**Press Release**

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Attn: News Editor/ Chief Reporter/ Assignment Editor /Business Page-in-Charge:

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

Business Initiative Leading Development (BUILD) Chairperson Abul Kasem Khan paid a courtesy call on Tipu Munshi, Minister of Commerce, Ministry of Commerce, Government of Bangladesh 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.

Stressing on the importance of enabling business environment in Bangladesh, he stated that the Commerce Ministry is always open to extend all forms of logistical support to make the private sector vibrant. He appreciated the role of private sector in creating a platform like BUILD for evidence-based public-private dialogue between government and trade and industry to create a business-friendly environment through policy reforms.

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. In connection to attracting FDI, supply side management is the primary requirement. Large companies need confidence on supply side management before making the investment decision in a country.

BUILD Chairperson thanked the Minister for Bilateral Free Trade Agreement (FTA) with Bhutan. Terming this as a good beginning, he put emphasis on South-South Collaboration. In this connection he stressed on ensuring duty-free access to the Chinese market. For export diversification, he requested greater focus on jute and bamboo. He also mentioned the importance of logistic and infrastructure development and notified that BUILD has formed a new committee in that respect. In course of discussion, referring to engaging BUILD in export-related research , he requested inclusion of BUILD as a member of the National Export Committee headed by the Hon’ble Prime Minister. BUILD will soon send a letter to the MOC in that respect.

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. A different picture has emerged in Bangladesh where RMG singularly contributes about 85% of export. She also informed that BUILD will seek supports from MOC for policy advocacy for Medical and Personal Protective Equipment (MPPE) products and identify gaps in the list of standards developed by BSTI in terms of export potential.

MOC Joint secretary Md Abdus Samad Al Azad informed that MOC is working to prepare protocol for Honey and Tishi Oil so that health certificates of these products are delivered. In this respect he requested BUILD to send a list of potential products for which standards and certification are important.

Hafizur Rahman, Additional Secretary, MOC and Project Coordinator EC4J raised the issue of the need for halal certificate. In that respect health compliance rules need to be prepared.

Hafizur Rahman, Additional Secretary and DG WTO cell of MoC at the request of the Hon’ble Minister shared updates on the issue of the trade license for e-commerce and informed that they are coordinating with the LGRD to address the issue through an expeditious process.

Sincerely

**Ferdaus Ara Begum**∣ CEO ∣ BUILD ∣ Mob: 01714102994∣ Email: ceo@buildbd.org∣www.buildbd.org