



EDITORIAL

With the right assistance and capacity building, MPPE has enormous potential

As Bangladesh prepares to leave the LDC category by 2026, it faces the third wave of the COVID-19 pandemic. On the plus side, COVID-19 has pushed the private sector to seek new growth and export opportunities. Medical and personal protective equipment (MPPE) has emerged as a significant one-of-a-kind opportunity for Bangladesh's growth and export.

During the pandemic's waves, the demand for MPPE products from healthcare providers and the general public has skyrocketed. Although Bangladesh currently has limited capacity to manufacture MPPE products that meet international standards, it can leverage existing capabilities in readymade garments, pharmaceuticals, and plastics to increase production and market share. Several local businesses have made significant progress in the production and export of MPPE. Several apparel companies have entered the market.

BEXIMCO has set a new record by exporting 6.5 million MPPE gowns to the US brand Hanes, and a few other companies have agreed to make MPPE gowns. Furthermore, No Objection Certificates (NOCs) have been issued to 35 companies for surgical masks until May 2021 and 54 companies for coveralls until March 2021.

Recognising the opportunity that this emerging sector has, not only for meeting the immediate need of the nation but also for foreign exports, the International Finance Corporation (IFC), under its Sector Competitiveness Advisory for Bangladesh project, commissioned a study by BUILD to explore the growth opportunities of the MPPE sector in Bangladesh. BUILD's study focused on policy and regulatory environment to promote MPPE, with a particular focus on potential products.

Gloves, masks, coveralls, aprons, eye protection, and shoe coverings are examples of major MPPE products. Currently, Bangladesh exports roughly USD 1.4 billion in MPPE and medical items. Exports of MPPE goods increased in 2020-21 compared to 2019-20. Competitors include China, Vietnam, and Malaysia. Asia's top MPPE manufacturer is China. Malaysia leads in glove exports, while Vietnam leads in gown and face shield exports.

In identifying high-potential MPPE products for the Bangladeshi industry, gowns or coverall and masks have been selected by BUILD as existing export figures for these products are encouraging. Most companies that have secured NOC from the Directorate General of Drug Administration (DGDA) have chosen these products, and global demand for these products is high.

The National Board of Revenue (NBR), as the revenue collection authority, exempted certain MPPE products from VAT and customs duties. The Ministry of Commerce (MOC) provides cash incentives for making export competitive. The MOC has issued an order for the export of hand sanitiser and facemask on 4 April 2020. Bangladesh Standard and Testing Institution (BSTI), with technical support from BUET, has already prepared standards for hand sanitiser and fabric masks (non-medical). The Ministry of Industries and the BSCIC oversee industries producing MPPEs.

To harness the MPPE industry in Bangladesh, several challenges need to

be tackled. Local manufacturers are uncertain about the sustainability of MPPE demand in the coming years. Bangladesh is reliant on raw materials, particularly from China, for various products, which causes a longer lead time and risk of delay unless adequately planned. As orders are time-bound, a longer lead time can hamper export. Bangladesh lags in high-tech manufacturing, and its logistics and infrastructure are weaker than competing countries. While the government intends to increase national capacity for MPPE manufacturing, coordinated efforts are lacking by stakeholders. Unfortunately, the benefits of exemption are mostly being enjoyed by the large manufacturers while small entrepreneurs are trying hard but could not enjoy the exemption of tax because of several procedural constraints. There are complexities around HS Code, which poses a problem for businesses.

An MPPE roadmap and policy should be developed for export diversification, spelling out pathways for developing backwards and forward linkage industries for MPPE. It should be included as a high priority sector in government policies. Environmental sustainability should be ensured through proper waste management measures. A robust marketing strategy should be developed to involve the commercial wings of Bangladesh embassies overseas. A strong quality control system should be created.

NBR should create use-based segregation of the same MPPE products under the same HS Code to simplify the quantity measurement process. NBR should waive all import/production stage taxes for the Non-Traditional raw materials of all MPPE products for the next five years and all duties and taxes on components for medical engineering products (e.g., ventilator for ICU). Plastic manufacturers of MPPE should be offered VAT/Duty exemptions. In the long run, manufacturers should shift away from producing "Class B" and focus on "Class A" goods and diversify the value chain. ■

Ferdaus Ara Begum
CEO, BUILD



Exploring growth opportunities: Production and export of medical and personal protective equipment

The Government of Bangladesh is committed to providing all-out support to promote the Medical and Personal Protective Equipment (MPPE) industry in Bangladesh as an important sector for attaining export diversification and deeper industrialisation, said Tipu Munshi, MP, Hon'ble Minister, Ministry of Commerce, in his speech as the Chief Guest of a webinar titled "Exploring Growth Opportunities: Production and Export of Medical and Personal Protective Equipment". The event was organised by BUILD, in collaboration with IFC-WBG, on 13 December 2021 to share the findings of the studies and gather ideas and insights from the stakeholders.

The Commerce Minister added that the Ministry of Commerce would take necessary steps to ensure that enabling policies and regulations are put in place for the sector. While the COVID-19 has posed a significant challenge for the development dynamic of Bangladesh, the country has weathered the challenges and is now set to resume its accelerated growth pathway towards its transition to a developed economy.

Bangladesh needs to develop the MPPE industry strategically, set targets, extend the right incentives, ensure public-private cooperation, and follow up closely on the progress and constraints, emphasised Tapan Kanti Ghosh, Secretary, Ministry of Commerce.

Recognising export diversification is a major challenge for the Bangladesh economy as it seeks to alleviate its heavy dependence on the RMG sector. BUILD Chairperson Abul Kasem Khan mentioned that the best strategy to begin diversification is to build on our strengths. He said five key areas to focus on to develop the sector: right products, proper incentives, appropriate policies, knowledge and skills, as well as proper technology and logistical system.

Nuzhat Anwar, Acting Country Manager, Bangladesh, Bhutan and Nepal, International Finance Corporation (IFC), said that businesses need to find innovative and sustainable ways to boost

their production and export revenue to recover from the impacts of COVID19. IFC is providing the necessary support to bridge knowledge gaps in the Medical and Personal Protective Equipment (MPPE) sector in order to enhance private sector growth and support economic recovery.

Faruque Hasan, President, BGMEA, was present as the Special Guest and appreciated BUILD for coming up with several valuable suggestions, which is very much required for the sector. He said that strengthening collaboration with the regulatory bodies, technical know-how, and a robust backward linkage is essential. He also emphasised the need for attracting FDI in this respect.

In the keynote presentation on Market Assessment for MPPE, Shubham Gupta, Partner, Deloitte, highlighted that the private sector should lead building capabilities and market development by concentrating on knowledge management of technical and testing issues, market intelligence, global outreach to collaborate with the leading brands. Deloitte identified 12 MPPE products that bear a high potential for development.

The keynote presentation on policy and regulatory environment was delivered by Ferdous Ara Begum, CEO of Business Initiative Leading Development (BUILD). She noted that Bangladesh is already making progress in the MPPE sector, especially in 12 products, of which eight are included in the WHO list of MPPEs. No-objection certificate (NOC) from the Directorate General of Drug Administration (DGDA) has been availed by 43 firms for surgical masks as well as 57 for coveralls/ PPE gowns as of September 2021. Bangladesh has a competitive edge when it comes to exporting to countries that provide a Generalised System of Preferences (GSP). The government offers financial incentives, such as cash assistance for 42 non-traditional products. RMG sector was the first to focus on the MPPE segment, with the dwindling demand for staple products at the early stages of the pandemic. Renowned pharma companies invest in OTC or Non-medicinal products, expecting high demand and export. MPPE products are highly regulated with stringent quality requirements and require solid technical know-how, which has emerged as a critical challenge.

Asif Ibrahim, Chairman, Chittagong Stock Exchange (CSE), conducted the panel discussion. He recognised the importance of public-private collaboration for promoting the MPPE industry.

A. H. M. Ahsan, Vice Chairman, Export Promotion Bureau (EPB), Ministry of Commerce, mentioned that Bangladesh had 25% export growth during July-November 2021 over the same quarter in the preceding year. In a brief study of its own, EPB found it challenging

to identify and segregate MPPEs due to multiple uses of the products. He also mentioned overdependency on China on sourcing raw materials to produce MPPE.

Major General Md. Mahbubur Rahman, Director General, Directorate General of Drug Administration (DGDA), mentioned that although the Bangladeshi pharmaceutical industry meets 98% of local demand and exports to 57 countries, the country imports more than 95% of medical devices.

Shamim Ahmed, President, Bangladesh Plastic Goods Manufacturers and Exporters Association (BPGMEA), mentioned that the plastic industry has been playing a pivotal role in supplying essential equipment along the course of the pandemic.

Dr Mohidus Samad Khan, Associate Professor, Bangladesh University of Engineering and Technology (BUET), mentioned that choosing whether we go for low-hanging fruits or innovation is vital. Innovative export would require close compliance with international standards.

Other attendees were World Bank's Private Sector Specialist Hosna Ferdous Sumi, Foreign Commonwealth and Development Office's (FCDO) Private Sector Development Adviser Mashfique Ibne Akbar, and dignitaries from the public and private sector. ■



New income tax law should put an end to taxpayer harassment

Before its implementation, experts and businesses sought adequate time to scrutinise the pros and cons of the draft new income tax law-2022. They also recommended automation, separation of the tax policy and implementation wing, trust-building, hassle-free taxpayer services and public-private consultation before finalisation of the provisions of the new law.

The suggestions came at a discussion organised by BUILD and ERF on 9 December 2021 at the ERF office in Dhaka. The meeting discussed the draft income tax law prepared by the National Board of Revenue (NBR).

The government made the draft law public in November last in a bid to replace the age-old Income Tax Ordinance-1984. Economic affairs adviser to Prime Minister Dr Mashiur Rahman attended the programme as the chief guest.

The purpose of any law remains unfulfilled unless there is coordination among lawmakers, implementing agencies, and for those, it is framed, said Mashiur Rahman.

Chairperson of BUILD Abul Kasem Khan and ERF President Sharmin Rinvi delivered a welcome address in the programme. Snehasish Barua, the founding Partner of Snehasish Mahmud and Co., presented the keynote paper, and he said there are some reasonable provisions in the draft income tax law.

However, some provisions will allow tax inspectors to exercise more arbitrary power when assessing taxes, he added. BUILD Chairperson Kasem said tax law was becoming more critical for businesses as the country was going to graduate from Least Developed Country (LDC) status.

“Loopholes should be plugged along with expanding tax-base to reduce the tax rate. Dependence on only tax collection should be reduced,” he added.

He termed Advance Income Tax (AIT) as a ‘bad law’ that the government imposes to punish a handful of tax evaders while many genuine businesses suffer, he added.

Md Shahidul Islam, first secretary (Tax Policy) of the NBR, said withholding tax is present in other countries and is collected to ensure funds for operating government activities throughout the year.

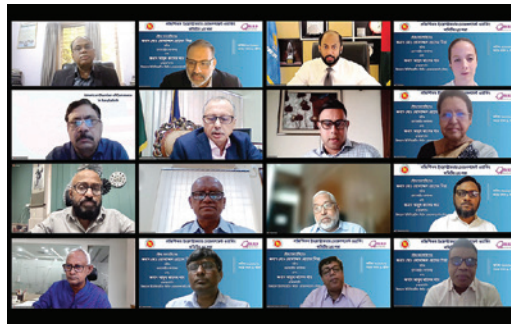
“If all pay tax in October or November of the year, where will the government get funds to bear its regular and development expenses?” he added.

During the Vote of Thanks, BUILD CEO Ferdaus Ara Begum proposed NBR to include a proposal for e-tax management and incorporation of international best practices, a provision for the automated transfer of refunds to bank accounts of taxpayers, and measures to ensure transparency and accountability at the tax administration.

Dhaka Chamber of Commerce and Industry (DCCI) President Rizwan Rahman; Institute of Chartered Accountants of Bangladesh (ICAB) President Mahmudul Hasan Khusrui; Dr M. Mashrur Reaz, Chairman of Policy Exchange of Bangladesh; and Hassan Mahmood, Director of Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI), spoke in the event.

Dr Swapan Kumar Bala, Professor, Department of Accounting of Dhaka University and Humayun Rashid, President

of the International Business Forum of Bangladesh, were the other panel discussants. ■



National logistics strategy underscored at BUILD's Logistics Infrastructure Development Working Committee

Business Initiative Leading Development (BUILD) and Prime Minister's Office jointly organised the Logistics Infrastructure Development Working Committee meeting on 13 November 2021. The virtual meeting was co-chaired by Md. Tofazzel Hossain Miah, Secretary of Prime Minister's Office, and Abul Kasem Khan, Chairperson of BUILD.

Md. Tofazzel Hossain Miah started by attesting that Bangladesh cannot move forward without supporting the private sector during this worldwide economic transition period. He added Private Sector is the engine of growth for Bangladesh,” He said logistics needs more investment, and the existing policy needs reforms so that more investment is made. He recommended that the sector should be based on technology and skill. Adding that the private sector should also assist with value-backed data, he emphasised advocacy for logistics. He maintained that the most apposite in these times policy-wise would be to have a structured policy framework that may steer regulatory reforms as well as policy interventions, paving the way for a “logistics environment”.

Abul Kasem Khan, Chairperson of BUILD, informed that developing countries invest 9-10% of their GDP in improving their logistics environment. Success stories of China, India, and Vietnam stand out as best practices in logistics. The return on investment is one of the highest in the world. Structural reform is required to mitigate key bottlenecks of the logistics system in Bangladesh. The logistics sector should be declared as a thrust sector besides a high priority sector, and proper incentives should be reported to attract local and foreign investment.

Rizwan Rahman, President, DCCI, focused on the specific solution as (1) logistics

should be included in the industrial policy as a sector, (2) privatisation of airports, seaports, railroads is the demand of time, (3) decentralisation of industrialisation should be incentivised to attract investment, (4) Special Procurement Act should be considered to prepare logistics policy.

Mahbubul Alam, President, CCCI, said that there is no policy on the in-out time of container trucks in Chattogram. Establishing a central truck terminal may reduce the congestion stemming from this. Additionally, water connectivity may reduce over-dependency on the road.

Ferdaus Ara Begum, CEO, BUILD, in her presentation, informed that BUILD and the Ministry of Industries are working together to include logistics as a high priority sector and declare investment incentives for logistics and its sub-sectors in a separate chapter of the upcoming National Industrial Policy 2021. Formulation and implementation of the National Integrated Logistics Policy or Master Plan could help attract investment and increase export competitiveness to realise the targets of the 8th Five Years Plan and Perspective Plan 2041. It was decided in the meeting that two issues will be presented in the 3rd meeting of LIDWC, (1) framework or position paper will be prepared to set the national target of reducing logistics cost and (2) outline to prepare National Logistics Policy/Plan/Strategy.

Tatiana Peralta Quiros, Senior Transport Specialist, World Bank Group, gave the keynote on Reducing Logistics Costs to Enhance Bangladesh's Trade Competitiveness and Export Growth. She said that logistics cost increases the overall production and business operation cost by 4.5-48%. Implementation of three initiatives like reducing dwell times at Chattogram Port and national highways congestion along with initiation of national logistics strategy would increase overall export of Bangladesh by 19%.

Captain Kamrul Islam Mazumder, Bangladesh Inland Container Depots Association (BICDA), said that increased cost of fuel would increase the cost of doing business as well as the cost of container handling transport cost while Syed Ershad Ahmed, President, AmCham stressed on proper utilisation of Pangaon Port and Dherasram Project which should be linked with temperature-controlled logistics. 98% of the freight forwards operators in Bangladesh suffers from a lack of modern technology and equipment.

Kabir Ahmed, President, BAFFA, urged proper utilisation and equipping of the Hazrat Shahjalal International Airport, one of the most important gateways to export for Bangladesh. Sectoral recognition and policy reform for the sub-sectors of logistics should be ensured.

Masrur Reaz, Chairman, Policy Exchange, said that there is no alternative to an efficient logistics system to ensure export-led growth and diversification. After graduation from LDC, Bangladesh will have to face MFN (most favoured nation) duty of about 12% if we can not succeed GSP+ situation. He focused on initiating and implementing national logistics policy; logistics demand identification of the productions house (SEZ, EZ), priority sectors (TCL for agri-and pharma sectors), and trade gateways on logistics.

The meeting was attended by Zubaida Nasreen, Director General-I, PMO, Anisur Rahman, Director-I, PMO and Mohammad Lutfullah, Senior Private Sector Specialist, International Finance Corporation, World Bank Group, including representatives from 16 government ministries and private sector leaders. ■



BUILD Chairperson joined IIS-2021 as keynote speaker

Abul Kasem Khan, Chairperson, BUILD, presented a keynote paper titled "Transport and Logistics-The Right Move" to the International Investment Summit 2021 that was organised by BIDA on 29 November 2021. The session aimed to get valuable feedback from participants, including unearthing some policy recommendations to improve the regulatory framework. The session also facilitated generating potential investment leads in the sector.

The session was chaired by Khalid Mahmud Chowdhury MP, Minister of State, Ministry of Shipping, while Naquib Khan, President, Bangladesh Supply Chain Management Society (BSCMS), conducted the session as moderator. Besides, The session was glorified through the data-driven remarks by the panellist, namely Victoria Rigby Delmon, Infrastructure Upstream Lead, Asia and Pacific, IFC; Mahbulul Alam, President, CCCI; Sultana Afroz, CEO, PPPA; Rear Admiral M Shahjahan, NPP, BCGMS, ndc, psc, Chairman, Chittagong Port Authority; Syed Ershad Ahmed, President, AmCham; Wan Chee Foong, Regional CEO, Middle East South Asia and Head of Group Business Development, PSA International

Pte Ltd., Singapore and Jens Floe, Chief Executive Officer, Red Sea Gateway Terminal, Kingdom of Saudi Arabia.

Keynote speaker urged that a comprehensive national logistics policy is required to develop the logistics and transport sector to attract more foreign investment for the field. Companies need efficient logistics support for improved productivity, channel expansion, tackle volatile market needs, and shorter lead times. "Given our growth projections, we need a world-class and efficient infrastructure and logistics eco-system to improve overall country competitiveness", he added at last.

Wan Chee Foong said Bangladesh should work for building world-class infrastructure and transportation, ensuring sustainability. Elaborating on the importance of maritime transport and logistics, M Shahjahan called on the international investors to invest in ongoing port-related mega projects. Syed Ershad Ahmed underlined the need for environmentally-needed supply-chain management to lure international investors. ■

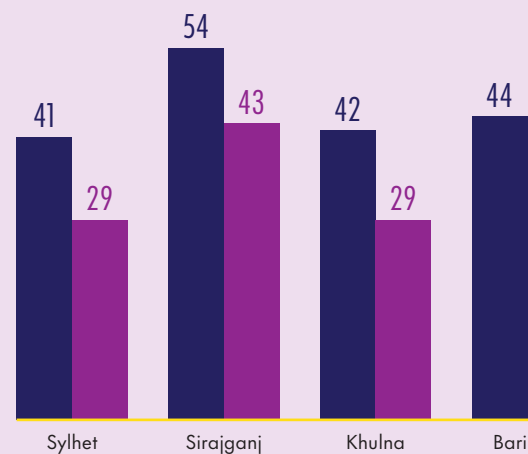
Workshop on Cross-Border Trade Procedures for Women Entrepreneurs

Business Initiative Leading Development (BUILD) organised several regional virtual outreach programmes across the country to develop Women-Owned Businesses (WOBs) in the year 2021. Total seven virtual training programmes on Trade Procedures for members of women chamber in seven different divisions with key women chambers were organised between November-December 2022 in partnership with the International Finance Corporation (IFC), World Bank Group under BICF II, supported by the Foreign, Commonwealth and Development Organization (FCDO). The workshop was organised as part of the Support to Organise Stakeholder Outreach and Consultation Programmes (SOSOCIP) project.

The key objective of the virtual workshop was to create awareness about the online business procedures of export and import trade through which women entrepreneurs can be benefitted and move forward for export and import business across the country.

The whole procedures and stages of export and import business and online trade-related services were covered along with detailed step by step general business and export procedures, including time and costs engaged in getting several permissions, certificates, approvals, etc. In the areas of trade license, membership from the local chamber, Online Licensing Module (OLM), Export Registration

Participation Matrix of Virtual Outreach and Consultation Events for WOBs (November-December 2021)

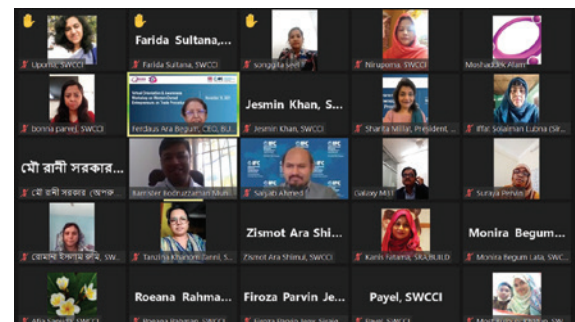


Certificate (ERC), Export Permit, bank account opening, TIN certificate, VAT registration, customs procedure as well as incentives announced by the government to encourage export and import were discussed in the workshop for the regional women entrepreneurs.

Sylhet District

A Virtual Orientation and Awareness Workshop for Women-Owned Businesses (WoB) on Trade Procedures was organised by Business Initiative Leading Development (BUILD) on 3 November 2021, supported by Sylhet Women Chamber of Commerce and Industry (SyWCCI).

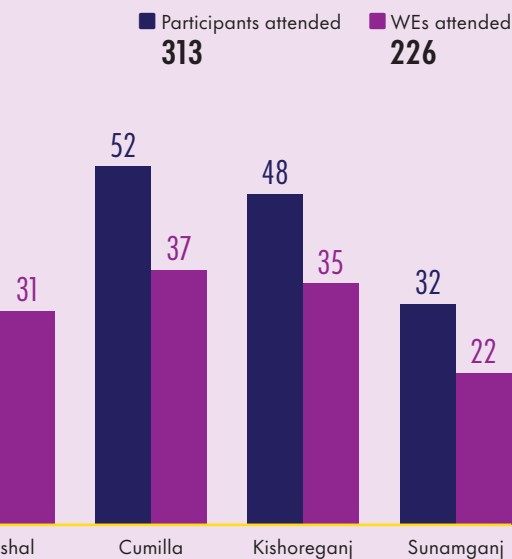
High officials from the Export Promotion Bureau (EPB), Customs Excise and VAT, NBR, Office of the Chief Controller of Imports and Exports (CCI&E), Sylhet, participated in the workshop. Many Women Entrepreneurs (29) from SyWCCI participated and raised their issues in the workshop. A total of 41 participants attended the programme.



Sirajganj District

A Virtual Orientation and Awareness Workshop for Women-Owned Businesses (WoB) on Trade Procedures was organised by Business Initiative Leading Development (BUILD) on 10 November 2021, supported by Sirajganj Women Chamber of Commerce and Industry (SiWCCI).

High officials from Custom House, Dhaka



East, Office of the Assistant Controller of Imports and Exports (CCI&E), Sirajganj and private sector officials of the trade-related agencies participated in the workshop. A large number of Women Entrepreneur members of SWCCI (43) participated and raised their issues. In total, about 54 entrepreneurs and officials participated in the programme.

Khulna Division

A Virtual Orientation and Awareness Workshop on Trade Procedures for Women-Owned Businesses (WOB) focusing on Khulna Division was held on 16 November 2021 at 10 am, organised by Business Initiative Leading Development (BUILD) with the support of the Bangladesh Women Chamber of Commerce and Industry (BWCCI), Khulna Zone.

High officials from the Export Promotion Bureau (EPB), Customs Excise and VAT, Khulna, Bangladesh Small and Cottage Industries Corporation (BSCIC), Khulna, participated in the workshop. Many woman entrepreneur members of BWCCI in the Khulna Division participated and raised their issues on trade procedures. A total of 42 participants along with 29 women entrepreneurs attended the programme who are engaged in various businesses and willing to expand their entrepreneurship.

Barisal District

A Virtual Orientation and Awareness Workshop on Trade Procedures for Women-Owned Businesses (WOB) focusing on Barisal Women Chamber of Commerce and Industry (BaWCCI) was organised by Business Initiative Leading Development (BUILD) on 18 November 2021 at 10 am.

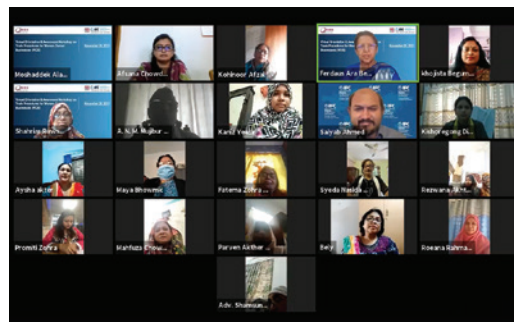
High officials from the Khulna (VAT) National Board of Revenue (NBR), Assistant Controller Office of Export and Import (CCI&E), Barisal and Bangladesh Small and Cottage Industries Corporation (BSCIC), Barisal Zone participated in the

workshop. A large number of woman entrepreneur members of BaWCCI 31 participated and raised their issues on business procedures. A total of 44 attended who are dealing with a number of businesses and willing to expand their entrepreneurship and also from the different public sectors in the programme.

Cumilla District

A Virtual Orientation and Awareness Workshop on Trade Procedures for Women-Owned Businesses (WOB) was organised by Business Initiative Leading Development (BUILD) on 23 November 2021, supported by Cumilla Women Chamber of Commerce and Industry (CWCCI).

High officials from the Cumilla VAT, National Board of Revenue, Export Promotion Bureau (EPB), Office of the Assistant Controller of Imports and Exports Cumilla and Bangladesh Small and Cottage Industries Corporation (BSCIC), Cumilla Regional Office participated in the workshop. A large number of women entrepreneurs from CWCCI participated and raised their issues in the workshop. A total of 52 participants and 37 women entrepreneurs attended the programme.



Kishoreganj District

A Virtual Orientation and Awareness Workshop on Trade Procedures for Women-Owned Businesses (WOB) focusing on Kishoreganj Women Chamber of Commerce and Industry (KWCCI) was organised by Business Initiative Leading Development (BUILD) on 25 November 2021.

High officials from the VAT, Kishoreganj, National Board of Revenue (NBR), Bangladesh Bank, and Bangladesh Small and Cottage Industries Corporation (BSCIC), Kishoreganj, participated in the workshop. A large number of Women Entrepreneurs and members of KWCCI 35 participated and raised their issues on business procedures. A total of 48 women entrepreneurs and different stakeholders attended the programme.

Sunamganj District

A Virtual Orientation and Awareness Workshop on Trade Procedures for Women-Owned Businesses (WOB) on Trade Procedures was organised by Business Initiative Leading Development (BUILD) on 30 November 2021, supported

by Sunamganj Women Chamber of Commerce and Industry (SuWCCI).

High officials from the VAT Division, Sunamganj, BSCIC, Sunamganj Office participated in the workshop. A large number of Women Entrepreneurs from SuWCCI (22) attended and raised their issues in the workshop. A total of 32 participants joined the programme.

Some key recommendations and findings from the programmes

- ✓ Modernisation of the products produced under cottage/micro industries and maintaining proper standards are primary conditions for penetrating international markets.
- ✓ For exploring modern opportunities, WEs need extensive training and funding support.
- ✓ Practical steps should be taken to reduce the extra delivery cost for new entrepreneurs in rural areas; in this respect, group-based marketing could be helpful.
- ✓ If a system can be developed to gather products from 10/12 cottage/micro-entrepreneurs and export them through a single platform, it would benefit WEs.
- ✓ Due to the lack of collateral, women are lagging behind in terms of bank loans. In this case, the Bangladesh Bank should take adequate steps to eliminate this problem.
- ✓ Relaxation of collateral policy and the documentation requirements for loan processing by any financial institution to support small and micro women entrepreneurs.
- ✓ Special training programmes are needed for WEs on food processing and preservation and quality assurance of food products.
- ✓ Proper action should be taken to connect micro-level WEs to participate in the International Trade Fair; in that respect, the Export Promotion Bureau can support WEs.
- ✓ VAT on trade license fees is needed to be minimised to encourage WEs to obtain a trade license.
- ✓ VAT office will assist the entrepreneurs in finding the category of exempted and non-exempted sectors in respect to VAT registration.
- ✓ Since e-commerce is getting popular nowadays, familiarisation with the online marketplace among WE would be helpful.
- ✓ Gradually if this type of awareness programme could be arranged in several districts of the country, it will be

helpful to minimise the knowledge gap regarding the trade procedures. Through increasing awareness of trade procedures among WE's, it would be possible to enter them into the export business. ■



Bangladesh needs more focus on solar to achieve the RE target

BUILD, in collaboration with International Finance Corporation (IFC), organised a Discussion Session with Sustainable and Renewable Energy Development Authority (SREDA) on 8 December 2021 at the office premise of SREDA. The objective of the meeting was to discuss the 'Policy Context of Rooftop Solar Development in Bangladesh'.

In the introductory speech, Ferdaus Ara Begum, CEO, BUILD, thanked SREDA for the occasion to discuss the critical issues related to private sector participation in rooftop solar power. She briefly highlighted the overall situation of the country's power sector and the stake in renewables. She mentioned that Bangladesh had set a new target of renewable power generation in the updated Nationally Determined Contribution (NDC) which was submitted to UNFCCC this year: 40% power is expected to be generated from renewable sources by 2041. Against this backdrop, Bangladesh needs to focus more on the Solar option for fulfilling the target of renewable power generation.

In the presentation on Policy Context of Rooftop Solar Development in Bangladesh, Md. Tahmid Zami, Additional Research Director, BUILD, mentioned that solar and hydro technology contribute almost 99% of total RE in Bangladesh. Currently, 730 MW or around 3.65% of the country's total electricity generation, comes from renewable energy.

He informed that the RMG sector in Bangladesh has weathered the pandemic's impact and is now going strong. Referring to Bangladesh Textile Mills Association (BTMA) data, he mentioned that around 1,500 Yarn Manufacturing, Fabric Manufacturing and Wet Processing Industries have 42 msf rooftop space and 400 MW capacity;

Reforms

Reforms on rooftop solar power suggested by BUILD under the Textile Sustainability Platform Project

BUILD had undertaken a detailed assessment of the issues related to rooftop solar power and identified a number of areas where reforms were required. BUILD engaged in dialogues with public and private sector stakeholders to advocate relevant reforms. Subsequently, BUILD presented some of the recommendations at the 13th meeting of the Private Sector Development Policy Coordination Committee (PSDPCC) held on 26 November 2019. BUILD recommended that solar equipment be included in the mandatory list of standards and that the equipment approval or certification procedure be streamlined.

As a result of the recommendation, BSTI informed that the Bangladesh Standards (BDS) had been prepared for solar system products — solar module, inverter battery and charge controller — and four products have been included in the mandatory product list. Already the testing of 30 solar modules (solar panel) products have been completed, and a BSTI license has been issued for the products that passed the test. Earlier, BUILD's consultation and public-private dialogues led to the inclusion of tripartite agreements in the Net Metering Guidelines. ■

Scope

Drafting National Logistics Policy

It was decided in the 2nd meeting of LIDWC (co-chaired by Senior Secretary, Prime Minister's Office and Chairperson, BUILD) that BUILD will prepare the draft national policy with the assistance of the members of the committee. In that respect, BUILD prepared an outline of the draft policy which was shared with the members and relevant sectoral stakeholders to have comments and suggestions. India, China, Sri Lanka, Thailand, Viet Nam, etc., countries have logistics policy/master plan/blueprint/act, etc., to ensure sustainable and balanced growth of the logistics environment. A sound logistics management system has been considered as one of the critical indicators to attract domestic and foreign investment. Besides, such structured management will ensure decentralised industrialisation as well. The following issues will be addressed in the logistics policy: background, target to reduce logistics cost, institutional fragmentation, sub-sectors identification, strategic goal, strategic tools identification, monitoring and implementation of policy implementation, investment incentives, finance, and tax issue etc. BUILD and IFC, under the supervision of the Prime Minister's Office, are working together in that respect. BUILD has aimed to present the draft policy in the upcoming 3rd meeting of LIDWC at the Prime Minister's Office. ■

Articles

লক্ষ্য ঠিক করে এগোতে হবে [Forging ahead with a defined aim] • Prothom Alo cutt.ly/buildconnect216-01

প্রান্তিক নারী উদ্যোগ এগিয়ে নিতে চাই সহায়ক নীতি কাঠামো [SME fairs and small entrepreneur development] • Bonik Barta cutt.ly/buildconnect216-02

Right move, but more needs to be done to make it foolproof • The Financial Express cutt.ly/buildconnect216-03

Rooftop solar power and regulatory issues • The Financial Express cutt.ly/buildconnect216-04

এসএমই মেলা ও ক্ষুদ্র উদ্যোক্তা উন্নয়ন [SME fairs and small entrepreneur development] • Bonik Barta cutt.ly/buildconnect216-05

overall 1.5 GWh electricity potential. Textile mills have huge idle roof space to generate solar electricity. In this regard, the OPEX and CAPEX models can be explored.

Salima Jahan, Member, Policy and Research (Joint Secretary), SREDA, stated Bangladesh aims to create 40% renewable energy by 2041. SREDA and BGMEA are discussing the expansion of solar power facilities in the RMG sector. They have signed an MoU. Rooftop solar has a strong commercial case. Consumers

may invest with confidence. Extra incentives are unnecessary since the company concept itself is profitable. Currently, 1500 net-metered systems generate around 34 MW. Solar investors are repaid in five years. OPEX is the ideal alternative for us since it is lucrative and hassle-free.

Mohammad Tanvir Al-Fazal, Consultant, Resource Efficiency, PaCT, IFC, added that Bangladesh's solar cell efficiency is improving. ■

BUILD's meeting with ITC team on gender responsive public procurement

Ferdaus Ara Begum, CEO, BUILD, attended a virtual meeting with the ITC team on 10 November 2022 to discuss previous activities on increasing women's participation in public procurement and further possible activities and support that can ease the way.

In the first phase of the project, BUILD organised several consultation meetings with the Director General (DG), CPTU,

other officials, and with WE who have participated in the public procurement system and who are willing to be in the system CEO, BUILD informed. She also delightfully added that as an outcome of the previous activity on Gender Responsive Public Procurement, recently CPTU has included a new section for gender identification of Proprietor/Managing Director of applied Procuring Entity (both offline and online). She proposed 10 possible further activities that can lead to the development of gender-responsive public procurement. After a successful discussion session, ITC and BUILD agreed on four actions that can take place in the second phase of this project. They are:

- ➡ Adopt a formal definition of "women-led" or "women-owned" businesses.
- ➡ Collect data on women-owned businesses.
- ➡ Provide training for women-owned businesses and procurement officials.
- ➡ Make the Public Procurement Policy more gender-responsive.

From the ITC SheTrades initiative Judith Fessehaie, Programme Manager, Trade and Development; Anahita Vasudevan, Associate Economic Affairs Officer (Policy), were present in that meeting. ■

Partners



DCCI Inauguration of DCCI TAX Guide 2021-22

The Dhaka Chamber of Commerce and Industry (DCCI) has published Tax Guide 2021-22. Abu Hena Md. Rahmatul Muneem, Chairman of the National Board of Revenue (NBR), launched the Tax Guide on 12 December 2021 at his office. Members of NBR were also in attendance during the unveiling ceremony. During the event, DCCI President Rizwan Rahman said that the tax policy should be streamlined and made simple so that the general public and the business community may be encouraged to pay their fair share of taxation.

In order to build a tax-friendly environment in the nation, the DCCI is pleased to collaborate with the NBR, and this collaboration would be maintained in the future, according to Rizwan Rahman. He also commended the NBR chief for taking the bold step of modernising the country's old Tax Law in order to explore additional trade and investment prospects in the coming years.

The Chairman of the National Board of Revenue, Abu Hena Md. Rahmatul Muneem, expressed gratitude to the DCCI for producing the tax guide on a regular basis to assist taxpayers and tax professionals. He reiterated that the National Bureau of Revenue is working

tirelessly to simplify the entire taxation system's tax structure, create a business-friendly tax eco-system, assure high-quality service, and automate the taxation process. The more user-friendly the tax system is, the more individuals will be inclined to contribute to the government's coffers.

N. K. A. Mobin, FCS, FCA, DCCI Senior Vice President, as well as Vice President Monowar Hossain, were also in attendance for the unveiling. ■

MCCI MCCI projects USD 4.95b export

According to the Metropolitan Chamber of Commerce and Industry (MCCI) in Dhaka, several economic indices in Bangladesh may witness an improvement in the next month. As indicated by the MCCI, the country's export profits for this month (November) would total USD 4.83 billion, while export earnings for December will total USD 4.95 billion.

Furthermore, the value of imports would rise to USD 7.04 billion, with the possibility of crossing the USD 7.05 billion mark in December. The forecasts were made by the country's premier trade body in its Review of the Economic Situation in Bangladesh for the period of July to September in 2021 (Q1 of FY 22).

Aside from that, the MCCI forecasts that the volume of inbound remittances will reach or perhaps exceed USD 1.65 billion next month. In addition, the trade organisation predicted that the point-to-point inflation rate would be 5.50 per cent by the end of this month.

At the end of December, it indicated that inflation would have decreased to 5.40 per cent. As an alternative, according to the MCCI, the country's foreign currency reserves might reach USD 46.58 billion by the end of next month. ■



CCCI launches Japan Desk at the World Trade Centre in Chittagong

The Japanese ambassador to Bangladesh, HE Ito Naoki, indicated that Japanese investment would further expand as Bangladesh's per capita income approaches USD 3,000 in the next five years.

He was speaking at the launching ceremony of the 'Japan Desk' at the World Trade Centre in Chittagong on 7 December 2021, organised by the Chittagong Chamber of Commerce and Industry (CCCI), Japan-Bangladesh Chamber of Commerce and Industry (JBCCI) and Japan External Trade Organisation (JETRO). Ito Naoki said Bangladeshi exports to Japan have risen as local companies penetrate the G-7 niche market. He added that Bangladeshi exports to Japan increased 13.4% from July to October last year and as part of its efforts to boost Japanese investment, JICA is conducting research in Matarbari and Mirersaria Bangabandhu Industrial Park.

Bangladesh anticipates a fresh wave of Japanese investment and joint ventures in Chittagong, says CCCI president Mahbubul Alam. He added that Japan and Bangladesh could incubate new industries like ICT. ■

BUILD CEO attended seminar on Income Tax Act 2022 of NBR

The National Board of Revenue (NBR) organised a seminar on Income Tax Act 2022 (Draft) at the BCS (tax) Academy auditorium on 25 November 2021. The seminar was presided by Abu Hena Md. Rahmatul Muneem, Chairman, NBR, and the keynote paper presented by Alamgir Hossain, Member (Tax Policy), NBR. The honourable Attorney General AM Amin Uddin was present as Chief Guest in the seminar.

Ferdaus Ara Begum, CEO of BUILD, thanked NBR for taking the initiative to craft a new law that would replace the century-old income tax law literally. The simplicity of language in the provisions of the proposed law will help the taxpayers to understand it easily, she opined. But the basic principles and process tax compliance will remain the same, and the automation process mentioned in the proposed law does not explicitly direct the taxpayers to comply with tax under an automated electronic tax system, which would hinder the modernisation of income tax system by NBR. ■

under the PPD platform to ensure sustainable growth and decentralisation of the industry sector in Bangladesh. BUILD CEO gifted a set of BUILD publications to the MoI Secretary at the end. ■



which is supported by the Embassy of Switzerland in Bangladesh and implemented by Winrock International and the CSR Centre, among other organisations.

Speaking as the moderator, she stated that the government had disbursed stimulus packages worth BDT 1.8 trillion as of June 2021. While almost 5.8 crore people have greatly benefited from these stimulus packages, we have no information on the extent to which microentrepreneurs have received and prospered from the funds. Therefore, it is imperative to establish a comprehensive database and ascertain how many SMEs have received funds from these stimulus packages. ■

BUILD CEO spoke at BEA conference

BUILD CEO Ferdaus Ara Begum spoke as Resource Speaker at the 21st Biennial Conference 2021 of Bangladesh Economic Association at BEA office in Dhaka. The BEA conference was held in December at the Institution of Engineers Bangladesh with the theme impact of Covid-19 and human development. Noted economist Rehman Sobhan was present at the conference as the chief guest. General Secretary of BEA Jamal Uddin Ahmed and AZM Saleh, joint convener of the conference committee, also spoke. ■



UNDP team called on BUILD CEO

A UNDP team led by Nazneen Ahmed, Chief Economist, UNDP Bangladesh, called on Ferdaus Ara Begum, CEO of BUILD, on 1 November 2021. As Bangladesh is set to graduate from Least Developed Country (LDC) group in 2026 following endorsement by the United Nations (UN) Committee for Development Policy (CDP), it is imperative to ensure the preparedness of the private sector as well as the policymakers for the transition.

Virtual roundtable by The Daily Star

During the virtual roundtable titled "Micro Enterprises in the Post-pandemic Economy of Bangladesh: Navigating Through the Challenges to Achieve Sustainability" on 11 November 2021, BUILD CEO Ferdaus Ara Begum shared her insights. The event was organised by *The Daily Star* in collaboration with the Ashshash project,

BUILD CEO at the MoI

Ferdaus Ara Begum, CEO, BUILD, paid a courtesy visit to Zakia Sultana, Secretary, Ministry of Industries, on 2 November 2021, to discuss an urge to announce sectoral recognition of logistics along with the definition and investment incentives in the upcoming Industrial Policy. Based on the decision of the 1st meeting of the Logistics Infrastructure Development Working Committee, BUILD submitted a concept note on inclusion of logistics infrastructure development as the priority sector in national industrial policy 2021 to Industries Secretary on 4 July 2021, CEO, BUILD informed. Zakia Sultana informed that the Policy Department of MoI is reviewing the concept note to take necessary initiatives to include logistics as a sector in the Industrial Policy. She thanked BUILD's policy advocacy initiative

Partner Organisations



www.buildbd.org
facebook.com/buildbdorg
flickr.com/buildbd
cutt.ly/buildbdyoutube

Affiliations

