



EDITORIAL

Global stagflation shock of 2022: Bangladesh's macroeconomic concerns must be addressed more cautiously

Bangladesh is now facing external and internal economic challenges like other countries due to the post-COVID crisis and the recent Russia-Ukraine war. Recently some economic commentators vigorously raised concern about Bangladesh's economy regarding debt payment and economic governance issues. But the financial sectors have cushioned the economy a bit with diversified development over the last four decades. The data and information on government agencies' economic and social indicators are questioned because the actual economic outcome shows significant mismatches. Income Inequality has been pushing the price level high.

The GDP has expanded at a healthy pace on an annual average of more than six per cent over the last five fiscal years; the GDP per capita has reached USD 2,824, an increase from USD 1,402 in 2016. Income inequality has also increased along with the growth in per capita GDP, reaching a value of 0.48 for the Gini coefficient in 2016. This value has not been computed by BBS since 2016, however. Understanding the current state of income inequality requires a thorough examination of the Gini coefficient for recent years.

The consumption rate has picked up to a record high of 18.36 per cent in the current fiscal year (FY) 2021-22, which was 8.02 per cent in the previous fiscal. On the other hand, the share of public sector consumption in the GDP dropped by 0.21 percentage points, reaching 5.67 per cent. There are opinions for and against public spending. But in general, there is a consensus that public expenditure is needed for the nation's welfare. The government needs to increase the spending on merit goods such as education, health and social safety net, while non-productive spending should be appropriately regulated. The budget is expected to increase support for ongoing Social Safety Net (SSN) allocation. Priority should be given to skills training as means of job creation.

The inflation situation has been getting worse since April 2022. Bangladesh Bank data shows that inflation has reached 6.29 per cent in April of the current year, which was 5.56 per cent in the same month of the previous year. The inflation rate has increased due to disrupted supply chain worldwide and politico-economic aspects like the Ukraine-Russia war. Moreover, issues like product-wise syndicate in the local market and uncontrolled market situation are also fueling the flame of inflation.

Investment has stagnated in the last five years, which is, on average, 31.8 per cent of GDP. The national savings rate is 31.75 per cent. Investment is the summation of the national savings rate and credit growth. So, the Investment-GDP ratio lacks around 10%, which is kept as idle money. Investment opportunities based on backward and forward linkage need to be promoted. The existing sector, like agriculture-based enterprises, can be an option with modern agro-technique and climate-resilient, diversified crop patterns.

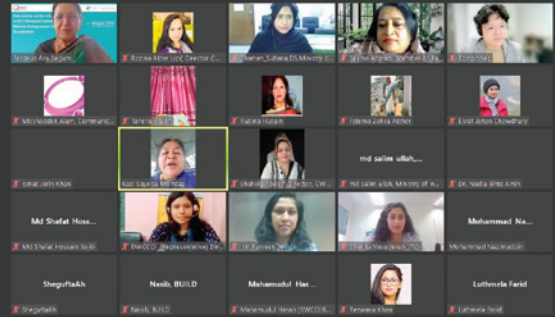
Investment opportunities based on value chains require policymakers' attention, particularly in agriculture-based enterprises. The theory of change suggests a need to go beyond "traditional" value chain interventions and apply a more proactive and systemic Value Chain

approach and perspective that generates more and better jobs. Specifically, agriculture-based products can be an effective option that supports modern agro-technique and climate-resilient diversified crop patterns. At the core of competitiveness lies the inbound and outbound logistics process that encompasses all sectors that would need to be improved.

Since 2019, the Bangladesh Bank has started issuing the yearly monetary policy statement, also referred to as the MPS. In the past, to respond to concerns over inflation and interest rate, it was distributed on a semi-annual basis. Conversely, the announcement of the MPS occurs once every three months in the majority of developed nations. This is done to affect the price and availability of money in the economy. This serves as a balancing policy aspect that is used to regulate inflation, investment, and employment. The interest rate needs to be set in such a way that depositors would be encouraged to keep money in the banking system, and the spread rate needs to be between 2 and 3 per cent (at the moment, the spread rate is 3.20 per cent), which would allow investments to be encouraged with relatively easy financing. It is necessary to release the monetary policy statement on a quarterly basis rather than on an annual basis. It is to be noted that the European Union's decisions on monetary policy are made every week.

The major issues to consider in the upcoming budget and monetary policy are trade deficits, foreign exchange reserves, interest rate, inflation, income and wealth inequality, employment, health, education and social security. However, the budget must be based on specific policies and strategies to address the existing problems and challenges. Emphasis must be placed on accelerating economic activities, equitable development, improving people's living standards, bringing economic stability and laying the foundation for sustainable development. ■

Ferdaus Ara Begum
CEO, BUILD



Consultation session on harmonising terminology of women's entrepreneurship in Bangladesh

Business Initiative Leading Development (BUILD) and International Trade Centre (ITC) SheTrades Programme, in collaboration with Bangladesh Standards and Testing Institution (BSTI), decided to work together to develop and adopt the globally recognised ISO standard definition of Women Entrepreneurship (ISO IWA 34:2021) in Bangladesh. In this context, a virtual discussion programme was arranged on 19 April 2022 to discuss a clear and universally agreed-upon definition of women-owned and women-led businesses in the country — different institutions are using multiple terminologies.

Along with Selima Ahmad MP and BWCCI President, Representatives of the Ministry of Industries, several Chamber Presidents, and women entrepreneurs joined the virtual programme to share their views on the subject issue.

In the keynote presentation, Ferdaus Ara Begum, CEO of BUILD, mentioned that despite the contribution of women entrepreneurs to the economy, today, they are deprived of fair opportunities and scope. One of the main reasons for this is the lack of gender-disaggregated data in our country. Adopting a global definition can allow Women entrepreneurs (WEs) to be integrated with international business and exploit the benefits of policies announced by the government. She highlighted the importance of adopting the ISO standard global definition. She illuminated that collecting sex-disaggregated data at the national level could help evidence-based policymaking and international comparison. WEs could also get access to public procurement. She also shared examples of several countries accepting ISO definition and what benefits they have received.

In his speech, Edison Yap, Associate Economic Affairs Officer, SheTrades Initiative, International Trade Centre, informed that the sector has been suffering from policy support because of the non-existence of harmonised global definition of women entrepreneurs. ITC, ISO and others have prepared four WE

definitions to ensure institutional recognition of their economic activities. Adopting and integrating the ISO IWA 34:2021 standard of WEs definition in Bangladesh will make the segmented entrepreneurs eligible for a policy and monetary assistance. Countries should set the definition by considering the nation's business environment and the demand of the women entrepreneurs' community.

Selima Ahmad MP informed that the Bangladesh Bank and the Ministry of Industries had provided definitions of women entrepreneurs in Bangladesh. We need to consider the term women-owned business and the percentage of ownership while setting up the definition. She assured to provide every possible support from the end of Parliament to formulate a globally recognised and harmonised definition of WEs.

Rebeca Nasrin, Director, CWCCI, pointed out that to avail bank loans, banks consider 60% ownership rather than the existing 51% provision to treat the business as owned by women. Besides, women face some constraints in accessing monetary assistance from financial institutions. WEs from the SME sector was deprived most from availing of FSP (Financial Stimulus Package) announced by the government amid the pandemic.

Ireen Parveen, Executive Director, Women in E-commerce, said that the initiative to ensure knowledge empowerment on holistic marketing among the WEs would facilitate countrywide e-commerce growth.

Rezwana Khan, Secretary-General, BWIT, informed that the tech industry has been suffering valuation constraints while availing bank loans. A strong Monitoring Evaluation Accountability and Learning (MEAL) system should be adopted by the Ministry of Finance and Bangladesh to ensure accountability of the AD Banks on loan disbursement to the service sector. Banks are not interested in providing loans to the tech industry in Bangladesh.

Dr Nadia Binte Amin, President, WEND and Director, FBCCI, said that harmonisation between ownership, management control, and leadership should be considered to design the definition. There should be a provision to redesign the definition of CMSMEs by considering men and women-owned businesses.

According to Sharnalata Roy, President of the Sylhet Women Chamber of Commerce and Industries, an initiative should be taken to raise awareness among trade leaders and WEs in the CMSMEs sector. The government has launched a number of business-friendly programmes to support WEs, but the industry is mostly unaware of them. In this sense, information gaps should be discovered and addressed. Bangladesh Bank should step forward to ensure the accountability of AD banks to

facilitate WEs wholeheartedly.

Md. Salim Ullah, Senior Assistant Secretary, Ministry of Industries, informed that the Ministry of Industries includes a dedicated chapter regarding women entrepreneurs in the draft of the National Industrial Policy 2022. He requested to send the outcomes of today's session to MoI so that they would be able to accommodate the remarks in the draft policy, which is going to be finalised very soon.

Anahita Vasudevan, Associate Economic Affairs Officer, Policy, ITC SheTrades Initiative, informed that the governments of Gambia and Zambia include the definition of WEs in the national policy. They also facilitate the WEs to participate in the national public procurement mechanism through harmonised policy assistance.

Ismat Jerin Khan, President, PWCCI, suggested that the government may provide policy and fiscal assistance and incentives to provide certifications like compliance issues to enter the export market with a potential export basket. Moreover, the government may initiate International Certification Policy to make the process simplified for the WEs, paving the way for female entrepreneurs to win government tenders. ■



Focus group discussion on reforms in trade license obtaining and renewal procedure

Business Initiative Leading Development (BUILD) is partnering with the Trade Activity, USAID, to understand the process and gather information about trade licenses at different levels of Government administrative bodies under Dhaka South-North and Gazipur City Corporations. BUILD also wants to learn about the pain point faced by private limited and OPC, partnership, proprietorship and women entrepreneurs on trade licensing activities in city corporation areas.

So, BUILD, and the Trade Activity jointly arranged an exclusive online FGD session with micro and small entrepreneurs of

Dhaka South-North and Gazipur City Corporations on 12 May 2022.

Trade license is the primary and mandatory requirement for every form of business entity in Bangladesh, whether a small shopkeeper or a large business entrepreneur. It is issued by the local government of the respective areas. Every business entity must obtain Trade License from each local government where it operates. If a business entity has more than one place of business, it must obtain Trade License from each local government. It is issued for one year and has to be renewed annually.

Though the process of getting a trade license is not that complicated due to a lack of transparency and information most of the time, obtaining a trade license faces complex procedures and expensing extra money for businesses especially small and women entrepreneurs. Moreover, securing trade license for online-based entities are another major concern nowadays. As a trade license is an initial requirement for starting any business, getting finance, and any other institutional support, the procedure of getting a trade license needs to be transparent, less costly, and prompt.

The objectives of the FGD were to understand the trade license registration and renewal process in Dhaka South-North and Gazipur City Corporations areas and to understand the micro and small entrepreneurs' businesses, regulatory requirements, the application and renewal process, interaction with the government bodies and simplification measures done by the entrepreneurs with issuing bodies regarding trade license. The online FGD enabled the readers to gather some key findings regarding trade license issuance and renewal process in City Corporations and recommend accordingly.

The entrepreneurs voiced their concerns regarding a manual licencing system, an annual renewal frequency, a high renewal cost, the absence of a bilingual application form and licence, and an ununified process for providing licences in terms of the city corporation, municipalities, union parishad, commercial address for e-commerce, and other entities.

Digitalise the trade licensing system throughout the whole country is highly recommended to reduce time, cost and hassle. Besides, digital payment or mobile banking systems also need to be introduced for easy and hassle-free payment. Moreover, rationalised fees (issuance and renewal) for micro/cottage entrepreneurs, increasing renewal frequency of trade license, resolving address of the entity issue for obtaining trade license in case of e-commerce, f-commerce or any type of online business were also highlighted in the FGD. ■



The toy industry in Bangladesh — experiences from visits to some local industries in Keraniganj

Ferdaus Ara Begum, CEO, Business Initiative Leading Development (BUILD), visited some local toy industries (Zihan Toys and Aman Plastic Industries) located in Keraniganj in Bangladesh on the second week of the month of March. Zihan Toys and Aman Plastic Industries are currently the largest toy manufacturers in Bangladesh. Their factory makes toys for 1 to 3-year-old children.

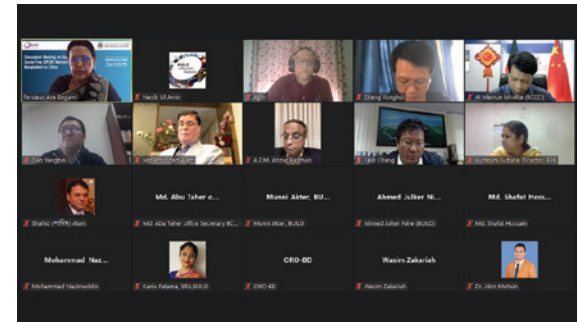
According to their information, there are about 250 to 300 toy factories in the country. Presently, 90 per cent of the demand is met by domestic toys. The remaining 10 per cent is being imported from China. According to their information, the import of raw materials is also increasing due to the expansion of toy making. According to the two most prominent companies in the toy industry, domestic toys use high-quality raw materials, including good-quality plastics. They are making these toys based on experience. They are not getting enough government or private organisation training to ensure product quality.

This sector also needs a lot of human resources. Now all kinds of toys such as cars, motorcycles, aeroplanes, toy pistols, fishing games, and guitars are being made at their factory. They are currently exporting 2% to 3% of toy products to some middle eastern countries, including India and Indonesia. Since a workforce is required in this sector, there is huge potential for job creation in the toy sector. They informed that because of the sensitivity of India-China relations, it had created an export opportunity. North Eastern countries are also potential destinations for export.

Their industries face challenges such as a lack of skilled workers, a lack of institutional support, high mould costs, insufficient roads and other utilities, a lack of WASA connectivity, a lack of a central online information collection centre, and tax-related issues; chemicals are entirely imported. There are also issues with Patents, Designs, and Trademarks. There are also certain prospects in the toys sector, such as the toys industry being 100

per cent recyclable, the ease of obtaining DOE certification and annual renewal, and the supply of employment.

The country's toy industry is expected to surpass in the sphere of export not only in China but in many developed countries in the future. They are hopeful that with the help of technical assistance and other facilities, the country's demand can be met and exported abroad. ■



A virtual discussion meeting on Duty-Free Quota-Free (DFQF) market access for Bangladesh to China

A virtual discussion meeting on the Duty-Free Quota-Free (DFQF) market access for Bangladesh to China was organised jointly by Business Initiative Leading Development (BUILD) and Bangladesh China Chamber of Commerce and Industry (BCCCI) on 24 March 2022.

BUILD, a private-sector-led thinktank, has launched a study on the advantages of China's extended Duty-Free Quota-Free (DFQF) market access, which accounts for around 98 per cent of total Bangladeshi goods, as Bangladesh prepares to graduate in 2026 and is eager to diversify its export base. Notably, certain prospective Bangladeshi goods have a market in China and may be exported. The main goal of this discussion was to figure out how to boost bilateral commerce between Bangladesh and China.

This discussion meeting was attended by senior officials from the BCCCI, the Export Promotion Bureau (EPB), private sector authorities, and a few exporters. Ferdaus Ara Begum, CEO of BUILD, greeted all participants and delivered a keynote in which she said that China granted DFQF facility to 8,549 Bangladeshi goods, or 97 per cent of tariff lines, in July 2020. Still, the country could not increase its exports to the Chinese market as expected due to a lack of exportable products, product standards and marketing initiatives.

This meeting's discussion topics included possible exportable items, sectoral exporter needs, exporter obstacles, policy-related concerns, rules of origin,

and registration requirements, among others.

A. Z. M. Azizur Rahman, Chairman, Investors Services Co. Limited opined that although some countries give GSP and DFQF facilities to Bangladesh, there are also some non-tariff and tariff barriers. To make it easy, especially for the Chinese market, exporters will have to build effective communication with Chinese buyers to increase the export from Bangladesh.

Gao Yangbin, Chief Representative Officer (CRO), Consultancy and Project management Services, added that BCCCI is working hard to promote Bangladeshi products and increase the export of Bangladesh to China. Still, China has not gotten enough support from the Bangladeshi government compared to Vietnam, Malaysia, and other countries. In this regard, the government should come forward by taking initiatives like budget allocation to facilitate investors like Indonesia and Vietnam and establishing more regional offices in China.

Kumkum Sultana, Director, EPB, expressed that Bangladesh has more capacity to produce garments products, leather and leather goods, frozen foods and other agricultural products etc.

Al Mamun Mridha, Managing Director, Mridha Business Limited, mentioned that the quality of the product, the packaging of the finished goods, value addition process, machinery, and logistics of Bangladesh are not that developed.

In the concluding part, the BUILD CEO expressed warm gratitude to all for their presence in the discussion meeting and for raising their issues. ■



BUILD-World Bank-IFC meeting: Consultation on National Logistics Development Policy 2022

A meeting between BUILD and IFC, WBG was held on 20 April 2022 at Hotel Intercontinental from 12 am to 1:30 pm to discuss developing Bangladesh's national logistics policy. At the beginning of the meeting, Ferdaus Ara Begum, CEO of

BUILD, provided a brief introduction to BUILD. She informed that Prime Minister's Office and BUILD have jointly formed the Logistics Infrastructure Development Working Committee co-chaired by Sr. Secretary of PMO and Chairperson of BUILD. Regarding the request of the Prime Minister's Office, BUILD has drafted the National Logistics Development Policy (NLDP) 2022, which has already been shared unofficially with the Sr. Secretary of PMO. WBG expressed candidness to support to ensure further development of the policy and requested BUILD to ask for specific support for the policy and logistics in general.

WBG proposed a Consultation with Private Sector Seminar in June 2022. The duration would be two days. Sector experts and participants from home and abroad will join the session. WB will provide international experts for best practices. Very relevant private sector stakeholders will attend the seminar. BUILD will organise, source participants, and may present a paper in the seminar.

It is decided to develop a research methodology to calculate the logistics cost (freight, accounting, warehousing, process and procedure simplification would be considered) and calculate some important product-specific logistics costs and supply chain.

The meeting also urged the development of logistics sub-sectoral development strategies (for example, road transportation, air/aviation service, seaport, warehouse, feeder vessels, freight forwarding, off-dock/inland container depot, coastal transportation, e-commerce logistics, ride-sharing, container terminal, inland waterways, oceangoing sea vessels, courier and postal service, C&F, tank terminal, information and technology logistics, financial logistics, temperature-controlled). It should be noted that these industries are included as sub-sectors of logistics in the National Industrial Policy 2022, despite the fact that logistics has been designated as an export-diversified and high-priority sector.)

Furthermore, World Bank Group representatives emphasised the policy's truck transportation modernisation development strategy (3rd party truck transport systems such as Truck Lagbe, for example), strategy to reduce transport costs caused by container backhaul, as well as regulatory and customs process simplification issues (customs, bonded warehouse, Container Bonded Ware House, etc.)

BUILD will create a time-bound action plan for implementation. Shomik Raj Mehndiratta, Practice manager, Transport, South Asia, South Asia Infrastructure Practice Group, World Bank; Rajesh Rohatgi, Senior Transport Specialist, Program Leader Infrastructure, Bangladesh and Bhutan, World Bank; Nusrat Nahid Babi, Private Sector Specialist, IFC,

World Bank; Md Mokaddesul Hoque, Transport Specialist, ETC, Transport Unit, South Asia Region, World Bank; were all present at the meeting. ■



BUILD's meeting with Bangladesh Bank

CEGIS, C3ER, and their partners organised a meeting with the Sustainable Finance Department of Bangladesh Bank on 12 April 2022. BUILD CEO Ms Ferdaus Ara Begum joined as a distinguished guest in the meeting. Khondkar Morshed Millat, Director of SFD, presided over the meeting. Participants discussed enhancing private sector participation in climate finance, especially adaptation. Bangladesh Bank pledged its support to the private sector in formulating and implementing the National Adaptation Plan. ■



BUILD CEO attended e-CAB's iftar and dua mehfil

On 15 April 2022, an iftar and dua mehfil were hosted in the capital by the E-commerce Association of Bangladesh (e-CAB).

Commerce Minister Tipu Munshi; Commerce Secretary Tapan Kanti Ghosh; BUILD CEO Ferdaus Ara Begum; Dr Bikarna Kumar Ghosh, Managing Director of Bangladesh Hi-tech Park Authority; among others, were present at the event. Before the iftar and the dua mehfil, members of the e-CAB Executive Council, headed by the organisation's President Shomi Kaiser, provided an overview of many e-CAB activities that have been carried out for the last two years. ■



DCCI Sustainable export growth in the post-LDC world: Strategies for the plastic sector

For sustainable development of the plastic sector after the post-LDC era, speakers urged for easing duty structure on importing of plastic raw materials, modernisation of respective policies, encouraging uses of bio-plastic, signing FTA or PTA with potential countries, increasing negotiation skills, protecting the domestic market, product diversification, development of plastic waste management system, technological advancement, enhancing accredited world-class testing lab facilities, innovative product designing, ensuring business-friendly environment to attract FDI, central bonded warehouse facility, tax incentives, coordination among government agencies, easy access to finance and investment on research and development.

Speakers emphasise these issues at a webinar titled "Sustainable Export Growth in the Post-LDC world: Strategies for the Plastic Sector" organised by the Dhaka Chamber of Commerce and Industry (DCCI) on 9 April 2022. Principal Secretary to the Prime Minister, Dr Ahmad Kaikaus, joined the webinar as the chief guest. Dhaka Chamber President Rizwan Rahman chaired the event. FBCCI President Md. Jashim Uddin joined as a special guest.

President of Dhaka Chamber Rizwan Rahman, in his opening remarks, said that the plastic sector witnessed rapid commercialisation and became an essential export item of Bangladesh. The export of plastic goods contributes 0.33% to the GDP. Around 5,110 companies are operational in the plastic sector, and 98% are SMEs.

Dr Ahmad Kaikaus, Principal Secretary to the Prime Minister, said that the existing nexus between the public and private sector is more powerful than ever, leading Bangladesh to a new height. He suggested forming a national task force combining public and private sector participation

to identify various prospects and challenges in the plastic industry.

Md. Jashim Uddin, President of FBCCI, said that in the plastic sector, there are many challenges, but the entrepreneurs of this sector are very resilient to overcome these. But he said that we need a world-class accredited testing lab, proper policy support with intellectual property rights (IPR) policy and innovation in design and development. ■



MCCI MCCI urged to respond to corporate due diligence obligations

Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) and Bangladesh Employers' Federation (BEF) held a briefing session titled "Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chain" at MCCI's Gulshan office on 10 April 2022. The session's objective was to familiarise the business community with the latest developments in due diligence obligations in Germany and their implications for Bangladesh. HE Achim Tröster, the Ambassador of Germany to Bangladesh, facilitated the briefing on the German Act on corporate due diligence.

Md Saiful Islam, president of the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI), emphasised the need to pursue growth and progress amid increased costs arising from complying with the new due diligence obligations. "As the world moves towards stricter human rights and due diligence requirements," he said, "businesses in Bangladesh will have to respond accordingly." The event was organised by MCCI and the Bangladesh Employers' Federation (BEF) to inform the business community about the most recent changes to Germany's due diligence requirements and its implications for Bangladesh.

HE Achim Tröster made the keynote briefing on the German Act and the EU proposal on due diligence obligations. After the briefing, an open discussion was held where grievance handling, reporting,

and the overall mechanism were discussed. There were also talks about Bangladesh's road to a Generalised Scheme of Preferences (GSP) Plus. Tuomo Poutiainen, Country Director, International Labour Organisation, Bangladesh, praised the government for having a roadmap for change in implementing stringent levels of human rights due diligence. ■



CCCI CCCI: Strengthen regional connections to boost Indo-Bangla commerce

Ali Ahmed, former President of the Chittagong Chamber of Commerce and Industry (CCCI), said that enhanced connectivity inside the nation and between surrounding areas would assist promote India-Bangladesh commerce and investment. He was addressing a roundtable discussion titled "India-Bangladesh trade and commerce" on Thursday at the World Trade Center in Chittagong, which was jointly organised by the Assistant High Commission of India in Chittagong and the CCCI.

Improved road, rail, and canal connectivity throughout the nation and regions, according to Ahmed, will promote bilateral commerce. He also underlined the need to complete connection projects on a priority basis to strengthen the company, which has suffered greatly over the previous two years. He also advised Indian business leaders to take advantage of existing massive infrastructure developments such as the Bay Terminal, Karnaphuli Tunnel, and Matarbari Deep Seaport.

Responding to visa complications, Dr Rajeev Ranjan, Assistant High Commissioner of India in Chattogram, said that the Indian government was working hard to simplify the process of awarding business visas to Bangladeshis in order to facilitate bilateral commerce and investment. "The Indian High Commission is dedicated to resolving any visa-related complications in accordance with Indian government norms and regulations." "India now provides multiple visas to Bangladeshi businesses for up to five years," he said. ■

Articles

'Bangladesh's biggest focus should be getting into ASEAN' • *The Business Standard* cutt.ly/buildconnect222-01

Recycling policy needed for used cooking oil • *The Business Post* cutt.ly/buildconnect222-02

Tariff rationalisation and trade competitiveness of Bangladesh • *The Business Standard* cutt.ly/buildconnect222-03

নারী উদ্যোক্তা উন্নয়ন ও বৈশ্বিক সংজ্ঞায়নের প্রয়োজনীয়তা [The need for women entrepreneur development and a global definition] • *Bonik Barta* cutt.ly/buildconnect222-04

Overseas Equity Investment Rules 2022: An analysis • *The Business Post* cutt.ly/buildconnect222-05



BUILD CEO joined a meeting on NAP with CEGIS and MoEFCC

BUILD CEO Ferdaus Ara Begum joined a meeting titled "Inclusion of National Adaptation Plan in Development Planning, Project Preparation and Implementation Process," organised by the Centre for Environmental and Geographic Information Services (CEGIS) and Ministry of Environment, Forest, and Climate Change (MoEFCC) on 2 April 2022 at Hotel InterContinental Dhaka.

The NAP (National Adaptation Plan) has been formulated as per the requirements of the Cancun framework of COP16 in 2010. It intends to cover every necessity of the climate-vulnerable areas of the country, focusing on immediate to long-term assistance. The NAP approach is based on strong collaboration among government agencies, civil society, and academia, as well as the engagement of vulnerable individuals and communities in adaptation programmes by making it a locally-led process. The final NAP will identify sectoral and regional adaptation concerns, strategize financing, enhance intra-agency collaboration, and encourage cross-sector engagement. ■

Reforms



Reforms through Export Policy 2021-24

The government adopted the draft Export Policy 2021-2024 to practically double Bangladesh's export revenues to USD 80 billion from USD 45 billion during the term by allowing shipments of varied, non-traditional commodities and labour-based products. The 3-year strategic aim is to boost the export of high-value items by assuring standards and compliance and supporting contemporary, sustainable, and green technology.

Several proposals recommended by BUILD have been included in the Export Policy 2021-24. These new changes will create more opportunities for the private sector and facilitate export earnings.



Plastic Sector

- The plastic sector has been included in Clause 2.3.29 along with other non-RMG sectors, where it was mentioned that high priority-based policy benefits would be provided for these sectors (Chapter 2).



Light Engineering Sector

- The light engineering sector (auto parts, bicycles, motorcycles, batteries etc.) has been included in the high-priority sector (Clause 5.3.9, Chapter 5).
- By increasing productivity and product development programmes, the initiative will be taken to increase the export of light engineering products in the international market (Clause 7.11.3, Chapter 7).
- Necessary steps will be taken to develop the capacity of the engaged workforce of the light engineering industry.
- To develop and increase capacity of light engineering products, research and development activities will be initiated (Clause 7.11.2, Chapter 7).



Leather Sector

- Besides, it is mentioned in Clause 7.2.14 that implementation of the Leather Sector Export Roadmap will be facilitated through Export Policy 2021-24. It is noteworthy that Leather Sector Export Roadmap has been updated by BUILD.



MPPE

- Due to COVID, need for the medical and personal protective equipment has increased radically both locally and globally. To increase the share in its export market, BUILD proposed to include medical and personal protective equipment as a high-priority sector. In response to the proposal, the Ministry of Commerce has included this sector in the Special Development sector, which ensures providing similar benefits as high priority sector according to Export Policy 2021-24 (Clause 5.4.1.19, Chapter 5).



Recycled Products

- Recycled products are also included as one of the Special Development Sector (Clause 5.4.1.18, Chapter 5).



R&D and Regulatory Supports

- To expand export, need-based research programmes and university/research organisations will be financially supported (Clause 6.15.3, Chapter 6).
- National Board of Revenue, Export Promotion Bureau (EPB) and Bangladesh Bank (BB) will take necessary action to show deemed export earnings separately Clause 6.26.2, Chapter 6).
- Cost accounting standard needs to be ensured in the case of anti-dumping (Clause 6.27.6, Chapter 6).
- To reduce lead time and simplify the business processes, concerned capable associations of high-priority sectors will be able to issue the Utilization Declaration (UD) based on the recommendations of the Ministry of Commerce (Clause 6.27.15, Chapter 6).
- To ensure raw materials availability for export-oriented industries and uninterrupted supply chain, the establishment of a sector-wise central warehouse will be reviewed, and necessary steps will be taken (Clause 6.27.17, Chapter 6). ■

Global good practices workshop on the logistics sector in Bangladesh

BUILD will organise, in conjunction with the World Bank, a workshop on global best practices for the logistics industry in Bangladesh. The purpose of this workshop is to provide direction for the design of the proposed national development logistics strategy. In light of this, a project has been initiated to organise the workshop, which will include carrying out tasks related to research, administration, communication, branding, and management.

The project's objective is to coordinate a two-day workshop on good global practices in the logistics sector to help guide the formulation of the proposed National Logistics Policy and downstream sub-sectoral strategies. BUILD has formulated the National Logistics Development Policy 2022 (NLDP 2022) based on the decision of the 2nd Logistics Infrastructure Development Working Committee at the Prime Minister's Office.

The logistics cost accounts for around 20 per cent of GDP in Bangladesh, but in developed countries, this figure is just 10 per cent. Besides, the demand for warehouses place is 68.24 million square feet, and the available warehouse space in Bangladesh is 43.7 million square feet. The warehouse management system is not up to the mark, as 55%-60% were not meant to store goods. Manufacturers have to depend mainly on the third party for transportation. Transportation costs, the highest direct logistic costs in Bangladesh, would be up to 35 per cent lower if there were no road congestion.

The private sector manages this sector, there is a monopoly in this business, and almost no competition exists here. Regulatory issues in that respect are non-transparent. Thus, private enterprise has to face a significant amount of transportation costs, negatively affecting production costs. Port handling capability is not up to the international standard increases lead-time for the business.

Logistics services include Seaport Services, Rail Services, Warehouses, Feeder Vessels, Freight Forwarding, ICD/Off Dock, Coastal Transport and Communications, E-Commerce Logistics, Ride Sharing, Container Terminal, Inland Shipping, Ocean shipping, courier and postal services, C&F, tank terminals, information and technology logistics services, financial logistics, etc. Formulating a national policy for the logistics sector is now particularly needed for the integrated development of all sub-sectors of the country.

There is no alternative to formulating a

National Logistics Development Policy to ensure harmonised and sustainable growth of the logistics sector in Bangladesh. Formulation of the National Logistics Development Policy will provide integrated policy support to the logistics sector to ensure the overall economic development and growth targets. Besides, this policy will help establish Bangladesh as an international standard regional multimodal logistics hub, attract investment in this sector, remove existing barriers, and create skilled and technology-dependent human resources. At the same time, the policy aims to provide the necessary guidelines for ensuring world-class eco-friendly, and green logistics infrastructure.

The upcoming workshop will be focused on having valuable remarks/suggestions from the national and international logistics expert to formulate the NLDP 2022. Several issues-based parallel sessions will be held with the participation of public and private sector stakeholders in the logistics sector. In the end, the workshop outcomes will be documented to prepare a final report/policy memo to present at Prime Minister's Office as the post-workshop briefing session. ■



5th Business Confidence Survey

Monitoring business confidence levels through perception-based Business Confidence Surveys (BCS) is an important barometer and leading indicator of business conditions and the economy's overall health. The BCS can provide information on future business developments based upon opinion surveys for some specific duration, specifically in the short run. Business confidence drives business growth, and investment supports employment opportunities and attracts people to the region, thus, improving economic activities.

Several countries are using Business Confidence Surveys (BCS) to monitor output growth. They anticipate turning points in economic activities so that businesses can get an early signal to prepare and accordingly plan for expansion or contraction of their business

plans. The BCI is very popular in many countries, including Asian Countries, OECD member countries and non-OECD member countries. In most developed countries across the world, these surveys are carried out quarterly or even monthly in some countries.

As the voice of business in Bangladesh, Business Initiative Leading Development (BUILD) initiated to conduct Business Confidence Survey (BCS) in 2013 to understand better business enterprises' perceptions about the existing state of the business environment.

Since 2013, BUILD has successfully held the 1st, 2nd, 3rd, and 4th BCS in 2013, 2014, 2015, and 2019. Previous Business Climate Surveys (BCSs) that were carried out by BUILD gathered qualitative information, which assisted in monitoring the present economic environment in the nation and predicting its short-term growth. This monthly monitoring of the pulse of the private sector gave signs concerning turning points in the economic cycle and recondite difficulties, as well as counselled enterprises for contracting or expanding their operations.

It is the intention of BUILD and the Trade Activity to carry out a survey of business confidence in 2022 with the purpose of eliciting responses from companies regarding their perspectives on the general state of business conditions over the preceding time period and their expectations for the foreseeable future. Using qualitative questions pertaining to a company environment, employment, the amount of orders, raw materials, cost of doing business, and investment, perception will be gathered. It will take the temperature of how people in the private sector feel about the status of their working environment. As a consequence, an analysis of how companies feel, identification of what has been assisting businesses, and determination of what needs to be improved between July and December 2022 will be produced.

Usually, survey results are used by the Government of Bangladesh to understand how businesses perceive the business environment in Bangladesh and what effect these perceptions have on their investment decisions. The results provide the Government of Bangladesh with evidence of the impact of reforms or economic policies.

This information is used to either design new policies or make adjustments to the ones that are already in place. The results of the poll of business confidence will have an effect on the choices made by companies regarding investments and the addition of new jobs. Businesses will be able to make more informed choices to reduce their exposure to risk if they do an analysis of the particular BCS sectors. ■



BUILD's condolence on the passing of former Finance Minister

Business Initiative Leading Development (BUILD) is deeply shocked and saddened at the passing of former Finance Minister Abul Maal Abdul Muhit (*Inna Lillahi wa inna ilayhi raji'un*). Muhit was one of the fundamental driving forces of the economic development of Bangladesh in the last 13 years. During his tenure as finance minister, Bangladesh witnessed a challenging macroeconomic situation with a tremendous increase in budget size, speedy growth, and a controlled inflation rate.

Muhit was Bangladesh's Finance Minister for 10 years. He placed the national budget 10 times, which were all milestones in Bangladesh's progress. He contributed much to Bangladesh's LDC graduation. Muhit launched the Business Initiative Leading Development (BUILD), a public-private dialogue platform, on 17 October 2011, along with the then honourable Industries Minister, Commerce Minister, MCCI President, DCCI President and Governor of the Bangladesh Bank.

Muhit helped BUILD to create its endowment fund. The WBG has acknowledged BUILD as one of the most sustain-

able PPD Platforms in the world. BUILD gratefully acknowledges Muhit's enormous contribution toward ensuring its sustainability.

Muhit, who served as Finance Minister and was known for his openness to the private sector, was instrumental in the growth of the country's trade and commerce, as well as job opportunities and inclusive development. BUILD recognises his effort and accords him with the highest respect for it. The businesspeople of Bangladesh will never forget him and will always hold his memory in high esteem.

We would like to extend our deepest sympathy to Muhit's family and friends. We pray that he finds everlasting rest in peace and that his loved ones find the fortitude to cope with the immensity of their loss. ■

BUILD CEO attended the Technical Committee on plastics

BUILD CEO Ferdaus Ara Begum attended the Technical Committee on Plastics and Plastic Products and Packaging for Appropriate Management on 22 March 2022 at the Office of the Department of Environment (DOE). BUILD is one of the members of the committee.

The meeting focused on sorting through the practical plastics circularity know-how that needs to be standardised and popularised for efficient implementation of the different phases of a plastic's life cycle towards plastic circularity. The meeting also decided to discourage using plastic products and create awareness against plastic products, promote TVC and social campaign as part of CSR and requests the

companies making plastic products to pilot EPR activity under 3R (Reduce, Recycle and Reuse). ■

Meeting on medical equipment and devices

BUILD CEO Ferdaus Ara Begum joined a meeting titled "Medical Equipment and Device Industry" organised by BIDA and JICA on 30 March 2022. The medical equipment and devices industry is currently nascent, with 85 per cent of devices being imported. The size of the Bangladesh market was estimated to be valued at USD 442 million in June 2020 and is expected to reach approximately USD 820 million in 2025, growing at a CAGR of 13%. The market currently is dominated by the instruments/appliances segment and diagnostic imaging equipment in terms of value, which are expected to grow steadily. ■

BUILD in new office

On 8 April 2022, BUILD relocated to the west side of the 9th floor of DCCI and built a brand new office to serve its personnel better. The major renovations include a conferencing space with casual gathering spaces to accommodate anything from board meetings to more extensive event requirements. In addition, all of the common areas received a refresh to modernise the employee's views, including seating arrangements, lobbies and common corridors. BUILD will make further improvements to the renovated office as part of a strategic plan.

The project was led by Moshaddek Alam, Senior Communications and Advocacy Associate of BUILD, with technical support from Nayreel Architect. ■

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