations Officer of Trade & Competitiveness, World Bank Group were present, among others, and spoke at the meeting.

PM urges world investors to be a part of Bangladesh's growth



Hon'ble Prime Minister speaks at the inaugural session of the 2 Day Summit

Prime Minister Sheikh Hasina at the Bangladesh Investment and Policy (BIP) Summit 2016 on 24-25 January, 2016 urged the world's big conglomerates to be a part of the country's economic growth and said today's Bangladesh is a different one from a half-a-decade ago. The Summit was organized by the PMO, BOI and BUILD at the Radisson Blue Water Garden Hotel in association with IFC, FBCCI, DCCI, MCCI, CCCI, BEZA, PPP Authority and Dhaka University.

Highlighting the country's economic progress and steps taken by her government for industrial and business promotion, she said "Today's Bangladesh is totally a changed Bangladesh. People of Bangladesh are now much more confident and committed to materializing any impossible task."

Congratulating the organizers of the Summit, she said overcoming all odds, Bangladesh economy has been progressing steadily since the last seven years with remarkable growth and transformations, despite volatilities in many external markets and very sluggish growth in the developed countries.

"To identify private sector policy issues and resolve them in a systematic manner, we have the Private Sector Development Policy Coordination Committee (PSDPCC) represented by all relevant public offices and representative of business chambers and trade bodies"

- PM

"This is the most opportune moment to show your dynamic role and be a part of our historic growth and development," the Prime Minister said while inaugurating the 2-Day BIP Summit-2016.

The Prime Minister said, her government would not do business, rather the government would create a business-friendly environment for businessmen.

In view of this, she said massive reforms have been carried out in infrastructures, rules and regulations and we have undertaken all types of initiatives to create an investment-friendly environment.

The Summit was aimed to highlighting latest policy developments for private sector growth in Bangladesh to showcase private sector investment opportunities in key sectors and demonstrate opportunities for potential value addition in those sectors for a sustained economic growth.

Important Summit Outcomes

- * Investment announcement of USD 12 billion
- * Meghalaya - Bangladesh Hydropower project
- * Using the raw materials of NEI (Meghalaya) to establish industries at the border areas of Bangladesh
- * Single stage derogation of entry into Japanese market for at least USD 7 billion
- * As well as Garments, Japanese investors promised for other sectors to invest.

Hon'ble Finance Minister AMA Muhith, Industries Minister and Vice Chairman of BOI, Amir Hossain Amu, Commerce Minister Tofail Ahmed, Chief Minister of Indian State of Meghalaya Dr Mukul Sangma, among others, spoke on the occasion.

Vice Chairman of Reliance Industries Limited of India, Samir K Gupta, South Asia Region CEO of Axiata Limited Dr Hans Wijayasuriya, Chairman of Adani Group, Gautam Adani, Director of the International Finance Corporation (IFC) of the World Bank Group, Sujoy Bose and FBCCI President Abdul Matlub Ahmed and BUILD Chairman Asif Ibrahim delivered speech in the inaugural session of the Summit.

"South Asia is poised to be a large centre of growth in the near future and then it would no longer remain 'a poor men's club'- PM

PM's Principal Secretary, Md Abul Kalam Azad made opening remarks while BOI Executive Chairman, Dr. SA Samad gave vote of thanks. Chief Minister of Meghalaya and other foreign business entrepreneurs showered their praise on Prime Minister Sheikh Hasina and expressed keen interest to invest in Bangladesh.

PM launches BUILD's Publication



Hon'ble Prime Minister Sheikh Hasina inaugurated 'Business Start UP Licenses: A Regulatory Guide (4th edition prepared and researched by BUILD) along with others at the opening session of the BIP Summit 2016.

Most of the new business entrepreneurs do not know how to approach for permissions because of absence of information on the procedures, steps, fees requirements and where to get and how to collect these permissions. Because of these complexities businesses remain informal.

To that end, "Business Start-up Licenses: A Regulatory Guide provides a critical source of information regarding licence, permit, approval, certificate, registration etc. needed for doing business in Bangladesh.

Strong Public Private Partnership sought at the Taxation Working Committee Meeting of BUILD



The Member of NBR (Customs) Md Farid Uddin Ahmed presides over the meeting at the NBR Conference Room along with the representatives from Public and Private Sectors.

The second Taxation Working Committee (TWC) meeting discussed the need for simplification of policies for Alternative Dispute Resolution (ADR), Audit, and Supportive Tax for Electrical, Electronics sector, Manufacturing and Assembling Policies for Motor Cycle Industries including an Issue Brief on Tax Card.

On behalf of the NBR Chairman, Md. Farid Uddin Ahmed, Member (Customs) of NBR presided over the meeting and underlined the need for the collaboration between the private and public sector engagement. He informed that in order to extend benefits of ADR in the field of VAT, a consolidated formula of the entire ADR can be developed and in this thread BUILD can work on it. On behalf of NBR he endorsed all recommendations placed at the meeting.

In respect of ADR, BUILD CEO, Ferdaus Ara Begum advocated for establishing a strong ADR Cell (with a Secretariat) in NBR for gearing up the revenue engine and she also underlined for strengthening the independent role of facilitators. The NBR agreed these proposals and ensured that they would examine these areas of ADR for implementation.

In connection with the audit study, BUILD CEO said "in our present system commissioner approval is required in assessing all types of omission or errors which is cumbersome and time consuming. Joint Commissioner of Tax can approve these issues to save time of the tax payers. In India, JCT can approve these issues and save time for audit process". Therefore, she argues to skip the commissioner's approval for any kind of assessment (as per the present practice) where the case is below BDT one million and in case of sensitive issues and higher level cases Commissioner's approval can be required.

For ADR, Md Abdur Razzaque, Member (Tax Admin) enlightened the meeting and added "audit system is already in progress for implementation and NBR will go for automation immediately. Having implemented the automation, the number of TIN Holders increases to 1.8 million while registered taxpayers are 1.2 million. (before automation, tax payers were 0.8 million)". He also said that Tariff itself is a burdensome and complex area. We try our utmost to simplify the tax regime and the private sector should step up for working out these issues with regarded reserach, he added.

As well as audit and ADR Study, BUILD CEO presented a couple of papers on Supportive Tax for Electrical and Electronics Manufacturing and Simplification of Policies for Motor Cycle Assembling Industries.

DCCI President Hossain Khaled praised the concept of Tax Card and he requested NBR to make the card into smart card that holds all required information of an entrepreneur of NBR in order to reduce hassles, as was proposed by BUILD.

BUILD Chairman Asif Ibrahim expressed thanks to everyone for attending the meeting and requested NBR to host the taxation working committee at regular intervals. He mentioned that NBR Chairman and FBCCI President are two co-chairs of the committee and NBR and FBCCI can play an active role for resolving all issues of private sector for faster growth of the private sector.

Md. Shawkat Ali Waresi, Additional Secretary of MOC; Parvez Iqbal, Member of Tax Policy, NBR; DCCI Senior Vice President Humayun Rashid, Manzur Ahmed, FBCCI Advisor; Abdul Khaleque, Additional Secretary of FBCCI, Biplop Kumar Roy, Head of Operations, TVS Auto Bangladesh and Adul Khalek, Director of Berger Paints BD Ltd. were present, among others, in the meeting and represented each sector and presented their independent views for validation of the reform proposals.

BUILD meeting with PROKAS for joint activities



After the meeting, the Team Leader of PROKAS Catherine Cecil receives Business Licenses Start-up: A Regulatory Guide from BUILD CEO Ferdaus Ara Begum at PROKAS

PROKAS - Promoting Knowledge for Accountable Systems- a programme of British Council hosted a meeting with BUILD on its secretariat on February 24, 2016. The Team Leader of PROKAS Catherine Cecil welcomed BUILD Team and opened the discussion. BUILD CEO Ferdaus Ara Begum shortly gave an overview of BUILD and how it has been working for policy simplification for the private sector development since 2011. While giving the overview, she underlined the collective efforts of public organizations, civil society and the private sector for removing regulatory issues in business and she answered queries.

Catherine Cecil said that PROKAS in Bangladesh is an innovative project that will support collective action among Government of Bangladesh, civil society and private sector partners to improve accountability and transparency in targeted thematic areas in Bangladesh and they want to focus on how Bangladesh can harness the experience of other countries and develop a comprehensive set of policy recommendations for the government to support the sector's rapid growth especially in food security and safety, labour migration and climate change issues.

PROKAS will also provide capacity building assistance, such as training, for specific government initiatives that are aimed at improving transparency, accountability and reducing corruption.

Md. Ghulam Hussain, Deputy Team Leader said that PROKAS and BUILD share some common areas and as BUILD is already a big player in policy reform can add value to work on policy in food security and safety, labour migration and climate change. The meeting ended with a decision for exploring areas where BUILD and PROKAS can make joint efforts.

BUILD and DU agree to cooperate in research



BUILD and University of Dhaka exchange documents of memorandum of understanding (MoU) for policy research, cooperation, industry academia collaboration and access to resources. The MoU signing ceremony took place at the Office of the Vice Chancellor, University of Dhaka on January 17, 2016.

BUILD and University of Dhaka have signed memorandum of understanding (MoU) for policy research, cooperation, industry academia collaboration and access to resources.

In presence of Professor A A M S Arefin Siddique, VC of University of Dhaka, Dr. Kamal Uddin, Treasurer of DU and BUILD Chairman Asif Ibrahim signed the MoU for and on behalf of the respective organisations. Among others, the MoU is intended to facilitate all exchanges and co-operative initiatives between the two institutions in the areas of strengthening collaboration through organizing joint seminars, research and exchange of ideas between business entrepreneurs and academia.

BUILD Chairman Asif Ibrahim convened the ceremony and gave the welcome address, providing a brief introduction to BUILD and its collaborations. He also cited the critical role that a platform between BUILD and University of Dhaka can contribute a lot to business policy research and thanked the VC for choosing to build a relation with BUILD. "This mutual understanding is a step forward that could be strengthened further to identify common regulatory barriers related to industrial sector growth and strive to eliminate such barriers by finding out simplified and transparent business processes and practices," he said further.

While sharing all activities and mechanism of BUILD, Professor A A M S Arefin Siddique said, "It's a one step ahead that enables us to work together to better use each others resources, expertise and experience towards enabling a better business environment in Bangladesh. We appreciate the idea of co-chairing model from both public and private sectors of BUILD and we can incorporate this idea into our innovation lab. In future, we will work following the model of BUILD".

Humayun Rashid, Sr. Vice President of DCCI handed over a pair of publications of Commercial History of Bangladesh while K. Atique-E-Rabbani, FCA, Vice President of DCCI said that respecting teachers is a big investment for our country, so we should underscore this area as well.

Among others, Syed Rezanur Rahman, Registrar, Prof. Shibli Rubayat Ul Islam, Dean, Md. Rashedur Rahman, Assistant Professor of Department of International Business of DU, A.H.M. Rezaul Kabir, Secretary General of Dhaka Chamber of Commerce and Industry, Ferdaus Ara Begum, CEO, Moshaddek Alam, Communication and Advocacy Associate, Nasib-Ul Amin, Research Associate of BUILD were also present at the meeting and spoke on the occasion.

Public Lecture on Industrial Policy at NSU



Md. Mosharraf Hossain Bhuiyan ndc, Secretary, Ministry of Industries and Prof. Atiqul Islam, the University Vice Chancellor among others are seen in the picture.

North South University organized a public lecture on February 27, 2016 consisting of a high profile discussion panel of distinguished government policy makers, industrial leaders, and leaders from the private sector on the topic 'Promoting Growth: Challenges and Opportunities for Investment Promotion in light of the Industrial Policy of Bangladesh.'

Following a welcome address by Prof. Sk. Tawfique M. Haque, the Director of Public Policy Governance (PPG), the discussion was inaugurated by M.A. Kashem, the Chairman of the Board of Trustees of NSU, and Prof. Atiqul Islam, the University Vice Chancellor. The discussion panel was moderated by Prof. Salahuddin M. Aminuzzaman, Advisor, Public Policy and Governance (PPG) Program at North South University, and was held at the NSU permanent campus in Bashundhara.

BUILD CEO, Ferdaus Ara Begum was one of the panelists at the meeting. Having introduced PPD platform-BUILD, she eyed on institutional and procedural challenges of investment diagnosed critical factors affecting investment friendly FDI policy in Bangladesh. Over disclosing all gaps to be harmonized upcoming Industrial Policy, she proposed some ways to synchronize industrial policy with other national policies to face in the realities.

The discussion panel included Md. Mosharraf Hossain Bhuiyan ndc, Secretary to the Ministry of Industries, Bangladesh; Md. Nojibur Rahman, Chairman of the National Board of Revenue, Bangladesh, Supun Weerasinghe, the Managing Director and Chief Executive Officer of Robi Axiata Limited; Abrar A. Anwar, the Chief Executive Officer of Standard Chartered Bangladesh and Prof. M. Mahboob Rahman, the Dean of the School of Business and Economics at North South University.

In addition to discussing the nature of the upcoming industrial policies in Bangladesh, the discussion probed the institutional and procedural challenges that impinge investment mobilization in Bangladesh and how to arrive at practical solutions for them, including addressing the current national Five Year Plan that projects a significant increase to the rate of investment by 2020. The panel also examined the possibilities of addressing the nearly 1 Trillion Taka of idle money that rests in the banks of Bangladesh, while exchanging dialogue between the academic researchers, national policy makers and private sector leaders on the critical factors that affect foreign investment in Bangladesh and how to harmonize any existing gaps between industrial policy and existing demands by industrialists, especially related to environmental and social factors.

The discussion panel was open to all students at North South University to allow them a direct insight to the pressing issues of industrial policy in the country. The entire program was organized by the School of Business and Economics (SBE), and the Public Policy and Governance (PPG) Program at North South University.

Partners' Corner



CCCI opens World Trade Centre in Chittagong



Hon'ble Prime Minister Sheikh Hasina inaugurated the World Trade Centre (WTC) in Chittagong on January 30, 2016.

Addressing the inaugural ceremony, PM expressed the hope that the center will act as a catalyst for local and foreign organisations to network and explore new joint ventures and collaborations in their new initiatives. "The first-ever WTC of the country will surely help to emerge Chittagong as the commercial capital in a true sense. The WTC will also house a permanent and a temporary display or exhibition centre where products of local enterprises and business houses will be showcased. Besides, we will be able to woo the foreign investors since two special economic zones are going to be set up in Anwara in Mirsarai upazilas in Chittagong," added the CCCI president, Mahbubul Alam.

The Chittagong Chamber of Commerce and Industry (CCCI) constructed the centre as a part of the global network of World Trade Centers Association (WTCA) as well as a global hub for international business, which offers facilities and services associated with global commerce under one umbrella.

He said also that the WTC aims to facilitate trade and commerce of the country from Chittagong, which is considered as the commercial hub of this region with the country's premier seaport and the chamber obtained license from the New York- based World Trade Centres Association for the WTC in Chittagong.

He said the center houses banks, exhibition hall, shopping mall, food court, IT zone, International Trade Institute, International standard convention hall, meeting room, among others, to offer all kinds of business related services.

DCCI launches training programme for WE



Governor of Bangladesh Bank was present as the chief guest, While Hossain Khaled, President, DCCI chaired the event on 26 February 2016 at DCCI

About 200 women entrepreneurs from various parts of the country took part in the inauguration of training programme. Bangladesh Bank accredited training organization Peace Foundation conducted the training programmes.

Bangladesh Bank Governor Dr. Atiur Rahman said that Bangladesh Bank has initiated a project titled Skills for Employment Investment Programme (SEIP) to provide training to 10,000 new entrepreneurs. He also mentioned that Bangladesh Bank has created a fund of Tk.100 crore for the new entrepreneurs of DCCI E2K project and other new and young entrepreneurs. He informed that last year in 2015 loan of Tk. 1,15,870 crore was disbursed to 7,25,000 small and medium entrepreneurs. Out of which women entrepreneurs got loan of Tk. 4227 crore. In 2015 Tk. 5255 crore was refinanced to 50,000 entrepreneurs out of which Tk. 1357 crore was refinanced only to women entrepreneurs, he informed. He said that Bangladesh Bank, besides its monetary activities focuses on the development of women through their empowerment and entrepreneurial skill. He also said that Bangladesh Bank has given clear instruction to the scheduled banks to promote women entrepreneurs.

DCCI President Hossain Khaled said that despite 10 per cent success rate of getting loans by the new entrepreneurs under DCCI's E2K project, we are continuing this project in order to facilitate young, new and innovative entrepreneurs in the country. Under this project, DCCI aims to create 2000 entrepreneurs across the country, he informed.

Lecture on Family Business at MCCI



The MCCI Vice President, 2nd from left and Secretary General (extreme left) are seen along with the speaker in the meeting

Metropolitan Chamber of Commerce & Industry (MCCI) organized a lecture on 'The Business of the Family Business' by Mirza Yawar Baig, a globally renowned family business advisor, at the Chamber on 27 February, 2016. Family businesses have to move from being person-led to process-driven and create robust systems for smooth succession, said Mirza Yawar Baig, an international speaker specialized in leadership development. "The company has to come first, rather than the family," he said while giving a lecture on "the business of the family business".

Akhter Matin Chowdhury, Vice President of the MCCI, said family businesses are recognized as a key part of the global economy as well as the local communities, so their importance is crucial.

Steering Committee Meeting of MSP Held



The National Steering Board members stand together after the first meeting of NSB at the Westin Hotel.

The first meeting of the National Steering Board (NSB) of the Bangladesh Water Multi-Stakeholder Partnership (MSP) was held on January 30, 2016 at the conference room of Hotel Westin, Dhaka. The meeting was chaired by Mohammad Shafiul Alam, Cabinet Secretary, Government of the People's Republic of Bangladesh. Dr. Zafar Ahmed, Secretary, Ministry of Water Resources started the meeting with his welcome remarks. Then the opening remarks were presented by the Chair, Mohammad Shafiul Alam, Cabinet Secretary. After the opening speech, several presentations were made by different presenters relevant to the agenda of discussion.

After the presentations, the Co-chair from the private sector Rokeya Afzal Rahman(Vice-President, ICC) and Co-chair from the civil society, Mr. Mushtaque Chowdhury (Vice-Chair, BRAC) made brief remarks endorsing the Bangladesh Water MSP and emphasizing on the need for immediate actions and programs to address the challenges.

As one of the members of Bangladesh Water MSP National Steering Board, BUILD Chairman Asif Ibrahim was present in the meeting. Chaired by the Cabinet Secretary, the meeting sought BUILD's support for facilitating the MSP. BUILD contributes to policy making process which impacts the private sector and industries and facilitate coordination with relevant mechanisms at Prime Minister's Office.

The NSB agreed to start a process to review laws, regulations and policies where an overlap, gap or undue complexity exist and circulate recommendations to NSB members for their comments and discussions. BUILD CEO Ferdaus a Begum was also present

Financial Inclusion Strategy BD

Financial Inclusion is to reduce the gaps between supply and demand of financial products. The new products should be developed based on the demand and need of the country. Services to be provided to the marginal group of beneficiaries in such a way so that it is secured, transparent and quicker. CEO, BUILD Ferdaus Ara Begum participated in the discussion session organized by Bangladesh Bank, BFP-B, UK aid recently in Westin. Bangladesh Bank is in a process to prepare a Financial Inclusion strategy aligning with the international benchmark following guidelines of Alliance for Financial Inclusion(AFI) as per commitment made under the Maya Declaration.

New indicators for Aid Effectiveness Monitoring

Aid Effectiveness Unit of Economic Relations Division (ERD), Ministry of Finance hosted a meeting with the BUILD officers on February 03, 2016 and again February 18, 2016. The wing of ERD is working with the Global Partnership for Effective Development Cooperation (GPEDC) as an inclusive global platform strives to make better use of development cooperation/foreign aid and as such it undertakes global monitoring survey to assess development impact of aid.

For the first time a specific indicator on private sector that is engagement and contribution of private sector to development has been included. After the consultation with ERD officials, BUILD sent its inputs on some specific questions under Indicator 3: Engagement and Contribution of the Private Sector to Development specifically in Module – 2. In this indicator, the role and quality of public-private dialogue (PPD) at the country level has been highlighted and BUILD as the national PPD platform has put forward their opinions for capacity building, investment available to support PPD and how the private sector ready and willing to engage and interact with the government and also how the government is ready and willing to engage and interact with the private sector and also other issues to facilitate dialogue process and active political will and thus reducing the trust gap between public and private sector stakeholders.

Meeting with Joint Chambers for BIPS 2016



BUILD and BOI in association with Dhaka Chamber of Commerce and Industry organized a coordination meeting at DCCI Gulshan Center on January 10, 2016 with all joint chambers for the Bangladesh Investment and Policy Summit 2016 taking place on 24-25 January 2016.

BOI Chairman Dr S A Samad called upon all representatives from joint chambers to support the summit and showcase sectoral investment opportunities in Bangladesh. BUILD Chairman Asif Ibrahim highlighted latest policy developments for private sector growth in Bangladesh and role of BUILD for promoting PSD.

K. Atique-E- Rabbani, FCA , Vice President of DCCI, Nabhash Chandra Mandal, Additional Secretary and Executive Member of BOI, BUILD CEO Ferdaus Ara Begum, Tauhidur Rahman Khan, Director and Joint Secretary of Board of Investment and Mohammad Lutfullah, Operations Officer (Trade & Competitiveness) of World Bank Group among other representatives from joint chambers were present at the meeting.

Reform Implementation

Trade License Fee reduced

The trade license collection fee and registration fee have been increased on March 2, 2015, as per SRO no 44/Act/2015 for doing business in city corporation areas. Trade license fees were increased exorbitantly, e.g., the rise of fees for any confectionary or any fast-food shop in Dhaka city increased to BDT 2000 and BDT 4000 from BDT 300 of 2002 (SRO No 295/Act/2002/Powro-1/2M-04/2002). The business stopped to renew licenses because of the increase of fees. On 31st January at last local government ministry took a decision to reduce the trade license fees and accordingly issued an SRO (No 13 Act 2016) revising the fees. The businesses can now have licenses or renew licenses at the reduced rate. Worth mentioning, this issue was raised in the 7th PSDPCC Meeting at PMO and BUILD initiated a study. Now it has been implemented.

Minimum Tax Reduced

As per Income tax Ordinance 1984 (16 CCC) imposition of minimum tax is allowed based on company classification of firms. Irrespective of profit and loss minimum tax at the rate of 0.3% is to be paid by those companies earning more than BDT 50 lacs. In the year of 2015-16, a new provision has been included to reduce the tax rate further to 0.10% for those who are engaged in manufacturing industries for at least three years. BUILD conducted a study on "Charge of Minimum Tax (Turnover Tax) according to the ITO, 1984" in 2013 and proposed for some reforms.

Meeting with Research Team of USAID



DCCI President Hossain Khaled (extreme left) and Secretary General and CEO BUILD join the meeting along with a USAID Team

A meeting was held at DCCI on February 25, 2016 where Blerta Picari, AMEG Project Manager, Geoffery Wright, Customs and Trade Facilitation Expert of CHENOMICS and Dr Khairuzzaman Majumder Deputy Team Leader, BTFA, USAID were present. DCCI President mentioned that a number of NTBs hamper growth of business and referred recent CVD/AD issues of jute goods from India.

While narrating role of BUILD in supporting private sector business development, BUILD CEO Ferdaus Ara Begum said that there are differences of opinions in addressing NTB and Non Tariff Measures (NTM) issues. Non-Tariff Barriers, which is one of the most debated issues hampering growth of business.

BUILD CEO Ferdaus Ara Begum in that respect referred a study on NTM conducted by ITC where BUILD supported for launching the study in Bangladesh. She further opined that BUILD's research can reduce policy implementation gaps and thus increase business competitions.

BUILD Scope

Simplification of Export Documentation Requirements

According to Doing Business Report 2016, Bangladesh is currently holding the 174th position out of 189 countries on the basis of ease of doing business. Last year on that report Bangladesh was holding the 173th position. Based on Doing Business Report, this is an alarming situation for Bangladesh's current investment climate. Export documentation is one of the vital indicators of ease of doing business. Now in Bangladesh 12 documents are mandatory for exporters to export goods in other countries. BUILD is currently working on how to reduce these documents to simplify the export process. BUILD will also focus on how to improve the overall condition of doing business in Bangladesh and increase the position of Bangladesh in Ease of Doing Business Rank.

Policy Space for Protecting Jute Industry of Bangladesh

Bangladesh needs trade diversification to become a manufactured based economy and achieve vision 2021. Jute has been identified as one of the products to concentrate on as a part of trade diversification. Our government has given subsidies on jute for a long time following rules allowed for LDC. Currently government provides 7.5% and 5% subsidies to jute goods exports. Recently, India initiated a process to impose AD duty on jute goods. Bangladesh exported jute and jute goods worth US\$ 868 million in the last financial year, 2014-15 of which \$110 million exported to India.

BUILD has resumed a study to find out ways that will help Bangladesh hold up dumping issues with a target to protect this industry from future crises and would like to propose for a guideline for subsidy.

Export Benefits for Indenting Commission

Indenting services are facilitating imports. In the Export Policy-2015-18, Indenting services are included as service export. They are now entitled to enjoy all the facilities that an export sector avails. They are supposed to get exemption on deduction of VAT and AIT at source on the indenting commission they earned in foreign currency as an export sector. They enjoy a lower rate of fees in case of trade license and import registration certificate and increased ERQ from Bangladesh Bank. Presently Indentors do not enjoy these facilities as Service Exporters because of absence of an SRO to be issued by the NBR. BUILD is conducting a study to set out some recommendations on this issue.

Articles of BUILD in National Dailies

Addressing the core policy issues of investment

<http://print.thefinancialexpress-bd.com/2016/01/21/131829>

Simplification of ADR brooks no delay

<http://print.thefinancialexpress-bd.com/2016/02/20/134510>

Meeting the challenge of higher growth targets

<http://www.thefinancialexpress-bd.com/2016/01/16/11044>



The Member of NBR (Customs) Md Farid Uddin and Member of Tax Policy of NBR Ahmed Parvez Iqbal receive publications from BUILD Chairman Asif Ibrahim, DCCI President Hossain Khaled, and DCCI Senior Vice President Humayun Rashid. BUILD CEO Ferdaus Ara Begum was present as well.



After a meeting on January 31, 2016 at Planning Commission, Abdul Mannan, Member, Socio-Economic Infrastructure, Planning Commission receives a Business Start-up Licenses: A Regulatory Guide (4th Edition) from BUILD CEO Ferdaus Ara Begum.



Chairman of Centre for Development Research Bangladesh (CDRB) Dr. Mizanur Rahman Shelley and BUILD CEO Ferdaus Ara Begum introduced Business Licenses Start-up: A Regulatory Guide at BoiMela at Bangla Academy on February 15, 2016. BUILD CEO gave a brief rundown for the audience about what inspired to write the book and answer questions from audience members.



Md. Mosharraf Hossain Bhuiyan, Secretary to the Ministry of Industries receives Business Start-up Licenses: A Regulatory Guide from BUILD CEO Ferdaus Ara Begum on January 25, 2016 at the Radisson Hotel.



Right information at the rightest moment is a must for sustainable business. BUILD prioritized the access to information and took the challenge to ease business for the first time in Bangladesh. The Business Start-up Licenses-A Regulatory Guide (4th edition), a gist of about 300 Business Lienses along with renewal was launched by the Hon'ble Prime Minister Sheikh Hasina, MP in January 2016 at the Bangladesh Investment and Policy Summit organized by the Board of Investment and BUILD. BUILD has also published two sectoral Business Start-up licensing guide books: Fish and Fisheries Business Start-up Licenses: A Regulatory Guide and Pharmaceuticals Business Start-up Licenses: A Regulatory Guide which provide a one stop service for all new and veteran entrepreneurs who are looking for Registration/License/Permission/Approval or Certificate for their respective businesses.

What are inside:

Getting Start-up License & Renewal 0	0 Step by Step Process Flow
Receiving Utility Permits 0	0 Reference to Regulations
Fees and Permission 0	0 Detail Information of Issuing Agencies

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