

CONNECT

BUILD is the first ever national Public Private Dialogue (PPD) Platform working to promote the private sector development through policy reforms that intends to lift up the business and investment climate of Bangladesh



Volume-07, Issue-04, July - August, 2018

Editorial | Pathway to Environmental Sustainability of the Plastic Sector

There are about 5,000 (SMEs) plastic industries with 1.2 million employment in the country. It has huge potential after the RMG and leather sectors. Domestic market size of plastic product is about Tk 25,000 crore. The global market is \$546 billion, whereas the global market of RMG is \$444 billion (2016). Bangladesh's share of plastic export in the global market is only 0.6%.

Ministry of Commerce has initiated a six year project aiming at export diversification that will focus on four priority sectors in which Bangladesh has a demonstrated comparative advantage, these sectors are: (i) Leather and Leather Goods; (ii) Footwear; (iii) Light Engineering; and (iv) Plastics. The project objective is to contribute to export diversification and more and better jobs in targeted sectors. BUILD is implementing a component for policy advocacy through public private dialogue for favourable reforms for these sectors.

Bangladesh has been working hard to diversify its exports to reduce overdependence on the RMG sector. Plastic and plastic articles were the fastest growing among top 10 export categories from 2016 to 2017, up by 8.6% in Bangladesh. Combining direct and indirect export, in the year 2017-18 the export earning is about USD900 million.

To accomplish a continuous and unconstrained growth, the sector needs to adhere to the sustainability requirements set by the global brands across the world. International brands are adopting 'sustainable procurement practices' across each node of the production value chain of plastic products. Thus, Bangladesh needs to abide by those to sustain in the global export market.

The environmental performance of the plastic sector needs (a) enabling regulatory framework by the policy makers and (b) various initiatives by the private sector. Some more necessary steps to be taken immediately, which include a clear regulatory framework for plastic waste management rules; Groundwater abstraction, manufacture, storage and import of Hazardous Chemicals needs to be governed; a guideline for disposing industrial solid waste etc.;

BUILD has been working on the issues of sustainable performance, environment-safe business practices and compliance issues of the plastic sector. The SME Development Working Committee has done a study on the compliance and quality constraint issues of the sector and the recommendations of which are well-accepted by the Ministry of Industries. BUILD is working with BSTI, BPGMEA, BGAPMEA and export-oriented plastic industries to facilitate the sector. BUILD is also working with the Sustainable Finance Department of Bangladesh Bank to allow plastic sector for the Green Transformation Fund (GTF) and sent a concept note already.

In addition to that, the Sustainability and Green Growth Working Committee (SGGWC) of BUILD has been working on another policy paper titled 'Environmental Sustainability in the Plastic Sector of Bangladesh.' This study focuses on the sustainable performance, environmental criteria, policy requirements and reform scopes in making the plastic sector green and non-hazardous. In its recent SGGWC meeting BUILD recommended for a comprehensive Plastic Policy with special emphasis on Plastic recycling as presently most of the recycling is done in an unorganized manner. A comprehensive zero-waste action plan is very much required.

Ferdaus Ara Begum, CEO of BUILD

11th PSDPCC Put Thrust on Specific Timeline for Policy Reform



Principal Coordinator for SDG Affairs at the PMO Abul Kalam Azad presiding over the 11th meeting of the Private Sector Development Policy Coordination Committee (PSDPCC) at the Prime Minister's Office on August 9, 2018.

Organized by Business Initiative Leading Development (BUILD) and the Prime Minister's Office, the dialogue meeting initially did the stocktaking of the last PSDPCC meetings and underscored the policy reforms proposed and implemented through the earlier meetings.

As part of updating the implementation status of the 10th PSDPCC meeting, BUILD CEO Ferdaus Ara Begum informed that out of 46 reforms, 7 have been implemented while another 12 reforms are in the process. In case of decisions out of 23 decisions 5 have already been implemented another 14 are in the process.

In the course of discussion, Chairman BEZA expressed concerns about the repatriation and recent reforms in that respect and in regard to a proposal of local and foreign private limited companies for raising their capital up to 100 crore taka, he endorsed the simplification of the process so that there will not be a requirement to get permission from Securities and Exchange Commission.

Nihad Kabir, President, MCCI also put thrust on the proposal. SEC representative informed that as per the 1969 Ordinance there is a provision to get permission from SEC. Chair of the committee requested to simplify the policy and discuss the issue in the commission so that existing barriers can be resolved and business policy can be simplified.

As was proposed in the 11th PSDPCC some important tax policy measures have been raised for which private sector felt the need for implementation, in which high corporate rate, dividend tax rationalization, AIT on industrial raw materials, withholding tax relief benefits for non resident recipient with Double Taxation Avoidance Agreement and several examples of policy inconsistencies were important.

Nine types of truncated rate of VAT is in place for which credit taking is not possible, E-bin registration simplification were also mentioned. Tariff value for the domestic products to make the goods costly, simplification of languages of SROs, lower tax on finished goods than the raw materials and over and above lead time for port inefficiencies were some other issues raised which need to be addressed in making private sector competitive to attract more business.

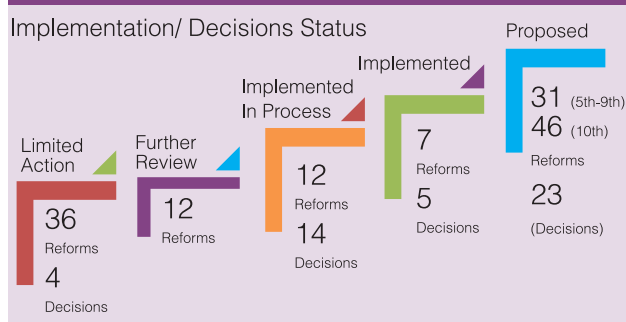
BUILD CONNECT is sponsored by



Chair of the meeting suggested to send the proposals to the concern organizations and he recommended for time bound implementation. In case need be there could be some small meeting within the concerned for further discussion. He emphasized on the implementation and requested all concerned to take up the cases urgently.

In reply to a request of the DCCI President Abul Kasem Khan for a meeting after the Budget is passed to bridge the understanding gaps of the private sector and the government as a number of proposals for inclusion in the Budget are submitted by the chambers, but a very few of them are implemented, the Chair informed that there is a core committee composed of BIDA Chairman, Principal Secretary, NBR Chairman and he himself it may be discussed in this meeting.

10th Meeting of PSDPCC Decisions



In the presentation, BUILD emphasized on the inclusion of the definition of commercial sample both in the upcoming Import Policy Order 2018-21 and Export Policy 2018-21, on which import of sample needs to be declared as tax and duty free and no penalty should be imposed on the import of sample without opening an L/C as sample items have no commercial value.

BUILD also drew the attention of the government to solve the existing sample testing related problems by increasing the capacity of BSTI and BAB. BUILD proposed to raise the De Minimis value at least up to \$40.

President MCCI putting forward some example of problems of L/C rationalization proposed to increase the de minimis value. Secretary Ministry of Commerce informed that new Export Policy and Import Policies are almost in the final stage, they also felt the need for a clear definition of commercial samples and the related hassles faced by the business entrepreneurs for which they are working already.

BUILD also put forward a definition of import through Indenting and Proforma Invoice (PI) so that informal import can be regularized. BUILD suggested bringing forth these changes in the export and importing policy of 2018-2021. President Indenting Agent Association also endorsed the issue. Secretary MOC expressed his opinion to examine these issues for inclusion in the new import policy.

The meeting was attended by participants from both public and private sector. Among Others, Rezaul Karim Rezu, Director, Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), Dr. Mahmudul Karim, Executive Committee Member, Foreign Investors' Chamber of Commerce & Industry (FICCI) Yasmin Sultana, Joint Secretary of Ministry of Industries; Sarder Abul Kalam, DG, BSTI; Ruksana Chowdhury, Executive Director, Bangladesh Securities and Commission; Khondkar Morshed Millat, General Manager (Current Charge), SME & Special Programmes Department (SMESPD), Bangladesh Bank, Alhaz Nurun Newaz Salim, Senior Vice President, Chittagong Chamber of Commerce & Industry (CCCI) were present at the meeting.

Participants from Internal Resources Division, SME Foundation, ICT Division, DCCI, MCCI, CCCI, RJSC, Office of the Chief Inspector of Boilers and Bangladesh Indenting Agent Association were also present and interacted in the meeting.

BUILD for Policy for Promoting Environmental Sustainability



The meeting was chaired by Abdullah Al Mohsin Chowdhury, Secretary of MOEFCC and Md. Munir Hossain, Director of BGMEA represented President BGMEA.

Speakers at a discussion urged the government to adopt policy measures to promote environmental sustainability in the plastic sector that cover areas like pollution reduction, recycling and reuse of plastic; better coordination among regulatory agencies and stakeholders. At the Sustainability and Green Growth Working Committee (SGGWC) of BUILD at Ministry of Environment and Forestry and Climate Change (MoEFCC).

BUILD made two presentations, one on green financing and the other on plastic sector sustainability. The first paper on Implementation status of Green Transformation Fund (GTF) was presented by Tahmid Zami, Senior Research Associate of BUILD. The paper finds that the USD 200 million Green Transformation Fund (GTF) offering USD-denominated loans for import of capital machineries and accessories for the export-oriented sectors of textile & textile products, leather and Jute is yet to gain traction in terms of utilization. Despite the lucrative interest rate and other features of GTF, its utilization has been very low.

BUILD proposed that the Directorate of Environment (DoE) should advise the Bangladesh Bank about the sectors and areas covered under GTF; the certification authorities should be identified for the identifying environment friendly machinery; the documentation requirements and process time may be reduced; and awareness among clients needs to be raised through holding multi-stakeholder dialogues.

Manoj Kumar Biswas, General Manager of the Sustainable Finance Department of the Bangladesh Bank informed that the fund is from the foreign exchange reserve and thus its conditionalities is a bit stringent, he informed that about \$5.84 lac is waiting to be disbursed soon. Participants of the Dialogue endorsed the need for awareness creation, Secretary of MoEFCC suggested that Bangladesh Bank will jointly organize GTF Familiarization multi-stakeholder meetings/ programs in collaboration with BUILD. The other study "Environmental Sustainability in the Plastic Sector" was presented by Dr. Rabiul Amin, Consultant of BUILD. He mentioned that the plastic sector is an emerging sector with USD 900m export and huge growth opportunity.

Kamrul Islam, Sr. Vice President of DCCI raised the issue of long lasting impact of hazardous chemicals and products and suggested that in case need be Anti-green tax can be imposed while DOE DG also suggested for introduction of Circular economy and requested BUILD to include these issues in their study. Finally, Secretary MOEF put more thrust on use of plastic and change of our mind set towards use of plastic. He raised his concern that in the world the market of plastic is about \$680 billion.

Md. Munir Hossain, Director of BGMEA highlighted the importance of making businesses more aware about the green financing facilities. The meeting was attended by Dr. Sultan Ahmed, Director General, DoE, Shamim Ahmed, Former President of BPGMEA, Mohammad Musa, Joint Secretary of MOI, Hosna Ferdaus Sumi, Private Sector Specialist of IFC.

BUILD for Maintaining Consistency of Policies for Development



The Dialogue is in progress under the chair of Md. Nojibur Rahman, Principal Secretary to the Prime Minister.

The government should maintain the consistency of its different policies for at least five years, so that the policies can give proper supports to the country's development activities, recommended BUILD at the "Regulatory Predictability and Private Sector Development" on July 12, 2018.

BUILD, with the support of WBG-IFC organised the dialogue to discuss about the regulatory unpredictability which hampers economic diversification, productivity improvements, technological development and achievement of SDG.

Principal Secretary to the Prime Minister Md. Nojibur Rahman attended the dialogue as the chief guest while Finance Secretary Mohammad Muslim Chowdhury, FBCCI President Md. Shafiul Islam (Mohiuddin) and Practice Manager of the WBG Investment Climate Advisory Services Dahlia Khalifa were present as special guests. BUILD Chairman Mahbubul Alam delivered the welcome speech while BUILD CEO Ferdaus Ara Begum presented a key note speech highlighting different sources of regulatory unpredictability based on a survey conducted by BUILD.



Wendy Werner, Country Manager of IFC for Bangladesh, Bhutan and Nepal speaks at the dialogue.

Dahlia Khalifa, Practice Manager, Investment Climate Advisory Services, WBG Practice Manager, WBG said that public-private dialogue is very important tool or mechanism to address the regulatory unpredictability. Nojibur Rahman said regulatory unpredictability is one of the major concerns for the private sector as it can make business costly and investment uncertain. In order to address these issues, the primary requirement is regular dialogues, he added. He said, "Our private sector is now more intelligent. They are innovative and aware of how to present their cases to the government. A coordinated effort within the private sector is also important to facilitate decisions of the government."

Muslim Chowdhury focused on joint activities of the public and private sectors for taking forward the country. Mahbubul Alam said one of the major reasons for the slow pace of growth in private investment is the existing regulatory unpredictability, which has an impact on the cost of doing business for local and foreign investors. Earlier BUILD and WBG conducted a survey on Bangladesh Regulatory Predictability to identify different dimensions and manifestations of regulatory unpredictability faced by the private sector during September-October, 2017.

Asif Ibrahim, Former Chairman & Former Adviser of BUILD, Dr. M. Masrur Reaz, Senior Economist, IFC, Ahsan H. Mansur, Executive Director, PRI, Sharifa Khan, Additional Secretary, M/O Commerce joined the dialogue as the resource speakers.

WE in public procurement system Underscored at BUILD-CPTU Meet



BUILD CEO speaks with CPTU DG during the meeting.

A meeting was held between BUILD and Central Procurement Unit (CPTU) at the Ministry of Planning on 5 August BUILD that has undertaken the initiative to identify policy level measures in encouraging women entrepreneurs to participate in government's procurement process. With this objective in view, the meeting was held to gather inputs from CPTU officials on the current status of e-GP system, its implication on the procurement system and explore ways to initiate more women entrepreneurs (WE) participation into the public procurement system.



Keeping in objective of the upcoming dialogue on "Public Procurement Policy and Gender Perspectives" the discussion included a prospective agenda for the programme as well as potential participants to be invited at the programme. Md. Faruque Hossain, Director General provided his suggestions on some respective participants who might be important contributors to the discussion on this issue. In addition to this a number of issues came up in the meeting which is briefed as follows. Under the context of discussing the status of women in the public procurement system, Faruque, DG, CPTU mentioned that women are not excluded in the Public Procurement Policy of Bangladesh.

In this context, he also mentioned about the gender aspect in the public procurement regulation of the US. The Federal Acquisition Rule (FAR) is the regulatory tool of public procurement in the USA. Inclusion of female tenders exists in the policy. As per their regulation, women enterprises constitute those that are run by women and all the staffs within the enterprise have to be female. As the DG pointed out, the benchmark for being a registered bidder under the Limited Tendering Method of the public procurement system is BDT 3 crore. However, a person may possess 60 to 80 percent of the threshold level. The person needs to have 3 month's cash flow. Another criteria is that a person should be eligible in taking bank loans.

As informed by the CPTU officials, trainings are provided to people on the process of registration in e-GP for being a registered bidder. Both male and female participants are available in the training programmes. The meeting was attended by Md. Shafiul Alam, Senior Communications Consultant, CPTU, Nazmul Islam Bhuiyan, Deputy Team Leader/ Database Administrator, Operation & Management of e-GP System in Bangladesh, CPTU and Mehruna Islam Chowdhury, Gender Consultant, BUILD.

Consultation Workshop with Stakeholders on the Leather and Leather Goods Policy 2018



BUILD CEO handovers BUILD Publications to GIZ Representatives.

A consultation workshop with stakeholders on the Leather and Leather Goods Policy 2018 was held on Wednesday, 18th July, 2018 in Doel Conference Room, 14th Floor, Amari Dhaka. In the 5th SME Development Working Committee of BUILD, the SMEDWC put forth a recommendation to the Ministry of Industries for a comprehensive policy for the Leather sector in Bangladesh.

Following BUILD request, the Ministry of Industries assigned GIZ to make an initial draft of the policy. The workshop was organized for gathering all the valuable opinions from the experts of leather sector for preparing the first draft of Leather and Leather Goods (LLG) Policy. BUILD CEO put forward her valuable comments for the initial draft of LLG policy.

The leather and leather goods industry in Bangladesh needs equalized, innovative and implementable long-term policy support to attain its \$5 billion export target by 2021 said BUILD CEO.

Meeting of Working Group on Improvement of Investment Held

The 4th meeting of the Working Group on Improvement of Investment Climate was held on 16th July, 2018 at the Prime Minister's Office, which was chaired by Mohammad Salahuddin, Director General-1, Prime Minister's Office.

In the 3rd meeting of this working group (held on 12th September, 2017), representatives of the JETRO raised some issues to the PMO that the official English version of various laws, rules, SROs, notifications and circulars are not available and trade related statistics are not published timely.

Later on, BUILD was assigned to submit two reports to PMO on the said issues. In continuation, Ferdaus Ara Begum, CEO, BUILD handed over the reports on timely publication of trade related statistics and easy availability of the official English version of laws & rules for foreign investors to the chair of the 4th meeting of the working group. In case of publication of the official English version of laws and rules, BUILD recommended that a comprehensive coordination between the Ministry of Law, Justice and Parliamentary Affairs and all other ministries is required for the simultaneous publication of English and Bangla version of laws and rules.

In case of timely publication of trade related statistics, BUILD found that the most of the trade related statistics are published on time. In case of time lag in publication, the agencies/ministries have enough justification. Representatives of MoFA, ERD, BIDA, BEPZA, BEZA, FBCCI, JBCCI, DCCI, Embassy of Japan, JICA and JICA were present in the meeting.

The meeting discussed some other investment related policies and some issues underscored at the 11th PSDPCC meeting at PMO.

LLG Sector wants no Sectoral Discrimination for Availing EDF



BUILD CEO handovers CD of Business Start-up Licenses Guide of BUILD.

BUILD proposed that the Directorate of Environment (DoE) should A meeting among Business Initiative Leading Development (BUILD) and CFO Apex Footwear Limited was held on August 28, 2018 at Apex Footwear Gulshan office.

Executive Director of LFMEAB was present in the meeting. BUILD wanted to know the views of Apex and LFMEAB regarding EDF limit for Leather and Leather Goods (LLG) sector and how it can be increased as like as other export sector. She informed that BB may increase the EDF limit for LLG but there is a need to establish the case strongly about the need of the sector.

Currently the LLG sector can avail of EDF and the maximum single borrower limit is USD 15 million while RMG was getting USD 20 million and recently it has been increased to USD 25 million.

Executive Director of LFMEAB highlighted the need of extending the single borrower limit from USD 15 million to at least USD 20 million for LFMEAB member mills and changing the paragraph mentioning similar opportunity for leather and leather goods sector and ceramic sector to avail EDF for only bulk import.

As the raw materials of the leather and leather goods are imported according to necessary design specification and order of buyers, there is a need of availing EDF finance against an export LC/firm export contract/back to back LC. Because of this provision of availing EDF for bulk import of raw materials, maximum LLG industries cannot avail more than USD 3 million EDF finance.

The CFO Apex and Executive Director LFMEAB said that the leather sector wants no sectoral discrimination for availing EDF and urged for following the previous master circular on EDF.

The previous circular of 2009 did not mention different requirements for different sectors in order to avail of EDF. CFO Apex also said that time has matured enough to remove sectoral discrimination for availing EDF when government is determined for export diversification.

He also put emphasis on the LLG export target to reach USD 5 billion by the year 2021, unless there is supportive policies this target cannot be achieved.

Almost all of the components of footwear produced for export are imported. Even quality leather required for footwear are imported. CFO Apex urged to give emphasis again on the earlier circular of 2009 where there were no discrimination and limit was same for all sectors, they argued, similar practice should also be prevailed at the present stage.

In order to achieve the target of USD 5 billion export by LLG sector, EDF limit would need to be extended from the present level of USD 15 million to at least USD 20 million to LLG. Previous EDF Master Circular of 2009 can be followed to remove the sectoral discrimination for enjoying EDF financing for all the sectors in the country.

Disability Inclusive Livelihood Project Launched



BUILD CEO (L1) is seen at the meeting.

On 30 July 2018 Handicap International (HI) launched their 3rd phase of Inclusive Livelihoods Project - "Taking Successful Innovation to Scale - Pathways for Disability-Inclusive Graduation out of Poverty" at the Spectra Convention Centre, Gulshan.

Ferdaus Ara Begum, CEO, Business Initiative Leading Development (BUILD) attended as a Guest of Honor.

BUILD CEO emphasized on accountability of all service providers and pledged to work closely with local government as they are the local authority to influence any policy. She thanked Handicap International to use appropriate scientific method to select beneficiary, which is remarkable - left no disable people behind.

Yousuf Rafique, Lead Advisor - Development Results and Evaluation, DFID, Md. Syed Nuruddin Ahmed, Managing Director, Maxwell Stamp Ltd. honored the ceremony as special guests.

This project jointly funded by UK aid and HI with a Corporate Social Responsibility (CSR) contribution from Bangladesh Steel Re-rolling Mill (BSRM), is a continuation of HI's social inclusion oriented programme, relying on the poverty graduation model for a 3rd phase. This project also intends to promote access to services by providing comprehensive support to disability and livelihood in collaboration with Young Power in Social Action, Islamic Relief Bangladesh, Helvetas Swiss Incorporation and Disabled Peoples Organizations (DPOs).

BUILD and FICCI Underscored Reform of Tax Holiday

A meeting between the Foreign Investors' Chamber of Commerce and Industry (FICCI) and BUILD took place on August 16, 2018 at FICCI to discuss fire safety compliance issues of the entrepreneurs and policies of the government and Tax Holiday (TH) Policies of National Board of Revenue and its implications to the industries.

Having welcome BUILD Officials, Abdul Khalek, Convenor, Taxation and tariff Standing Committee, FICCI mentioned that the existing TH policy is not helping industrial dispersion and decentralization throughout the countries. All industrial eco-systems would need to be balanced and improved, all related infrastructure, utilities have to be ensured, otherwise only the TH extension would not be able to encourage industrialization, said he.

The meeting was attended by Nooruzaman, Nasib-UI Amin and Kamran Hasnain, from BUILD, Jamil Osman, Executive Director, FICCI, Sayeed Ahmed Khan, Head of Taxation, Unilever Bangladesh Ltd and Debobrata Roy Chowdhury, Director Legal & Tax, Nestle Bangladesh Limited were present at the meeting.

Preparatory Meeting of Public Procurement and Gender Perspectives



Luna Shamsuddoha, Chairman, Janata Bank Ltd. speaks at the meeting at BUILD in presence of BUILD CEO.

A meeting between BUILD and BWIT was held on July 26, 2018, at the conference room of BUILD to discuss on how more and more women entrepreneurs can be engaged in the national procurement. BWIT President and Chairman Jana ta Bank and Vice President of BWIT were present. A representative of WBG-IFC was also present while the CEO, BUILD chaired the meeting. Gender Consultant of BUILD and SMED WC working committee team were present and contributed. The meeting discussed the online platform of e-GP and its benefits and how women can participate in this process. Discussion was done on the prospect of organizing a dialogue to sensitize concerned stakeholders with the objective of getting a full picture of the prevailing scenario of gender dynamics in public procurement. Views were shared among participants on measures to create interaction among registered and potential women bidders and inspire them for being more engaged into the bidding process of procurement.

BUILD CEO Attended at a Reception Program for Rushanara Ali MP

BUILD CEO attended a networking reception at the British High Commissioner residence on July 23, 2018, in honor of Rushanara Ali who is also Prime Minister's Trade Envoy to Bangladesh. At the meeting, BUILD CEO met a number of business Entrepreneurs, diplomats and representative of donor Organizations.

Rushanara Ali in her speech appreciated the role of Bangladesh in line with the Rohingya issues. In that respect she requested for upholding positive impression to the world community.

BUILD CEO Attended a Town Hall Meeting of IFC-WBG

The meeting was jointly organized by the Ministry of Commerce (MOC) and International Finance Corporation of World Bank Group to elaborate the required interventions to meet the environmental standards adopted by the global brand and how to best implement them by local firms.

There were some presentations on Plastic and Leather sectors and at the same time a presentation on the LWG requirements made by Alfredo Pantaloon, LWG Auditor which is one of the conditions to be complied to export globally.

In regard to the policy advocacy, BUILD CEO was requested to share the experience of PPD platform and how it is working. A meeting requested for addressing regulatory constraints of the sector through the PPD process led by BUILD. Commerce Secretary, President of the Plastic and Leather associations, representatives from IFC and other respective private sector officials were present at the program.

BUILD Reform

SD Imposed on Plastic/Polythene Bags at Distribution Level

Considering the issue of protecting environmental pollution and limit the use of hazardous plastic products, BUILD proposed introduction of Supplementary Duty (SD) on single use of plastic/poly bags at the distribution level in the Budget Proposal 2018-19.

A Gazette/Order has been issued on June 07, 2018 (File No.: 08.01.0000.068.168.003.18/133) concerning VAT and SD management issue of 2018-19 Fiscal Year where 5% SD has been imposed on all concerned products under 39.23 HS Code. These are all poly bags made of polyethylene, plastic bags (woven) and other packaging materials.

SD has been imposed at the local level, which would make the poly bags a bit costly. In the world every year 500 billion poly bags are used. From the sources of information in the concerned associations, there are about 200 factories in operation on an average producing 50,000 poly bags daily, meaning about a total 3.65 billion poly bags are produced annually. Now, single use poly bags may be reduced to at least 1% (36.5 million) annually. New opportunities which are environmentally friendly such as bags made of paper and jute will be opened in the future.

Foreign Investment in Alternative Investment Funds under NITA Allowed

Foreign fund is allowed under Bangladesh Securities and Exchange Commission (Alternative Investment) Rules, 2015 but venture capital and fund management organizations and investors have been facing problems for allowing foreign fund in alternative investment because of the absence of proper financing channel. Alternative investment fund is not associated with exchange or listed in exchange as per the policy. Foreign investors are allowed to open NITA account with the AD of the foreign currency department, but there is no specific direction from Bangladesh Bank (BB) for allowing non-resident or foreign investors to make investments in alternative investment funds as per BSEC (Alternative Investment) Rules, 2015.

BUILD prepared a Reform Policy Paper (RPP) on SME Financing and New Alternative Investment Rules where BUILD proposed some recommendations regarding some policy measures for the SMEs to get the benefits from the present BSEC (Alternative Investment) Rules, 2015. One of the key proposals of BUILD was "NITA account holders may be allowed for investing in the VC firm if agreed by BB and they fulfill the BSEC requirements". To advocate these issues, BUILD placed those recommendations through its 6th Financial Sector Development Working Committee (FSDWC) meeting on June 4, 2017 at Bangladesh Bank, which is co-chaired by the Deputy Governor, BB and President DCCI.

Bangladesh Bank issued FEID Circular No. 02 on July 30, 2017 where Chapter 9 of the Guidelines for Foreign Exchange Transactions-2018, Vol-1 outlines operational procedures for non-resident investors to make direct and portfolio investment in Bangladesh. Now, foreign investment in Alternative Investment Funds (AIF) registered under Bangladesh Securities and Exchange Commission (Alternative Investment) Rules, 2015 is allowed through Non-resident Investor's Taka Account (NITA) while the ADs need to follow some specific instructions mentioned in the circular.

BUILD Scope

A Study on Reduction of Customs Duty on Capital Machinery

BUILD would undertake a brief impact evaluation of the reduction of customs duty and other relevant taxes on selected environment-friendly capital machinery especially for export-oriented enterprises. The government has granted certain reduction in customs duty and exemptions on a number of capital machinery and parts. However, the list of products as well as the duty rates have changed in the last few years. The study would briefly discuss the changes and seek to identify potential impact on businesses.

Guidelines for Export Subsidy/Cash Incentives for Export Oriented Industries of Bangladesh

In order to encourage exports in accordance with the export-led economic growth strategy of the country, the Government of Bangladesh provides export incentives to selected export sectors. The sectors to enjoy such cash incentives and the respective rates to be provided are updated every year through circulars issued by Bangladesh Bank. The Government has increased the amount of export subsidy/cash incentives by every year. For an example, in FY 2017-18 the government provided BDT 45 bn as export subsidy/cash incentives to the exporters, which was BDT 43.95 bn in FY 2016-17, BDT 40 bn in FY 2015-16 and BDT 35 bn in FY 2014-15. But unfortunately Bangladesh Bank has found that some exporters with the help of their local banks, withdrew export subsidy/cash incentives by violating government's rules. This violation of rules causes a question to the overall process of the disbursement of export subsidy/cash incentives.

BUILD has planned to prepare a report on "Guidelines for Export Subsidy/Cash Incentives for Export Oriented Industries of Bangladesh" to increase the transparency of the process of disbursement of export subsidy/cash incentives.

BUILD Articles

Simplification and extension key to GTF sustainability

<https://thefinancialexpress.com.bd/views/views/simplification-and-extension-key-to-gtf-sustainability-1535382538>

Battery-run three-wheelers need policy support

<https://thefinancialexpress.com.bd/views/views/battery-run-three-wheelers-need-policy-support-1530633388>

Ensuring proper use of BSCIC industrial plots

<https://thefinancialexpress.com.bd/views/views/ensuring-proper-use-of-bscic-industrial-plots-1531928532>

Businesses feel regulations in Bangladesh are inconsistent

<https://www.dhakatribune.com/business/2018/07/29/survey-businesses-feel-regulations-in-bangladesh-are-inconsistent>

চামড়া জাত শিল্পের ভবিষ্যৎ নির্ধারণে নীতিমালার সঠিক সমন্বয় প্রয়োজন

<http://bonikbarta.net/bangla/news/2018-08>

MCCI Inaugurated the new Office of the Certificate of Origin



Nihad Kabir, the President of the Chamber, is seen inaugurating the new office of the Certificate of Origin (CO) section of the Chamber with modern facilities at the ground floor of Chamber Building at Motijheel, Dhaka, on 9 July 2018.

CCCI Held Dialogue with Singapore Business Federation



CCCI President Mahbubul Alam presided over the meeting at CCCI.

Chairman of Singapore Business Federation Teo Siong Seng said entrepreneurs from his country want to invest in the education, health and information technology (IT) sector in Bangladesh. They are also interested in providing training and other supports to high-, mid- and low-level management for skills development, he said.

Besides, they are ready to cooperate in harnessing blue economy, developing infrastructure and special economic zones and expanding trade between the two countries.

Seng said this at a view-exchange meeting with the directors of Chittagong Chamber of Commerce and Industry (CCCI) and business leaders on July 12, 2018 at the CCCI. He led a 25-member delegation of businessmen from Singapore.

CCCI president Mahbubul Alam expressed the hope that investments from the Singapore businesses would help develop Chattogram into a smart city. He also expects that the expertise, investments and cooperation of the Singapore businesses would help develop the Chittagong port, Mongla port, Payra port and Matarbari deep-sea port.

Executive chairman of the Bangladesh Investment Development Authority (BIDA) Kazi M Aminul Islam, executive chairman of the Bangladesh Economic Zones Authority (BEZA) Paban Chowdhury, CCCI vice-president Syed Jamal Ahmed, Honorary Consul of Turkey in Chattogram Salahuddin Kasem Khan, Honorary Consul of Italy in Chattogram Mirza Salman Ispahani and vice-president of Chittagong Women Chamber Munal Mahbub also spoke.

Chairman of Chittagong Port Authority Commodore Zulfiquer Aziz talked about the initiatives to expand the activities and services of the prime seaport.

DCCI Urged SEZ for Halal Food



Ambassador of UAE in Bangladesh Saed Mohammed Al-Mheiri was present as special guest. DCCI President Abul Kasem Khan chaired the seminar.

Executive Chairman of Bangladesh Investment Development Authority (BIDA) Kazi M. Aminul Islam said that a separate Economic Zone can be established specially for manufacturing Halal products in the country. He made this comment in a seminar titled "Halal Certification Standards and Challenges: Opportunities for Bangladesh Market" organized by Dhaka Chamber of Commerce & Industry (DCCI) on 9 August, 2018. Kazi M. Aminul Islam was present as the chief guest.

Kazi M. Aminul Islam said that world-wide halal market is a trillion dollar market. He said Halal certification is an added advantage to the products and this certification creates an extra appeal to the buyers. Halal products have a great demand in the international market even in the European market because of its distinct quality, he said.

He said Bangladesh and UAE maintains a good relation since long and to expedite halal certification process, UAE can help us. He also said that for halal certification, we need to follow global standard. "What Islamic Foundation is doing now is not enough," he said. Moreover, we need to do a lot of research on halal products. The Government will support the private sector if they come forward to flourish in this sector.

DCCI President Abul Kasem Khan in his welcome address said today Muslims are the 2nd largest community in the world. According to global Islamic Economy 2017-18 report of Thomson Reuters, the global Islamic market is around USD2 trillion, which is contributing to 11.9% of the world expenditure. Brazil, Australia, New Zealand and Thailand are leading halal market suppliers, he said. But Bangladesh has the potential in the global halal market with the right support.

He also urged to build an international halal certification process, build a separate zone for halal products manufacturing and form new policy for facilitating this market.

Ambassador of UAE in Dhaka Saed Mohammed Al-Mheiri said, the popularity of Halal food and other consumer items has been rising even among non-Muslim populations around the globe as Halal foods are hygienic and healthy. According to an estimate of Transparency Market Research, the global Halal product market was valued at USD\$2.7 trillion in 2015 and will rise to 10.51 trillion by 2024.

At present, Bangladesh has been exporting Halal meat to limited countries. This can be expanded by ensuring safe and healthy cattle's meat.

Head of Sales & Marketing Department, RACS Quality Certificates Issuing Services LLC, Dubai, UAE Ossama Emam presented the keynote paper.

DCCI Convenor MS Siddiqui, former Senior Vice President MS Shekil Chowdhury, Alhaj Abdus Salam, Directors Waqar Ahmad Choudhury, SM Zillur Rahman took part in the open discussion session. DCCI Vice President Riyadh Hossain gave vote of thanks on the occasion.



In preparation of arranging a policy dialogue on Regulatory Predictability, BUILD and IFC organized a preparatory meeting on July 3, 2018 at IFC. Dr. M. Masrur Reaz, Sr. Economist of IFC-WBG discussed different dimensions and manifestations of regulatory unpredictability. The meeting was attended by Mahbubul Alam, Chairman of BUILD, Ferdaus Ara Begum, CEO of BUILD, Mohammad Lutfullah, Private Sector Specialist of IFC and, Miah Rahmat Ali, Senior Private Sector Specialist of IFC.



As part of Engaging Women Entrepreneurs in Public Procurement and Corporate Supply Chain, BUILD CEO Ferdaus Ara Begum met Dr. Mashiur Rahman Hon'ble Adviser for Economic Affairs to the Prime Minister of Bangladesh of Prime Minister's Office on August 31, 2018 at PMO and requested him to chair the upcoming Dialogue on Public Procurement.

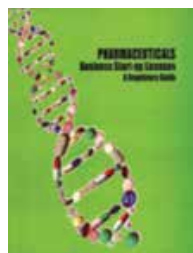


A discussion meeting was held at BUILD office on 12th August, 2018 on 'Resource Efficiency & Cleaner Production (RECP)'. The meeting was attended by Vinod K Kala, Founder and Deepak Bawari, Principal Consultant, Energy & Climate Policy, Emergent Ventures, India, Ferdaus Ara Begum, CEO, BUILD.



In preparation of field for the Belgian Trade Mission to Bangladesh (Dhaka and Chittagong) in April, 2019, Alexis Bossuyt, Trade and Investment Commissioner, Flanders Investment and Trade (Embassy of Belgium) called on Ferdaus Ara Begum, BUILD CEO on 26 July 2018 at a Breakfast Meeting at the Pan Pacific Sonargaon Hotel. The CEO stressed the importance of tapping the untapped potential to further enhance the trade and investment.

Publications



Sponsor Partners



Our Partners



Business Initiative Leading Development (BUILD)

DCCI Building (9th Floor), 65-66 Motijheel Commercial Area, Dhaka-1000, Bangladesh.
Phone : + 880-2-9569961, 9561388, E-mail: info@buildbd.org, www.buildbd.com

