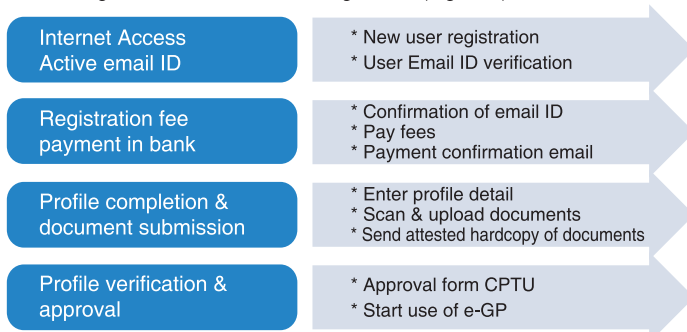


Editorial / Engendering Public Procurement

Public procurement is the operation of a government of purchasing goods, civil works and services directly from suppliers or through contracts with the suppliers under different methods stipulated in the procurement regulations of a country. The United Nations Commission on International Trade Law, 2011 mentioned that public procurement process should encourage participation of suppliers and contractors ensuring equitable treatment and transparency in the procurement process to achieve public confidence on it.

The national budget in Bangladesh is increasing over the years, of which 51% is spent for Annual Development Program (ADP) and about 80% of the ADP budget is spent on procurement either in development or in the non-development budget. Agencies involved in public procurement are Ministries, their attached departments & directorates, corporations, municipalities etc. Out of the total procurement nationwide, 70%-80% is done by the government.

The public procurement system in Bangladesh is regulated by two legal instruments, namely, the Public Procurement Act (PPA) 2006 and Public Procurement Rule (PPR) 2008. Reform measures adopted by the government to ensure fairness and transparency within the procurement system includes establishment of Central Procurement Technical Unit (CPTU) in 2002 and introducing electronic procurement system (e-GP) in 2011, which has brought all procurement within the country under a single portal and has simplified the whole process. Under e-GP system, people interested in submitting tenders need to register themselves first through e-GP (Figure 1).



A recent concern that has arisen is the low engagement of women entrepreneurs (WE) in public procurement process. In this context it may be mentioned that despite 50% of the population being women, they are unable to develop their entrepreneurial capacity due to which there are only 0.56 million (only 10% of business entrepreneurs) women led enterprises. WEs face social, financial and market access challenges for which they tend to stay in the informal sectors.

The gender aspect has not been duly addressed in the public procurement regulations of Bangladesh as included in other developing countries like India, Kenya, Brazil etc., which have either kept special provisions for women entrepreneurs in the public procurement regulations or they have kept provisions for small enterprises (SMEs) that are mostly run by women in these countries. A challenge that women face in engaging themselves into government's procurement system in Bangladesh is the registration process that is required for participating through e-GP as a tenderer, which requires significant level of IT knowledge that most WEs under SMEs may not have.

BUILD has initiated a series of programmes on the issue in collaboration with IFC-WBG. Consultation meetings and policy dialogues were held for raising this issue in the public sphere for getting attention from stakeholders, WEs and policy makers.

Encouraging WEs in the procurement system requires to create awareness among them and improve their capacity, for which training programmes may be introduced by CPTU and women supporting organizations. WEs can be encouraged to participate in sectors such as IT, intellectual and professional services, consultancy and goods through limited tendering, Quotation or Direct Purchase Method. BUILD is currently working for recommending a set of policy reforms for CPTU.

Ferdaus Ara Begum, CEO of BUILD

BUILD Trustees Launched CD of Business Start-up Licenses: A Regulatory Guide



Mahbubul Alam, Chairman, BUILD along with other Trustee Board Members are pictured during the CD launching Event at BUILD.

The Trustee Members of BUILD launched a CD of Business Start-up Licenses: A Regulatory Guide— researched, prepared and published by BUILD and Bangladesh Investment Development Authority - BIDA, Prime Minister's Office that provides information regarding license, permit approval, certificate, registration etc. needed for doing business in Bangladesh.

The guide works as a toolkit for any aspiring or veteran entrepreneurs alike. The CD is available in BUILD Secretariat.

The launching took place over the 16th Trustee Board Meeting under the Chairmanship of Mahbubul Alam, President of The Chittagong Chamber of Commerce & Industry (CCCI). Held on 3rd September 2018, the meeting was attended by Abul Kashem Khan, President of Dhaka Chamber of Commerce & Industry (DCCI), A.H.M. Rezaul Kabir, Secretary General of DCCI, Farooq Ahmed, Secretary General of Metropolitan Chamber of Commerce & Industry, Engr. Md. Farque Ahmed, Secretary (In-Charge) of CCCI Dhaka and Ferdaus Ara Begum, Member Secretary of BUILD Trustee Board.

BUILD Chairman Mahbubul Alam said that in today's diversified business environment, entrepreneurs depend on finding the 'right information at the right time', of this regulatory guide of BUILD is working as an answer book.

DCCI President Abul Kashem Khan appreciated the CD of Business Start-up Licenses: A Regulatory Guide that will assist entrepreneurs to comprehend the entire process involved in obtaining a License/Permit/Approval/Certificate, etc..

The Trustee Board Meeting usually takes place three months apart. BUILD- the public private dialogue platform is run by the Board of Trustee which is responsible for the policy direction that the organization takes from time to time. The Board is vested with the authority and responsibility to exercise control over all the activities conducted by BUILD.

Having welcomed the Trustee Members from DCCI, MCCI and CCCI, BUILD CEO Ferdaus Ara Begum initially summarized the meeting agenda, the challenges, the work streams which have been put in place and their status/readiness.

She gave an update on what has been happening on research areas of BUILD since January 2018 when the Board last reviewed. She talked through the strategy, which is focused on working with partners on studies to demonstrate the impact of trade and commerce relations for the benefit of the private sector in particular and the country in general.

Having endorsed the meeting agenda, the Board thanked the BUILD team for good work done so far, particularly on SME development, and felt reassured that the plans for improvement in various areas are being actively managed and reviewed.

All matters arising from the meeting had been actioned and were scheduled for the next meeting.

Empowering Women through Public Procurement Policies Underscored in BUILD Dialogue



Mohammad Muslim Chowdhury, Comptroller and Auditor General of Bangladesh speaks as the Chief Guest.

A Dialogue titled Public Procurement Policy and Gender Perspective was organized by Business Initiative Leading Development (BUILD) in cooperation with IFC-WBG and Bangladesh Women in Technology (BWIT) on October 4, 2018 at Pan Pacific Sonargaon Dhaka Hotel. The dialogue brought together stakeholders and experts in this area for discussion and explored the inclusion of gender aspect into the procurement laws of Bangladesh.

Mohammad Muslim Chowdhury, Comptroller and Auditor General of Bangladesh who attended the programme as the Chief Guest said that the CPTU web portal can have some women related activities as a starting point.

He added that as like IT, a standard portal can also be launched for engaging women which will have enough information to increase capacities of women. He viewed that the area of 'works' would be difficult because of its implementation problem, in that respect he emphasized on supportive external governance. He suggested that services including intellectual professional services and goods could be the preferred area for women.

Faruque Hossain, Director General, CPTU informed that nine modules of e-GP have been developed but not all have been opened yet. Almost all the government entities have been registered with e-GP system except 32 upazilas and 17 unions which are yet to be included.

Referring to examples of a number of countries such as USA, Ethiopia, Iraq, Kenya where there are certification agencies to certify women tenderers, he said such agency can be established first in Bangladesh.

The Guest of Honour, Dr. Jamal Uddin Ahmed, Member, Board of Directors, Bangladesh Bank suggested better policy support so that enabling environment can be created for women entrepreneurs.

Forkan Bin Quasem, Chairman, e-GOV Cell, BASIS, a Resource Speaker at the event, urged for compulsory local participation in the international tender. He also urged that the projects which are complex could be earmarked for the most experienced companies while simple and semi complex projects can be participated by the less experienced companies or start-up companies.

Rezwana Khan, a member of BWIT requested for presence of local participation in international tenders at a significant level. A number of women entrepreneurs took part in the discussion and raised several points to ensure their access to the public procurement.

Asif Ibrahim, Former Chairman, BUILD and Former President, DCCI moderated the question-answer session and put emphasis for holding series of dialogues on this critical issues so that women can come up in a bigger way to contribute to the economy.

Ferduas Ara Begum, CEO, BUILD presented a paper on e-GP on behalf of Luna Shamsuddoha, Chairman, Janata Bank and President, BWIT. She proposed for reducing the gender gap in technology which can work as an equalizer and requested for developing a gender segregated database to understand the real condition of women in the public procurement system

Another paper was presented by Mehruna Islam Chowdhury, Gender Consultant, BUILD in which she explained different sources of public expenditure, key Ministries responsible for making policies on procurement, weaknesses of general procurement system etc.

BUILD Put Thrust on Access of Women Entrepreneurs to Public Procurement



Mahbubul Alam, Chairman, BUILD chairs the meeting.

A consultation meeting on "Engaging Women Entrepreneurs in Public Procurement & Corporate Supply Chain" was organized by BUILD in collaboration with IFC-WBG and Bangladesh Women in Technology (BWIT) at BUILD.

The meeting explored the prospects and scope of the women entrepreneurs (WE) to have their access to public procurement and identify areas which are suitable for them.

Having welcomed the participants, Mahbubul Alam, Chairman, BUILD urged that women should come forward in a coordinated way under a single platform in order to strengthen access of women to public procurement opportunities.

Voices of women are important for promising reforms and interventions and charting out an urgent agenda for governments, civil society, development agencies and other stakeholders said he.

As a Resource Speaker, Luna Shamsuddoha, Chairman, Janata Bank & President, BWIT, elaborated some of the specific areas and emphasized the determination and willingness to participate and WE should have been ready in that respect. She put emphasis mostly raising awareness and then on the capacity building of women entrepreneurs.

Ferdaus Ara Begum, CEO, BUILD informed that in FY2018-19, the size of the ADP is BDT. 1730 billion, of which 70-80 percent will be procured locally by the government. So, there is a huge scope that women entrepreneurs can participate in the local procurement. The potential areas include medical equipment, furniture, printing materials and stationeries etc.

Nishat Noman, Executive Engineer, Roads & Highways Department and a National Procurement Trainer, also spoke on the occasion and put emphasis on the establishment of help desk at important places to support women entrepreneurs.

The representative from the Computer Council of Bangladesh ensured of extending support from the Council in case of any requirement of IT based innovative project, training or related issues for Women entrepreneurs.

Tashmin Laila, Gender Specialist, IFC-WBG gave a brief on WEConnect International activities to introduce women entrepreneurs to the corporate supply chains.

Abida Ali, Director, Bangladesh Women Chamber of Commerce & Industries (BWCCI) raised several important aspects for which, women are facing problems and specifically mentioned about trade license related problems for which the WE need support. In that respect, some incubators or hubs can be established for the women entrepreneurs, as opined by participants at the meeting.

The keynote paper presented by Mehruna Islam Chowdhury, Gender Consultant, BUILD highlighted the associated problems such as registration requirement for e-GP, lack of capacities as per the need of the PPR guidelines etc.

In the open session, the CPTU Director informed some of the provisions of the Public Procurement Rule (PPR) 2008, wherein WE could have better access to participate in the procurement process highlighting the provisions of limited tender, cash purchase and quotation methods.

Private Sector to Mobilise Long-term Investment for Sustainable Development Goals: BUILD Chair



BUILD Chairman speaks as the special guest at the Round Table Discussion Session in presence of Md. Abul Kalam Azad, Principal Coordinator (SDG Affairs), PMO and DCCI President and MCCI President.

Per capita income of Bangladesh will reach to USD16000 by the year 2041 and by this time Bangladesh will become the developed nation, said Md. Abul Kalam Azad, Principal Coordinator (SDG Affairs), Prime Minister's Office.

He made this comment at the Round Table Discussion Session on "Potential Roles and Challenges of Private Sector to Achieve Sustainable Development Goals" organized by Dhaka Chamber of Commerce & Industry (DCCI) on 13 September, 2018 as Chief Guest.

Chairman of BUILD Mahbubul Alam said that in order to address the challenges, the complimentary elements of SDG are good domestic policies, rule of law and an effective regulatory framework. To attain SDGs, strong institutional mechanism involving all stakeholders including public representatives, government, private sector, civil society, knowledge community and development partners are required.

The Chairman in his speech called out to governments to foster enabling environments for financing and investment; He requested the private sector to mobilize long-term investment; and champions of innovation to develop new solutions for financing the SDGs.

President of Metropolitan Chamber of Commerce and Industry (MCCI) Nihad Kabir, who was former Chairman of BUILD and President of the Chittagong Chamber of Commerce & Industry (CCCI), Mahbubul Alam were present as special guests. Former DCCI President and BUILD Chairman Asif Ibrahim moderated the open discussion session.

DCCI President Abul Kasem Khan in his welcome address said that under SDG, Bangladesh requires intense focus on employment generation to institutional capacity building.

Private sector is facing some challenges like affordable and reliable energy sources, inadequate technology, expensive compliance and preparedness measures, climate change impacts, outdated infrastructure facilities, high cost of doing business, weak regulatory framework for operating business processes and lack of institutional capacity.

We need policy continuity, consistency and cohesiveness for more engagement of private sector in attaining SDG. Regulatory reforms in all major policies related to the economy, trade and investment are some of the key factors, he said.

He urged for more private sector participation in policy designs. He said that Bangladesh will need around USD928 billion of additional resources up to 2030 for achieving the 17 goals.

Md. Abul Kalam Azad, Principal Coordinator (SDG Affairs), PMO said that the government has created a land bank of 100000 lakh acres for establishing economic zones specially in the south belt of which 35000 acres of land have been acquired and handed over to BEZA.

He said that government has done a mapping with the goals and targets of SDG and distributed tasks among all the ministries for implementation. We need resource mobilization for financing issues.

We also need to enhance skill development. He urged the private sector to invest in the economic zones and government will facilitate the private sector providing electricity and gas. The present GDP growth is achieved because of our private sector, he said.

BUILD and WEConnect International Entered into an MOU to Support Women Entrepreneurs



Business Initiative Leading Development (BUILD) -a Public Private Dialogue (PPD) platform signed a Memorandum of Understanding (MOU) with WEConnect International- a corporate led, global non-profit that helps women-owned businesses succeed in global value chains, worldwide.

Through this MOU, BUILD has been able to establish a partnership with WEConnect International which is headquartered in Washington D.C, USA.

The MOU was countersigned by Ferdaus Ara Begum, Chief Executive Officer BUILD and Elizabeth A. Vazquez, CEO and Co-Founder, WEConnect International recently in Dhaka and Washington D.C., respectively.

The purpose of this Memorandum of Understanding (MOU) is to initiate and support joint activities for women entrepreneurs in Bangladesh.

BUILD will extend support to WEConnect International to continue its implementation of a World Bank Group capacity building program for women-owned businesses in Bangladesh that will provide access to global networks and corporate procurement opportunities through online and in-person trainings and networking events.

Both participants will disseminate information about their programs and events and share information regarding training program impact of networking events with corporates, and other related activities.

Participants will also monitor and review their activities under the signed MOU and evaluate results of the implementation to ascertain whether objectives have been met and provide recommendations to improve future cooperation.

Under this MOU, BUILD will be represented by Mehruna Islam Chowdhury, Gender Consultant and WEConnect International will be represented by Nicolas Picard, Research, Analysis, and Project Manager.

"WEConnect International is excited to partner with BUILD to further our joint efforts to provide equitable market-access opportunities for women business owners in Bangladesh," says WEConnect International CEO & Co-Founder Elizabeth A. Vazquez.

"Our partnership with WEConnect will be a new currency for the development of women business owners, corporate executives, and partners looking forward to make connections with the world's largest corporations and BUILD would be keen to continue this partnership for the cause of private sector development in general and women entrepreneurs in particular"- says BUILD CEO Ferdaus Ara Begum.

For empowering women business owners to succeed in global markets, WEConnect International partners with a range of supporting organizations to identify and certify businesses that are at least 51% owned, managed and controlled by one or more women.

WEConnect upholds the universal certification standard developed in collaboration with the Women's Business Enterprise National Council (WBENC) in the United States.

Previously, BUILD and WEConnect International organized consecutive meetings to set an appropriate modality that can enable Bangladeshi women entrepreneurs to participate in the global corporate supply chain. BUILD also contributed to a research study conducted by the organizer.

A present BUILD maintains contact with Light Castle that works as the local partner of WEConnect International in Bangladesh and supports the to increase access of Bangladeshi women entrepreneurs to public procurement.

Stakeholder Consultations on Anti-dumping Measures



Munir Chowdhury, DG, WTO Cell and Md. Hafizur Rahman, Director, WTO Cell speak with BUILD CEO Ferdaus Ara Begum at the meeting at Ministry of Commerce (MoC).

As part of the groundwork of Stakeholder Consultation of Anti-dumping measures, BUILD CEO met Munir Chowdhury, DG, WTO Cell and Md. Hafizur Rahman, Director, WTO Cell, Ministry of Commerce on September 6, 2018 to address the trade remedial measures for export products of Bangladesh in collaboration with Strengthening Institutional Capacity and Human Resource Development for Trade Promotion (EIF Tier-I) Project, WTO Cell, Ministry of Commerce. The meeting decided that BUILD will arrange a number stakeholder consultation sessions to address AD Measures imposed on some export products of Bangladesh.



BUILD CEO Ferdaus Ara Begum interacts with representatives from Ministry of Commerce, Bangladesh Tariff Commission and Hydrogen Peroxide Entrepreneurs among others at BUILD Conference Room.

The 1st and 2nd sessions titled "Stakeholder Consultation Session on Anti-dumping Measures- Hydrogen Peroxide" were held on 15 October, 2018 on which representatives of BTC, BUILD, DCCI, MCCI, Samuda Chemical Complex Ltd., ASM Chemical Industries Ltd. & Law Abode put their valuable comments on the sessions. Private sector representative complained that the Supreme Court of India did not accept the actual facts which were submitted to the court and provided a verdict that the case has no merit and imposed AD duty.

Now they have come forward to apply in the WTO via Ministry of Commerce for further justice. MoC representative said that, Bangladesh should apply to the WTO for Pakistan issue first, because the case has high opportunity and merit to win. Legal experts placed their opinion on the issue and they were instructed to prepare a "Consultation Paper".

The 3rd consultation session on Anti-Dumping Measures- Hydrogen Peroxide was held on 16 October, 2018 where participants of the previous session (except Samuda and ASM), including representatives of Tasnim Chemical Complex Ltd. were present in the meeting.

Representative of Tasnim Chemical said that though AD Duty is imposed on them, but it doesn't hamper their export because India has imposed AD Duty also to the exporters of Pakistan and profit margin of Tasnim is lower than Pakistani companies. CEO, BUILD inspired the private sector to come forward to sue India in WTO in this issue. Lawyers said that the investigation process of India directly conflicts with the Sub Section 7 of the WTO Agreement.

Bangladesh faces Anti-dumping duty in followings:

- (A) India imposed anti dumping duty (on 14th June, 2017) on Hydrogen Peroxide Imported from Bangladesh at the rate of US\$ 46.90/MT on M/s Samuda Chemicals, US\$ 27.81/MT on Tasnim Chemicals and US\$ 46.29/MT on ASM Chemicals.
- (B) On 14 March 2016, the Pakistani authorities imposed a definitive anti-dumping duty on imports of Hydrogen Peroxide from Bangladesh the rate of the duty is 10.67% or 12.14%, depending on the company.
- (C) Final Anti-dumping Measures were imposed on 5th January, 2017 on the import of jute goods from Bangladesh by the Supreme Court of India which was recommended by DGDA, India.



BUILD CEO Ferdaus Ara Begum interacts with representatives from Bangladesh Jute Spinners Association, Bangladesh Tariff Commission and Jute Entrepreneurs among others at BUILD Conference Room.

The 4th consultation session on "Anti-Dumping Measures- Jute Goods" was held on 17 October, 2018 where participants of the MoC, BUILD, BTC, BJSA and BJMC were present. Official of BJSA said that India does believe that import of jute goods from Bangladesh causes damage to the local jute industry of India as well as hindrances employment creation, that's why India imposed AD Duty on import of jute goods from Bangladesh. An official of MoC said that, no analysis has been done yet on the AD Duty imposed by India..



A panel of legal experts led by Barrister Khandokar Kawsar speaks with representatives present at the meeting.

Lawyers said, in the preliminary stage they found that India violated the rules of 35 Sub-Articles of 7 Articles of the General Agreement on Tariffs and Trade 1994 (the "Anti-Dumping Agreement") while provided the verdict of final AD Duty measures imposed on jute good import from Bangladesh such as articles on determination of dumping (Article 2), determination of injury (Article 3), definition of domestic industry (Article 4), initiation and subsequent investigation (Article 5), evidence (Article 6), imposition & collection of anti-dumping duties (Article 9), public notice and explanation of determinations (Article 12) and establishment of panels (Annex 2, Article 6).

Lawyers were requested to prepare a detail consultation paper as per the WTO procedure, where they can take help from the information available at Bangladesh Tariff Commission (BTC) and Bangladesh Jute Spinners Association (BJSA) so that a strong consultation paper can be prepared to face the argument raised by India on Jute Goods exported from Bangladesh.

BUILD Policy Papers Shared with EC4J Project Team



EC4J Project Director Obaidul Azam, Additional Secretary of the Ministry of Commerce speaks at the meeting.

To share the findings of the research on the policy papers to be presented in the Trade & Investment Working Committee (T&IWC), a meeting with the Export Competitiveness for Jobs (EC4J) Project and BUILD took place on October 09, 2018 at the Conference room, EC4J Office.

The policy papers include Tannery Industries in Bangladesh and its Export Competitiveness, Export Competitiveness of Light Engineering sector (LEs) - A case study on Bicycle Industry in Bangladesh and Situation Analysis of Constraints & Policy Support Needs for Export Subsidy/Cash Incentives for the Exporters.

EC4J Project is aimed to support Government of Bangladesh's export diversification targets and designed to enhance growth and competitiveness of selected sectors beyond Ready-Made Garments (RMG), and to create more and better job opportunities.

The project will focus on four priority sectors in which Bangladesh has demonstrated comparative advantage, or sectors that provide essential inputs in export-oriented manufacturing value chains and they include Leather and Leather Goods, Footwear, Light Engineering and Plastics.

BUILD CEO Ferdaus Ara Begum highlighted the major constraints of tannery industries in Bangladesh. She said the main constraint behind this huge export plunge is shifting tanneries from Hazaribagh to Tannery Industries Estate in Dhaka (TIED) without full preparation, as has been viewed by the concerned stakeholders.

She also categorized the constraints into three major areas such as: understanding gaps, policy related gaps and procedural constraints. She mentioned that there is a huge understanding gap between Govt. and the private sector as well as among the concern Ministries and Departments regarding operational difficulties of TIED.

Project Director, EC4J Project Obaidul Azam who is also the Additional Secretary of the Ministry of Commerce said beside the export, domestic market size of leather, leather goods and footwear should also be calculated separately so that the total demand of leather both at domestic and international market can be seen clearly.

Referring Export Policy, PD informed that they have proposed for reducing Value Addition for export in the upcoming policy of 2018-21. He agreed that because of the WTO issues EPB do not like to disclose the guidelines for cash subsidy. He also agreed that a prescribed guideline is needed for providing cash incentives

Mrinal Sircar, Program Manager, World Bank said that due to more use of chemicals, the effluent load increased and the water use also increased. Using of fewer chemicals and reduced use of water can help reducing effluent treatment load on CETP.

He gave the example of a Washing Dyeing Unit of RMG sector where they have been able to reduce use of water and chemical under the Partnership for Cleaner Textile (PaCT) project.

In general, EC4J team endorsed all the constraints, recommendations emerged from the study of BUILD, and they will be jointly working with BUILD to work out issues.

Meeting between BUILD and LFMEAB

A meeting between Business Initiative Leading Development (BUILD) and Leathergoods and Footwear Manufacturers & Exporters Association of Bangladesh (LFMEAB) held on 25th October 2018 at the conference room of BUILD.

The main purpose of the meeting was to share the program of upcoming Bangladesh Leatherfootwear & Leathergoods International Sourcing Show (BLLISS)-2018 and also a draft report on "Compare the Policy Support of the Bangladesh Government in the Leather and RMG sectors" with BUILD.

Kazi Roushan Ara, Executive Director, LFMEAB said that as BUILD is working on these kinds of policy issues for a long time, she asked for valuable comments and opinion of BUILD on this report.

BUILD CEO agreed with her proposal. They also discussed about the policy differences between RMG and Leather sector in case of Bonded warehouse facility, Environmental license category and other Tax and VAT related issues.

Meeting with Bangladesh Bank on Green Finance (GTF)

On October 21, 2018, BUILD held a meeting with the Sustainable Finance Department of Bangladesh Bank which is directly responsible for promoting green finance. Manoj Kumar Biswas, GM, SFD of Bangladesh Bank informed BUILD about the present situation of various green funds of BB, especially about GTF which is the largest fund of BB, providing finance for import payment of capital machinery.

BUILD has already conducted a study on GTF and placed various recommendations for ensuring better utilization of this fund. In the meeting BUILD discussed those recommendations with Sustainable Finance Department for validation.

BB also informed about the initiatives it took to promote this fund for the private sector. BB signaled its interest in taking part in a multi-stakeholder consultation program on GTF with participation of the private sector.

Meeting with the New Zealand Trade Commissioner



CEO, BUILD is seen with Ralph Hays, Trade Commissioner & Consul General, New Zealand Trade & Enterprise, (2nd left) and Neaz Ahmed, Honorary Consul, New Zealand Consulate (4th left)

The New Zealand Trade Commissioner & Consul General Ralph Hays, Regional Agricultural Attache Neil Kennington and Honorary Consul, New Zealand Consulate Neaz Ahmed invited Ferdaus Ara Begum, CEO, BUILD in a business reception to celebrate growing business link between New Zealand and Bangladesh on October 23, 2018 at the Amri, Dhaka.

During the meeting CEO, BUILD informed the Trade Commissioner and the delegations from the New Zealand about the Memorandum of Understanding between Business New Zealand (Business NZ) and BUILD with the assistance of New Zealand Govt. to Govt. Partnership office.

The New Zealand Trade Commissioner Hays appreciated the ideas and informed that New Zealand Trade and Enterprise (NZTE) will be happy to see some important activities between BUILD and BusinessNZ, and they are ready to extend cooperation.

Partner's Corner

DCCI Holds International Conference Destination Bangladesh to Mark 60th Anniversary



Hon'ble Prime Minister Sheikh Hasina is seen as the Chief Guest at the inaugural session of the programme while Commerce Minister Tofail Ahmed, State Minister for Finance and Planning MA Mannan and FBCCI President Md Shafiul Islam (Mohiuddin) also remained present as the special guests.

Dhaka Chamber of Commerce and Industry (DCCI) organised an international conference on 'Destination Bangladesh' on the occasion of the 60th founding anniversary celebration on October 28, 2018 at Bangabandhu International Conference Centre (BICC) in Dhaka. The conference showcased Bangladesh's potentials to lure foreign direct investment in the country.

The Hon'ble Prime Minister said that according to the PricewaterhouseCoopers, Bangladesh would emerge as world's 28th largest economy by 2030 and 23rd largest economy by 2050, exceeding many developed economies like The Netherlands, Australia, Spain and Malaysia.

'I hope the business persons will do your business keeping the target in mind,' the prime minister said, adding, 'If we come to power, we will do our best to fulfill the target.'

Urging the businesspersons to bring diversity in their export basket, the prime minister said everyone should not be interested in producing only one item, rather have to produce different items according to global demand.

The conference showcased Bangladesh's potentials to lure foreign direct investment in the country. DCCI also organized an exposition styled 'Destination Bangladesh Fair' at the conference venue. About 35 organizations displayed their products.

MCCI Hosts Dialogue on Compliance



Experts at a seminar on Green Compliance at MCCI conference hall speak on ways to attain green growth in RMG factories.

Implementing green compliance issues in industrial sector requires policy support and enabling measures from the government to ensure green growth in the economy, experts said on September 9, 2018 at a seminar titled 'A Dialogue on Green Compliance' at the auditorium of Metropolitan Chamber of Commerce and Industries (MCCI).

MCCI Secretary General Farooq Ahmed said that Bangladesh is one of the best countries in terms of policy, rules and regulations, but remains in the bottom line in terms of their implementation. Bangladesh would get more results if implementation process is streamlined, he added.

Moderated by Adam Smith International country manager Suvojit Chattopadhyay, MCCI vice-president Golam Mainuddin, Center for Policy Dialogue (CPD) executive director Dr Fahmida Khatun, Department of Environment (DoE) director Syed Nazmul Ahsan, Marks and Spencer country head Shwapna Bhowmick, Bitopi Group managing director also BGMEA director Miran Ali, Viyellatex CEO KM Rezaul Hasanat and MCCI secretary general Farooq Ahmed spoke on the occasion.

They said economic and non-economic incentives from the government along with commercial banks and financial institutions are of immense importance to encourage factories for opting green strategies.

Focusing on branding Bangladesh in modern and sustainable way, speakers said time has come for the Bangladeshi manufacturers to adopt own green compliance strategy to grab business opportunity in the global market.

The Dialogue was supported by the Economic Dialogue on Green Growth (EDGG), a UKAID funded programme implemented by Adam Smith International.

CCCI Holds View Exchange Meeting with Indonesia Envoy



CCCI President Mahbubul Alam speaks at the meeting.

Indonesia's Ambassador in Dhaka Rina P Soemarno said that Bangladesh is an important state in the South and Southeast Asian region in terms of economic and social aspects for which existing greater communication between Bangladesh and Indonesia is very much logical and expected, said Soemarno.

CCCI Vice President Syed Jamal Ahmed, directors Zahirul Islam Chowdhury (Alamgir), Ahid Siraj Chowdhury (Swapan) and Anjan Shekhar Das, former director Md Mohsin and Economic Counselor of the embassy Ingrid Rosalina were also present and contributed to the discussion.

Soemarno noted that recent visit to Bangladesh by the Indonesian president has opened up new avenues for development in both the countries. Besides, the Indonesian embassy is working to launch direct air and shipping lines on a priority basis which will help grow among others the two sectors of business relations, she asserted.

She invited the businesses and entrepreneurs of Bangladesh to participate in the 33rd Trade Expo in Indonesia, the biggest ever trade show in Southeast Asia, to be held on October 24-28, 2018 (2)

CCCI President Mahbubul Alam praised the bond between the two countries. He emphasized on further strengthening bilateral trade and commerce and sought initiatives of the Indonesian ambassador in this regard.

Bangladesh's export to the Southeast Asia's biggest economy was \$ 46.39 million in the FY '17, the CCCI chief said. He underscored the need for arranging more discussions between the two countries and taking measures for strengthening business relation in the private sector.

"The government has set up a good number of specialised economic zones in the country where the Indonesian businesses can invest in the IT (information technology), infrastructure and the bay terminal construction," said Alam.

CCCI Vice President Syed Jamal Ahmed sought Indonesia's help in setting up industries in Bangladesh while Anjan Shekhar Das urged Jakarta to cooperate in developing Bangladesh's tourism and blue economy.

BUILD Reform

Simplification of Import for Fire Safety Equipment in Bangladesh

Different type of pipes are used as the Fire Safety Equipment (FSE). It is estimated that Bangladesh is currently importing pipes for fire safety amounting \$17.85 million yearly (2015-16). Pipes cover about 70% of Fire Safety System (FSS) which comprises Electric Safety System (ESS) and Hydrant System (HS). Because of the continuous pressure from the foreign buyers, and Accord (EU) & Alliance (USA), after the "Rana Plaza" incident in the year of 2013, industries were instructed to strictly maintain Work Place safety in the industrial premises.

Problem are faced by the private sector as they have to import all fire safety equipment under the single HS Code. About 30-40 Knit and RMG units could not release their goods from the port and thus could not complete the compliance requirement suggested by Accord & Alliance Private sector had a number of discussions with the Chittagong customs committee to resolve this issue.

Government has included only "Seamless Pipe" under HS code 7304.39.90 to be imported by the exporters for which 5% import duty was imposed as per and SRO 158-AIN/2017/44/Customs. Through evidence based research, BUILD found that "Seamless Pipe" is not only the pipe which was required for introducing firefighting system. There are six other types of Electric Resistance Welding (ERW) pipes that are mostly used by the industry as fire safety equipment that were not included in the SRO. BUILD proposed for exemption of import duty of all fire safety equipment and follow system that are mandatory to comply with the international standards in the Budget Proposal 2018-19. In the 2018-19 as per SRO 78-AIN/2018/84/ Customs resolved this problem where the total TTI has been reduced to 5% on other selected pipes. Previously TTI on these items was on an average at 70%. If the same amount of these products/items are imported in 2018-19 as like the year 2015-16, the entrepreneurs will be able to save USD 16.75 million.

In the year 2018-19 NBR has issued a SRO (SRO No. 157-AIN/2018/23/Customs) where the new HS code (7304.39.00) for "Seamless Pipe" has been defined instead of previous HS code (7304.39.90).

Simplification of Policies for Service Export

BUILD started a research on indenting in 2016 and found some policy inconsistencies and some tax-related problems with this aspect. Meeting with several stakeholders and met concerned govt. officials in this regard before presenting the recommendations to the 5th Trade and Investment Working Committee (T&I WC) meeting which was held on 3rd May 2016, chaired by the Secretary Ministry of Commerce.

In the Export Policy 2015-18, seventeen (17) sectors were announced as service export where Indenting was included and recognized as service sector. But indentors were not getting these benefits and their commission was not recognized as export and they were not availing the benefits of service export. In this regard BUILD recommended the following:

- An SRO from the NBR has to be announced accepting Indenting Business as 'Service Export' so that VAT on indenting commission repatriated through PRC is exempted as per ref. Section 2 (3), VAT Act 1991;
- CCI&E should publish a clear circular where the issuance and renewal fees for Indentors will be clearly mentioned as they are now recognized as 'Service Export' in the Export Policy 2015-18. (As Indentors have to pay BDT. 40,000 for getting registration from CCI&E and BDT 20,000 for renewal whereas an exporter pays BDT. 7,000 for issuance and BDT 5,000 for renewal.)
- Percentage of AIT should be fixed for Indentors as like the other export sector.
- Clarification of use of ERQ account for the Indentors are also required.

The working committee agreed the recommendations of BUILD and suggested to send this recommendations to the Ministry of Commerce and National Board of Revenue (NBR) and also suggested for pursuing the implementation of the recommendations.

BUILD in cooperation with BIAA follow up the issue and after a strong advocacy, NBR has issued an SRO on June 7, 2018, subsequently CCI&E issued a circular on October 1, 2018 and Bangladesh Bank circulated it on October 11, 2018 - as follows.

S. R. O No. 178-Act/2018 June 7, 2018 was circulated by NBR, where Indenting Service is included as service export.

Office of the Chief Controller of Import & Export also circulated a letter (26.03.0000.004.05.052.15.404, Date 01 October, 2018), where it is mentioned that on the basis of NBR SRO, CCI&E will allow ERC in respect of members of the Indenting Agents Association.

FEPD(Export Policy) 220/2018-16, date October 11, 2018

BUILD Scope

Study on Capital Machinery

BUILD conducted a brief assessment about impact of reduction of duties on environment-friendly capital machinery. Companies exporting 80% or more enjoy duty-free import of capital machinery. Other companies initially enjoyed 3% duty on capital machinery import. Later, the customs duty for 52 capital machinery were reduced from 3% to 1%. These 52 machinery coincide with 47 machinery listed by Asia Pacific Economic Cooperation (APEC) in their list of environmental goods. The APEC List comprises 54 items, and 7 items from the list did not see reduction of duty. Based on interview with a few private sector representatives, BUILD found that the private sector has very limited knowledge about APEC list of environmental goods. The private sector stakeholders welcomed the duty rate reduction. They demanded similar concessions for other machinery as well that are not in APEC list but appear to them to be relevant for safer and greener business.

Effective Collateral Policy for WE Financing

In several studies and from stakeholder consultation at meetings and dialogue organized by BUILD it has been found that WEs are not getting the collateral free loan upto 25 Lac even though there is a policy circulated by Bangladesh Bank. The benefits of this initiative is not properly channelized to the entrepreneurs. BUILD plans to initiate a study on this issue that will help to identify the practical reasons for WEs not been able to avail adequate loan because of the collateral issue. The present policy dimension will be analyzed and some recommendation will be driven for ensuring effective financial incentives for the women entrepreneurs in Bangladesh.

BUILD CEO Joined World Bank –KETI Knowledge Exchange Workshop in Seoul, Korea



Ferdaus Ara Begum, CEO, BUILD is seen with the Participants from Bangladesh along with Suiko Yoshijima, Senior Environmental Specialist Environment & Natural Resources, World Bank during the site visit of Resource Recovery Centre Facility.

BUILD CEO attended the World Bank and Korea Environmental Industry and Technology Institute (KEITI) program on knowledge Exchange to learn Korean experience for environment pollution control.

The workshop mostly covered areas of water and waste water management, solid waste management and air quality management by which Government of Korea is now implying to protect the environment.

During the visit the delegation visited Seoul Water Institute, State-owned Landfill Management Corporation, Korea Maritime Environment Management Corporation and many other important places. Representatives from Handuras, Khazakhstan, Afghanistan, Nigeria participated the program.

Korea has given enough strength on research on these issues, some of these are National Institute of Environment Research(NIER), Seoul Research Institute of Public Health and Environment (SIHE) etc.

16th Trustee Board Meeting of BUILD Held



The 16th Trustee Board Meeting took place under the Chairmanship of Mahbul Alam, President of the Chittagong Chamber of Commerce & Industry - CCCI. Held on 3rd September 2018, the meeting was attended by Abul Kashem Khan, President of Dhaka Chamber of Commerce & Industry, A.H.M. Rezaul Kabir, Secretary General of DCCI, Farooq Ahmed, Secretary General of Metropolitan Chamber of Commerce & Industry Engr. Md. Farque Ahmed, Secretary (Acting) of CCCI, Dhaka and Ferdaus Ara Begum, Member Secretary of BUILD Trustee Board.

Meeting between JICA Representative and BUILD



BUILD CEO joined a meeting with Taro Tsubogo, General Manager and Senior Consultant, Economic Development Department, KRC to discuss some activities in regard to establishment of project office in Bangladesh. JICA is working with BIDA for simplification of some policies. Tsubogo shared some policy reform areas which they feel important for Japanese business in Bangladesh and can be advocated through the public private dialogue structure of BUILD.

BUILD Joined the 6th National Steering Board Meeting at Cabinet Division



BUILD CEO joined the 6th National Steering Board meeting on building partnership for water security on October 13, 2018 at the conference room of cabinet division, Bangladesh Secretariat, Dhaka. Shafiu Alam, Cabinet Secretary chaired the meeting. ICCB President Mahbubur Rahman was present at the meeting.

BUILD CEO Ferdaus Ara Begum as a member of the committee informed about the BUILD studies on roles and responsibilities of the organization managing water in Bangladesh. She also informed that BUILD is closely working with WARPO for clearance of water for private sector organizations. WARPO can maintain cooperation with BIDA. She also requested for involvement of private sector while working for a Water Pricing Policy in the country. Among others, Secretary Ministry of Commerce, Ministry of Industries and senior level government officials and private sector leaders were present.

BUILD Articles in National Dailies

Opportunity for women entrepreneurs stressed

<https://www.bangladeshpost.net/opportunity-for-women-entrepreneurs-stressed>

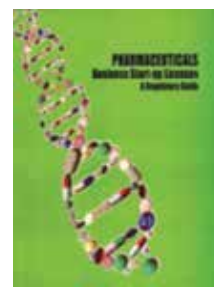
Sustainability of plastic sector

<https://thefinancialexpress.com.bd/views/views/sustainability-of-plastic-sector-1539099156>

Streamlining tax holiday policy

<https://thefinancialexpress.com.bd/views/opinions/streamlining-tax-holiday-policy-1539962673>

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