

## Editorial | Access to Technology Vital for WE Development

Sophisticated entrepreneurship and its sustainability depends on technology. As a source of instant help for bridging communication gaps, it reduces time to gather information, considered as the number one raw materials for an entrepreneur. Technology has important effects on business operations. It has both tangible and intangible benefits that help women entrepreneurs (WE) make money, produce results and meet customers' demand.

Women's empowerment is a precondition for attaining the SDGs. Target 8 of SDG 5 advocates enhancing the use of technology, in particular information and communication technology, to help empowerment of women.

BUILD has taken an initiative to conduct a small study to see how best some policy advocacy can be done for facilitating business by WEs. It is often assumed that WEs are engaged mostly in the micro and cottage sector since long, concentrated in sectors such as certain traditional handicrafts and fashion-based clothing products. However, the scenario is changing.

With the Fourth Industrial Revolution started in 2012 by cloud computing, mobile usage and artificial intelligence, the Government of Bangladesh has been emphasizing progress in ICT, digitalization and adopted an action plan on it. ICT can bring 35% more growth in industrialization. Women entrepreneurs' involvement in ICT is vital for employment generation and attaining the SDG goals.

The Bangladesh Bank is serious about encouraging skill development training, teaching among 10 institutions where 40% trainees are women. IT-based entrepreneurship needs a specific type of funding arrangement. There is a need for sound policy for encouraging 'infopreneurs'.

BUILD organized a seminar that reaffirmed how technology and innovation have become a game changer in turning women into business entrepreneurs. Women in IT-related startups face problems in obtaining a trade license. WEs start their business mostly from their own house and to obtain a trade license they need a showroom anywhere other than at home.

Money exchange security is still a big question. Women take help from their male relatives like father, brother, and husband to get rid of hassles regarding documentation management. As there is no Mobile Payment gateway for e-commerce, women are mostly getting their payment through cash on delivery. Establishment of a domestic electronic delivery channel in Bangladesh before cross-border delivery channel has been recommended. Invention of more advertisement platforms for e-commerce, other than social networking platforms, ensuring authentication of payment, and other relevant security measures were given emphasis at the seminar.

Bangladesh has a number of policies highlighting the role of women, but implementation of these policies is not up to the mark. Mostly informal, e-commerce industry and enterprises need to be formalized by issuing e-commerce policy and simplifying issuance of separate trade license and TIN for these enterprises. Enlisting women entrepreneurs under a women forum or a chamber, a detailed study to point out the problems these entrepreneurs face, engaging e-commerce enterprises with BSCIC and NASCIB are suggested. Women do not need higher education for e-commerce business, so a large pool of young women entrepreneurs can avail of these opportunities without upsetting their family chores, rearing children and performing other obligations. Internship in various projects and companies, easy software apps and wider use of these apps can facilitate their entrepreneurial capacities.

Ferdaus Ara Begum, CEO, BUILD

## Advocacy | BUILD and ITC Inked an MOU to Support Trade and Business



Business Initiative Leading Development (BUILD) – a Public Private Dialogue (PPD) platform signed a Memorandum of Understanding (MOU) with the International Trade Centre (ITC) – a joint agency of the World Trade Organization and the United Nations to support joint research linked to enabling trade and business environment in Bangladesh.

ITC is the only development agency that is fully dedicated to supporting the internationalization of small and medium-sized enterprises (SMEs).

ITC mainly assists small and medium-sized enterprises in developing and transition economies to become more competitive in global markets, thereby contributing to sustainable economic development within its framework.

The MOU was countersigned by Nihad Kabir, Chairman of the Trustee Board of BUILD and Gerard Lynch, Director of Division Program Support of ITC on October 29, 2017 in Dhaka and on October 20, 2017 respectively.

The purpose of this Memorandum of Understanding is to provide the framework for cooperation between BUILD and the Trade and Market Intelligence (TMI) and the Trade Facilitation and Policy for Business (TFBP) sections of ITC in enabling trade and business environment of Bangladesh.

Subject to availability of funds, BUILD and ITC agreed to cooperate on 5 main areas including organizing and participating in Public Private Dialogues (PPD), seminars, business conferences and other similar events on issues related to international trade issues, national trade policies and reforms.

Specific areas of collaboration under the MoU include identifying common regulatory barriers in national and international trade and in proposing solutions for eliminating barriers, developing joint efforts in fund raising for implementation of activities to improve trade and business environment in Bangladesh.

The Parties shall regularly monitor and review their activities under this MOU, and evaluate the results of the implementation in order to ascertain whether the objectives have been met and enable them to formulate recommendations with a view to improving future cooperation.

This MOU is agreed upon within the policy framework for cooperation between United Nations organizations and its subsidiary organs with the private sector and civil society that has been established by the Secretary-General of the United Nations as part of his programme of reform.

Under this MOU, BUILD and ITC will be represented by Ferdaus Ara Begum, Chief Executive Officer, BUILD and Mondher Mimouni, Chief of Trade and Market Intelligence section, Division of Market Development, ITC.

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## International Conference on Sustainable RMG Due in March 2018



BGMEA President speaks at the meeting in presence of ofstakeholders.

The preconference meeting on the proposed International Conference on Sustainable RMG and Textile Supply Chain was held on October 12, 2017 at the Conference Room of Bangladesh Garments Manufacturers and Exporters Association (BGMEA) chaired by Md. Siddiqur Rahman, President, BGMEA and Asif Ibrahim, former Chairman and Advisor, BUILD.

Ferdaus Ara Begum, CEO of BUILD welcomed and thanked the Chairs for their presence. Md Tamid Zami, TSP Coordinator, BUILD made a brief presentation on the proposed conference.

Md. Siddiqur Rahman, President, BGMEA mentioned that the conference should feature the successes of the RMG and Textile Industry in the last few years. He mentioned that the conference should focus on the Sustainable Development Goals and how the RMG and Textile Industries could closely work together with the government in achieving the SDGs. He suggested that the title of the conference should highlight its purpose, emphasize SDGs, and represent the sector as a whole. He suggested that the Hon'ble Prime Minister would be the chief guest of the conference. BGMEA and BUILD would be the co-organizers and brands could be associated partners. BGMEA would be responsible for arranging the budget with support from international organizations.

Asif Ibrahim, Adviser, BUILD suggested that the conference would be organized by a professional event organizing firm. The conference would brand the Bangladeshi RMG & Textile industries, their achievements and success. Organizations like Water Resource Group could join and highlight the achievements in resource use efficiency.

The agenda of the conference and the discussion points should be specified through working group meetings. The meeting stressed on identifying the key actions that could promote efficiency, better technology, innovation, and so forth in the sector.

Joint letters would be issued by BGMEA and BUILD to international brands present or interested in Bangladesh inviting them to join the conference as associate partners. The brands will be invited as per the list available to BGMEA and/or Bangladesh Apparel Exchange Ltd.

Thematic working groups on water, energy, and compliance costs would be formed to identify the agenda for conference discussion. The meetings of the working committees would be held in BGMEA. Representatives from BGMEA, BUILD, Bangladesh Apparel Exchange Ltd., Department of Environment and Ministry of Water Resources will attend the meetings of the working committees.

Earlier BUILD organized another meeting on September 12, 2017 at its office with participation from representatives of Ministry of Environment and Forests and BGMEA to discuss the proposed national water and energy conference for RMG sustainability. The meeting focussed on ensuring sustainability and competitiveness in RMG & textile industry to achieve the 50 billion export target by 2021 set by BGMEA and also effectively addressing the sustainability vision of international brands.

## Beverage Makers Call for a Cut in Tax



Representatives from BUILD and Coca Cola group are seen at the meeting.

In order to conduct some advocacy on Beverage Industry, BUILD and Coca Cola Group held a meeting at Le Meridien Hotel on 19th October, 2017. The meeting suggested conducting a series of Dialogues inviting the private sector players, government organizations supporting the sector and policy makers so that consolidated views can be gathered to prepare informed and evidence-based policy papers and the Government cut supplementary duties on drinks from 25 percent to 15 percent next fiscal year as a result, the sector can contribute more to the economy.

BUILD CEO Ferdaus Ara Begum made a short presentation focusing on the existing problems the sector is currently facing. She said that a cut in the tax rate will help the sector, strengthen its foundation, reduce import reliance and save foreign currency and will also result in creating a lot of jobs and revenue generation.

These industries are registered with Bangladesh Investment Development Authority (BIDA, formerly BOI) and have been contributing to the government exchequer. They could contribute further if policies are consistent. In the year of 2016-17 the revenue collection was BDT 798 crore (USD 98.51 million), said BUILD CEO.

It was noted that Bangladesh has one of the highest tax rates on beverages in South Asia. Supplementary duties and value added taxes together account for 43.75 percent, making beverage products expensive in Bangladesh. The rate is 35.3 percent in India, 29.2 percent in Sri Lanka, 24.2 percent in Nepal and 30 percent in Bhutan. The high tax rates are discouraging investment in the sector.

It was said there is no supplementary duty at local level on ice cream, cakes, chocolates, biscuits, sweets and yoghurt, which seems logical. At the same time, there should not be any supplementary duty on soft drinks as it is also a food item. At least, there should not be any higher supplementary duty, according to the association. The beverage sector has expanded in the last 15 years and a large class of consumers has emerged.

The sector's trade accounts for Tk 1,399 crore at production stage and Tk 1,843 crore at marketing stage with tax contribution standing at Tk 625 crore. The sector should be given more time to mature. But the tax has already become a burden.

Shamima Akhter, Public Relations and Communications Manager of Coca Cola Bangladesh facilitated the meeting and urged to hold more dialogues stakeholders of the industry in order to have the tax cut.

Shadab Ahmed Khan, Managing Director, Coca-Cola Bangladesh underscored policy support the industry in order to attract more investment in the country.

The meeting was attended by Ricky Rief, Group Director (External Affairs), Head of Global Public Affairs, Head of Taxation, Head of India Public Affairs and head of South West Asia Public Affairs Vice President, CFO and GMS along with BUILD Officials.



## Making Regulatory Impact Assessment Policy to Avert Government Policy Puzzles



Experts from different segments join the roundtable meeting at PRI.

Experts called for making Regulatory Impact Assessment Policy to reduce unpredictability of rules and regulations that stymie investment and innovations in the country. Conducting a regulatory impact assessment before introducing any new regulations would help reduce the possibility of introducing poor-quality regulations and thus reduce the risk of inconsistent legislation, was said at a roundtable on 'Regulatory Unpredictability in Bangladesh' organized by the Policy Research Institute on October 17, 2017.

Speaking as a panelist, Asif Ibrahim, Advisor of BUILD said that the survey respondents showed that there are problems of regulatory unpredictability in Bangladesh. Policies have to be made sure that the policies will support the industries, so that the economy of the country will be developed and the foreign investors will be attracted for the Special Economic Zones. It is high time we looked at the issue of the regulatory unpredictability in Bangladesh. The voice of the private sector is rising as the government of the bureaucracy has also opened their mindset.

Ferdaus Ara Begum from BUILD highlighted the technology issue. The intellectual property is a big issue. There is IP rights in Bangladesh but there is no IP valuation system. Even banks do not know about the IP valuation. The government has a huge task to make a balanced decision which will support the domestic sectors aligned with the 7th Five Year Plan.

Dr. ZaidiSattar, Chairman of the Policy Research Institute, and the Lead Private Sector Specialist of the World Bank Syed Akhtar Mahmood, also spoke on the occasion.

BUILD and IFC conducted a survey on the 'Bangladesh Regulatory Predictability Assessment' on 50 participants who are the private sector stakeholders. In this survey it is found that majority of the respondents agreed that rules and regulations are often announced without prior notice, consultation or impact assessments. Regulatory unpredictability increases costs of doing business and reduces productivity and discourages private investment both domestic and foreign.

Majority of the respondents also think that prior notice, consultation or impact assessment would improve the predictability of business regulations for private sector. It is also found that majority of the respondents know BUILD as a very useful organization.

In the survey most of the respondents highlighted that they think there are serious problems in Income Tax Act, VAT Act, Customs Act and Company Act as the rules and regulations being announced without prior notice, consultation or impact assessments.

Respondents in the survey think that most of the laws in Bangladesh are inconsistent with each other. The inconsistency is high in the business licensing/registration. The survey found that information on existing rules and regulations can be costly for businesses.

## Increase in Allocation for Infrastructure Development Key to SDGs



BUILD Chairman MCCI President Nihad Kabir chairs a session of the Impact Bangladesh Forum 2017 in presence of Dr. M Masrur Reaz, Senior Economist and Programme Manager, Trade and Competitiveness, World Bank Group, Dr Ahsan H Mansur, Executive Director, Policy Research Institute, and ASM Mainuddin Monem, DMD, Abdul Monem Ltd., were also present.

Bangladesh needs to increase allocation for infrastructure development by more than 3.5 times from its current annual spending of \$3.5 billion if it wants to benefit from regional and international connectivity, Nihad Kabir said at the Radisson Hotel in a dialogue named Impact Forum 2017 organized by Dhaka Chamber of Commerce and Industry and UNDP Bangladesh on October 29, 2017.

The private sector has to play a big role to help Bangladesh achieve the Sustainable Development Goals (SDGs), analysts said BUILD Chairman.

Private investment to gross domestic product needs to be scaled up to 40 percent or \$400 billion by 2030 to meet the SDGs, said Abul Kasem Khan, president of Dhaka Chamber of Commerce and Industry (DCCI). The event was meant to create awareness among businesses about investment opportunities and the role of the private sector for ensuring an equitable sustainable future for all.

"The private sector should also participate in the development of infrastructure," said Syed Afsor H Uddin, chief executive officer of PPP (public-private partnership) Office.

The government should spend at least 5 percent of the total budget on the development of infrastructure if it is not possible to spend 10 percent, which is the standard, said Selim Raihan, professor of the University of Dhaka's economics department.

Economic zones employ 13 percent of Dubai's workforce, said Masrur Reaz, senior economist and programme manager of Trade and Competitiveness Global Practice of the World Bank, while highlighting the contribution of economic zones around the world.

Particularly in China, economic zones contributed 11.1 percent to its gross domestic product and created 19 million jobs.

Nihad Kabir, Chairman of BUILD and President of the Metropolitan Chamber of Commerce and Industry, moderated the session.

Particularly in China, economic zones contributed 11.1 percent to its gross domestic product and created 19 million jobs. Economic zones utilised 9.5 percent of China's total foreign direct investment, he said, adding that such zones in China accounted for 37 percent of Chinese merchandise export in a year.

The economic zones in Bangladesh can help achieve 7.4 percent GDP growth and export \$54.1 billion worth of goods in a year, Reaz added. ASM Mainuddin Monem, Deputy Managing Director of Abdul Monem Ltd, said Japanese firm Honda is setting up a factory in the economic zone owned by his company.

## Dialogue | Technology- Key to Develop Women Entrepreneurship



Asif Ibrahim, Adviser to BUILD speaks at the workshop in presence of other speakers.

In showcasing the current scenario of access to technology for the women entrepreneurs and policy options to increase access to technology for women entrepreneurs, Business Initiative Leading Development (BUILD) brought together women leaders, entrepreneurs, Government Officials, ICT Development professionals, researchers, policy makers and business communities at a seminar.

Held on October 08, 2017 at DCCI Conference Room, the seminar titled 'Access to Technology for Women SME Entrepreneurs' reaffirmed how technology and innovation have been a game changer in growing the business of women business entrepreneurs.

Speaking as the Chief Guest, Asif Ibrahim, Adviser and Founder Chairman of BUILD underscored easing policies for increasing access to technology to women entrepreneurs and bringing policy changes to make women in business even more competitive to empower them to realize their true potentials.

Ferdaus Ara Begum, CEO of BUILD said that despite our government's emphasis on manufactured-based industrialization and vision of engaging the private sector to create a favorable environment in the 7th FYP, the access to technology for women entrepreneurs in Bangladesh is not at all up to the mark and technology is an absolute need they cannot escape from. In a bid to expanding e-commerce of WEs, Luna Shamsuddoha, President of Bangladesh Women in Technology (BWIT) suggested for gender segregated data to know the real statistics of women's contribution. She also put emphasis on more dedicated delivery channel for extending e-commerce and authentication security to popularize e-commerce.

Farhana A. Rahman, Vice President of BASIS said that WEs in our country encounter countless issues while operating their businesses as our society does not allow us to act like men. While presenting a paper on Women in e-Commerce in Bangladesh, Razib Ahmed, President of E-Commerce Association of Bangladesh (e-CAB) put light on policy inconsistencies for women entrepreneurs that are blocking their business growth. Terming Economic status and cultural differences and practices as key challenges, Farzana Khan, Deputy General Manager of SME Foundation urged the Government to put together their actions in favor to ease the access of technology of all modes for reaping the benefits from the female contributing into our economy through entrepreneurship.

Jannatul Ferdaus Shetu, Research Associate of BUILD presented the findings of the study of BUILD and put thrust on Intellectual Property Rights and forming a Task Force for overseeing the implementation and impact of those policies to enhance technological support for WEs.

In the summing up, BUILD CEO identified ten specific areas, such as, non-availability of Data and Information, Financial problem specially in getting funding for ICT sector, documentation problems, tax related issues, IPR disabilities, less understanding about e-commerce, security issues in handling financial issues, technology cannot be used as a tool, capacity building and training, availability new apps.

## Raise Voice to Bring Back the Jute's Past Glory



BUILD CEO speaks as the panelist at Impact Bangladesh Forum 2017 highlighting key points on the Eco-friendly Jute Pulp and Impact on SDGs.

Speaking as a panelist, Ferdaus Ara Begum highlighted that the corporate sector must take care of social issues also. Referring the recent Global Impact Investing Network (GIIN) Report of May 2017 she highlighted the continuous growth of Impact Investment which are taking care of non-economic issues. The sectors that have the most investment are housing, energy, financial services, food and agriculture and health care, etc. according to the report. She also said that SDG 8 on good jobs and economic growth, SDG 7 on energy, SDG 1 on eliminating poverty and SDG 5 on gender equality are receiving considerable attention.

Then she reflected on the issue of using eco-friendly jute pulp and its impact on SDGs. Bangladesh is facing acute shortage of fiber for pulp and paper industry, while the demand of paper and paper products is increasing day by day. Big pulp mills based on jute and a few small pulp mills based on agricultural wastes can be set up.

An integrated pulp mill may also be established depending on different non-wood raw materials. Jute can be an option to be added for producing non-wood pulp to meet the domestic demand and for export, but it needs huge research, investment, and large scale mills for making it a viable sector. Blending of jute pulp with other nonwood pulps may help improve quality of pulp. An integrated pulping system may be adapted for nonwood pulping.

She then stated the possible ways to go forward. The international fund sourcing needs to be explored. Bangladeshi investors also need to start tracking their investment against SDGs. An inventory of non-wood materials such as Cotton stalks, Corn stalk, Dhanicha, Straw etc. can be used. The use of inventory of nonwood raw materials, such as agricultural wastage, cane wastage etc. can be explored.

She emphasized on the effective research for knowing the details of the issue taking care of the SDGs in front of us. The current situation of SDG scores needs to be taken into account and so the effective research is mandatory. Investment in the Food and Agriculture sector is our priority. Jute as announced as Agricultural Sector (Agro Processing Products) will definitely get priority in investment. In concluding remarks Ferdaus stated that the public and private sector joint initiatives should be the priority.

In the inaugural session, State Minister for Finance M A Mannan urged all to raise voice and make efforts to bring back the past glory of jute so that we all use it as a tool of nation building on the basis of its diversities and technologies what it could provide to the humans.

He also said industrial development is very important overall economic development. Private sector is the key driving force of the economy, he said, adding that any business policy reform will be made with the consultation of private sector and concerned stakeholders. He said as Bangladesh successfully achieved MDGs earlier, the government's strong commitment will be to achieve SDGs within the stipulated time.



## Research | BUILD Scope

### Simplification of Policies for Easy Availability of the Official English Version of Laws & Rules for Foreign Investors

“Simplification of Policies for Easy Availability of the Official English Version of Laws & Rules for Foreign Investors” is one of the policy papers initiated by BUILD. JETRO requested Prime Minister’s Office (PMO) for the easy availability of the official English version of 28 laws and rules of Bangladesh. Non-availability of the official English version of these laws and rules creates hindrance for the foreign investors. All the government offices in Bangladesh are constitutionally bound to publish laws and rules in Bangla version. On the other hand, the government of Bangladesh is highly interested to support the foreign investors. In this context, PMO requested BUILD to submit a report on this issue to support Japanese investors to tackle this problem. BUILD has taken an initiative in preparing a position paper for the simplification of policies for easy availability of the official English version of laws & rules for foreign investors which will be presented in the 4th Meeting of Working Group on Improvement of Investment Climate at PMO and in the upcoming meeting of Trade & Investment Working Committee also.

### Timely Publication of Trade Related Statistics

JETRO requested Prime Minister’s Office (PMO) to take initiatives for the timely publication of six trade related statistics, namely Foreign Trade Statistics of Bangladesh, Bangladesh Economic Review (English Version), Labour Force Survey, Household Income & Expenditure Survey, Statistical Year Book Bangladesh & Annual Import Payments. In this context, PMO requested BUILD to submit a report to the PMO detailing the sources of trade related statistics, their publication status and time lag and recommendations of BUILD to reduce the time lag. BUILD has taken an initiative in preparing a report on timely publication of trade related statistics which will be presented in the 4th Meeting of Working Group on Improvement of Investment Climate at PMO.

### Reform Implementations

1. BUILD proposed removal of the requirement of renewal of the approval of the Drawing and Design of a Boiler for continued production of the same article. Renewal of approval at regular intervals is time consuming and hampers production process. Getting approval from the Boiler Board in the Ministry of Industries takes about a month’s time. Hence, removal of the requirement of renewing approvals would save time and cost for the entrepreneurs. The current provision requires securing approval every time even if the design and drawing is exactly the same. The issue was raised in the working committee meeting of SME Development co-chaired by the secretary Ministry of Industries and referred to the private sector development policy coordination committee. In the 9th PSDPCC meeting the issue was discussed elaborately and an instruction was given to the chief of Boiler Board.

The issue was again discussed in an exclusive meeting at the boiler office in presence of the concerned sectoral entrepreneurs. It was then decided that if an entrepreneur agrees to provide more than one makers’ number in the drawing and design and willing to submit examination fees separately for the production each time, then the approved drawing design could be used for repeated production of Boilers. A letter has been issued in that respect with a copy to BUILD.

2. In order to establish a Boiler Association, the office agreed to provide advice – according to another proposal by BUILD.

### FTA Asia Sustainability Symposium: Promoting Responsible Business Practices in Asian Supply Chains



BUILD CEO (L2 from left) is seen among the other panelists.

On 3–4 October, Foreign Trade Association (FTA) convened a symposium on promoting responsible business practices in Asian supply chains in Colombo, Sri Lanka. It brought together over nearly 80 key regional stakeholders from governments, the United Nations, trade unions and civil society to engage in a dialogue on the social and environmental sustainability in supply chains in the region. BUILD CEO joined the symposium as the panelist.

Through interactive discussions led by expert panels, participants shared good practices, defined solutions to complex supply chain issues in order to create long-term transformational change across Asia. Topics included: promoting business integrity; migrant workers and forced labour; environmental issues, business and human rights, women’s empowerment, and the impact of China’s One Belt One Road (OBOR).

“We unpacked how responsible business practice can translate into concrete actions at the supply chain level in the region whilst promoting the business and human rights agenda and meeting the UN SDGs.” said Christian Ewert, FTA Director General.

This event was organised in partnership with the Delegation of the European Union to Sri Lanka, the International Labour Organization (ILO), the International Organization for Migration (IOM), John Keells Holdings, the Ministry for Development Strategies and International Trade, the United Nations Development Programme (UNDP), the United Nations Industrial Development Organization (UNIDO) and the Ceylon Chamber of Commerce. Going forward, these shared experiences will shape the work of FTA and mobilise multi-stakeholder partnerships and collaborations to address the future challenges.

BUILD CEO proposed to initiate actions aligning with SDG 12 so that the private sector are educated in that respect. In this respect, she suggested collaboration with the UN organization in regard to prepare a balanced corporate strategy.

For Bangladesh perspective, she underscored collaboration with FTA and UNIDO and using the PPD structure already established, important issue-based, research-based Dialogues can be organized through its Sustainability & Green Growth Thematic Working Committee of BUILD. She also put light on using the Business Advisory Councils to disseminate information in these respect. Some important sector can be identified to conduct training programs to specially educate SMEs.

BUILD can initiate some program of activities in collaboration with FTA and UNIDO. BUILD has a Thematic Working Committee on Trade & Investment for which Secretary of the Ministry of Commerce & MCCI are co-chairs. Under Ministry of Commerce there is a Business Promotion Council, some activities may also be integrated through these Councils, says BUILD CEO.

## BUILD's Comment

### Comment on Global Competitiveness Report: Skill Development; Key to Achieving Competitiveness

The Global Competitiveness Report 2017–2018 comes out at a time when the global economy has started to show signs of recovery in general and the economy of Bangladesh's prospects for continued economic development look very promising in particular.

While leaving comments, Asif Ibrahim, Former Founder Chairman and Adviser to BUILD said, "BUILD has been relentlessly working with the PMO to address the issue of policy reforms since 2011 for creating a better investment climate. It's good to see our efforts translating into our improvement in the global competitiveness ranking. BUILD will continue to work closely with the bureaucracy through structured PPD to improve our position further".

Bangladesh's reform movement started in 1990 through sound macroeconomic policies, investment in education, drawing upon communication technology and maintaining relative political stability. We should strive to boost private investment by reforming business regulations, mitigating infrastructure deficiencies keeping prime focus on skill development as the key to achieving competitiveness, said Ferdaus Ara Begum, CEO of BUILD.

It is high time for our key stakeholders to comprehend the complex and multifaceted nature of the development challenge in a bid to designing better policies based on public-private collaboration and pondering action to restore confidence in the possibilities of continued economic progress.

Out of 137 economies, it is seen that competitiveness has improved across most countries in South Asia in particular in Bhutan (82nd, up 15) and Nepal (88th, up 10). On a similarly positive trend, Bangladesh has positioned 99th place (up seven) and scored 3.91 remarkably improving its scores in two pillars such as market size (38th) macroeconomic environment (56th) despite extreme headwinds.

Bangladesh's performance in health and primary education, and higher education and training categories were not as impressive at 102nd and 117th respectively.

In terms of market size, the country ranked 38th but stood at 111th in infrastructure, and 118th in labour market efficiency categories. It ranked 114th in innovation category and 120th under technological readiness category.

Despite our gradual development and positive trend, we must need to look at the few pillars Bangladesh performs poorly on, e.g. higher education and training (117th) and technological readiness (120th).

The Government needs to consider holistic approach in order to tackle the problematic factors like corruption, inadequate supply of infrastructure, inefficient government bureaucracy, inadequately educated workforce, poor work ethic in national labor force, access to financing and policy instability among others.

Switzerland tops the overall ranking for the sixth year in a row, scoring highly on nearly every pillar of competitiveness. Its economy is resilient, its labour markets are strong and its people and businesses are good at absorbing new technologies. We need to figure out why the toppers (Switzerland, USA, Singapore, Netherlands and Germany) are doing good and find ways to implement some of their ideas and make it our own in order for improving our positions.

## BUILD's Project

### Provide Policy Advocacy Support through Structured PPD

BUILD has been assigned as the consultant for the project called Provide Policy Advocacy Support through Structured Public Private Dialogue (PPD) in a bid to supporting the BICF program in policy advocacy for reforms through conducting research, developing reform recommendations, organizing structured public-private dialogue, and conducting monitoring and follow up reforms implementation. This Project will be implemented during 2017-2019.

Under this project, BUILD will coordinate with key government ministries, agencies, private sectors, chambers, associations, think tanks and academia, as needed and work closely with Private Sector Development Policy Coordination Committee (PSDPCC), a high-level committee at the Prime Minister's office, for effective policy coordination and advocating policy reforms in three major sectors such as Leather, Plastics and Light Engineering.

BUILD will arrange a series of high level dialogues with public and private stakeholders in order to facilitate reforms pertaining to the objective of the assignment. Major task of the project includes;

- Review the regulatory diagnostics, sector diagnostics/analysis conducted by BICF, and develop an understanding of the findings and recommendations, as required.
- Lead efforts to sensitize stakeholders through dialogues, prioritization of actions/activities, and consensus based action plan for implementation. BUILD will hold a range of activities, such as convening stakeholders, logistics, arranging with support/approval from project team, arrange skilled facilitators for sessions, minute taking, and submitting minutes, next steps, and recommendations in a systematic and structured way. This activity in total is expected to continue over the period of the assignment, as needed.
- Propose and establish the most effective design for dialogues (economy wide or sector focused) to assist in the implementation of the action plan. The dialogues will be designed to create momentum on the agenda and catalyze action. The dialogue would ideally include at least 25% women participation. BUILD will focus on quality control, smooth functioning of the dialogue. These dialogues should be launched following the completion reform area identification, recommendation development and PPD mechanism establishment.
- Support T&C (Trade and Competitiveness) to conduct research (including deeper economic research as necessary) and communications/advocacy functions to facilitate dialogues.
- Support project objectives on sustainability that will broadly include gender, environmental and social issues, renewable energy etc.. It will be important to mainstream these issues and more specifically gender into all policy discussions and recommendations that are forwarded for implementation. All proposals to PSDPCC should address gender perspective and implications and propose recommendations accordingly. To this end, it may be required that a gender specialist is appointed or hired as an expert consultant on a retainer.
- Track and measure impact, results and effectiveness based on agreed indicators of implemented reforms and actions.
- Promote reforms through strategic communication.



## Partner's Corner



### MCCI Holds 3rd Quarterly Luncheon Meeting 2017



Towfiq-e-Elahi Chowdhury, Prime Minister's Energy Affairs Adviser, speaks at a meeting at MCCI while Nihad Kabir, President of the Chamber, was also present.

The Chamber organized its 3rd Quarterly Luncheon Meeting 2017 at the Chamber on 13 September, 2017. Dr. Towfiq-e-Elahi Chowdhury, BB, Adviser to the Prime Minister (Power, Energy and Mineral Resources Affairs) attended the event as the Chief Guest. A large number of business leaders including present and past presidents of the Chamber, economists, representatives from various national and international organizations, researchers, and representatives from media attended the discussion event. Nihad Kabir, the President of the Chamber, is seen speaking on the occasion.

The government's long quest for overcoming gas crisis would finally be over next year when it hopes to bump up the supply by 37 percent, ridding on imports of liquefied natural gas, said the Energy Adviser.

Asif Ibrahim, Advisor to BUILD called for a policy so that LNG price remains stable for at least three to five years to help businesses manage costs. Bangladesh has displayed stellar success in solar home system, but the achievement has not been replicated in solar mini-grids and rooftop systems for lack of incentives for the private sector, said Munawar Misbah Moin, group director of Rahimafrooz.

Syed Nasim Manzur, also a former president of the MCCI, called on the government to ensure stable energy supply. "Give us gas and electricity and we will take the country forward," he said. Anis A Khan, Managing Director of Mutual Trust Bank, said low-cost funds from development partners are available for green and renewable energy and energy-efficiency projects.

### DCCI Publishes Tax Guide 2017-18



Dhaka Chamber of Commerce & Industry (DCCI) publishes Tax Guide 2017-18. Chairman, National Board of Revenue (NBR) Md. Nojibur Rahman unveiled the tax guide today on 26 October 2017 at DCCI Auditorium.

DCCI President Abul Kasem Khan, Senior Vice President Kamrul Islam, FCA Vice President Hossain A Sikder, Directors Humayun Rashid, Imran Ahmed, K. Atique-e-Rabbani, FCA, Kh. Rashedul Ahsan, Mamun Akbar, Md. Alauddin Malik, Secretary General AHM Rezaul Kabir, Members of NBR Parvez Iqbal and Md. AbdurRazzak were present at the unveiling ceremony.

On the occasion, DCCI President AbulKasem Khan said that DCCI since long has been publishing tax guide for its members as well as for the business community. The Tax Guide 2017-18 covers up-to-date information on Income Tax, Customs Duty, Supplementary Duty and Value Added Tax (VAT) along with different schedules, SROs and orders which will be very helpful to the business entrepreneurs, banks, non-banking financial institutions, insurance companies and other corporate business houses to understand the taxation system of the country.

Abul Kasem Khan urges for more simplification of existing tax system. He also said that every year our budget is increasing, so in order to inject more money to the budget we need to expand our tax net. He thanked NBR for introducing Tax Card for the best tax payers. He also suggested to introduce 'Platinum Tax Card', 'Gold Card' and 'Silver Card' for different categories of tax payers. He also urged for expediting online tax return submission process as it will help increase tax return submission.

NBR Chairman Md. Nojibur Rahman appreciated DCCI's efforts for publishing tax guide every year which helps the tax payers calculate income tax in a formulated way and encourage them to pay tax as well.

"There will be no gas crisis from next year," said Prime Minister's Energy Affairs Adviser Towfiq-e-Elahi Chowdhury at the third quarterly meeting of the Metropolitan Chamber of Commerce and Industry, Dhaka.

### CCCI Holds Dialogue with EU Delegation



Chittagong Chamber of Commerce and Industry President Mahbubul Alam (3rd from left) speaking to a delegation of European Union (EU) at the World Trade Centre in Chittagong.

The delegation led by EU Chargé d'affaires Konstantinos Vardakis (2nd from left) was also included Spain Embassy Chargé d'affaires Alejandra Lopez Garcia), Germany Embassy Head of Mission Michael Schultheiss among others.

The meeting was intended to raise awareness amongst Bangladeshi research and business community about the Horizon 2020, a flagship research and innovation programme of the EU for the period 2014 to 2020. It is the biggest EU research and innovation programme ever making available almost €80 billion euros to fund collaborative research projects by researchers from Europe and beyond including Bangladesh.

## Meeting with Dignitaries



Suiko Yoshijima, Task Team Leader of the Resource Efficient and Cleaner Production Technical Assistance Project, Mr. Harinath, Senior Environmental Specialist and Sharlin Hossain, Environmental and Operation Specialist of the World Bank joined in a meeting with BUILD on October 24, 2017 at BUILD's Office. Ferdaus Ara Begum, CEO, BUILD welcomed the RECP Project Team. The BUILD Team was pleased to share with its initiatives on sustainable development and resource efficiency, namely the Textile Sustainability Platform (TSP), the Sustainability and Green Growth Working Committee (SGGWC) and so on.



BUILD CEO Ferdaus Ara Begum joined a meeting organized by UNICEF Bangladesh at the Amari Dhaka Hotel on 20 September 2017, on the occasion to welcome Philippe Cori, Deputy Regional Director for South Asia, UNICEF. The gathering was attended by public, private sector representatives and development partners.



Partial view of the seminar titled 'Access to Technology for Women SME Entrepreneurs' held on October 08, 2017 at DCCI Conference Room.



Shalini Bhagat, Consultant from Independent Evaluation Group paid a visit to BUILD on 30th October 2017 and met BUILD CEO to discuss reforms that were supported through Agribusiness Advisory Committee and other reforms like tea sector and other, as facilitated by AAC.

## Publications

Upcoming



Upcoming



## Articles

### Private sector developing SDG-compliant businesses

<http://thefinancialexpress.com.bd/views/views/private-sector-developing-sdg-compliant-businesses-1508508295>

### Commentary: Standards Need Continuous Updating

[www.sasec.asia/index.php?page=news&nid=710&url=standards-need-continuous-updating](http://www.sasec.asia/index.php?page=news&nid=710&url=standards-need-continuous-updating)

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