

## Editorial Action Plan on NTBs of Bangladesh

Non Tariff Barriers (NTB) are an official policy measures on export and import, other than ordinary customs tariffs, that can potentially have an effect on international trade in goods, changing quantities traded, or prices or both. A significant number of NTBs and NTMs (Non Tariff Measures) visibly and invisibly impacting intra- SAARC trade. NTBs in the form of para tariff barriers (PTBs) are responsible for the high degree of transaction cost in bilateral cross border trade. Statistical extrapolation from a number of studies shows that 1% reduction of trade transaction cost leads to cost saving \$40 billion, varying estimates attribute 1-15% of the total transaction cost due to regulatory procedure and formalities.

SPS, TBT & pre shipment clearance and other formalities are technical measures in case of import, whereas price control, licenses, quotas, prohibition & other quality control measures, charges, taxes and other para tariff measures, subsidies, government procurements, rules of origin, intellectual property related issues, etc. are some of the non-tariff measures of import.

To identify and understand the extent and the economic impact of existing NTBs to trade, review the existing mechanisms for addressing NTBs, BUILD, United States Agency for International Development (USAID) and the U.S. Department of State organized a 2 day workshop on December 7-8, 2016 in Dhaka. Preparing a national action plan to accelerate reforms that address key NTBs was the main objectives of this workshop.

The workshop prioritized some NTBs; conformity assessment, anti-dumping and countervailing duties, charges, taxes and other para-tariffs, rules of origin and pre-shipment inspection and trade facilitation as the top NTBs faced by Bangladeshi exporters specially in the South Asian region.

It was also observed, a serious need for coordination, as because of the absence of detailed information on what regulations are applied, by whom, and for what products is hard to get because in every destination country, it is scattered over many ministries and agencies. Even inside government, agencies may communicate poorly, resulting in a lack of coordination and coherence of regulatory regimes.

There is also a need for an integrated approach encompassing regional and intra-regional issues and exploit full potentials of public private partnership platforms for having continuous dialogue with the concerned PPD actors, stakeholders and other players.

NTB issues are evolving in nature, thus we need to update us with information. A mechanism needs to be developed so that we can provide information adequately to the private sector to make them ready and fully prepare when entering into a business to the destination country.

**Ferdaus Ara Begum**  
CEO, BUILD

## Supportive Policies to Revamp SME Development



MOI Sr. Secretary and CCCI President co-chair the meeting at MOI.

The Ministry of Industries (MOI) and BUILD held an inclusive meeting at Conference Room of MOI on November 2, 2016 to review the status of reforms placed so far by the SME Development Working Committee (SMEDWC) of BUILD. Sr. Secretary of MOI Md. Mosharraf Hossain Bhuiyan ndc. and President of the Chittagong Chamber of Commerce and Industry (CCCI) Mahbulul Alam co-chaired the meeting. The Industries Sr. Secretary welcomed all representatives and gave the floor to BUILD CEO Ferdaus Ara Begum to place the reform proposals.

Upon the approval of the Meeting Chairs, BUILD CEO told that BUILD has already tabled 37 reform proposals through its SMEDWC and finally placed through the Private Sector Development Policy Coordination Committee (PSDPCC) at the Prime Minister's Office and 16 of the proposed reforms are already in place and the rest is being examined by the corresponding bodies of the Government for implementation.

In reply to a proposal of BUILD for establishing a Monitoring Cell for Women Entrepreneurs(WE) in the MOI, Sr. Secretary of MOI told that the WE are coming up with different ventures, but are facing several problems, particularly in the field of access to finance and technology, we need a strong wing to monitor all issues encountered by the WE.

Echoing the Sr. Secretary, the CCCI President told that women constitute roughly half of the total population and around 20% of business and our government has effective policies for the WE but they are not currently availing the extended collateral-free financing up to Tk.2.5 million. In most of the cases, Banks provide 1-2 lakh which is not good enough for them to start a small business, he added. In this respect, the meeting requested to involve Bangladesh Bank more extensively to look after this type of issues.

The meeting was attended by Shusen Chandra Das, Additional Secretary, Parag, Additional Secretary, Yasmin Sultana, Joint Secretary, Md. Salim Ullah, Senior Assistant Secretary of MOI, Mustak Hasan Md. Iftekhar, Chairman, BSCIC, Engr. Md. Abdul Mannan, Chief Inspector, Boiler Office, Md. Shafiqul Islam, Managing Director, SMEF, Sanwar Hossain, Registrar, Md. Obaidur Rahman, Deputy Register (Trademark),DPDT and AHM Rezaul Kabir, Secretary General, DCCI, among others.

## Joint Collaboration of BIDA and BUILD for Investment



A meeting between Bangladesh Investment Development Authority (BIDA) and Business Initiative Leading Development (BUILD) was held at BIDA Conference Room on November 22, 2016 in presence of Executive Chairman BIDA Kazi M. Aminul Islam and Syed Nasim Manzur, Chairman BUILD and President, MCCI.

Having underscored the gaps and laps in policy and high-quality research, BUILD Chairman Syed Nasim Manzur shortly briefed about the reforms endeavor of BUILD and its journey in policy research and expressed interest in working with BIDA for all investors in bringing about a positive impact for the country realizing the ultimate goal of proactively influencing the development of the private sector development. He also mentioned that BUILD has been partnering with the Board of Investment for years based on the MOU signed in 2014.

Welcoming the delegation from BUILD, Kazi M. Aminul Islam, Executive Chairman of BIDA said that we will do everything possible to make Bangladesh the most attractive place for businesses to grow and invest. With specific time-bound plans, we are going to focus on three major areas and they include investment agencies, service providers and ecosystem for development which will directly contribute to investment in private sector reducing bureaucratic tangles and we are already working for establishing linkage for setting up new industries, he said.

He also emphasized the need for reforms in several areas to achieve a double-digit growth, so wants to take steps along with the business and stakeholders to work with them: helping to shape a new approach, setting the template works for all investors, and calling out what is bad in order to promote what is just and good for the country to attract both local and foreign investors.

We are the global leader in RMG so we will exercise RMG strategies in other sectors. He also inquired for a research similar to that of RMG to help some other potential sector to come up in the fore.

BUILD CEO Ferdaus Ara Begum urged the BIDA to fill in the confidence gaps of investors in order to increase the investment flow. And she requested the government to establish infrastructure while Bangladesh will have expected investment. The critical part of the SME development came up in the discussion and in this respect an integrated and coordinated approach is required.

The meeting finally decided that both organizations will join hands in order to reduce policy gaps and figure out laps in existing policy which are already in place but not working properly. The meeting was attended by Tauhidur Rahman Khan, Director (Joint Secretary) and Md. Ariful Hoque, Director (Deputy Secretary), BIDA who contributed to the meeting.

## Policy and Institutional Reforms Key to Export Diversification



Md. Nojibur Rahman, Chairman of NBR speaks at the round-table in presence of other speakers on November 15, 2016 at the Pan Pacific Sonargaon, Dhaka.

Speakers at a round-table echoed the necessity for policy and institutional reforms in Bangladesh to achieve its export-led growth. Leading private sector representatives and policy makers, at a round table in the city, emphasized on streamlining tariff structure, expanding bonded warehouse facility, harmonizing of standards, building investment facilitation and institutional capacity for export diversification.

Referring to Bangladesh's recent success and Diagnostic Trade Integration Study (DTIS) conducted by the Ministry of Commerce, Dr. Sanjay Kathuria, Lead Economist, Trade & Competitiveness, Global Practice of World Bank Group, stressed the need for coordinated efforts to address the key policy and institutional changes.

Md. Nojibur Rahman, Senior Secretary, Internal Resources Division of MOF and Chairman, National Board of Revenue, said that NBR would greatly welcome implementation of the recommendations. We will try to take all directives of the study and ponder actions accordingly, he said.

Esperanza Lasagabaster, Practice Manager, Trade and Competitiveness Global Practice, WBG South Asia said this DTIS is a comprehensive study that can guide policy makers to explore the export strengths of Bangladesh.

Syed Nasim Manzur, Chairman of BUILD said that bonded warehouse facility should be extended to sectors beyond RMG. He mentioned the dispersion in taxation also affects the non-RMG sectors like leather footwear which holds \$5 bn export potential.

By rationalizing policy and making the non-RMG competitive, we can discover untapped and potential market which will finally contribute to the export volume, he suggested. Referring to non-traditional sector, Ahsan H Mansur, Executive Director of PRI opted for a strategic selection of sectors.

Asif Ibrahim, Advisor to BUILD, moderated the discussion session and said that the back to back LC and bonded warehouse facilities helped RMG to flourish.

The event was attended by Dr. M. Masrur Reaz, Program Manager of Bangladesh Investment Climate Fund, T&C, World Bank Group, Ferdaus Ara Begum, CEO of BUILD, Jalal Ahmed, Additional Secretary of Finance Division, Shubhashis Bose, DG (Ad. Sec) WTO Cell, Ali Ahmed, CEO of BFTI, Saiful Hasib, DG of BSTI and Shaikh Yusuf Harun, DG of PMO, among others, who also spoke on the occasion.

## CSR Policy for Environment and Society is a must



*BUILD CEO Ferdaus Ara Begum speaks at the CSR workshop.*

BUILD and UNDP organized a sensitization workshop on Harmonization of CSR (Corporate Social Responsibility) Policies in Bangladesh on November 13, 2016 at the Lecture Room of DBI in a bid to suggest stakeholders an overarching and harmonized CSR strategy that reflects the unique requirements and goals of environmental sustainability and innovative business.

"CSR practices are being done in a bit haphazard way, there is a need for coordination and policy support. Policies are not integrated while NBR has announced a policy, ITO 1984 has got some mention on CSR, Bangladesh Bank has a separate policy. In India there is a CSR policy referring its Companies Act, in Bangladesh we are in a position of revising our Companies Act but no mention of CSR issues. While summing up the session, she also came up with some recommendations on how to make more businesses through CSR activities and private sector should not consider it as a trade barrier", said BUILD CEO.

Shahamin S. Zaman, Chief Executive Officer, CSR Centre was one of the keynote speakers who put emphasis on the private sector for taking responsibility of the society. She said that with the help of the private sector, India and Pakistan have already prepared national CSR voluntary guidelines and it has been being implemented and they are now proceeding for a full fledged CSR policy.

Our businesses perceive CSR as a cost or threat and define as philanthropy while lacking quality data and resources to make the business case also pose challenges to the implementation of CSR in Bangladesh," said Mohiuddin Babar, CEO of BizCare as the challenges of CSR implementation in the country.

Khurshid Alam, Assistant Country Director of UNDP Bangladesh questioned whether we all have a common understanding- CSR is doing responsible business, not on top of that. We cannot achieve environmental sustainability unless our private sector is the equal partner.

Arif M. Faisal, Programme Specialist (Environmental Sustainability & Energy) at UNDP said that there should be appropriate regulation, incentives and sanction measures for doing business in an environmentally responsible way.

Earlier Hasibur Rahman, ED, HRDI and Munmun Ahmed, Sustainability and Finance Department, Bangladesh Bank spoke as a panelist. The meeting was attended by, among others, Nasrin Ara Surat Amin, Additional Secretary, Planning Division, Ministry of Planning, M. Fazlul Karim, Joint Secretary, DCCI and Naoyuki Maekawa, Senior Advisor, JICA, also contributed to the workshop.

## 2-Day Bangladesh NTB Action Planning Workshop Identified Priority Areas for a National Action Plan



*Private-sector leaders, experts, donors and Government Officials attended the workshop organized jointly by USAID and BUILD.*

A 2-day Indo-Pacific Economic Corridor (IPEC) Bangladesh Non-Tariff Barriers (NTB) Action Planning Workshop was held at the Westin Hotel, 7-8 December 2016 to identify priority areas of NTBs prevailing in Bangladesh and some action plans to address those issues.

John Macy, Private Enterprise Officer, USAID Bangladesh addressed the inaugural session, explaining the importance of addressing NTBs to increase Bangladesh trade with SAARC and Extra-SAARC countries and increase economic growth for the country. Stephen Wade, Consultant, moderated the session while Ferdaus Ara Begum, CEO, BUILD elaborated how these NTBs are hampering the growth of business, referring some statistics on how reduction of trade transaction cost leads to cost savings.

In the first working session, Dr. Selim Raihan, Professor of Economics, DU and ED, SANEM presented a summary of recent findings from NTB research and potential solutions for priority NTB areas, including conformity assessment, Anti-Dumping and Countervailing duties, Charges, taxes and other para-tariffs, rules of origin and trade facilitation at land ports specially in respect of having trading with India.

Ferdaus Ara Begum, CEO, BUILD also delivered a presentation discussing opportunities to leverage Public-Private Dialogue Mechanisms to eliminate NTBs. She highlighted some ongoing BUILD initiatives through its different working groups and PSDPCC process along with some examples of success showing structured Public-Private Dialogue Platforms can help address NTBs and reduce business and investment constraints.

In the NTB breakout sessions, participants were divided into 4 parts; these were on conformity assessment, rules of origin, Antidumping/CVD and trade facilitation. The groups identified roots of the problems, priority actions, risks and challenges. The participants wanted to see a simplification of trade processes, implementation of the WTO Trade Facilitation Agreement, increased capacities of the private sector, and a smoother flow of information.

On the second day of the event, the participants discussed specific actions that could be taken to address the priority NTBs highlighted on the first day. The discussions focused on capacity building opportunities, advocacy efforts, and research that could help improve NTB action planning and decision making.

The workshop witnessed 60 participants from public and private sectors who put forward their opinion towards for a comprehensive NTB Action plan.

## UNDP & BUILD for Business Continuity Centre in RMGs



BUILD CEO Ferdaus Ara Begum speaks at the meeting in presence of BGMEA President and UNDP Representatives.

BUILD had a meeting with BGMEA to discuss on a study conducted by BUILD in collaboration with UNDP titled 'How to do Business without Polluting Water: A Case of RMG'.

BUILD CEO Ferdaus Ara Begum disclosed this referring to several primary sources of information while conducting the study, in the meeting that the per liter use of water in Bangladesh is much higher than the international benchmark.

In order to be efficient, the water use should be reduced, increasing space for others to use the essential item. It is shown in statistics that RMG and textile are about 80 per cent users of the total use of water by the industries.

The Washing Dyeing and Finishing (WDF) is the most significant agent using maximum water. BGMEA president Siddiqur Rahman informed that about 100 per cent of the RMG exporting units are using ETPs now because of pressure of the buyers and keep the RMG business compliant. He also added that a significant number of industries have already gone for water efficiency.

Sudip Mukherjee, UNDP Country Director and Nick Beresford, Deputy Country Director, UNDP Bangladesh were present in the meeting. UNDP Assistant Country Director, Khurshid Alam referred to the need for establishing a Business Continuity Centre in BGMEA to make the members of BGMEA aware about the need for a business continuity plan while devising a project proposal which will help them address future unexpected disaster and minimize the loss.

He referred to the Philippine Federation of Chambers of Commerce who has established such a center at their own initiative. Asif Ibrahim, Advisor to BUILD earlier introduced the meeting about BUILD and how the 5th Working Committee of BUILD on Sustainability and Green Growth is working in collaboration with the Ministry of Environment and Forests and BGMEA. Some other BGMEA Directors and Mohiuddin, Vice President FBCCI and Director of BGMEA were present.

## Trade through Transparent Administrative Procedures

BUILD in collaboration with the Bangladesh Foreign Trade Institute (BFTI) under Ministry of Commerce (MOC) has implemented "Transparency in Trade Procedures" project with the support of International Trade Center (ITC), Geneva. The objective of the project was to document the administrative procedure of exporting certain products and publish it online using Regulations tool.

BUILD and BFTI team members were trained by ITC and UNCTAD delegates at the beginning of the project on eRegulations. The five-day training was inaugurated through the project launching ceremony which, was attended by Elodie Robin, Quantitative Market Analyst, Guillaume Favre, International Consultant from ITC and Vianney Lesaffre, Consultant from UNCTAD. Hafizur Rahman, Director-1 WTO Cell, Ministry of Commerce, Ali Ahmed, CEO, BFTI, Ferdaus Ara Begum, CEO, BUILD, Amitava Chakraborty, Director, BFTI and participants from BUILD and BFTI were present at the event.

For the 1st phase (October-December, 2016) of the project, two products namely fresh vegetables and live and chilled fish were selected in consultation with the Ministry of Commerce to document their export procedure. As a first step for documentation, the authorities and other key stakeholders involved in the export procedure of fresh vegetable were identified. The entities were subsequently contacted and briefed about the project objective and activities requesting their cooperation. The team from BUILD and BFTI conducted interviews with all relevant stakeholders such as Chief Controller of Import and Export; Bangladesh Fruits, Vegetables, and Allied Products Exporters Association, and Custom House to name a few. Photographs were also taken of the entities in-charge, units in-charge and persons in-charge for each step of the procedure.

In this phase, in total four procedures have been documented: (i) export of fresh vegetables to the EU market; (ii) export of fresh vegetables to the Middle-East market; (iii) export of live and chilled fish to the Chinese market; and (iv) export of live and chilled fish to Middle-East market.



A snapshot of the portal is seen.

All required information for proper documentation for each procedure was collected in one-to-one interviews with the relevant stakeholders. The collected information was later verified through second meetings with the key informants. At present the eRegulations website is only visible to the Project Team. The information on each step will be validated by the relevant authority before the website is made accessible to the public.

One unique aspect of e-Regulations is that it includes, as samples, photographs or scanned copies of all required documents and the certificates, licenses and other papers provided by the stakeholders which are necessary to successfully complete a procedure, in this case exporting fresh vegetables. Each step of the procedure also includes photos of contact person, the unit responsible for that particular step/activity and the entity in-charge. Obtaining the photographs has also been one of the most challenging activities in this project as most of the government agencies require permission from the head of the agency to allow photographic documentation which, in some cases, delayed the documentation process.

## Partner's Corner



### DCCI Holds "New Economic Thinking: Bangladesh 2030 and Beyond" Conference



Members of the Board of Directors of DCCI are seen with Hon'ble Prime Minister of Bangladesh H.E. Sheikh Hasina at the inaugural plenary of International Conference "New Economic Thinking: Bangladesh 2030 and Beyond" held on December 21, 2016. The conference was organized by DCCI at Radisson Hotel.

Several hundred experts and policy researchers from developed and emerging markets across the world gathered to disseminate new economic thinking, especially relevant to a graduating Bangladesh.

DCCI president Hossain Khaled chaired the conference. Lim Siong Guan, group president of Singapore Investment Corporation, presented the main paper at the conference.

The conference comprised five sessions apart from the opening and concluding plenary which focused on "Bangladesh's energy economy", "water and land resource management", "sustainability and environment impact", "era of infrastructure: Bangladesh context", "sustainable development goals (SDGs) 2030", and "the next billion dollar opportunities in Bangladesh."

Finance Minister AMA Muhith, MP, Industries Minister Amir Hossain Amu, MP, Commerce Minister Tofail Ahmed, MP, and FBCCI President Abdul Matlub Ahmad joined the inaugural function as special guests.

### MCCI Holds Annual General Meeting



MCCI President speaks at the meeting among others at MCCI.

Nihad Kabir, Barrister-at-Law, Senior Partner, Syed Ishtiaq Ahmed & Associates has been elected as the new President of Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) for 2017. Members of the Chamber's new Committee unanimously elected her as the President at its first meeting held on 22 November 2016, which was confirmed at the 112th Annual General Meeting of the MCCI held on 19 December, 2016.

Nihad Kabir is an advocate of the Supreme Court of Bangladesh. She is a director and shareholder of Kedarpur Tea Co. Ltd., a leading tea company of the country, as well as of the daily Sangbad, the oldest Bangla daily newspaper published in the country.

Golam Mainuddin, Chairman, British American Tobacco Bangladesh Company Limited has been elected as the new Vice-President for 2017. Mainuddin is also the Vice-President of Bangladesh Employers' Federation.

The MCCI Directors for the year 2017 are; M. Anis Ud Dowla Chairman, ACI Ltd., Tabith M. Awal Managing Director, Kay & Que (Bangladesh) Limited, Tapan Chowdhury, Managing Director, Square Pharmaceuticals Limited, Simeen Hossain, MD & CEO, Eskayef Bangladesh Limited, A.K.M. Rafiqul Islam, FCA Chairman, Rangamati Waterfront, Rubaiyat Jamil, MD, ICE Technologies Limited, Habibullah N. Karim, MD, Technohaven Company Limited Hasan, Mahmood, FCA Partner, M.J. Abedin & Co., Syed Nasim Manzur, MD of Apex Footwear Limited and Francois de Maricourt, CEO, HSBC Bank.

### CCCI Holds Annual General Meeting



CCCI President speaks at the meeting among others at WTC.

The annual general meeting (AGM) of Chittagong Chamber of Commerce and Industry (CCCI) was held at Bangabandhu Conference Hall of World Trade Centre (WTC) in the port city on December 17, 2017. CCCI activities of 2015-2016, audited accounts of income and expenditure of 2015-2016 financial year (FY) and first four months of 2016-2017 FY were approved at the AGM presided over by the CCCI President Mahbulul Alam. The President Mahbulul Alam in his speech put up view exchange meetings CCCI held with different trade associations, law enforcing agencies, utility providers, Chittagong City Corporation mayor, chairman of National Board of Revenue (NBR) and other concerned government authorities as a part of continued efforts for expanding trade and commerce, and removing the barriers. He also referred to CCCI trade delegation's visit to USA, UK, Iran, Saudi Arabia, Nepal, India, Kuwait and exchange of views with delegates of Japan, China, Thailand, Myanmar and Kuwait, envoys of UK, Canada, Turkey, Spain, South Africa, India, Qatar, Sri Lanka and European Union to boost international trade, attract foreign investment and increase the export further. Md. Mahbulul Alam also disclosed plans for developing WTC Club, Convention Hall and organizing sector based SME fairs in the coming years.

## Policies for Reducing Water Pollution in Industries



*BUILD Advisor Asif Ibrahim speaks at the Workshop among others.*

BUILD and UNDP organized a sensitization workshop on How Private Sector can do Business without Polluting Water: A Case of RMG on November 21, 2016 in a bid to recommend some policy suggestions so that the private sector can initiate entrepreneurship taking care of natural resources especially water to ensure environmental balance and green growth.

BUILD Advisor Asif Ibrahim welcomed all representatives and highlighted need for creating awareness among business entrepreneurs for taking care of the precious natural resources and initiate reuse of water so that pollution of ground level and surface water can be minimized.

Dr. M. Abu Eusuf, Professor and Chairman, Department of Development Studies, University of Dhaka was one of the keynote speakers who put emphasis on the private sector for taking responsibility of the use of water while establishing industries including certification and green industrial policy.

While putting an underline on the RMG Sector and country's water scenario, Md. Sarafat Hossain Khan, Director General of WARPO told that Bangladesh is located downstream of GBM basins and faces immense challenges in the water sector due to population increase, upstream withdrawal, economic development and climate change.

BUILD CEO mentioned that despite challenges, some factories have already attained the benchmark and 29 PaCT partnered factories have successfully reduced their average water consumption from 201 to 147 liters/kg of fabric manufactured and around 160 factories have delivered promising results in terms of resource efficiency practices.

Sayef Tanzeem Qayyum, Coordinator, Bangladesh Program, 2030 Water Resources Group, IFC said that incentives should go complying with best practices exercised internationally which will not cause harm to other sectors.

In reply to a point of increase of compliance cost of 10-20% to transform from a traditional to green factories, Tanuja Bhattacharjee, Deputy Team Leader, (PSES II), GIZ informed that for a long term sustainability and to cope with the new changes, the transformed industries will be the main beneficiary and able to accrue business benefits.

The meeting was attended by Dilruba Akter, Assistant Director, Department of Environment, Md Monowar Hossain, Senior Deputy Secretary, Environment, BGMEA, Azizun Nahar, Deputy Chief, Ministry of Agriculture, Abul Kalam Azad, Chief Engineer, BWDB and Chowdhury Md. Hamid Al Mahbub, Director, BIDA among others who contributed to the workshop.

## Thrust on TAX Policy Reforms



*BUILD CEO speaks at the meeting among others at The Daily Star Conference Room.*

Speakers at a program on December 27, 2016 urged the government to revise the rate of value added tax (VAT), saying it was among the highest in the world and it mostly hurts the poor section of the society.

They said that the confidence level is very low among the taxpayers and it is weird that they feel comfortable paying tax in the tax fairs organized by the National Board of Revenue (NBR), but not willing to visit the tax circles. They were discussing the issues at the national validation on Bangladesh Tax Landscape Study at the Daily Star building in the city. ActionAid Bangladesh organized the program.

The draft study report was shared in the program, which is part of a global study conducted in five countries, which will be published in March 2017. Other four countries are Zambia, Sierra Leone, Zimbabwe, and Tanzania. The draft study prepared on the basis of secondary data was presented by ActionAid Bangladesh's program, policy and campaigns director Asgar Ali Sabri. The study titled Tax Landscape: Understanding Justice-Injustice focused on VAT.

In his presentation, Sabri said VAT was regressive to the poor as it took away bigger portion of the poor's income than that of the well-off segment. VAT burden is 12.1 per cent of the income of the poor, which is only 5.9 per cent for the rich. The incidence of indirect taxation on the poorest of the urban income groups is higher than that of the middle-income groups. The incidence rises as income increases for the people living in rural areas.

The draft study suggested broadening tax base and simplifying tax structure, strengthening tax administration, and improving compliance, careful structuring of tax incentives, improving tax morale among present and future taxpayers and incentivisation of taxpaying process.

BUILD CEO Ferdaus Ara Begum said VAT is a burden for the poor and the existing policy affects mostly the SMEs. The tax payment system is very difficult for them and they are deprived of various benefits due to the existing turnover tax payment system for the SMEs, she added.

She referred to the turnover taxpayers who are not counted as registered VAT payers depriving them of getting tax credit facilities, direct import and so on. The small entrepreneurs are not enjoying the benefits as enjoyed by registered VAT payers.

Speakers said the government had failed to achieve the target of revenue earning in the past three years due to high target. The revenue earning target should be rational, which is achievable. The refund process should be spontaneous and the integration between Bangladesh Bank and NBR should be established.

## BUILD Scope

### Policy Discrimination between RMG & Other Sectors

Export is the lifeline of the economy of Bangladesh contributing to the GDP. In the perspective of the export performance of Bangladesh, the country is still dependent on a single export sector and it is ready-made garment (RMG) sector with contribution of more than 80% to national export. For that reason, RMG sector receives some special policy benefits, but other promising sectors like leather and footwear sector, ICT sector, plastic, ceramics have the potentials to get as bigger as the apparel industry but are facing policy discrimination. Based on the impact of trade, employment, demand, the country's endowments and investment outlook, BUILD has initiated a study in order to help other potential sectors with policy so that they can equally export like the RMG.

## Reform Implementation

### Tax on Vehicle Registration

BUILD placed an issue regarding a specific law to collect tax on vehicle registration in Income Tax Ordinance (ITO) 1984 (presently it is done by issuing an SRO every year) through its Budget Proposals by Taxation Working Committee (TWC). In response, NBR approved the recommendations inserting a new sub-section in Section 44 in the ITO 1984 regarding advanced tax for the owner of the private motor car.

### Trademark Registration for SMEs in Bangladesh

A proposal for Trademark Registration for SMEs in Bangladesh was presented in the 4th SME Development Working Committee. Ministry of Industries agreed to implement the recommendations placed in the meeting. Some major recommendations were inclusion of "service mark" in the new Trademark Rules 2015 and journal publication through DPDT website. The government has already incorporated "service mark" in new Trademark Rules 2015 and journal publication through DPDT website.

## Articles of BUILD in National Dailies

### Water resource management

<http://print.thefinancialexpress-bd.com/2016/12/25/160217>

### The era of SDGs: Framing a harmonised CSR

[policyhttp://print.thefinancialexpress-bd.com/2016/11/29/157967](http://print.thefinancialexpress-bd.com/2016/11/29/157967)

### SMEs: Learning lessons from global experience

<http://thefinancialexpress-bd.com/2016/11/10/156280>

### SMEs face business start-up

[challengeshttp://print.thefinancialexpress-bd.com/2016/11/08/156069](http://print.thefinancialexpress-bd.com/2016/11/08/156069)

### The cost of doing business increasing

<http://print.thefinancialexpress-bd.com/2016/11/09/156164>

## Need for Simplification of Policies for Foreign Investors underscored at BUILD –FICCI Meeting



*BUILD Chairman speaks at the meeting at FICCI.*

A meeting between Business Initiative Leading Development (BUILD) and Foreign Investors' Chamber of Commerce & Industry (FICCI) underscored possible areas of partnership in the field of policy research, especially for the foreign investors and multinational companies.

BUILD Chairman Syed Nasim Manzur shortly briefed about the reforms endeavor of BUILD and its areas of works and expressed interest in working for foreign investors in bringing about a positive change and mutually assist each other in realizing the ultimate goal of proactively influencing the development of the private sector development.

Underlining the need of HS Code enhancement, the FICCI President RupaliChowdhury reiterated FICCI's commitment toward working in the common areas of interest and said that FICCI would like to collaborate and share the experience of its Members doing business in Bangladesh with BUILD and all regulatory bodies to attract FDI flow in Bangladesh. It was argued in this meeting that BUILD will send a proposal for Research Collaboration between BUILD & FICCI for implementation in the year 2017.

## BUILD Joins Best PracticesExpreiences Sharing with UNV & UNDP

Some major bodies have joined their hands with United Nations Volunteers (UNV) and United Nations Development Programme (UNDP) to work for identifying the development priorities and the best practices on sharing by businesses.

The organisations are: BUILD, Microsoft, Banglalink, BSRM Steel, Standard Chartered Bank, Walton, Chaldal, Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Bitopi Group and Green Delta Insurance.

Senior representatives from these organisations at a roundtable held in the UN Offices on December 6, 2016 expressed their strong commitment to participate in a joint workplan for development to be executed in 2017.

"We will help private companies to be recognized as socially and environmentally responsible. Today we start building a shared vision for 2017 and beyond," said Sudipto Mukerjee, UNDP Bangladesh Country Director.

BUILD CEO Ferdaus Ara Begum made a presentation on Policy Advocacy on Development Advocacy Network: How BUILD works with UNDP to advocate for profit and planet.

## Photo News



The 11th Board meeting of BUILD took place on November 8, 2016 at the DCCI Gulshan Center. Hossain Khaled, President of DCCI (outgoing) chaired the meeting and the meeting was attended by Abul Kashem Khan, DCCI President (upcoming), Asif Ibrahim, Advisor to BUILD, A.H.M Reazul Kabir, Secretary General, DCCI, Nurun Newaz Salim, Sr. VP, President, CCCI and Ferdaus Ara Begum, CEO of BUILD.



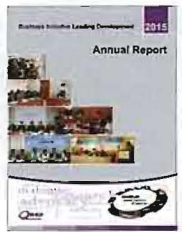
BUILD Chairman Syed NasimManzur poses with BUILD Team after a debrief meeting on November 24, 2016. The meeting discussed challenges of the country in light of business and areas where BUILD can put more focus in order to help the business community with reforms in all thematic areas of BUILD; Tax, SMEs, Financial Sector and Trade and Investment and Sustainability and Green Growth.



An Investment Climate Diagnostic Mission Team of World Bank Group joined a meeting with private stakeholders at BUILD on November 30, 2016 to discuss how a PPD Platform can work better. The meeting was attended by Ferdaus Ara Begum, CEO of BUILD, Sumit Manchanda, Senior Private Sector Specialist of WBG, Mohammad Lutfullah, Operations Officer, T&C, WBG and Monowara Hakim Ali, President of CWCCI and FBCCI Director among others.



A Meeting with Sagita Muco, Operations Officer, Europe and Central Asia, T&C Global Practice and Lucas MENUT consultant, Indicator Based Reform Advisory, Investment Climate Development was held at BUILD on December 23, 2016 to discuss ways for improving the position of Bangladesh in doing business index. Md. Nazim Uddowla Noor, ICT Consultant of WBG, T&C was also present.



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 (4<sup>th</sup> 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 BIDA 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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