

Editorial: Roof Solar Power can Unleash Renewable Energy Development in Bangladesh

All present the growth rate of power demand is about 10% and for the last nine years compound annual growth rate (CAGR) of the power sector capacity was 10.6%. According to the Vision 2021 the government has set a target to increase installed electricity generation capacity to 24,000 MW by 2021, 40,000 MW by 2030 and 60,000 MW by 2041.

As the country's gas reserves are dwindling fast and price of imported LNG is expected to be high, renewable energy is increasing as both an affordable and sustainable option. International buyers are stressing on renewable energy and energy efficiency as important components of sustainable supply chains. Bangladesh has substantial technical potential for renewable energy generation. As per Power System Master Plan (PSMP), 2016, the maximum renewable energy generation potential of Bangladesh is up to 3,700MW.

Solar power is the main plank of government's renewable energy development plans. In 2012, government adopted the goal of raising solar generation capacity to 500 MW by 2016. According to PSMP, Bangladesh can generate 6.55MW (17.3% per sqm rooftop and the annual generation will be 860 GWh. As a result, around 576,200 ton of CO2 emission will be reduced.

Solar rooftop was a main component in that plan, of which 20MW was aimed from industrial, 160 MW from government, and 10MW from residential and commercial sectors. The RMG and Textile sector can be one of the main producers and users of rooftop solar power. According to IFC, 1,500 members of Bangladesh Textile Mills Association have 42 million square feet of rooftop space, which could be used to install solar photovoltaic system with 400MW capacity. International Finance Corporation (IFC) found in textile industry of Bangladesh the rooftop solar systems have potential to generate around 1.5 GWh of electricity. Rooftop solar will provide a cushion against rising energy costs, create jobs in the energy services sector, and reduce GHG emissions.

There are two main models used for generating solar power in different countries. In the Capex Model, an Engineering, Procurement and Construction Contractor (EPC contractor) develops rooftop solar project and it is up to the rooftop owner to add the solar panel. In the Opex Model, a developer develops and owns the rooftop solar PV projects and supplies the electricity to the factory/rooftop owner through a private through a long term contract.

Till July 2019, around 46 off-grid rooftop solar projects with generation capacity of 27.93 MW and 40 on-grid projects with generation capacity of 25.68 MW have been completed and running by both public and private sector.

The government has created the Guideline for Implementation of Solar Power Development Program-2013. Chapter 4 of the guideline that is about rooftop solar outlining financial and technical aspects. It is mentioned that probable project locations may include any unused and free areas of residential, commercial and industrial buildings generally in green zones.

The development of the Opex Model which has high potential in Bangladesh, the government has been in the process of revising the Net Metering Guidelines 2018. Net metering is a policy approach designed to encourage distributed renewable energy development by allowing utility customers to generate their own electricity and sell it back to the utility. The rooftop solar technology has the potential to add substantial amount of affordable and sustainable power to the country's energy mix. The government and the private sector need to work together to ensure effective policies, incentives, and a regulatory strategy for installation of a solar power system.

Forlous Ara Begum, CEO

BUILD Trustee Board Members Held Talks with Salman F Rahman



BUILD Chairman, Mahbubul Alam hands over a set of BUILD publications to Salman F Rahman, the Prime Minister's Adviser on Private Industry and Investments, GOB.

BUILD Trustee Board Members held talks on various issues focusing on business policy reforms to attract more domestic and foreign investment with Salman F Rahman, the Prime Minister's Adviser on Private Industry and Investments on July 15, 2019 at his office in Gulshan.

BUILD Chairman Mahbubul Alam who is also the President of Chittagong Chamber of Commerce and Industry urged the adviser to support and strengthen the Private Sector Development Policy Coordination Committee at the Prime Minister's Office and to use it as an effective tool for resolving private sector development policy issues.

It works as a structured platform to unlock regulatory constraints for investment. The organization is presently working on five specific thematic areas, each led by a public-private chair, especially sector-specific and the chairman of BUILD.

Welcoming the Trustee Board of BUILD, the Adviser emphasized on finding means for improving on the ease of doing business ranking of the country.

He said that the Government keeps working to improve overall the business environment through a platform where both the government and the private sector together to promote trade and investment, in particular, to promote an improved investment climate in Bangladesh, signaling time to reduce the cost of doing business; and to increase private sector development and investment, thereby creating jobs and opportunities for growth.

Highlighting a number of reforms already implemented through the public private dialogue platform, BUILD CEO Ferdaus Ara Begum made a presentation of the activities and said that BUILD is also working for building an enabling business environment and initiating a platform for public-private dialogue (PPD) between the government and trade/commerce-based professionals. The dialogues are based on research-backed inputs to facilitate ease of business through relevant regulatory and policy reforms in Bangladesh.

BUILD Trustee and President of Dhaka Chamber of Commerce and Industry Chamber in a meeting with the Prime Minister's Adviser presented a written statement and policy proposal to be directed.

Asif Ibrahim, Founder Chairman, BUILD and former DCPI President also attended the meeting upon invitation of the Trustee Board. He said that the barriers to doing business should be removed on a fast track basis. Key constraints like contract enforcement, availability of land and infrastructure, and so on, should be addressed actively and meaningfully said he.

BUILD CONNECT is sponsored by NCC Bank

Dialogue on Developing E-commerce Businesses by WE



Md. Mofazzal Islam, Senior Secretary, Ministry of Commerce speaks at the dialogue.

Recognizing e-commerce as a future potential business and trade platform for women entrepreneurs (WE), BUILD has called for policy support for providing e-commerce business legal and formal identity through building the trade license system. The RMG and Textile sector can be one of the e-commerce businesses Women Entrepreneurs in collaboration with International Trade Centre, under Trade & Investment Working Committee (TAIWC) of BUILD on 24th August, 2019, at MCCI.

Speaking as the Chief Guest, Md. Mofazzal Islam, Senior Secretary, Ministry of Commerce widely appreciated women entrepreneurs who diversified their product range from traditional goods and urged them to gain competitiveness in the international market through developing product quality.

Having endorsed the recommendations of the BUILD presentation, he suggested women in Bangladesh to come out of the barrier of social norms and develop mindsets of their own and their surrounding people. Regarding BUILD's recommendations on inclusion of e-aspects in national intellectual property policy and detailing out rules for foreign investment in e-commerce, he assured that such issues will be looked into.

The Secretary also informed that electronic platform entitled e-gov-bud is being established in association with e-cab and A21 and creating 'Digital Feriwa' who will be knocking door to door.

Rounald Haque, FKI National VAS Consultant, A21, PMO informed the participants of EKI Shop platform under which 5297 Union Based Companies are established.

Md. Abdul Karim, Former Member of NBR and Chief Executive, The VAT Solutions informed that NBR through an SRO/172 in June 13 exempted VAT at 15% from the showroom of women entrepreneurs (WE), which is speaking as a good policy to encourage WE.

Speaking as a Resource Speaker, M. Nawal Ashikin, Head of E-commerce at Bangladesh Bank, said that the government should be mindful if we really want to develop e-commerce while putting thrust on refund policy.

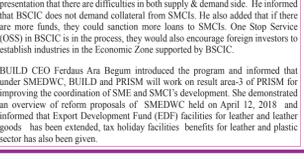
Hosna Ferdous Sumi, Private sector specialist, IFC informed that she is the task team leader of a project supported by Evanka Trump, First Lady of the United States and informed that they have a plan to create a suitable database connecting all related platforms.

Ferdous Ara Begum, CEO BUILD moderated the open session and informed that BUILD as a PPD platform has identified e-commerce in national intellectual property policy and detailing out rules for foreign investment in e-commerce, he assured that such issues will be looked into.

Earlier, Md. Mofazzal Islam, Senior Secretary, Ministry of Commerce and the keynote paper highlighting different dimensions of E-commerce and proposing some changes in the digital policy 2018 of MOC.

Tanjvir Ahmed, Country Coordinator, International Trade Centre continued to work for developing e-commerce in collaboration with BUILD.

Definitional Issues for Financing SMEs Matters



From right: Industries Secretary Md. Abdul Halim (R), Bangladesh Bank Executive Director, S.M. Rabul Hassan, Executive Director of Bangladesh Bank and Cottage Industries Corporation (BSCIC) (Additional Secretary) Md. Mostaque Hassan (S), BUILD Chairman Md. Mahbubul Alam (R), BUILD CEO Ferdaus Ara Begum (C) and Private Sector Specialist IFC-WBG Hosna Ferdous Sumi (R) discuss the SME Directory at the dialogue.

BUILD in collaboration with the EU funded programme, Poverty Reduction for Inclusive & Sustainable Market (PRISM)-TA to Bangladesh Small and Cottage Industries Corporation (BSCIC) organized a dialogue on "Access to finance for SMEs in Bangladesh" to address demand supply gaps of SME financing at the conference room of Metropolitan Chamber of Commerce & Industries (MCCI) on July 2, 2019.

The chief guest of the dialogue was Md. Abdul Halim, Secretary, Ministry of Industries. S.M. Rabul Hassan, Executive Director of Bangladesh Bank and Md. Mostaque Hassan, nde, Chairman (Additional Secretary), BSCIC were present as special guests. The dialogue was chaired by Chairman of BUILD and President CCPI Mahbubul Alam.

Some policy interventions were suggested at the dialogue for accelerating SME financing such as: revising the current credit rating system, reduce the cost of additional documents & guarantor, transaction details, address definitional hassles, trade license with official address and also provide non-financial services by the banks and financial institutions.

Comparison of the SME Definitions with other countries: By size of asset

Bangladesh: Small (Investment <= BDT 150 Cr), Medium (BDT 150 Cr - 300 Cr), Large (BDT 300 Cr - 500 Cr)

India: Small (above Rs. 25 Lakhs (BDT 30 Lacs) up to Rs. 5 Crores (BDT 6 Crores), Medium (above Rs. 5 Crores (BDT 6 Crores) & up to Rs. 10 Crores (12 Crs))

Thailand: SMEs are enterprises with 2 million baht (BDT 35 Lacs) asset.

Speaking as the Chief Guest, Industries Secretary informed that the formulation of a new industrial policy is in process where BUILD and other Chambers association can contribute to make it SME friendly. He also proposed that through the resource agencies of BUILD and PRISM, they could come up with a standard of allocating credit facilities for SMEs.

Chairman (Additional Secretary), BSCIC endorsed the views of the BUILD presentation that there are difficulties in both supply & demand side. He informed that BSCIC does not demand collateral from SMCs. He also added that if there are more funds, they could sanction more loans to SMCs. One Stop Service (OSS) in BSCIC in the present form would also encourage foreign investors to establish industries in the Economic Zone supported by BSCIC.

BUILD CEO Ferdaus Ara Begum introduced the program and informed that under SMEIDW, BUILD and PRISM will work on result area-3 of PRISM for improving the coordination of SME and SMCI's development. She demonstrated an overview of reform proposals of SMEIDW held on April 12, 2018, and informed that Export Development Fund (EDF) facilities for leather and leather goods has been extended, tax holiday facilities benefits for leather and plastic sector has also been given.

Available Funding for SMEs



Ali Sabat, Team Leader, PRISM-TA to BSCIC, welcomed the participants and informed that several policies are in process for employment and financing following some of these ASEAN & EU countries.

Mehrana Islam Chowdhury, Gender Consultant, BUILD presented a paper which has displayed financial constraints faced by the SMEs as well as women entrepreneurs such as information gaps, stringent documentation requirement, definitional ambiguity and many other related issues. She specially recommended some alternative financing options like bank guarantee scheme, e-commerce financing support, direct financing by the central bank, peer to peer support etc.

Sixteen SME heads of banks and NBFI's were present along with Bangladesh Bank Association and chamber organizations etc. SME entrepreneurs, business associations and chamber members, Swiss contact and IFC-WBG, among others, were present and spoke on the occasion. Most of the bank representatives said that due to documentation and regulatory requirements, SME/SMCI women entrepreneurs do not to qualify for loans. They are not able to provide financial statements and trade license etc.

In addition to that, the quality of their products has not been always up to the mark. Fraud diversion is another problem raised by the bank and NBFI representatives of about the implementation of the national intellectual property policy as collateral security, high interest rate, negative mindset, long waiting time which are some of the identified problems faced by the entrepreneurs.

Leela Rashid, General Manager, Bangladesh Bank, informed that even government is trying hard and provided sector specific targets for SME entrepreneurs to improve the situation, but it has not progressed well yet. In the current situation she has given some clarification and wanted to work jointly with the private sector.

S.M. Rabul Hassan, Executive Director, Bangladesh Bank informed that if the credits, which are already disbursed are not recycled, access to finance situation will not be improved. He added that, Bangladesh Bank is working hard and going to implement initiatives to improve the situation. He also said that a technical assistance specifically, he put emphasis on the diversification of lending policies, revising the behavioral attitude of all stakeholders. Bangladesh Bank is willing to change the guidelines if specific recommendations emerged from the dialogue, which are eligible to be included in the guideline, he added.

Mahbubul Alam, Chairman of the Trustee Board, BUILD, and President of Chittagong Chamber of Commerce and Industry (CCCI) conducted the session and informed that BUILD has proposed 708 business policy and process related reforms of which 222 reforms implemented and 122 reforms are in process of implementation. He added that BUILD and PRISM will prepare reform recommendations emerged from the dialogues for implementation by BSCIC, Ministry of Industries and Bangladesh Bank.

Hosna Ferdous Sumi, Private Sector Specialist, IFC-WBG requested for preparing reform recommendations along with agency wise suggestions for better implementation. She urged for addressing the information gap properly.

Md. Mahbubul Alam, National Project Director, PRISM, Director, Marketing, BSCIC said up the discussion and highlighting some of the issues. He informed that Export Development Fund (EDF) facility was loan suggested by IDFC Finance and NCC bank which will help reducing the problem of loan guarantors.

BUILD Made a Call for Ensuring Credit Lines for Maximizing Export Competitiveness



From left: BUILD CEO Ferdaus Ara Begum, Bangladesh Bank Deputy Governor Ahmed Sami and SwiC Vice President of DCPI Waqar Ahmad Choudhury are seen at the meeting.

BUILD has called for ensuring financial services and credit lines for exporters in order to maximize export competitiveness at the Dialogue on Financing Schemes and Available Credit Facilities for Export Competitiveness under the 7th Financial Sector Development Working Committee (FSDWC) Meeting on August 7, 2019 at DCPI Board Room.

Speaking as the Chair Ahmed Jamal, Deputy Governor of Bangladesh Bank said that they have simplified the Foreign Exchange Guideline to support the private sector and are implementing a number of reforms for export competitiveness.

Having underscored the support of the dialogue he appreciated for supporting the central bank learning inputs from the grassroots that incredibly supporting Bangladesh Bank for preparing benefiting policies.

The Ministry of Industries has drafted the SME Policy 2019 and is currently awaiting approval of the Cabinet and PRISM, which was not coordinated with the Ministry of Industries but the Deputy Governor requested the Ministry of Industries to hold a coordination meeting with them before gazetting the SME Policy, 2019.

Echoing the voice of the participants, Waqar Ahmad Choudhury, SwiC Vice President of DCPI urged the government for looking for alternative financing facilities rather than borrowing all funds from public sector banks while implementing mega projects.

BUILD organized the meeting and presented two policy papers on Financing Schemes and Available Credit Facilities for Export Competitiveness and Bangladesh Access to Collateral Free Loan for Women Entrepreneurs in Bangladesh. The first presentation shows how the SMEs in Bangladesh is constrained by limited access to credit, leaving them with a financing need while the second study unveils constraints while availing collateral-free long-term credit for SMEs run by women entrepreneurs. The study recommends guarantor identification, personal guarantee, group based loan, setting up of lending standards for definition of new entrepreneurs etc., among others.

The entrepreneurs also urged for a simplified trade license for marginal women entrepreneurs and an earmarked fund from the recently announced 100 crore start-up fund.

Having expressed gratitude to the central bank, CEO Ferdaus Ara Begum updated the working committee members about the implementation of last working committee meeting and said that we have increasing demand for loans but complicated process is driving our entrepreneurs away.

Financing Options other than available Credit Lines not being Practiced



The dialogue laid importance on different pre-shipment finance and post shipment financing schemes for export competitiveness that includes Export Development Fund, Long Term Financing Facility, Green Financing, Green Transformation Fund, Refinancing Schemes by Bangladesh Bank and Islamic Shariah based finance, packing credit, factoring etc. It also proposed for some alternative financing such as Merit-based Structures, Special Funds, ESCO Contracts, Impact Funds, Subordinated Bonds and many others. It was also informed that there are no credit lines for green financing but there are not aware by the exporters. The policy paper mentioned that a technical assistance component needs to be included in export financing and meeting the green financing.

Swapan Kumar Bata, Commissioner to the Bangladesh Securities and Exchange Commission (BSEC) informed that for greater securitization of funding one person company (OPC) is going to be corporatized so that documentation and related issues can be resolved. It was also informed that venture capital fund can also be explored for the women entrepreneurs. In case of venture capital funding a number of reforms have been taken up but stamp duty at the rate of 2% will remain which increased upfront cost of the entrepreneur. These issues have been highlighting the funding issue of the new entrepreneurs.

Dr. Shah Md. Aban Habib, Director, BIMB laid emphasis on both demand and supply side of funding so that the gap should be minimized.

The other proposals were mixed funding, simplification of packing credit policy by utilizing offering base financing, simplification of the existing policy from one year by Bangladesh Bank, reduction of the documentation needs, incentive facilities for cottage, micro and small over and above improving the mindsets of bankers were recommended by the participants.

There was a proposal that for increasing number of new entrepreneurs and providing support to new women entrepreneurs a letter from Bangladesh Bank can be sent to all Managing Directors. Clarification of SME definition in terms of paying taxes were highlighted in the meeting.

Representatives from different banks, NBFs, lending agency and venture capital representatives and multinational companies including representatives from public and private sectors attended the meeting and took part in the discussion.

BUILD's Comments on Monetary Policy Statement



BUILD Trustee and President of Dhaka Chamber of Commerce and Industry Chamber in a meeting with the Prime Minister's Adviser presented a written statement and policy proposal to be directed.

Bangladesh Bank (BB) has announced Monetary Policy Statement (MPS) for the FY 2019 - an expansionary monetary policy with 12.5% growth of Broad Money (M2) which is 0.5% higher than previous MPS. The decision of broad MPS, the comments said that it may not be rational as MPS is declared on the basis of the current situation, indicators which fluctuate frequently.

The current account deficit for FY 2018-19 was \$5.28 billion, while it was \$ 1.36 in 2016-17. Incentives for remittance senders would implement immediately.

The inflation is apparently at a tolerable level (5.47%) which was 5.54% in December, 2019, still higher than the emerging economies (4.6%). There exists no supply shock, demand pull factor for the existing higher inflation in the economy.

The present level of inflation is caused by the indigenous market forces disruption. Govt has decided to increase the price of utilities (Gas and electricity) around 25% may lead towards inflationary pressure.

The non-food inflation is on the rise, since FY2017 it could increase further for the above cause. Food inflation shows a positive sign since 2017 as primary (Agricultural) sector is the main source of supply of food items but it covers 27% of spending at household level where Non-food items covers the most. MPS could give stress on calibrating the policies to adjust the price level of non-food items.

Private sector credit needs to be encouraged in line with the government's policy. One of the key issues is the public sector credit growth as opposed to a steady fall in private sector credit growth. The projections for private sector credit is expected to grow slower than that of public sector, attributed to the larger size of the former.

The public sector credit growth is also due to the mega projects, resulting in crowding out of private credit. However, the government has focused on more foreign aid to avoid crowding out domestic private sector credit. MPS could have any direct involvement in having more private sector investment towards employment creation and GDP contribution.

The single digit lending rate may be difficult to achieve, but measures should be adopted to facilitate access to finance for businesses including SMEs. Bank lent more at the end of financial year for quickened ADP implementation and also brought foreign currency from the central bank for financing import under public sector projects, contributing to a liquidity crunch arising from regulatory and confidence issues.

Moreover, household savings are being attracted by high-yielding National Savings Scheme instruments. With private deposits drying up, banks are lining up for deposit on public sector. This has resulted into failure of banks to keep up their promise of low deposit interest rate as well as single-digit lending rate (6% and 9% respectively), as well as keeping up the mandatory loan-deposit ratio.

State-owned banks enjoy good deposit and lower loan-deposit ratio, while the situation of private commercial banks is opposite. However, a few state-owned banks too have been merged in loan terms and the main problem faced by some key state-owned banks is capital shortfall.

Stronger oversight over banks' financial health and audit diligence should be ensured so that there can be proactive measures against capital shortfall and irregularities. Banks should be prepared to comply with the global framework Basel III. In addressing the issue of non-performing loans, Bangladesh Bank has spoken in favor of bankruptcy proceedings to deter non-performance of loans.

In April 2019, Bangladesh Bank revised its loan recalibration policy, extending the timeline for classification of due loans which would need to be highlighted.

Modernization and Improvement of the Industrial Policy 2016



BUILD CEO Ferdaus Ara Begum attending a meeting on 'Modernization and Improvement of the Industrial Policy 2016' in Dhaka on July 2, 2019.

BUILD CEO Ferdaus Ara Begum attended a meeting on 'Modernization and Improvement of the Industrial Policy 2016' in Dhaka on July 2, 2019. The meeting was chaired by Md. Abdul Halim, Secretary of Ministry of Industries.

BUILD CEO placed some recommendations which would be considered by MOI while upgrading the existing Industrial Policy as well as preparing the Industrial Policy 2021, these were: unified definitions as well as contribution of large, small, medium, cottage and trading industries to GDP and employment. He added that BUILD and PRISM will prepare reform recommendations emerged from the dialogues for implementation by BSCIC, Ministry of Industries and Bangladesh Bank.

Md. Abdul Halim, Secretary of Ministry of Industries placed cordial appreciation to CEO, for her valuable comments on Modernization and Improvement of the Industrial Policy 2016. Secretary requested her to send all the recommendations in that respect in a written form.

Representatives of BSCIC, BSEC, BCSIR, BEPZA, EPB, BBS, BSTI, BIPC, NSDC, AICB, SMEF, FBCCI, MCCI, BECCI, DCPI, BCI, CCPI, NASSB, BIPGMEA, BIPGMEA were present in the meeting.

Meeting with TFA Implementation Framework of World Bank Survey

A World Bank mission visited Bangladesh from 25th August 2019 to 4th September, 2019 to understand the development of Trade Facilitation project of WTO. A number of meetings were held, where different types of stakeholders participated to put forward their opinions on different issues of the Bangladesh alignment to the Trade Facilitation Agreement (TFA).

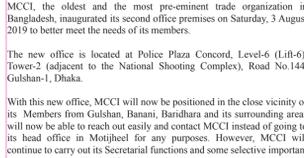
Under the TFA, Bangladesh will implement each of 36 technical measures of the new agreement, based on its own assessment capabilities and priorities. Bangladesh can also seek external assistance which can not be implemented without the technical and capacity building support.

It has revised report incorporating feedback from stakeholders of August 2015, it is seen that Bangladesh is fully compliant in only one measure, substantially compliant on 11 measures, partially compliant for 17 measures and no compliance for 17 measures.

Category-A tells about the measures that can be implemented within one year, Category-B measures which require additional time to implement and category-C measures which require additional time and technical assistance to implement. When comparing categories, it was seen that Bangladesh is in a good position in case of Advance Ruling (article-3) which was in category-C in 2015 upgraded to A. A significant number of items in C have been ranked in B in 2019 ranking.

A number of members of government officials was present to put forward their viewpoints and helped to ease up the rankings of 2019 from the ranking of 2015. CEO, BUILD put emphasize for regular updates of Bangladesh Trade Facilitation Report to the WTO and regular meeting of Window and regular meeting of National Trade Facilitation Committee.

Japan-Bangladesh Relationship to Progress Further



The 4th Bangladesh-Japan Public Private Joint Economic Dialogue Networking Session was held at Baidyan Babban, Dhaka on July 4, 2019.

Kazi M Anisul Islam, Executive Chairman, BIDA welcomed the guests. He highlighted that Japan tobacco was looking Aki Tobacco which was a deal of \$9.4 billion. In the ADP sector, Bangladesh has access to Collateral Free Loan for Women Entrepreneurs in Bangladesh (CFLEW). Strong political will and technology based diversified economy like that of Japan. Government of Bangladesh will extend all policy support for the Japanese investors.

Md. Nojibur Rahman, Principal Secretary to the Honorable Prime Minister of Bangladesh expressed his appreciation to the dialogue. He said that Japan's business confidence in Bangladesh is very high according to JETRO study, it's strengthened over time. Bangladesh has adopted JETRO study as a benchmark for its current situation, indicators which fluctuate frequently.

He said that business confidence of the investors in Bangladesh is high. Bangladesh achieves a positive sign in the open frontier. Inflation is going down and also poverty rate is going down.

Shinichi Abaraya, Co-Chairman (BJCCCT) said that the number of Japanese companies in Bangladesh has been doubled in last five years which is 273 now. Representatives from YKK, JETRO, Bangladesh Economic Zones Authority, Mission for Power, Energy and Mineral Resources, Ministry of Industries, BASIS also spoke in the occasion.

Rubana Haq, President, BICGEMA addressed how the economy of Bangladesh is rapidly progressing. She also highlighted that Bangladesh and Japan both countries can be hugely benefited by their joint initiatives, J.E.P. Rabab Fatima, Ambassador of Bangladesh to Japan said that Japan-Bangladesh relationship is happening relation. She added that Honorable Prime Minister of Bangladesh has extended all facilities to Japanese investors and take bilateral relationship further.

Ferdous Ara Begum, CEO, BUILD in the open frontier discussed said that bicycle and bicycle accessories are the main source of food items but it covers 27% of spending at household level where Non-food items covers the most. MPS could give stress on calibrating the policies to adjust the price level of non-food items.

As Japanese investors have been showing their interest in investing in the Automobile sector, Bicycle in the Light Engineering sector it can also be encouraged said she.

Few issues were raised in the dialogue such as under invoicing and counterfeiting of finished goods. Because of this, Bangladesh Government is deprived of huge amount of Customs duties.

These issues should be taken care of seriously to establish a sound and healthy business environment in Bangladesh. One of the main constraints is high import duty. Because of high duty structure, the market of Bangladesh would be expanded further comparing that of neighboring countries.

Open Discussion Session on Path Design of Plastic Industry Export at EC4I



BUILD CEO Ferdaus Ara Begum attending a meeting on 'Modernization and Improvement of the Industrial Policy 2016' in Dhaka on July 2, 2019.

BUILD CEO Ferdaus Ara Begum attended a meeting on 'Modernization and Improvement of the Industrial Policy 2016' in Dhaka on July 2, 2019. The meeting was chaired by Md. Abdul Halim, Secretary of Ministry of Industries.

BUILD CEO placed some recommendations which would be considered by MOI while upgrading the existing Industrial Policy as well as preparing the Industrial Policy 2021, these were: unified definitions as well as contribution of large, small, medium, cottage and trading industries to GDP and employment. He added that BUILD and PRISM will prepare reform recommendations emerged from the dialogues for implementation by BSCIC, Ministry of Industries and Bangladesh Bank.

Md. Abdul Halim, Secretary of Ministry of Industries placed cordial appreciation to CEO, for her valuable comments on Modernization and Improvement of the Industrial Policy 2016. Secretary requested her to send all the recommendations in that respect in a written form.

Representatives of BSCIC, BSEC, BCSIR, BEPZA, EPB, BBS, BSTI, BIPC, NSDC, AICB, SMEF, FBCCI, MCCI, BECCI, DCPI, BCI, CCPI, NASSB, BIPGMEA, BIPGMEA were present in the meeting.

Meeting with TFA Implementation Framework of World Bank Survey

A World Bank mission visited Bangladesh from 25th August 2019 to 4th September, 2019 to understand the development of Trade Facilitation project of WTO. A number of meetings were held, where different types of stakeholders participated to put forward their opinions on different issues of the Bangladesh alignment to the Trade Facilitation Agreement (TFA).

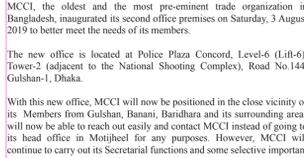
Under the TFA, Bangladesh will implement each of 36 technical measures of the new agreement, based on its own assessment capabilities and priorities. Bangladesh can also seek external assistance which can not be implemented without the technical and capacity building support.

It has revised report incorporating feedback from stakeholders of August 2015, it is seen that Bangladesh is fully compliant in only one measure, substantially compliant on 11 measures, partially compliant for 17 measures and no compliance for 17 measures.

Category-A tells about the measures that can be implemented within one year, Category-B measures which require additional time to implement and category-C measures which require additional time and technical assistance to implement. When comparing categories, it was seen that Bangladesh is in a good position in case of Advance Ruling (article-3) which was in category-C in 2015 upgraded to A. A significant number of items in C have been ranked in B in 2019 ranking.

A number of members of government officials was present to put forward their viewpoints and helped to ease up the rankings of 2019 from the ranking of 2015. CEO, BUILD put emphasize for regular updates of Bangladesh Trade Facilitation Report to the WTO and regular meeting of Window and regular meeting of National Trade Facilitation Committee.

Aspiration for Inclusive Development Reflected in Budget



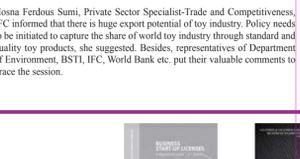
Former Governor of Bangladesh Bank (BB) and Chairperson of Unnayan Shikhanjari Prad Dr. Atiar Rahman speaks at the meeting.

Dr. Atiar Rahman said that policy attention towards the broader people as well as intention of pacing up the journey of inclusive development has been clearly reflected in the Budget for FY 2019-20. Strong political will is required to translate these commitments into action. He said, "In this year's budget, on the one hand, new VAT law and changes in the tax system have been introduced keeping the resource constraints in mind. Different innovative initiatives have also been proposed with a view to confront poverty, create employment, and attract investment on the other." He made the remarks while speaking at a national policy dialogue titled "Budget 2019-20 and Inclusive Development" organized by Unnayan Shikhanjari at Bangladesh Trade Centre.

Speaking as the panelist BUILD CEO Ferdaus Ara Begum told that increase in tax at source on savings certificate from 5% to 10% will increase burden for the people who have to depend on small savings, while increase of tax at source from 3% to 10% on exports will be a problem even though these taxes are adjustable but it takes much time to get the refund. Imputed rates of VAT is now increased to seven which was six in the earlier VAT act. 123 products and services will have to be included under these truncated tax, in the past 38 services which included under truncated tax which has been increased to 43 in the new VAT Act.

Enructas Eklow of Unnayan Shikhanjari Dr. AK Enamul Haque, former Director of BIMB Toufiq Ahmed Chowdhury, former Chairman of NBR, Dr. Nasiruddin, President of Women Entrepreneurs Association Bangladesh Nilufer Akram, President of Grassroots Women Entrepreneurs Association of Bangladesh Moushumi Islam, Dr. Zulfiqar Ali, Dr. M Yonus and Dr. Nazneen Ahmed from BIDS and Prof of Dhaka University Dr. MAhu Essau were present at the dialogue.

Publications



CCCI Grievs Industries Minister at CCPI

CCCI President on BUILD's Chair Md. Mahbubul Alam speaks at the meeting in presence of Industries Minister Md. Abdul Halim Hanayon, MP.

Industries Minister Nural Majid Mahmud Hanayon, MP (R) was greeted by Chittagong Chamber of Commerce and Industry (CCCI) President Mahbubul Alam during a visit to World Trade Centre, the headquarters of the CCPI in the port city of Chittagong on July 7, 2019.

The minister said the government will arrange the place for chemical industries in Keraniganj or Nawabganj areas. "Industries Ministry will take at least 200 acres of land for the industrial estate added