

## Editorial

### Health Safety Guidelines for Customs Houses in Bangladesh

March 8, 2021 marked one year of the first official detection of COVID-19 case in Bangladesh. Lockdown was initiated with the immediate effect in a bid to control the spread of the virus. The govt. placed rules for suspending public transportation, maintaining social distance and mask wearing and similar other precaution.

The supply chain of the country came into serious disruption. Export shipment decline worsened further in the end the 2020. Private investment slowed with the decline of growth in imports of capital goods. Manufacturing, transport, construction, tourism, retail market and banking sector also face slump.

To ensure business continuity following the impact of COVID-19 pandemic, BUILD and IFC started organizing virtual workshop on Health Safety Guidelines for Business Continuity and Trade Facilitation during COVID-19. This initiative is supported by Bangladesh Investment Climate Fund II, which is implemented by the International Finance Corporation (IFC), World Bank Group and funded by the Foreign, Commonwealth & Development Office (FCDO).

The first program of this kind was organized jointly with Chattogram Custom House on October 25, 2020. Till now we have organized four (4) Health Safety Workshops jointly with Benapole Custom House, Dhaka Custom House and Custom House ICD, Dhaka in a bid to sensitize concerned service providers and service takers to maintain health safety measures to run businesses even in the post-COVID stage to mitigate export losses. During these workshops, local and foreign technical specialists discussed on how to maintain trade flows as much as possible during the COVID-19 pandemic while limiting negative impacts of the pandemic in business operations. The main objectives of these programs were the protection of front-line officers, and facilitate safe cross-border trade with safety measures and technical assistance.

During the course of Dialogues with the Customs Houses of NBR it was found that they have maintained the health safety issues as per the guidelines of WHO, Health Ministry as much as possible, thus casualty was much less. Custom Houses receives a numbers of clients and service providers and it is really difficult to maintain all realted Health Safety protocols, yet they tried their best. IFC-WBG also prepared six Guidelines with audio presentation which has contributed to create awareness a lot. BUILD is trying to disseminating the Audio Viduials as much as possible, these are posted in the youtube and anybody can download and keep in their websites for better dissemination.

A number of experts from both local and foreign countries were present in these Dialogues, they informed that the impact of the Virus may remain even upto 2-3 years, so health safety issues has to be continued even after the eradication of the virus fully. It was also mentioned in the dialogues that in future health standards and health safety issues will come in a bigger ways in managing bilateral and international trade, so we need to protect our health and give lessons to our surroundings so that they also can maintain their health related issues.

We all know that COVID-19 vaccine has already been come to our country in such a short time less than a year. A sense of positivity about vaccine has been risen among the people. But still we cannot clearly surmise that COVID-19 is going to be over immediately. May be the infections will become milder to moderate. May be vaccine will help us to turn the COVID-19 pandemic into a manageable endemic like HIV or malaria, yet concerns exist.

We need to ensure a coordinated effort to save human lives avoiding economic losses. BUILD continues its efforts to support the economy.

**Ferdaus Ara Begum, CEO, BUILD**

### Public-Private Partnership is Key for Public Policy Support for Private Sector



*BUILD Chairperson Abul Kasem Khan speaks with MA Mannan MP, Minister of Ministry of Planning, Government of Bangladesh on January 26, 2021 at the Minister's office.*

During the courtesy call on, Planning Minister MA Mannan MP said that we need to step ahead to ensure more private sector engagement in public-private partnership for coordinated development in the country.

Stressing on the importance of enabling business environment in Bangladesh, he stated that the government will extend all forms of logistical support to make the private sector vibrant. In this line, he appreciated the formation of the Logistics and Infrastructure Working Committee of BUILD. It is commendable that BUILD has already got a well-functioning public-private dialogue (PPD) model. He expressed hope that BUILD with its Working Committees will continue to independently contribute to the policy making process of the government.

BUILD Chairperson Abul Kasem Khan briefly highlighted major activities of the organization and appreciated that the government has taken a number of fiscal, monetary and micro-financial measures to combat COVID-19. The pandemic has posed unprecedented challenges to the entire global economy, which continues to exert downward economic pressures on the countries across the world. With timely action, the government not only delivered economic relief to many but also injected confidence into businesses and the economy, he said.

Further initiatives to address employment and revive domestic demand would be critical to set the economy back on a robust growth pathway. Otherwise the target of the Perspective Plan for manufacturing growth may be difficult to achieve, he added.

He urged the government to Intensify South-South cooperation, especially through regional agreements and create new avenues for markets for global trade expansion. He requested the government to reduce the supply divide and accelerate development of regional value chains as key policy stepping-stones for a better post-COVID recovery process.

Declaring 2021-2031 as the Infrastructure Decade for accelerated development of Bangladesh, he further suggested devising a National Logistic Infrastructure Master Plan (NLIMP) which should be adopted to improve the national logistics and infrastructure system.

The special economic zones (SEZ) must be utilized in a strategic manner to ensure broad and sustainable results for the national economy. As economic frontiers, the SEZs should link up with local businesses in the vicinity and act as growth centers. The broad-based growth enabled by SEZs would facilitate revenue collection, job creation and the industrialization of Bangladesh, he added.

Ferdaus Ara Begum, CEO, BUILD informed about one of the on-going activities of BUILD and International Trade Centre(ITC)-She Trade Program in collaboration with Central Procurement Technical Unit(CPTU) for designing a public procurement road map more gender responsive. A study is conducted on the barriers of women entrepreneurs in public procurement, which included consultation with relevant policy makers both from public and private sector. In order to formulate a gender-responsive procurement roadmap, it is a need for consultation with Ministry of Planning. In this respect Hon'ble Minister agreed that from his Ministry necessary support will be extended for this research.

## Investment and Export Diversification Policies need to be Supportive for Potential Sectors



*BUILD Chairperson Abul Kasem Khan presents BUILD publications to Tipu Munshi MP, Hon'ble Minister, Ministry of Commerce, Government of Bangladesh*

During the visit on February 15, 2021 at the Minister's office, Commerce Minister Tipu Minshi said his Ministry will work to reduce the current minimum paid-up capital to 0.5 million from 2.5 million for the one-person company in the Companies Act (2nd Amendment) Bill, 2020 to allow more small businesses to take part in registration, thus enabling their formalization. Hon'ble Minister also emphasized on the need for trade license for e-commerce businesses.

Mentioning that e-commerce should be automatically recognized as enterprises, the Minister added that this high-potential sector is not getting promoted as expected since they need trade license. His Ministry is already working with the Local Government Ministry to speed up introducing trade license for the industry so that e-commerce businesses could avail access to finance as well as other opportunities.

BUILD Chairperson Abul Kasem Khan said that our export is heavily concentrated on one sector. Other sectors like leather and leather goods, plastic and light engineering merit greater policy attention for diversifying the export basket. All the non-RMG sectors immediately need bonded warehouse facilities besides other policy benefits. He informed that Vietnam established Global Distribution Centre managed by privately owned licensed operating firms, from where entrepreneurs are getting all raw materials from exports from a single source.

BUILD Chairperson also informed that BUILD is working on three export sector roadmaps. Once the road maps are prepared, national level dialogues will be organized to disseminate the main points and BUILD will expect all support from MOC in that respect.

Earlier Asif Ibrahim, Chairman of Chittagong Stock Exchange and former Chairman of BUILD informed about the situation of RMG sector and thanked the government for extending the provision for allowing utilization declaration (UD) through the BGMEA, which has helped businesses carry out export-oriented manufacture efficiently without bureaucratic hassles. In regard to raising coverage of small business as OPCs, he suggested allowing tax benefits and tax exemption for at least three years to encourage them to be registered in the Companies Act.

BUILD CEO Ferdaus Ara Begum informed that Bangladesh and Vietnam started export diversification journey almost at the same time in 1990. However, Vietnam has made tremendous progress so that if their RMG sector is adversely affected, only 14% of its export would be impacted. Export of Vietnam stood at USD 263.45 billion in 2019, out of which RMG export was USD 39 billion.

The meeting was attended by Hafizur Rahman, Additional Secretary, MOC and Project Coordinator EC4J, Md. Hafizur Rahman, Additional Secretary and DG WTO Cell and Md Abdus Samad Al Azad, Joint Secretary and Mohammad Mashooqur Rahman Sikder, PS to Hon'ble Commerce Minister (Deputy Secretary).

## Value-Added Jute Goods need Policy and Research Support for Domestic Industrial Diversification



*Dr. Md. Jafar Uddin, Secretary, Ministry of Commerce and Barrister Nihad Kabir, President, MCCI co-chaired the T&I Working Committee Meeting*

Textiles and Jute Minister Golam Dastagir Gazi (Birpatik), MP appreciated the proposal put forward by the BUILD Chairperson for producing jute-based pulp from local green jute to promote the jute industry. At the same time, he endorsed the need for further research in this respect.

Following the example of neighboring countries, the Government of Bangladesh will look into framing relevant policies to support the industry but it will need feedback and support from various stakeholders, including jute traders, large farmers and local entrepreneurs and investors, said the Minister. He added that innovative ideas need to receive policy support from the government for bringing in positive and transformative change in the sector.

To encourage the jute sector, we may consider duty exemption for the entrepreneurs who use local pulp in their production. The export development fund (EDF) facility should be made accessible to the country's jute exporters, added the Minister. In regard to jute-based pulp and paper he suggested that a well-designed pilot can be initiated on the basis of an effective proposal.

BUILD Chairperson Abul Kasem Khan suggested to the Minister that production of jute-based pulp from local green jute would not only be an attractive business proposition for the sector, but it would also enable us to make strides towards becoming a green economy and addressing climate change and environmental sustainability. In that respect he recommended for a Jute Pulp & Paper Act similar to the existing Jute Packaging Act which has worked well for popularizing jute-based packaging in the country.

The country produces 47.41% of world production of jute, yet imports 500-600 tonnes of pulp annually worth more than US\$600 million. We need to set up mills to produce high quality pulp from local green jute which can help the rural economy and meet its entire demand for export, added BUILD Chair.

He also urged the government to consider policy benefits for the sector by encouraging government purchase of Jute pulp-based paper in addition to other initial policy supports so that local jute-based pulp producers can take off in business growth and eventually contribute for export in the context of burgeoning demand in the world market as wood-based pulp is discouraged.

Lokman Hossain Miah, Secretary of Textiles and Jute said that the government appreciates the idea of making jute-based pulp from the local green jute and proper policies will be developed on the basis of research and analysis to make the local pulp cost-competitive. He suggested for a concept note from BUILD which can be delivered in presence of the concerned stakeholders, experts and technical persons so that actual viability of the concept of jute-based pulp production can be taken up at the higher level for final decision.

As 7-20 percent incentive is offered on jute goods export, the government could consider similar benefits for jute-based pulp in future based on evidence on its economic and socio-environmental benefits.

BUILD CEO Ferdaus Ara Begum said that the Hon'ble Prime Minister earlier announced that jute would be treated as an agro product. However, since the recognition has not still been formalized, the sector still doesn't receive the facilities available for the agro-based sectors. The government could issue a circular in that respect.

Identifying jute as a natural and environment-friendly biodegradable fiber with versatile usage, DCCI Director Md. Rashedul Karim Munna said that the government can set out a Jute Roadmap with an announcement to raise export of jute from the present level of USD one billion to at least USD five billion in the next five years.

## BUILD Urges to Address Definition of CMSME in upcoming National Industrial Policy 2021 & Revisit SME Policy 2019



*K M Ali Azam, Secretary, Ministry of Industries and Mahbubul Alam, President, Chittagong Chamber of Commerce and Industry (CCCI) are seen in the meeting (first row).*

The 7th meeting of the SME Development Working Committee of BUILD was held on 7th February, 2021 which was co-chaired by K M Ali Azam, Secretary, Ministry of Industries and Mahbubul Alam, President, Chittagong Chamber of Commerce and Industry (CCCI). Ferdaus Ara Begum CEO, BUILD presented two key notes presentations on Industrial Policy 2016 and Support for CMSMEs in Bangladesh & Revisiting the Action Plan of SME Policy 2019 to Address COVID-19 Situation.

CEO BUILD informed in the very beginning of her speech that among the 26 recommendations placed in the 6th SMEDWC, 10 have been implemented and 2 are in process. She stressed on the importance of the inclusion of Logistics as a High Priority Sector in the National Industrial Policy 2021. Bangladesh is going to graduate from LDC by 2024. This will be a huge achievement for Bangladesh. On the other hand, we will lose some preferential treatment in the export market. To attain sustainable cost competitiveness, there is no alternative to improve the logistics scenario in Bangladesh. Replacement Cost and Value of Fixed assets excluding and buildings may need further clarification.

K M Ali Azam, Secretary, Ministry of Industries thanked BUILD for presenting two time being presentations as well as for organizing such a wonderful meeting. To reach the goals set by the government by 2041, it is very essential to implement demand based individual Cottage, Micro, Small, Medium & Large industries. The Ministry of Industries will consider all the recommendations placed by BUILD in the National Policy 2021.

Mahbubul Alam, President, Chittagong Chamber of Commerce and Industry (CCCI) in his welcome speech said that there is no alternative to harmonized and synchronized policy advocacy for the sustainable SME growth in Bangladesh. 99% of the industries in Bangladesh belong to the SME sector. This sector contributes 86% of total employment generation in Bangladesh.

Professor Dr. Momtaz Uddin Ahmed suggested including handicrafts to the cottage industry to ensure its growth. Policies for Cottage, Micro & Small industries should get individual concentration. Besides, medium & large industries need to be treated under a separate policy.

Rashedul Karim Munna, Director, DCCI requested to put attention for the development of SME database. Technology and connectivity gaps need to be addressed to reach this sector at a global height. Dr. Nadia Binte Amin, President of WEND raised that WEs are deprived from availing financial assistance of the government announced stimulus package to cope up with the aftermath of pandemic.

Rozina Akhter Mustafi, DGM, SMESPD informed that Bangladesh Bank is very much willing and monitoring the issues of disbursing the FSP. Collateral issues to avail the FSP from the Banks are clearly defined by Bangladesh. So far, more than 81 thousand enterprises have availed the FSP.

Md. Selim Uddin, Additional Secretary, Ministry of Industries in his remarks assured that the recommendations of BUILD will be highly appreciated by the Ministry of Industries while preparing the National Industrial Policy 2021.

## Meeting between BHTPA and BUILD



*Chairperson of Business Initiative Leading Development (BUILD) Abul Kasem Khan met Hosne Ara Begum, Managing Director (Secretary), Bangladesh Hi-Tech Park Authority (BHTPA) on January 26, 2021. The meeting was held at the office premise of BHTPA. BUILD CEO Ferdaus Ara Begum was also present at the meeting.*

At the beginning of the meeting, Hosne Ara Begum, MD, BHTPA, raised her concern over impact of 4th industrial revolution on the labor market of the country. She said that it is very important to do proper research works to address these challenges. She gave her direction on the next activities of newly formed 4IR and ICT thematic working committee of BUILD, which is co-chaired by BHTPA MD and BASIS President. She said that a second meeting could be held at end of February 2021. BUILD Chairperson said that re-skilling will be very important given the challenges of 4IR. He said, Bangladesh is a tech-savvy country, with 60% people under the age of 33 years giving us a demographic advantage, which we need to use. Stressing on research and innovation, he said that we need to invest in research, innovation and skills. He urged extensive research work for understanding the adaptation process of 4IR and automation in the public and private sector.

Following examples of India and their success in ICT, BUILD Chair said that we need to engage our Bangladeshi Diaspora working in different ICT sectors around the world for shaping our 4IR strategy.

## Public Procurement Opportunities for Women Business Entrepreneurs



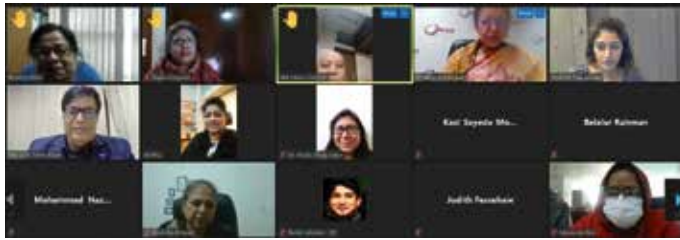
*BUILD CEO held a meeting with Pradip Ranjan Chakraborty, Secretary, Implementing, Monitoring and Evaluation Division (IMED), Ministry of Planning at his office on January 27, 2021. DG, CPTU Sohela Rahman was also present in the meeting. They discussed on the issue of increasing Women's Participation in Public Procurement Opportunities in Bangladesh.*

BUILD in collaboration with ITC She Trade has been conducting a research for mapping women-owned business(WoB) in public procurement and a tool has been prepared to assess access to women entrepreneurs in public procurement and in that respect what is the policies at country level, procuring entity and women owned business organizations.

Secretary, IMED appreciated the idea and informed that government is keen to see WoB more in business and in that respect, they will see the policies in favor of WoB, he requested to send some comparative scenarios of Bangladesh in respect of policies in PPR and situation of other countries, so that they understand the differences.

DG, CPTU informed that they have already started a process to identify the number of women tenderers already enlisted with CPTU and extending support to start-up MSME Women entrepreneurs so that they can sustain in business, he also informed that they are implementing a project where WoB issues will be addressed.

## Gender-Responsive Public Procurement Urged at BUILD-ITC Policy Dialogue



*BUILD CEO presents the keynote paper at the meeting.*

To increase women's participation in government procurement in Bangladesh, the Central Procurement Technical Unit (CPTU) of Bangladesh, Business Initiative Leading Development (BUILD), and the International Trade Centre (ITC)'s SheTrades Initiative organized a virtual policy dialogue on "Gender-Responsive Public Procurement in Bangladesh: A New Methodology" on February 3, 2021. The dialogue took stock of the outcomes of previous dialogues and presented a newly developed methodology by ITC to create a gender-responsive roadmap for public procurement in Bangladesh.

Having welcomed the participants, Director (Joint Secretary) of CPTU Md. Aziz Taher Khan said that the presence of women tenderers in the meeting is a clear testimony in favor of developing a gender-responsive public procurement in Bangladesh.

The Government has made the Public Procurement Act, a new set of Public Procurement Rules and Citizen Portal EGP System to improve performance of public procurement with more transparency and ensuring fair treatment to all. We have seen that the presence of women in public procurement is not adequate, yet the discussion gives some indications about the way forwards for developing a gender-responsive public procurement in Bangladesh in coming days for enabling women-owned businesses (WOB) to access markets and working closely with both private and public sectors to develop tools and knowledge to prioritize gender equality in business opportunities, said the CPTU Director

Ferdaus Ara Begum, CEO, BUILD informed that governments spend USD 9 trillion on public procurement every year. This can account for approximately 10-15% of GDP in developed countries and up to 40% of GDP in developing countries. Women account for only 1% of public procurement opportunities worldwide. Participation of women entrepreneurs in the public procurement system is very insignificant in Bangladesh because of the knowledge and skills gap.

Belal Rahman, Research Associate, BUILD in his presentation on "where we stand – Review of previous discussions to date, key outcomes, and action points identified" majorly highlighted present scenario of public procurement system, e-GP system, stands of the government on public procurement issue, private sector engagement and WEs' engagement in the overall public procurement system in Bangladesh.

Anahita Vasudevan, Associate Economic Affairs Officer, ITC- SheTrades Initiatives demonstrated a presentation on "How to re-shape public procurement for women entrepreneurs" which encompassed multi-dimensional public procurement issues in favor of women. She briefly described the step-by-step guide of reshaping public procurement which includes assess the situation, design a roadmap, make it happen and monitor the progress.

Judith Fessehaie, Program Manager Officer, ITC suggested that more emphasis should be put on initiation of the globally accepted definition of WE, access to finance, capacity building need and preferential provision to accommodate WEs in the public procurement system.

Dr. Nadia Bite Amin, President, WEND assured that initiation of preferential provision for WEs will definitely facilitate them in the overall system. Access to information as well as proper training will make the women more competitive in the system. Policy assistance to the WEs will also break the negative social mindset and encourage women to engage in public procurement.

## Long-Term Health Safety Measures for Export Competitiveness



*Muhammed Mahbubur Rahman, Additional Commissioner, Custom House, Dhaka speaks at the meeting.*

To ensure business continuity following the impact of COVID-19 pandemic, BUILD and IFC organized a virtual workshop on Health Safety Guidelines for Business Continuity and Trade Facilitation during COVID-19 for Dhaka Custom House on February 28, 2021. This initiative is supported by Bangladesh Investment Climate Fund II, which is implemented by the International Finance Corporation (IFC), World Bank Group and funded by the Foreign, Commonwealth & Development Office (FCDO).

Muhammed Mahbubur Rahman, Additional Commissioner, Custom House, Dhaka highlighted steps taken by the Dhaka Customs for smooth and effective implementation of their daily tasks while maintaining health safety protocol.

The Custom House clears 3,000-4,000 bill of ladings (B/L) everyday while minimizing risks and ensuring quality so that COVID exemptions are not abused. He stated that in order to maintain export and import growth as well as manage the supply chain, they worked hard so that revenue collection does not fall. Because of their sincerity, import growth has remained steady.

In the beginning Ferdaus Ara Begum, CEO, BUILD welcomed the participants and mentioned that the likely losses of export earnings annually for the country could be about USD 7 billion after the LDC graduation by 2026. We need to be prepared for that and start working in a coordinated manner to stave off the potential negative impact.

Nusrat Nahid, Private Sector Specialist, International Finance Corporation, made a presentation highlighting issues of health safety and informed about the impacts of the COVID-19 in trade. She stressed upon the need to maintain different health and safety guidelines even after the roll-out of the vaccines.

Dr. Mohammad Abul Hasnat, International Public Health Specialist, emphasized on the policy level decision for addressing this type of pandemic and appreciated the role of the government for all time-bound policies to address the pandemic. He informed the meeting that the impact of a virus may remain for 2-3 years to be contained fully, and thus we need to maintain all safety practices throughout 2021. In the "new normal", everyone needs to adapt and carry out their activities while maintaining the safety protocols even after the introduction of the vaccine. Referring to a research study, he said that there is a tendency of vaccine hesitancy in the country. He also emphasized on the Occupational and Health Safety as a regular practice.

Ivan Peterson, Consultant of IFC also spoke on the occasion and highlighted the role of AEO which in future would contribute further to custom clearance in the country.

Kabir Ahmed, President, BAFFA informed that, during the COVID they tried to continue service even though their logistic support is inadequate. They are waiting for the new cargo shade terminal for separate corridor for the courier service.

Bashir Ullah Bhuiyan, an importer, explained how they benefited from the online submission of documents and acceptance by the DHC for releasing his consignment within the shortest possible time. The representative from BTA informed the meeting that their industry is situated in a red zone industry. They have been educated by participation in this kind of awareness program.

Sultanul islam Tarek, Nixon Box Ind. Ltd recommended for an emergency response team for continuity of the services to be provided during the emergency period as like as COVID.

## Preventive Activities need to be Continued for long even after Vaccination



*Md. Azizur Rahman, Commissioner, Custom House, Benapole speaks at the meeting.*

Bangladesh Investment Climate Fund II, which is implemented by the International Finance Corporation (IFC), BUILD and World Bank Group and funded by the Foreign, Commonwealth & Development Office (FCDO) organized a virtual workshop on Health Safety Guidelines for Business Continuity and Trade Facilitation during COVID19 for Custom House, Benapole.

Md. Azizur Rahman, Commissioner, Custom House, Benapole made a presentation explaining the steps taken by the Benapole Customs for smooth and effective implementation of their daily tasks maintaining health safety protocol. He informed that, Benapole Customs is the largest land port and 2nd largest customs house where about 3 to 4 thousand people assemble to take services. While explaining precautionary measures, he informed that management of check post through different leaflet and posters and all relevant health safety is still continuing in the Benapole Customs and with the availability of vaccine they were creating awareness among the officials of customs house in regard to this issue.

In the beginning Ferdous Ara Begum, CEO, BUILD welcomed the participants and informed that in the year 2019-20 the growth of large and medium industry to the GDP reduced to 5.47% which was 14.84% in 2018-19. This would seriously impact on employment creation. In this situation we need to take long term steps so that we can be safe in future. In that respect IFC-WBG could be a close partner of the Government she emphasized while also moderating the session.

Nurat Nahid, Private Sector Specialist, International Finance Corporation, made a presentation highlighting issues of health safety and informed about the impacts of the COVID-19 in trade. She stressed upon the need to maintain the different health and safety guidelines even after the roll-out of the vaccines.

Md. Mamun Kabir Tarafder, Deputy Director, Benapole Land Port informed that even though sanitizing impacts on trade lose still they are continuing the practice as a single Car/Vehicle/Truck requires about 10 minutes time for sanitization. He also informed that, they have prepared a list of the labor and worker in the port and trying to facilitate their registration so that they can vaccination as soon as possible.

Mofizur Rahman Sazon, President, Benapole C&F Association put emphasis on the need for infrastructural development of Benapole Custom's port so that storage capacity can be increased and thus help with more revenue generation.

Dr. Mohammad Abul Hasnat, International Public Health Specialist, emphasized on the policy level decision for addressing this type of pandemic and appreciate the role of the government for all time-bound policies to address the pandemic. He informed that impact of a virus may remain for 2-3 years to be controlled fully, throughout 2021 we need to maintain all safety issues. He requested all the relevant stakeholders to maintain the health safety protocols even after getting the vaccines, as this is the "new normal" in which everyone needs to adapt and carry out their activities.

## Policy of Developing Collection System for Used Cooking Oil in Bangladesh



*A clear regulation from the Government is necessary for disposing of used cooking oils to ensure health safety*

The Government of Bangladesh is working to promulgate policy on trans-fat and use of edible oil in restaurants as well as raise stakeholder awareness on the issue, said Abdul Kayowm Sarker, Chairman of Bangladesh Food Safety Authority (BFSA). The policy will address the issues of proper use of edible oil and trans-fat content in food.

Speaking as a Chief Guest at the stakeholder dialogue on Policy of Developing Collection System for Used Cooking Oil in Bangladesh on January 11, 2021, he said that according to Food Safety Hygiene Regulation 2018, in section 7(a), nobody can use any by-products of food preparation. Used cooking oil is a kind of waste product at restaurants and food industries, hence it must not be applied for further use as it violates the Food Safety (Hygiene) Regulation, 2018. In particular, we are interested in implementing the testing methods into our regular checks at restaurants and other food business operators in order to monitor the exact amount of used cooking oil as well as other criteria, said he.

BUILD and Muenzer Bangla Private Limited- a subsidiary of Muenzer Bioindustrie of Europe organized the virtual dialogue on Policy of Developing Collection System for Used Cooking Oil in Bangladesh on January 11, 2021. Abdul Kayowm Sarker, Chairman, BFSA joined the meeting as chief guest.

Monzur Morshed Ahmed, Member of BFSA said, there are many health safety issues regarding the use of used cooking oil. On the other hand, used cooking oil can be used as value added products taking the environmental aspects into account. There should be guideline from government for collecting used cooking oil and developing a clear strategy for collecting it.

While welcoming the participants, BUILD CEO Ferdous Ara Begum who moderated the program underscored the need for initiating policy support by the government for formal collection systems of used cooking oil in Bangladesh. We require a formal policy prescription from our government to transition from existing informal channels for re-used cooking oil towards formal channel for collection of used cooking oil and its recycling, said she.

Dr. Latiful Bari, Chief Scientist, Food Analysis & Research Centre for Advanced Research of Sciences gave a presentation on "Developing Collection System for Used Cooking Oil in Bangladesh." He said that reusing cooking oil increases the cholesterol, creates peroxides acid, causes cancer and so on. Cooking oil with high percentage of polar compounds is the prime cause for some of the worst diseases.

During his presentation, Harald SIGL, Head of Corporate Communications & Public Affairs at Muenzer Bioindustry, Austria/Europe said that it is indispensable to have a clear legal regulation on the collection of Used Cooking Oil. "It is an urgent necessity to stop reselling Used Cooking Oil on the foodstuff and product market by law. I think we all agree on this mission. So it is consequently necessary to create a structured and also regulated collection system", said Sigl.

Waste should only be disposed by certified disposing companies. Especially liquid waste may only be handled by those companies who are able to show and prove the whole material flow and can assure, that Used Cooking Oil is going into technical applications. "This is the only possibility to prevent this poison to go back to the food chain again", said he.

Fahad Saleh, Chief Operating Officer of Muenzer Bangla, gave a presentation on Muenzer's National Used Cooking Oil Collection Mission for Bangladesh.

## Partner's Corner

### DCCI Holds Business Conclave-2020 to Attract FDI



BUILD Chairperson Abul Kasem Khan speaks at the DCCI Business Conclave-2020

**DCCI** Dhaka Chamber of Commerce & Industry (DCCI) organized the first and largest virtual B2B meet titled "DCCI Business Conclave-2020" in Bangladesh from 5-7 January, 2021 with an aim to attracting foreign direct investment, joint ventures, sourcing cost-efficient destinations for import and exploring potential export destinations and increasing business to business interactions globally especially in the wake of new normal when we see lack of physical interactions and business meetings. In the 3-day virtual B2B conclave, representatives from 227 companies from 10 countries including Bangladesh participated from which 90 companies are from Bangladesh and 137 companies are from other 9 countries.

**The participating countries are:** Algeria, China, Egypt, Ethiopia, Nigeria, Pakistan, Poland, Turkey, Viet Nam and Bangladesh. Total 176 B2B match-making took place in three days. Participating companies are mainly from Apparel & Textile, Light Engineering, Medicine, Leather Goods, Plastic Products, Agro and Food processing, IT and ITES sectors.

The B2B match-making was followed by a virtual inaugural ceremony where Dr. A. K. Abdul Momen, MP, Minister for Foreign Affairs, Bangladesh joined as the Chief Guest while Md. Sirazul Islam, Executive Chairman, Bangladesh Investment Development Authority (BIDA) joined as the special guest.

### Economy may Make a Turnaround in 3rd Quarter of FY 2020-21: MCCI



The economy is expected to overcome the difficulties stemming from the fallouts of the Covid-19 pandemic in the third quarter of the current fiscal year on the back of rising exports, imports, and remittances, said the Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka on February 24, 2021.

The rate of inflation can be expected to go up in February because of the probable rise in some essential commodities, it said in its review of the economic situation during October–December 2020.

The trade body said Bangladesh's economy was now rebounding from the Covid-19 shocks due to the government's steps and the implementation of the stimulus packages, which allowed businesses to withstand the crisis.

A large segment of informal industries, services and other activities have resumed operations, but they seem to be running at a much lower level of capacity.

The export-oriented garment and leather, and the domestic market-oriented steel, food-processing and transport sectors are not running at full capacity yet, said the trade body.

The MCCI said major economic indicators such as remittances, foreign currency reserves, money supply, and inflation are at a satisfactory position.

The exchange rate has long been remained stable while the current account and balance of payments are also in positive territory.

The positive changes need to be interpreted carefully, the chamber said. "Private investors are trying to cope with the situation instead of making further investments."

"Bangladesh is now facing some major challenges in steering its economy to a higher growth trajectory due to slow implementation of development projects, unemployment, low investment and the sluggish growth of revenue."

The chamber called for a significant increase in public and private investment to maintain competitiveness and generate further growth.

"Employment can't grow fast enough when private investment is stagnating."

Private investment in the country has been hovering around 22-23 per cent of the GDP for many years.

Domestic reforms as well as initiatives to liberalise trade-related policies for improving the investment climate are urgently needed to rejuvenate employment growth, it said.

### CCCI Launched Future of Business Leadership programme



Bangladeshis are very enterprising and the government will facilitate entrepreneurs and new generation leaders to adapt to the 4th and 5th industrial revolution and take the country forward, said Salman F Rahman, Prime Minister's Private Industry and Investment Adviser was virtually addressing as chief guest the closing ceremony of a two-day workshop titled "Visionary Leadership for Growth, Strategy & Governance" at Chattogram starting on February 5, 2021.

It was part of a Future of Business Leadership programme organised by the Institute of Business Administration (IBA) at the University of Dhaka, The Chittagong Chamber of Commerce & Industry (CCCI), Bangladesh Center of Excellence (BCE) and Citibank NA Bangladesh.

The programme aimed to prepare next generation business leaders of Chattogram with knowledge to sustainably grow their endeavours in a changing global context.

"The CCCI in continuation to its commitment to complement the government efforts to realise the national vision of becoming a developed country by 2041, has taken this step to strengthen the business leadership at Chattogram," said CCCI President Mahbubul Alam.

"To truly leverage the potential of Chattogram as an attractive investment and trade destination, the next generation business leaders of Chattogram must be well prepared," he said.

"Leaders are the brain of an organisation that guides other functions to operate efficiently and therefore if the leaders aren't maximising their ability, the long term sustainability of an organisation is under imminent threat," said IBA Director Prof Syed Ferhat Anwar.

"They must stay ahead of the changes that are taking place but at the same time link themselves with the human values," he said.

Sharing insights on leadership transitions in family businesses, Tapan Chowdhury, managing director of Square Pharmaceuticals, said, "One key component...is to ensure all the stakeholders, such as employees and partners, are in sync on a long term perspective."

## BUILD Scope

### Company Registration Survey

BUILD is currently working on Company Registration Survey. This survey is undertaken under the USAID Feed the Future Bangladesh Improving Trade and Business Enabling Environment (FtF-BITBEE) Activity project.

The objective of this project is to obtain a good understanding of the time, costs, and bottlenecks of the process for company registration in Bangladesh. The data collection process includes gathering answer of the questions about company registration. There will be gender-specific questions for women entrepreneurs so that any differential treatment or additional hassle borne by them can be identified.

Under different stages such as name clearance, registration process, obtaining tax identification number, opening bank account, obtaining trade license, registering for VAT etc. there will be several questions regarding time and cost consumption a trader incurs. The satisfaction level in each stages will also be measured through the data analysis. Both interviews and focus group discussions will be conducted to gather necessary data. The target interviewees are local companies, foreign companies, Chattogram based companies, women founded companies, partnership organizations and lawyers providing third party services regarding the company registration.

After the detailed analysis, recommendations will be provided for policy advocacy towards simplification of company registration process. This survey report is scheduled to be finalized within April-May, 2021.

## BUILD Reforms

### Time Extension of Stimulus Package for CMSME is Timely Step

Bangladesh Bank issued a SMESPD circular letter-1 on 3rd January, 2021 where it extended time for the disbursement of BDT 200 billion Stimulus Package for CMSMEs for those banks and FIs that have not met targets. This is very timely and supportive for the small, cottage and micro entrepreneurs.

We are aware that total disbursement of the stimulus package (SP) through both Banks and FIs is BDT 10825.28 crore till December 31, 2020 which is 54.13% as per the statement of Bangladesh Bank, where 63% of the approved amount has been disbursed.

Bangladesh Bank has taken this issue seriously and extended its time up to 31 March 2021. The circular of Bangladesh Bank also asked the schedule banks to distribute their stipulated amount to prepare a time bound monthly action plan and submit it to Bangladesh Bank by 17 January 2021 so that the disbursement plan can be implemented.

BUILD worked for the Stimulus packages since its initiation and put forward several recommendations through its Financial Sector Development Working Committee Meeting for extension and effective use of the Stimulus Packages, especially for CMS segment. On behalf of the entrepreneurs, BUILD requested Bangladesh Bank to extend the time for disbursement of the stimulus package of CMSMEs on 28 December 2020.

It is evident that CMS enterprises were eager to see their extension for loan payment installment beyond December 2020 to avoid the risk of receiving tag of loan defaulters. In this respect the circular could have some directives so that they can sustain COVID-19 situation and continue their business. BUILD hails Bangladesh Bank to take this timely measure.

It is also seen that some banks have fully implemented their target while some are a bit behind. We would like to say that the well-performed banks have experience in providing loans to CMSMEs. Their target can be increased so that more loans can be provided to the CMSMEs of the country in time.

From the statement it is seen that disbursement for women entrepreneurs (WE) has increased about 37% in December from the earlier month which is a good sign. It seems that disbursement for WE has been increasing slowly. Considering this issue there could be some further extension of funds for WE.

### Expansion of scope of GTF

BUILD presented a number of recommendations on the Green Transformation Fund in the seventh working committee called Sustainability and Green Growth Working Committee (SGGWC) meeting presided over by Secretary, Ministry of Environment, Forests and Climate Change (MoEFCC) dated August 19, 2018. As a result of the recommendations, Bangladesh Bank has recently brought a few major reforms in the design of the GTF. With FE Circular 14 dated June 26, 2019 titled "Expansion of scope of GTF", Bangladesh Bank has opened up GTF for all manufacturer-exporters irrespective of sectors against import of capital machinery and accessories for implementing specified green/environment-friendly initiatives. This opened the door for businesses of various sectors. This could contribute to export diversification as well as investment in sustainable business models in various sectors.

Second, besides the USD 200m component, a Euro 200m has been added by the Bangladesh Bank in 2020. This could be helpful in businesses conducting transactions with Eurozone countries.

Third, on July 28, 2020, Bangladesh Bank issued SFD Circular No. 4 "Guidance Note for on-lending/ refinancing under Green Transformation Fund (GTF)" in which both the details of the characteristics of machineries and accessories that would qualify for GTF as well as the authorities or certifying bodies that could vet the qualification were identified. This reform would help businesses as well as banks understand what kind of criteria the proposed investment project would have to fulfill and which authorities could certify the eligibility of the investments.

### Registration of Electric Vehicles by BRTA

BUILD presented a set of recommendations on electric vehicles in a separate meeting of SGGWC on January 31, 2019. In accordance with BUILD's recommendations, BRTA has provided for registration of electric vehicles with SRO 54-law/2020 dated February 17, 2020. It defines EVs as "a vehicle powered exclusively by one or more electric motor whose traction energy is supplied by rechargeable battery installed in the vehicle, but does not include battery operated bicycle or rickshaw". This SRO thus paves the way for formally registering the electric three-wheeler vehicles run by battery, and sets the ground for bringing those EVs under proper regulations.

### BUILD Articles

The need for better planning and investment in logistics and infrastructure

<https://www.tbsnews.net/feature/panorama/need-better-planning-and-investment-logistics-and-infrastructure-191116?fbclid=IwAR1vCgQJ2K11HOagnWL4kCfSBzP2QWIwIGQNm6eJvBT2Nmam-pKTQ1qAeg>

IPR protection on seven billion doses of Covid-19 vaccine

[https://tbsnews.net/thoughts/ipr-protection-seven-billion-doses-covid-19-vaccine-179398?fbclid=IwAR16\\_MMFB\\_1QfUfxR5faddlxJAtLEw8y3IA9t6sOeDhtUG\\_0Womdos8rok](https://tbsnews.net/thoughts/ipr-protection-seven-billion-doses-covid-19-vaccine-179398?fbclid=IwAR16_MMFB_1QfUfxR5faddlxJAtLEw8y3IA9t6sOeDhtUG_0Womdos8rok)

Renewing NDCs of Bangladesh to Address Climate Vulnerability

<https://www.tbsnews.net/thoughts/renewing-ndcs-bangladesh-address-climate-vulnerability-205414?fbclid=IwAR0MEupIZBlMBNgb3n17FOmTWS0OH1Qp24Q2dM61RD3ECFL0Uq5Cp4xn8>

## Singapore Consul in Bangladesh Called on BUILD Chairperson



*BUILD Chairperson presents BUILD publication to Singapore Consul in Bangladesh.*

Singapore Consul in Bangladesh, H. E. Sheela Pillai paid a courtesy visit to BUILD on February 17, 2021 to discuss bilateral trade related issues.

BUILD Chairperson welcomed Pillai and said that BUILD is working towards improving business climate in the country since 2011 with various public-private sector engagements.

During the meeting, Consul of Singapore in Bangladesh, Sheela Pillai said that there could be a joint collaboration through different engagements and activities throughout the year to boost bilateral trade and investments. She also said that infrastructure, digital infrastructure, shipbuilding, ICT and port, logistics are some of the potential sectors of interest for Singaporean investors.

She also said that a Singaporean investor from agriculture sector already invested in Bangladesh and they are doing well. She also said that there is a huge trade gap between Singapore and Bangladesh and to reduce this gap, she urged for more product diversification.

BUILD CEO Ferdaus Ara Begum also briefed the Consul on the progress of BUILD regarding policy reforms initiative and ongoing activities on trade and investment, SME development, financial sector, 4IR&ICT and logistics infrastructure development.

BUILD Trustee Board Member and DCCI President Rizwan Rahman and Dr. M Masrur Reaz, Chairman of Policy Exchange also joined the meeting.

## BUILD and JETRO to Develop a Roadmap for the Automobile Sector



*BUILD Chairperson briefs JETRO regarding BUILD activities for private sector development in Bangladesh.*

A meeting between BUILD team and JETRO Bangladesh Office was held on 22 December, 2020 on 2 pm via Zoom Web Platform. Abul Kasem Khan, Chairperson, BUILD highlighted the structure of the PPD and denoted the role of thematic working committees of BUILD implemented in cooperation with concerned Government Ministries.

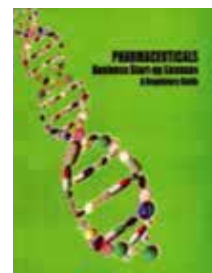
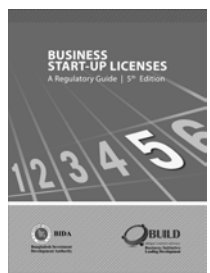
Having underscored the role of the Private Sector Development Policy Coordination Committee (PSDPCC) at Prime Minister's Office chaired by the Principal Secretary, he said that JETRO is a trusted partner of BUILD and implemented a number of joint activities in recent years. He also said that the transfer of technological know-how from Japan to Bangladesh is one of the major areas where Bangladesh emphasizes to formulate the foreign policy.

Yuji Ando, Country Representative, JETRO Dhaka Office extended his gratitude towards BUILD for conducting research on battery run three wheelers in Bangladesh. He said that their push for addressing regulatory issues on battery run electric vehicles in the country would not be possible without this research. Now JETRO is focusing on two wheelers and four wheelers electric vehicles. Companies such as Toyota and Mitsubishi can share their experience so that the automobile sector in the country can be developed. It is needed to gather information regarding this sector and identify potential sectors for electric vehicles in the country.

BUILD and JETRO may join together to develop a roadmap for the automobile sector of Bangladesh while JETRO will extend support to BUILD for 6th Business Licensing Guide Book having translated in Japanese language for wider circulation among Japanese investors.

Meeting was attended by Ferdaus Ara Begum, CEO of BUILD, Shariful Alam, Director of JETRO and Israt Jahan from JETRO.

## Publications



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