

Editorial

Promoting Green Technology for Rapid Industrialization

Industrialization has been a key strategic plank for Bangladesh as the country aspires to become a middle-income economy status by 2021. The contribution of the industry sector to GDP stood at 33.7% in FY2018-19. The manufacturing sector is contributing to rapid economic growth especially through accounting for almost the entire export basket.

Capital machinery reflects the investment occurring in the industrial sector. Bangladesh relies on imported capital machinery and equipment, as the domestic capital machinery manufacturing sector is negligible. A positive relation is found between manufacturing output and import of capital machinery. China has large share of total import of capital machinery to Bangladesh economy (31.12%), followed by India and Singapore.

BUILD conducted a study in collaboration with Bangladesh Centre for Advanced Studies (BCAS) to identify the key challenges and opportunities of adoption of green technology in the industrial sector of Bangladesh. Capital Machinery, commonly referred to as capital equipment, is any equipment used for production of commodities. The most widely used term is Green Technology, which incorporates both environment-friendly or resource-efficient equipment as well as processes. Green technology encompasses areas like sustainable energy, material use efficiency, water use efficiency, controlling emission or disposal of hazardous substances, and waste management.

According to the Nationally Determined Contributions submitted by Bangladesh to UNFCCC in 2015, the country made a commitment to make overall reduction of 5% of GHG emission by 2030 from business-as-usual levels in three sectors: power, transport, and industry without international support; and 15% reduction conditional on international support. Introducing green technology would be essential to achieve a 4% reduction in GHG emissions in the industrial sector.

The global clean technology market amounted to USD 5.5 trillion in 2012. The main focus has been on water management, followed by various energy investments, waste, and electric vehicles. In Bangladesh green factories and solar technology have been the most popular technologies. Environmental impact of the RMG sector is heavily concentrated in the wet processing stage – washing, dyeing, and finishing, in terms of discharge of effluents, water use, inefficient electricity consumption, discharge of toxic chemicals, and so forth. Certain changes such as introducing more energy efficient boilers, waste heat recovery system, and so on could save significant amount of energy.

Leather sector has significant environmental footprint in terms of solid waste in rawhide processing, leachate, toxic chemicals, BOD, and so forth. Plastic recycling is another sector that is coming up as an important contributor to environmental sustainability. Plastic waste is increasing due to increased consumption of commodities and fast urbanization. The municipalities have limited capacity to process the solid waste including plastic waste, and the waste collection and recycling process is done informally. Based on interviews and literature review to pool together existing knowledge, BUILD has identified relevant green technologies for the selected industries.

The main incentives offered by the government for green technology are RMG and other sectors (leather and plastics) need to avail of similar benefits. JICA's energy efficiency and conservation program supported by SREDA and Bangladesh Bank's Refinancing Scheme for Green Products and Initiatives are some of the schemes supporting the green growth. The USD 200m Green Transformation Fund (GTF) has high potential for promoting green technology. The study suggests a number of measures, including formulation of a green industrial development policy, changes in the Solar Power Development Implementation Guideline, support for development of energy services company (ESCO), implementation of a green budget with tax and duty related incentives for green technologies and appliances, and so forth.

Ferdaus Ara Begum, CEO, BUILD

Dialogue Alternative Prosperous Sustainable City for the Future Business Opportunities, Government Services and Climate Induced Migrants



Habibun Nahar, MP, Deputy Minister, Ministry of Environment, Forest and Climate Change, GoB speaks at the meeting.

A dialogue on An Alternative Prosperous Sustainable City for the Future Business Opportunities, Government Services and Climate Induced Migrants was held on 2nd May 2019 at Mongla Port Authority Conference Room.

Habibun Nahar, MP, Deputy Minister, Ministry of Environment, Forest and Climate Change, GoB was the chief guest of the session. She informed about the trust fund of the government, which is about 3000 crore now and it is needed to be utilized in proper manner. She also highlighted the problems of Mongla arisen out of cultivation, which has increased salinity.

Talukdar Abdul Khalek, Mayor, Khulna City Corporation highlighted some historical references about the situation of Mongla in 1991 and its recent development. He appreciated the role of the present government for keeping the infrastructural development of Mongla as their high priority. Mentioning several problems in the region, he informed that there is no deep tubewell in Mongla and safe drinking water is one of the major problems. He also referred to establishment of different health complexes for which a number of doctors is given appointment but they could not be kept in these health complexes.

Gerry Fox, Team Leader, PROKAS informed about the increasing trend of climate induced displaced migrants in the slums in Dhaka. He suggested the country can avail a portion from the billions of dollars of climate funds so that migrants can settle in secondary cities. (see page 2, column 1)

BUILD Chairman Re-elected President of CCCI for the 4th Term



Mahbubul Alam, Chairman of BUILD has been re-elected President, Omar Hazzaz Senior Vice-President and Tarafder Md Rahul Amin Vice-President of Chittagong Chamber of Commerce and Industry (CCCI) for the year 2019-2020 and 2020-2021. Newly elected 24-member CCCI board of directors elected the office bearers at a meeting held under the supervision of CCCI election board.

Elected Director Shahjada Fouzul Mabin Khan presided over the meeting held at the CCCI office at World Trade Centre on June 30, 2019

Twelve directors in ordinary category, six directors in associate group, three directors in each of town association and trade groups were elected unopposed at the election.

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BUILD CEO is in talk with Habibun Nahar, MP, Deputy Minister, Ministry of Environment, Forest and Climate Change and Talukdar Abdul Khalek, Mayor, Khulna City Corporation before the Dialogue on Alternative Prosperous Sustainable City for the Future Business Opportunities, Government Services and Climate Induced Migrants.

Ferdaus Ara Begum, CEO, BUILD presented a paper on Identifying Opportunities for Business Growth in Mongla based on Experiences of Rajshahi and Khulna Division. In this presentation she highlighted some business opportunities for Rajshahi and Khulna based on the dialogue held in January and March 2019 and now working for identifying opportunities for Mongla.

Julficar Ali, Mayor, Mongla Port Poursava had given a picture of the present situation of Mongla, emphasized on waste management plant actions for addressing salinity and water logging issues and also actions for protecting children health from the dust arising out of different mills and factories in Mongla.

Dr. Selimul Haque, Director of International Center for Climate Change and Development moderated the session and informed that a survey is going to be conducted in the next six months for developing climate friendly resilient towns under which BUILD and PROKAS are now working.

In the open session, representatives from different newspaper working for climate change, Bengal Institute, Bangladesh Bank, Janata Bank, LGED and women councilors put forward their comments and proposed several actions for addressing climate change issues.

A K M Faruq Hassan, Chairman of Mongla Port Authority informed about different types of climate change impact which are mainly natural and man made. "We need to take strategy in different ways to address the manmade impact beside the natural impact", he said.

Pre-budget Dialogue on Tax Holiday of BUILD Underscored Policy Simplification and Automation



Kazi M Aminul Islam, Executive Chairman of the Bangladesh Investment Development Authority (BIDA) speaks at a pre-budget dialogue on Revisiting Tax Holiday Policy for Promoting Investment and Export organized by BUILD at BIDA office.

A Pre-budget Dialogue on Revisiting Tax Holiday Policy of Bangladesh for Promoting Investment and Export took place on May 19, 2019 in the Conference Room of Bangladesh Investment Development Authority (BIDA). Business Initiative Leading Development (BUILD) in collaboration with BIDA organized the dialogue.

Chaired by Kazi M Aminul Islam, Executive Chairman of BIDA, the dialogue brought together representatives of government, international organisations, extractive industries, civil society, and think tanks and provided the opportunity to advance the work under the National Board of Revenue.

BUILD CEO Ferdaus Ara Begum presented the study on Revisiting Tax Holiday Policy of Bangladesh for Promoting Investment and Export conducted by BUILD and suggested to revisit the policy for extending support to other new investment sectors with some policy options to ensure maximum benefit from Tax Holiday (TH) policy in the country.

Mohammed Humayun Kabir FCA, Former President, Institute of Chartered Accountants of Bangladesh said as the Resource Speaker that there should be a balance between revenue collection and rate of exemption.

Speaking as a Resource Speaker Sayed Anminul Karim, Former Member (Income Tax Policy), NBR said that the income tax policy needs to be revisited to reduce the existing tax gap. Domestic transfer pricing, Tax holiday, beyond companies such as service can be included in TH policy.

Debabrata Roy Chowdhury, Director of Nestle Bangladesh Ltd said that we need performance based awarding TH in place and urged that the cleaner enterprises should get TH facility for a certain period and accelerated depreciation system needs to continue. Hidden cost of tax holiday which is a discouraging factor needs attention.

Rezaur Rahman, Senior GM of Envoy Group said that employment and environmental aspects can be considered as major criteria for selecting an industry for TH.

Kanon Kumar Roy, Member (Tax Policy) of NBR in reply to the points raised by the speakers in the meeting agreed to some extent and noted that though it is already late but he would try to accommodate some important reform proposals to be reflected in the upcoming Budget. He said that the refund process has been simplified through a recent executive order, It takes seven days to get refunds now. He observed that after initiating the automated income tax form next year the TH awarding and renewal would be quicker and simpler. He also expressed concern about the decision-making power of NBR regarding capacity development and human resource management.

Abul Kasem Khan, Former President, DCCI spoke about competitiveness of industries and underscored the need for considering off-factory issues and logistics arrangement and said that the Tax Holiday for non traditional industries need to be revisited for expanding the export base. A comprehensive analysis of TH and its cost-benefits effect to the economy need to be done by NBR. He categorically requested for continuation of the Tax Holiday benefits supporting reform recommendations of BUILD.

Speaking as the Chair, Kazi M. Aminul Islam, Executive Chairman, Bangladesh Investment Development Authority (BIDA), PMO termed Tax Holiday as a complex issue and thanked BUILD for coming up with a comprehensive paper. He emphasized on an inclusive development and for standard transformation, he said policy shift is required. He added that in the less developed areas also there are differences, so a separate categorization can be included to extend benefits for much less developed areas.

There are a number of Merger and Acquisition. Why these industries do not get TH benefits while referring examples of the other countries, added he.

Echoing the BIDA Chief, Hosna Ferdaus Sumi, Private Sector Specialist of World Bank Group in her closing note requested NBR to adopt tax holidays as one of the instruments to encourage investment and upgrade the doing business ranking.

Humayun Rashid, Former Sr. Vice President. Managing Director of Energypac Power Generation and Nabhash Chandra Mandal, Executive Member of BIDA made introductory and welcome speeches.

Budget 2019-20 –Initial Reaction of BUILD

BUILD presented initial reaction on the same day of announcement of the Budget 2019-20 highlighting some main features of the Budget. Some of them are as follows:

- i. The Budget is 18% bigger than the earlier year's revised Budget, and 13% higher from the announced Budget. The target of revenue collection is 3.26 trillion, which is 10.13 % higher than the earlier year and 16% higher than the revised target. Achievement of revenue collection in the first nine months of this fiscal is 55% of the revised target. Meaning shortfall is 45%. In this situation, how much rational the target of revenue collection through NBR is open to question.
- ii. The size of ADP in 2018-19 was 17.18% higher than the previous year. The ADP of 2019-20 is Tk. 2.02 trillion, which is 16% higher than needs proper steps to increase implementation in the coming year.
- iii. The non development expenditure of 2019-20 is 9.6% of GDP, while development expenditure is 7.3%. Aspiration of achieving higher GDP growth contradicts with the expenditure. Lump-sum allocation for different purpose increased 57% than the earlier year which needs better clarification.
- iv. The proposed budget deficit is 5.0% of GDP, this amount is much bigger Tk 1.45 trillion, which was Tk 1.25 trillion in the last fiscal. The Government will collect funds from Banks and Saving Certificates and other sources of which from Banks the amount is Tk 0.47 trillion while Banks are not in a good situation.

VAT & SD Act

- i. The government is going to implement the long waiting VAT & SD Act 2012 and has declared three rates of VAT(5%, 7.5% and 10%) apart from the universal VAT rate of 15%. The reduced VAT rates are non-creditable. Twenty goods and services are brought under 10% VAT slab, twelve goods and services would be under the 7.5% slab and 93 products are payable 5% VAT. The cascading effect would push the price of this selected 125 items as there is no scope of VAT credit over the whole value chain from production to distribution to the ultimate consumer.
- ii. The VAT exemption limit has been increased to BDT 50 lacs from 30 lacs, turnover tax threshold has been enhanced from 80 lacs to three crore at 4% which was 3% last year. SME items would be costlier as their tax incidence is exactly equal to the turnover tax rate defined by NBR. With the enhancement of turnover tax limit, tax rate would need to be reduced to 3% from 4% as was prevailed in the past.

Income tax

- i. It is praiseworthy that Tax Holiday has been extended till 2014 and a number of new sectors have been included, but the highest exemption limit which was 100% for the first and 2nd years has been reduced to 90%, and 80% respectively. This policy will be applicable for less developed areas of the country also could discourage new investment slowed industrial dispersion.

- ii. The corporate income tax rate has also been kept as it is while the private sector was expecting for some reductions of corporate tax rate.

Customs

- i. Announced Budget said that all types of exported and imported goods will be scanned which is a good initiative, but for full implementation it needs proper attention and monitoring.

Over and above, Budget has announced a number of financial tools for bringing transparency in the financial sector and a Bank Commission is also proposed. Merger and acquisition is also some implementable prescription, the business sector expects immediate implementation of some good steps for ensuring discipline in the financial markets and especially in the banking sector.

Some Implemented Reforms in Budget (2019-20)

- ✿ VAT exemption limit extended from 30 lakh to 50 lakh
- ✿ Turnover tax limit extended from 80 lakh to 3 crore
- ✿ Definition of Input Tax has been made clear
- ✿ Tax Holiday Incentives extended up to 2024
- ✿ Tax Holiday extended for Leather and Leather Goods and Plastics Recycling
- ✿ VAT exemption on the production and supply of bread, handmade biscuits and hand-made cakes up to the value of Tk. 150 per kg
- ✿ VAT on Diesel engine produced in Bangladesh has been reduced to 5% from 15%
- ✿ HS Code for Frame and Fork made of steel and alloy for bicycle industries got separated
- ✿ Country of Origin for importing these items have been eliminated
- ✿ VAT return submission {237(e)} treated as the application of refund
- ✿ Withholding VAT(VDS) on procurement (S00.37) elaborated

2nd Transactional Dialogue on Rooftop Solar System for Textile Industry



BUILD CEO Ferdaus Ara Begum speaks at the dialogue at IFC.

The second Transactional Dialogue on rooftop solar system for Textile Industry was held on June 24, 2019 at the Conference room of International Finance Corporation (IFC) at Gulshan.

Ferdaus Ara Begum, Chief Executive Officer of BUILD commenced the meeting by welcoming the distinguished participants from both public and private sector and gave a brief introduction on the purpose of the program.

Adiba Mehnaz Ahmed, Operations officer, IFC introduced PaCT program started in 2013 focusing on environmental sustainability. Major impacts was in the water savings, waste water management, energy savings & GHG emission etc. Mohammad Tanvir Al Fazal, Resource Efficiency Consultant, IFC made a presentation highlighting textile sector's large amount of unutilized roof tops to generate energy through using solar power.

Dr. Mohammad Tamim, Pro-Vice Chancellor, Brac University and former Professor of BUET said that government's new renewable energy target is ambitious to achieve. He is more concerned about the energy price. Initially the traditional energy price was very low compared to renewable energy price. This was the main reason behind low achievement in renewable energy development. Now the scenario is changing. Energy price has come to a reasonable level and hopefully in near future the price of renewable energy will be less than traditional energy.

Md. Tahmid Zami, Additional Research Director, BUILD presented a paper based on a brief study on the policies of use of solar energy in the country and proposed some reform recommendations specifically for inclusion in the Guideline for Implementation of Solar Power Development Program-2013.

Salina Jahan, Member (Renewable Energy), SREDA, appreciated the efforts and findings of the study of BUILD and IFC. She said that textile sector was the biggest GHG emitter in the industry, as around 38% of total GHG emission of industry comes from this sector.

The initial approach of the government was to establish 5% of its total energy demand from renewable source. But this initiative was not working well as there were no clear guideline or policy for the industry owner on how to implement the renewable projects.

Engr. Hassan Muhaiminul Aziz, Assistant Manager (Monitoring), RE Project, IDCOL, said that IDCOL mainly provide financing and technical assistance on projects. He mentioned that the quality of the equipment of solar projects was a concern in CAPEX model. In OPEX model it was not a serious concern as the developers/EPC must use efficient materials for maximum output.

A number participants specially from government organization presented their opinion on the policies of solar energy and how to promote rooftop solar energy and utilization of benefits of net metering guidelines (NEG) in Bangladesh.

Safe Workplace for Women Workers



BUILD CEO joins the discussion as the panelist.

ActionAid launched a global campaign for safe workplace for women workers on May 4, 2019. They showcased examples of Gender based Violence at workplace and other related programs to create awareness among all concerned in that respect. A number of panelists contributed to the issue they are from government, embassies, concerned business association, NGO, donor organizations etc, CEO BUILD was included as a panelist to interact with the other concerned in that respect.

It is seen from the research that female labour force participation increased from 15.8% to 36.3% from 1996-2017 while that male labour force participation fell from 87.0 to 80.5% during this time. About 12% of the employed labour force are women of which about 12% are in the manufacturing sector which includes textile and apparel sector. Studies show that 60% of the female workers experiences different kinds of harassments in the work place. It is true that gender based violence impedes women's dignity, their physical and mental wellbeing and undermines workplace productivity and profitability.

There are several laws and policies but implementation is poor. CEO BUILD highlighted the issue of economic empowerment and proper education both for male and female. Hierarchical laws, informal judgment such as salish in the rural areas impedes proper treatment for victims.

Partnership with business and trade associations can help and at the same time they can also think this type of social issues as one of their work areas for supporting women at work. CEO also referred high level political forum (HLPF) 2019 to be held during July 9-18, in New York along with other six SDGs including SDG 17 for partnership development will be discussed, women related issues or SDG 5 would also need to be well discussed to address gender inequality and mainstreaming gender issues.

While moderating a panel discussion on gender based violence at workplace, ActionAid Bangladesh Country Director Farah Kabir, said there is no comprehensible definition of sexual harassment in our existing laws.

Deputy High Commissioner of Australian High Commission in Bangladesh, Penny Morton, said: "The underlying cause of gender based violence is gender inequality."

Sommilito Garments Sramik Federation President Nazma Akter said wage gap between male and female workers is the root cause of all violence and injustice against women workers.

Rokeya Kabir, executive director of Bangladesh Nari Progati Sangha, said most trade unions are still heavily male dominated although female labourers at the workforce have increased significantly.

Dr Mollah Jalal Uddin, Additional Secretary of the development wing of the Ministry of Labor and Employment, said gender based violence at the workplace is not acceptable in any form. Alongside implementing laws, people need to change their mindset to combat gender based violence at work, he added.

BGMEA Director Mohammad Abdul Momen, and International Labour Organization (ILO) Country Office Skills project Chief Technical Adviser Kishore Kumar Singh, were also present at the program as panelists.

Partner's Corner



Sustainability is a Major Challenge for RMG Industry: DCCI



Commerce Minister Tipu Munshi, MP speaks at the meeting.

Dhaka Chamber of Commerce & Industry (DCCI) organized "DCCI Conclave on Sustainability of Ready Made Garments (RMG) Sector in Bangladesh" at DCCI on 2nd May, 2019. Commerce Minister Tipu Munshi, MP was present as chief guest while Dr. Rubana Huq, President, BGMEA was present as special guest.

DCCI President Osama Taseer said that RMG sector shares USD460 million of total FDI to Bangladesh. We are the largest exporter after China constituting 6.5% of the world market of USD446 billion, he said. He also said that the sustainability and competitiveness of RMG industry may be hampered due to rising production cost driven by wage hike, energy cost hike, compliance cost and declining international market price. The lowest price offering to Bangladeshi products reduces the profit margin of entrepreneurs.

Commerce Minister Tipu Munshi, MP agreed that the RMG industry needs some incentives for a certain period in order to support the industry. He also said that the entrepreneurs of this sector are not getting right price from the buyers. He urged for increasing negotiation skill to get the best price from the buyers.

BGMEA President Dr. Rubana Huq said for the sustainability we need support from the government. Moreover we are in crisis of positive image and we should build this image in the international market with the support of all specially through the media. She also underscored the importance of forming strong strategy, right statistics and also the government should focus on how to reduce cost of doing business for RMG's sustainability.

The speakers urged for reducing cost of doing business in this sector and for image building. They also stressed for skill development.

Higher Revenue Target to Trouble Taxpayers: MCCI



The Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) said the higher revenue collection target would create pressure on existing taxpayers.

The chamber expressed its utter disappointment over the absence of proposal to hike individual income tax threshold as it has remained the same for the past four years.

MCCI was also critical of the corporate tax rates which have not been reduced, much to the chagrin of the business community. "Such high corporate tax rates, coupled with tax on dividends, will make Bangladesh an unattractive business destination," it said in a statement.

Hailing the finance minister for proposing measures to uphold the country's graduation to a middle-income one, MCCI suggested raising the level of private investment, including foreign direct investment. MCCI heaped praise for spotlighting education and training, infrastructure and planned urbanisation of villages as per the government's election manifesto.

It welcomed more money for mega projects, transport, human resources development, rural development, healthcare, local government, start-up capital for women and youths, social safety, and power and energy. The chamber exhorted the government to take necessary measures to ensure efficient and effective spending of the ADP funds.

View Exchange Meeting with LGRD Minister: CCCI



LGRD Minister Md Tajul Islam MP speaks at the meeting at CCCI.

Local Government and Rural Development (LGRD) Minister Md Tajul Islam MP said, "Polythene is the prime obstacle to capital dredging of river Karnaphuli. The dredgers can not remove the polythene from the river bed. If we dump polythene in the water of the river Karnaphuli, navigability of the river and the Chattogram port channel will be hampered severely soon. So, we are very concerned over the situation."

Addressing a views exchange meeting at the Bangabandhu Conference Hall of World Trade Centre (WTC) organised by the Chittagong Chamber of Commerce and Industry (CCCI) as the chief guest. Now, we have money and we are the middle-income level country. We can take projects with our own funds. If we can take necessary and useful projects for our development, government will allocate fund."

Chattogram port will be saved, Bangladesh's economy will be saved. We have to increase the capacity of Chattogram port. If the capacity of Chattogram port will be increased, Bangladesh will progress."

The CCCI leaders urged the minister to take measures for solving the water crisis at Sitakunda and Mirersarai industrial zones as there is no adequate water for industries.

The meeting was chaired by the President of CCCI Mahabubul Alam. Addressing the meeting Mahabubul Alam said, "We had sent letter to the Deputy commissioner (DC) of Chattogram to supply water to the Sitakunda Industrial Zone in 2017.

At last, we have sent letter to the minister in this regard. There are more than 400 industries and several lacs of workers at Sitakunda Industrial area. But, the said industries are facing water crisis severe. Besides, the government should supply water to Mirersarai economic zone also."

BUILD Reforms

Bangladesh Bank for raised EDF limit for Leather Goods and Footwear Industrial Sector

The Foreign Exchange Policy Department of Bangladesh Bank published a foreign exchange circular no. 28 on July 11, 2019 among all Authorized Dealers (AD) in foreign exchange for leather goods and footwear industrial sector, raising the limit of Export Development Fund (EDF) to USD 20 million from the earlier USD 15 million for manufacturer-exporters other than bulk import.

BUILD has been working quite a long time to increase the EDF limit for Leather Goods and Footwear Industrial sector along with the concerned association and stakeholders. In the Export Policy 2018-21, as per Clause 6.2.1, it has also been agreed that the Leather and Leather Goods sector will be allowed similar limit of EDF as RMG, in that respect it is also an implementation of announced new export policy. BUILD also recommended these policies through export policy of Ministry of Commerce and placed through the Private Sector Development Policy Coordination Committee (PSDPCC) at the PMO.

Tax Holiday Extended to Leather and Plastics

BUILD urged the Government to provide Tax Holiday benefits for leather and leather goods and plastic sectors.

In the National Budget, the Government extended the benefits to leather and plastic (recycling) sectors up to June 30, 2024 from the existing June 30, 2019.

Leather and plastic sectors apart, the Government included some potential manufacturing sectors such as agricultural machinery, furniture, home appliance, mobile handset, toys and LED television recycling for tax holiday.

Before this, 21 industrial sectors and 19 physical infrastructure development sectors were enjoying tax holidays on the basis of geographical locations at different rates for different periods of time and the benefit would expire on June 30 of 2019.

With a view to promoting business and investment, augmenting export and creating employments, the Government continues the scheme and also includes some potential manufacturing sectors.

BUILD Scopes

Scope of Study on Provident Funds

BUILD is going to conduct a survey on provident funds with support from IFC-WBG in July-August, 2019. Whilst the provident and pension fund in Bangladesh covering public sector workers are unfunded, there are many private provident funds which have been established on a voluntary basis mostly by financial institutions and larger companies. These provident funds are governed by labour laws and the Trust Act in the country, and are not subject to separate legislation. Along with the life-insurance funds, the existing provident funds assets represent the largest available pool of long-term capital in the country. Yet the size of these funds, their investment practices are not known. Without this information, it will not be possible to develop capital market products which meet their needs and put in place a robust regulatory and oversight framework to ensure that the funds are well managed and their members suitably protected.

In this survey, BUILD will produce inventory of private provident funds and their size based on aggregating data from NBR and data collection from the Commissioners and other authorities. The goal will be to identify the stock of private provident funds that could be investors in the capital markets. This task will be conducted in cooperation with NBR staff, following a formal request from the World Bank. There will be a survey on the licensed asset management companies in order to learn about the size and the operation of the private provident funds. The licensed asset managers in Bangladesh will be surveyed to establish whether they manage assets on behalf of provident funds, the size of the assets they are managing and the number of funds they are servicing.

There will be a survey on the licensed asset management companies in order to learn about the size and the operation of the private provident funds.

BUILD Trustee Board Meeting Held



BUILD Trustee Board Chairman presides over the meeting.

The 18th meeting of the Board of Trustees of BUILD was held on June 27, 2019 at the DCCI Gulshan Centre chaired by Mahbubul Alam, Chairman of BUILD and President of CCCI. The meeting was attended by Osama Taseer, President of DCCI, Md. Joynal Abidin, Acting Secretary of DCCI, Moslem Uddin Khan, Representative from MCCI. BUILD CEO Ferdaus Ara Begum briefed the agenda of the meeting.

Preparatory Meeting on 4th Japan-Bangladesh Public-Private Economic Dialogue



BIDA Executive Chairman Kazi M Aminul presides over the meeting.

A preparatory meeting of the 4th Joint Japan-Bangladesh Public-Private Economic Dialogue (PPED) took place on June 20, 2019 at BIDA Conference Room. The PPED will take place on July 4, 2019 in presence of Japanese investors.

BUILD CEO Ferdaus Ara Begum joined the meeting as one of the members of the Working Committee formed by the Prime Minister's Office.

BIDA Executive Chairman Kazi M Aminul Islam presided over the meeting and put light on side events, networking during the PPED in Dhaka. The meeting was attended by Director General of East Asia and Pacific Wing, Ministry of Foreign Affairs, Vice President of FBCCI and Representative from Ministry of Industries among others.

Meeting with Secretary, Ministry of Industries



Abdul Halim, Secretary, Ministry of Industries holds talks with the BUILD Team at his Office.

BUILD & BIGD Joint Research Team led by Ferdaus Ara Begum, Chief Executive Officer, BUILD had a meeting with Abdul Halim, Secretary, Ministry of Industries to get his valuable comments on Gender Based Violence issue for the project on Incorporating Gender Best Practices and Gender Based Violence (GBV) in BEZA's Institutional Policy.

During the discussion, the Ferdaus Ara Begum, CEO, BUILD briefed the Secretary on the prevailing scenario in BEZA. Mirsora observed during a team visit to the zone. Regarding the primitive level of industrial development at the zone, the CEO asked the Secretary for his recommendation on how the workers' issues can be addressed at this stage in BEZA rules and regulations.

Abdul Halim, Secretary, Ministry of Industries focused on maintaining a supportive environment within the economic zones that would keep good industrial relations between the workers, entrepreneurs and the authority. Local government needs to create a safe environment for female workers in EZ. Separate

Field Visit to Abdul Monem Economic Zone (AMEZ) Limited



A.S.M. Mainuddin Monem, CEO of AMEZ speaks at the meeting.

In order to understand situations of child care center, safety, sanitation, construction of building, gender based violence, sexual harassment, etc. in the economic zones, BUILD CEO along with a BGD Team paid a visit at Abdul Monem Economic Zone Limited on 25th June, 2019.

A.S.M. Mainuddin Monem, CEO of AMEZ informed, that there are a significant number of local and foreign employees engaged in the workforce of Honda Motor Company in AMEZ among them 7% are women. Trained female workforces are recruited from UCEP Bangladesh. Director, Project Director, DGM-Government Relations, Business Development AMEZ and Advisor to Abdul Monem Economic Zone Limited; Gender Consultant, BUILD and Research Associate of BUILD and BIGD were also present at the meeting.

Field Visit to Mirsarai Economic Zone, Chattogram



Officials of BEZA, CCCI, owners of companies at Economic Zone and developers pose during a meeting with BUILD CEO.

As part of conducting a study on Incorporating Gender Best Practices and Gender Based Violence (GBV) in BEZA's Institutional Policy, BUILD CEO paid a field visit to Mirsarai Economic Zone on 26th May, 2019 and met officials of BEZA, owners of companies at Economic Zone and developers.

Having welcomed BUILD CEO and others, Md. Ferdous Wahid, Assistant Engineer (Civil), BEZA Development Project (Phase-I) assured that BEZA will circulate relevant acts and policies as per the generation of future demand to facilitate women workforce. Engr. Mohd. Farque, Secretary (in Charge) of Chittagong Chamber of Commerce & Industry accompanied BUILD and BIGD team.

Field Visit to JINYUAN Chemical Industry Ltd. at MEZ



BUILD CEO met Jinyuan Chemical Industry Limited while visiting the Mirsarai Economic Zone on 25th of May, 2019. Jinyuan Chemical Industry Limited, a sister concern of the Chinese Zhuzhou Jinyuan Chemical Industry Company Limited, is the first industry to start its operation in the Mirsarai Economic Zone (MEZ).

Wang Yang, Chairman, JINYUAN Chemical Industry Ltd. informed that the factory is being set up on 10 acres of land with an investment of around US\$10 million to produce 'Lead Nitrate' for exporting the gold mining chemical to Canada by July, 2019. Wang Yang thanked BEZA officials for their cordial help to provide all sorts of facilities to establish factory construction within a very short span of time.

Security of investment as well as incentives of government to attract foreign investment in EZ helped her to take decision to invest in Mirsarai Economic Zone.

At the end of the meeting, Ms. Ferdaus Ara Begum, CEO, BUILD thanked Ms. Yang for investing in Bangladesh as well as her valuable comments and handed over a set of BUILD Publication which will support her business in Bangladesh.

Field Visit to Meghna Industrial Economic Zone



Representatives of Meghna Industrial Economic Zone receive publications from BUILD CEO.

As part of the field visit, BUILD and BIGD Team went to the Meghna Industrial Economic Zone (MIEZ), Sonargaon, Narayanganj on 16th June, 2019 to understand perspectives on gender best practices and gender based violence. (GBV) in BEZA's Institutional Policy. Ajoy Mukherjee, Head of Plant, Meghna Beverage Ltd. informed that 5-10 industrial units are in operation or in under construction in MIEZ. Foreign Investors from Switzerland, Japan, and Australia, etc. have established their plants in the EZ.

Apart from BUILD CEO, Visiting Fellow and Acting Head, Center for Gender and Social Transformation and Gender Cluster, BIGD; Assistant General Manager (Quality Control), Meghna Beverage Ltd.; Assistant Manager, Meghna Beverage Ltd., Research Associates of BUILD and BIGD were present in the meeting.

Meeting with Chattogram Women Chamber of Commerce and Industry



To recognize women's rights as a non-negotiable agenda, and build on women's existing capacities, develop strategies and design programmes in BEZA's institutional policy, a consultation on - "Gender Best Practice and GBV (Gender Based Violence) in BEZA's Institutional Policies took place on May 25, 2019 at CWCCI. The consultation was organized by BUILD, Chattogram Women Chamber of Commerce and Industry (CWCCI) and Brac Institute of Governance and Development (BIGD).

BUILD Kicks off Nationwide Business Confidence Survey

BUILD has kicked off the 4th Business Confidence Survey (BCS) 2019. The survey is conducted every six months. This is the first time the survey has gone almost entirely online.

The BCS offers insight into business confidence of the investors and private sector an understanding of the vibe of the economy from their perspective. The survey gathers data on economic conditions, availability of finance, legal environment, tax environment, customs control, business regulations, public administration and investment climate from businesses. It measures the conditions of these factors in comparison to their positions six months back

The deadline for responses is July 30, 2019. The first data set will be released in August 2019.

More information is available here:

https://www.surveymonkey.com/r/XVPBNXT?fbclid=IwAR1w27Z6zyw_kQN6VUksT9k5oG9EWnWZ5udfvqkZGdY0iNRqS3m1YdSiQk

Meeting between TIC Manufacturing (Bangladesh) Ltd., BUILD & BIGD Joint Research Team



A meeting was held between TIC Manufacturing (Bangladesh) Ltd. and BUILD took place on 16th June, 2019 during the visit of Meghna Industrial Economic Zone at Narayanganj. Ferdaus Ara Begum, CEO, BUILD informed the officials of TIC BD about the objectives of the project on Incorporating Gender Best Practices and Gender Based Violence (GBV) in BEZA's Institutional Policy and requested them to put comments on it.

A.F. Burhanul Huq Himu, General Manager (Production), TIC Manufacturing (Bangladesh) Ltd. informed that TIC Manufacturing (BD) Ltd. is an Australian company with 100% FDI to supply Hanger and Sizer to Tesco PLC, McLaren, Shanta Denims Limited, DIRD Group etc. TIC Group has prepared its own operation manual by following 46 National Policy/Acts/Rules of Bangladesh. TIC Group is very much willing and committed to following the national labor law as well as its own operational manual as per the industrial policy of BEZA.

BUILD Articles in National Dailies

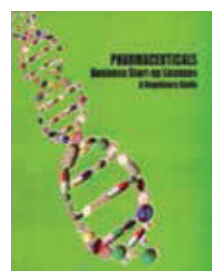
Focus on draft Customs Act 2018

<https://thefinancialexpress.com.bd/views/views/focus-on-draft-customs-act-2018-1558708925>

Ensuring effectiveness of the 2012 VAT Act

<https://thefinancialexpress.com.bd/views/views/ensuring-effectiveness-of-the-2012-vat-act-1557241872>

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