

ANNUAL REPORT 2021

Rebounding with Unprecedented Vigour

Business Initiative Leading Development (BUILD)

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Chairperson's Review

Looking Back



The year 2021 began with a COVID-19 pandemic lockdown and tremendous uncertainty, which continues to this day.

While Business Initiative Leading Development (BUILD) stayed the course and continued to produce thought-provoking research and analysis on the key policy considerations of the day, we had to quickly adapt, adjust, and innovate in terms of the changed situations.

All this was as remote work became the new normal, and it has been an eventful year for us all, including everyone at BUILD. The repercussions of the global COVID-19 pandemic are being felt in our homes, schools, and workplaces. This has required timely, effective, and informed policy responses on the part of our governments at all levels, which was duly served.

The Bangladesh Government responded fast with the onset of the COVID-19 pandemic. To curb the spread of the novel coronavirus, the government declared a holiday, and economic activities resumed on a limited scale. In addition to taking public health measures, the Government announced a package of support programmes to help the poor and vulnerable households with cash transfer and food programmes. Finally, the Government provided a stimulus package to firms to sustain employment in critical sectors. Movement measures uplifted in 2021.

2021 is the second year of my tenure as the Chairperson of the Trustee Board of BUILD. As a Chairperson, I am proud of how BUILD made a difference and effectively supported the Government in designing policies promoting the private sector development of Bangladesh.

This 2021 annual report (starting from January to December) shows the overall trajectory of our impact as a national public-private dialogue

platform and continued diversification in our work areas, projects, engagement in the policy-making process of the Government, and a substantial upswing in our private sector development engagement through many channels and covering many sectors.

Following the changed situation, BUILD worked remotely for several months before a staged return to the office. We are enormously proud of the efforts of our trustee board members and the staff. Despite the challenges, they continued to produce high-quality research with the Prime Minister's Office, Ministry of Commerce, Industry, Finance (National Board of Revenue), Environment and Climate Change, Ministry of ICT (Bangladesh Hi-tech Park Authority) and Bangladesh Bank and other key actors.

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

With a tenacious grip, we held a series of awareness events on health safety with all the customs houses to sensitise concerned service providers and service takers to maintain health safety measures to run businesses even in the post-COVID stage to mitigate export losses. During these workshops, local and foreign technical specialists discussed how to strengthen trade flows as much as possible during the COVID-19 pandemic while limiting the negative impacts of the pandemic on business operations. The main objectives of these timely programmes were, among other things, to protect front-line officers and





Until 2021:

787

proposals

296

reforms
implemented

2021

facilitating safe cross-border trade with safety measures and technical assistance.

The Prime Minister's Office planned quite a few times to hold the 14th Private Sector Development Policy Coordination Committee (PSDPCC), but the meeting could not occur due to the COVID-19 situation. PMO also organised several preparatory meetings to review the agenda and examined 19 proposals in 4 steps related to Bonded Warehouse Facilities for the Non-RMG sector. BUILD also raised 12 proposals in two actions associated with the scope of works of the SME Policy-2019, considering

the COVID-19 situation. In these proposals, some specific recommendations were raised in line with Bonded Warehouse Facilities for Non-RMG sector SME Policy-2019.

BUILD features public-private dialogues on seven thematic areas – Tax, SMEs, Financial Sector Development, Trade and Investment and Sustainability and Green Growth, ICT&4IR Working Committee (ICT4IRWC) and Logistics Infrastructure Development Working Committee (LIDWC). A summary of the activities of the Thematic Working Committees is as follows:

Thematic Areas	Co-Chairs of Public and Private Sector	WC and Review Meeting (RM)	Nos. of RPPs	Total proposals	Reforms Implemented
Trade and Investment	Sr. Secretary, MOC President, MCCI	8 WC Meetings 1 RM	26 and Export Policy, Import Policy etc.	212	67
Taxation	Chairman, NBR President, FBCCI	2 WC Meetings (Prep mtg. 3) 1 RM	26 (Project/RPP/ Issue Brief) + 8 Budget Proposal	164	116
SME Development	Sr. Secretary, MOI President, CCCI	7 WC Meetings 1 RM	19	168	40
Financial Sector Development	Dy. Governor, BB President, DCCI	9 WC Meetings 1 RM	17	193	67
Sustainability and Green Growth	Secretary, MOEF President, BGMEA	3 WC Meetings 1 Preparatory Meeting	4	31	6
4IR and ICT	Secretary, High Tec Park Authority and President BASIS	3 WC Meetings 1 subcommittee meeting	1	8	In process
Logistics Infrastructure Development	Secretary, PMO and Chairperson, BUILD	2 WC Meeting (Several small meetings)	2	11	In process
Total proposals		Total 43 Meetings	105	787	296

Each working committee is co-chaired by the Secretary of the concerned Government Ministries and the President of the leading Chambers. It undertakes analysis and advocacy to support the dialogue process and develops specific,

measurable, and results-based recommendations for the Government to implement. BUILD presented policy papers in all thematic working committees.



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 the Prime Minister's Office, and Abul Kasem Khan, Chairperson of BUILD.

Bangladesh cannot move forward without supporting the private sector during this worldwide economic transition period. The private sector is the engine of growth for Bangladesh, while logistics need more investment, and the existing policy needs reforms so that more investment is made. The sector should be based on technology and skill, and the sector should also assist with value-backed data.

Aside from this, 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 a thrust sector besides a high-priority sector, and proper incentives should be communicated to attract local and foreign investment.

Under Taxation Working Committee, BUILD placed some practical recommendations to facilitate the tax revenue collection procedure of the government, focusing on widening the tax net, corporate tax reduction, minimising between the supply and demand sides, and simplifying the tax payment procedures.

BUILD urged to reduce administration and compliance costs, ensure procedural fairness, avoid discrepancies and discrimination, ensure transparency, and build confidence in the taxpayer-citizen-client. It also demanded increased reliance on Information Technology – electronic payment facilities. BUILD asked for considering the taxpayer as a customer and facilitating compliance. It raised the importance of tax audit strategies to increase efficiency and reduce the risk of leakage. The policy paper also identified the urgency of the segmentation of taxpayers to create better service levels for all.

Besides, BUILD, in conjunction with ERF, held a seminar on Draft Income Tax 2022. Economic Affairs Adviser to Prime Minister Dr Mashiur Rahman attended the programme as the chief guest. BUILD

sought adequate time to scrutinise the pros and cons of the draft new income tax law-2022 before its implementation and 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 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.

BUILD presented two keynotes on Industrial Policy 2016 and Support for CMSMEs in Bangladesh and Revisiting the Action Plan of SME Policy 2019 to address the COVID-19 Situation at the seventh meeting of the SME Development Working Committee. BUILD also urged the Government's inclusion of Logistics as a High Priority Sector in the National Industrial Policy 2021 and addressed the definition of CMSME in the upcoming National Industrial Policy 2021 and Revisit SME Policy 2019.

The 3rd Sustainability and Green Growth Working Committee (SGGWC) meeting took place on 9 March 2021, virtually, to discuss different tools and Policies for Extended Producer Responsibilities (EPR) for the plastic sector. The Ministry of Environment, Forests and Climate Change (MoEFCC) will work closely with BUILD as well as other relevant stakeholders to ensure an effective policy on Extended Producer Responsibility for the plastic sector. The meeting formed two new sub-committees on recycling and green growth under the existing Sustainability and Green Growth Working Committee (SGGWC). The two new platforms should hold regular discussions and deliberations on the private sector's critical sustainable development issues.

A BUILD-UNIDO survey conducted in March-July 2021 delineated that only 6% of vulnerable SMEs have received support from stimulus packages (SPs) declared by the Bangladesh Government, while in Asia, the amount is 36%. All SMEs and large firms faced a loss of sales, while resilient large Asian firms witnessed positive sales growth. It indicates a need for more consumer demand in Bangladesh from March to July 2021. This survey was presented at the 9th Financial Sector Development Working Committee meeting.

The working committee shared the findings of the BUILD's survey about in-country returnee migrants from Southwest Bangladesh with relevant



stakeholders to understand their views, discuss, and deliberate on potential actions to improve the situation.

4IR and ICT are a reality now; Bangladesh must prepare for this. The strategy designed by the government in this respect may be strengthened further by the inputs from the private sector. BUILD prepared a concept note to identify some gaps compared to similarly placed countries that identified some areas that Bangladesh needs to emphasise. In this respect, a presentation was made to gather some more ideas in the second meeting of BUILD's 4IR ICT working committee. Concerned government-private sector representatives were present.

BUILD urged for initiating research on the sectoral impact of 4IR in Bangladesh. As is the case, the effect of 4IR is different for some sectors. We need a sectoral study to understand the scenario. BUILD's 4IR and ICT working committee would start a gap analysis of Bangladesh in the field of 4IR with the help of e-CAB, BASIS and BHTPA. And this study will help us understand our position in 4IR around the globe.

As part of the advocacy effort, BUILD Trustee Board called on several government and private sector high-ups.

During the call on 15 February 2021 at the Minister's office, BUILD urged Commerce Minister Tipu Munshi MP to focus on non-RMG sectors like leather and leather goods, plastic, and light engineering as they merit greater policy attention for diversifying the export basket. All the non-RMG sectors immediately need bonded warehouse facilities besides other policy benefits. Vietnam established a Global Distribution Centre managed by privately owned licensed operating firms, where entrepreneurs get all raw materials from exports from a sole source.

During another call with Golam Dastagir Gazi Bir Protik MP, Hon'ble Minister for Textiles and Jute, on 24 February 2021 at his office at the Secretariat, BUILD submitted a formal proposal on producing jute-based pulp from local green jute to promote the jute industry.

Following the example of neighbouring countries, the Government of Bangladesh could look into framing relevant policies to support the industry. Still, it will need feedback and support from various stakeholders, including jute traders, large farmers

and local entrepreneurs and investors, said the Minister. To encourage the jute sector, we may consider duty exemption for entrepreneurs who use the local pulp in their production. The export development fund (EDF) facility should be accessible to the country's jute exporters. Regarding jute-based pulp and paper, a well-designed pilot can be initiated based on a compelling proposal.

The Government has made the Public Procurement Act, a new set of Public Procurement Rules and Citizen Portal EGP System to improve the performance of public procurement with more transparency and ensure fair treatment to all. We have seen that the presence of women in public procurement needs to be improved. Yet, the discussion indicates how to develop a gender-responsive public procurement in Bangladesh in the coming days to enable women-owned businesses (WOB) to access markets and work closely with both private and public sectors to develop tools and knowledge to prioritise gender equality in business opportunities.

To increase women's participation in government procurement in Bangladesh, BUILD worked with the Central Procurement Technical Unit (CPTU) and the International Trade Centre (ITC)'s SheTrades Initiative and conducted a study on Gender-Responsive Public Procurement in Bangladesh: A New Methodology" on 3 February 2021.

BUILD organised a dialogue titled "Creating Resilient Recovery for Businesses through Enhancing Investment Opportunities: A Case of Southwest Bangladesh". The Deputy Governor of the Bangladesh Bank joined the meeting as Chief Guest. In contrast, Sk Abdur Rahman, Mayor of the Mongla Municipality of the Bagerhat district, joined as the Special Guest. With support from the PROKAS (Promoting Knowledge for Accountable Systems) programme of the British Council, BUILD organised the dialogue virtually on 1 April 2021.

The Bangladesh Bank has taken the initiative to extend the timeline of the current stimulus package. By 2023, a total of BDT 60,000 crore will be raised to SMEs to ensure economic resilience that will enhance GDP, employment, and inclusive development, said Abu Farah Md Naser, Deputy Governor of the Bangladesh Bank.

BDT 2,000 crore collateral-free loan opportunities for SMEs made available under the credit guarantee scheme should be utilised as much as possible. City





Bank's Leno financing model uses digital technology to process loan applications in the shortest possible time and encourages other banks to follow the example.

To increase women's participation in public procurement in Bangladesh, BUILD, in association with the Central Procurement Technical Unit (CPTU) and the International Trade Centre (ITC)'s SheTrades Initiative organised the third virtual policy dialogue titled "Gender-Responsive Public Procurement in Bangladesh: Interview Findings" on 10 March 2021.

Survey results scored country assessment based on specific questions as developing, meaning which inclusion of women-owned businesses (WoB) in the country's agenda is in place but not yet fully accomplished in the case of public procurement. In the case of entity assessment, in that respect, the current situation is marked as developed, meaning some action/administration issues have been done. Still, the results are yet to be achieved. Data on WoB shows an almost similar number in the case of "yes" and "no", meaning there are similar benefits simultaneously, barriers to encouraging WE participation in the tendering process in public procurement.

As Bangladesh prepares to transition from a Least Developed Country by 2027, it faces the third wave of the COVID-19 pandemic. On the upside, COVID-19 has also pushed the private sector to explore new growth and export opportunities. Medical and Personal Protective Equipment (MPPE) has emerged as a significant unique opportunity for growth and export for Bangladesh.

The demand for MPPE products for usage by healthcare providers as well as ordinary people has increased to a massive extent during the successive waves of the pandemic. Although Bangladesh currently has limited capacity for manufacturing MPPE products that fully conform to international standards, the country can leverage its existing capabilities in sectors such as readymade garments, pharmaceuticals, plastics, etc., to increase production as well as its share in the global MPPE market. A number of local firms from different sectors have already made considerable progress in the production and export of MPPE. Several apparel companies have entered the business. BEXIMCO has set a milestone by exporting 6.5 million MPPE gowns to US brand Hanes, and a few other firms have lined up for MPPE production. Up to May 2021, 35

firms have taken NOC for producing surgical masks and 54 companies for Coverall production up to 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, particularly on potential products.

● Reforms

A structured filtration system is maintained to implement recommendations. BUILD puts its utmost effort into identifying crosscutting and sectoral issues. The issue identification method and baseline information collection follow a structured filtration process. Implementing the filtration mechanism of BUILD ensures that this basic information is available even before the reform is recommended. PSDPCC and seven working committees play a significant role in the entire reform architecture of BUILD. Using PSDPCC, Working Committees, National Budget consultation, and other platforms, BUILD successfully implemented several reforms in 2021, which are as follows.

● 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 several 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 November 26, 2019. One of the recommendations presented by BUILD was to include solar equipment in the mandatory list of standards, and the equipment approval or certification process should be simplified.

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 (4) products have been included in the mandatory



product list. The testing of 30 solar modules (solar panel) products has 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.

● BUILD's proposal to relax GTF loan criteria has been implemented

Bangladesh Bank manages the Green Transformation Fund (GTF) of USD 200 million and EUR 200 million. The GTF is intended to facilitate access to financing in foreign exchange by all manufacturer-exporters of all sectors to facilitate green or environment-friendly initiatives and harness green transformation.

Bangladesh Bank, via FE Circular Letter No. 23, has relaxed two conditions for state-owned commercial banks to participate in the green transformation fund. Firstly, state-owned commercial banks (SCBs) with more than 10% Non-Performing Loans (NPL) will not be able to borrow from GTF. Secondly, SCBs with shortfalls in loan or investment provision, capital and liquidity will also be eligible to borrow from this fund.

BUILD, through the 7th Financial Sector Development Working Committee (FSDWC) meeting in 2019 and the 3rd Sustainability and Green Growth Working Committee (SGGWC) meeting in 2021, proposed Bangladesh Bank to relax the loan policy for the state-owned commercial banks for GTF as a lot of textile and non-textile firms are the clients of these banks.

BUILD believes that the relaxation of loan policy for the SCBs will facilitate the private sector exporters to gain competitive advantages, ensure environmental compliance, and be sustainable. According to Bangladesh Bank, USD 89.69 million has been disbursed from GTF until 2021. BUILD hopes the loan policy relaxation for SCBs will expedite more loan disbursement shortly.

● A time extension of the stimulus package for CMSME is a timely step

Bangladesh Bank issued a SMESPD circular letter-1 on 3 January 2021, extending the time for the Disbursement of a BDT 200 billion Stimulus Package for CMSMEs for those banks and FIs that still need to meet targets. This is very timely and supportive for the small, cottage and micro-entrepreneurs.

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

Bangladesh Bank has taken this issue seriously and extended its time to 31 March 2021. The circular of Bangladesh Bank also asked the scheduled banks that have yet to distribute their stipulated amount to prepare a time-bound monthly action plan and submit it to Bangladesh Bank by 17 January 2021 to implement the disbursement plan.

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

It is evident that CMS enterprises were eager to see their extension for loan payment instalments beyond December 2020 to avoid the risk of receiving tags of loan defaulters. In this respect, the circular could have some directives to maintain the COVID-19 situation and continue their business. BUILD acknowledges Bangladesh Bank to take this timely measure.

It is also seen that some banks have fully implemented their target while some need to catch up. The well-performed banks have experience providing loans to CMSMEs. Their target can be increased so that more loans can be provided to the CMSMEs of the country in time.

The statement shows that disbursement for women entrepreneurs (WE) has increased by about 37% in December from the earlier month, which is a good sign. Allocation for WE has been growing slowly. Considering this issue, there could be a further extension of funds for WE.

● Expansion of scope of GTF

BUILD presented a number of recommendations on the Green Transformation Fund in the seventh working committee called the Sustainability and Green Growth Working Committee (SGGWC) meeting presided over by the Secretary, Ministry of





Environment, Forests and Climate Change (MoEFCC) dated 19 August 2018. As a result of the recommendations, Bangladesh Bank has recently brought a few significant reforms in the design of the GTF. With FE Circular 14, dated 26 June 2019, titled “Expansion of Scope of GTF”, Bangladesh Bank has opened up GTF for all manufacturer-exporters, irrespective of sectors, against importing capital machinery and accessories for implementing specified green/environment-friendly initiatives. This opened the door for businesses in various sectors. This could contribute to export diversification as well as investment in sustainable business models in multiple sectors.

Second, besides the USD 200m component, a Euro 200m has been added by the Bangladesh Bank in 2020. This could be helpful in businesses conducting transactions with Eurozone countries. Third, on 28 July 2020, Bangladesh Bank issued SFD Circular No. 4, “Guidance Note for On-Lending/Refinancing Under Green Transformation Fund (GTF)”, in which both the details of the characteristics of machinery and accessories that would qualify for GTF as well as the authorities or certifying bodies that could vet the qualification were identified. This reform would help businesses, as well as banks, understand what criteria the proposed investment project would have to fulfil and which authorities could certify the eligibility of the investments.

● Streamlining company registration process

The government of Bangladesh is committed to implementing high-impact regulatory reforms such as streamlining the existing company registration process to reduce administrative costs in the procedures, said Tipu Munshi MP, Hon’ble Minister of Commerce, who spoke in the webinar titled “Streamlining Company Registration Process in Bangladesh” as Chief Guest on Sunday. The meeting was organised by Business Initiative Leading Development (BUILD) in collaboration with the Feed the Future Bangladesh Improving Trade Business Enabling Environment (FtFBITEE) of USAID.

The commerce minister cited the examples of Singapore, and Malaysia, which have shown remarkable success in simplifying the company registration process, reducing the time to register a company to less than one hour. Bangladesh’s Registrar of Joint Stock Companies Firms (RJSC) has undergone several reforms and digitalised the registration process. However, there is still room for

improvement in collaboration between the public and private sectors.

● Bangladesh Bank formulated BDT 5 billion in funds for start-ups and new entrepreneurs

Bangladesh Bank announced a policy relating to the disbursement of funds worth BDT 5 billion for start-ups. BUILD proposed a reform proposal on the formulation of the Start-up Fund in its 6th SMEDWC meeting held on 24 July 2019.

The central bank’s SME and Special Programmes Department issued a circular detailing the policy on March 29, 2021. Bangladesh Bank would form the BDT 5 billion refinancing fund to help the country’s start-ups. Individual banks will start their funds with money equivalent to 1% of their respective operating profits for 2020. The disbursement of funds to the start-up clients will be made collateral-free. Each bank will preserve a 10 per cent quota for women entrepreneurs. The highest ceiling for the loan from the fund will be BDT 10 million, having a maximum five-year repayment period. The interest rate for the start-up loans will be at most 4.0 per cent. The banks will get funds at a 0.5 per cent interest rate from the central bank refinancing scheme.

Start-up Bangladesh Limited, a platform to support new business ideas, aims to provide at least 50 start-ups with BDT 1 billion venture capital this year. The to-be-funded start-ups are expected to use the money to expand their businesses and generate new employment, thus contributing to the country’s economy. According to Bangladesh Bank, start-up means innovations for marketing new products, services and technologies, and such enterprises would create employment and assets in the country.

The Guidelines for Outward Remittance Repatriation for Payment of Royalty, Technical Knowledge/Technical Know-how Fee(s), Technical Assistance Fee(s), and Franchise Fee(s)-2020 have been published by BIDA.

BUILD prepared a Reform Policy Paper (RPP) on the Simplification of Policies for Repatriation where BUILD proposed some recommendations regarding simplifying the Repatriation process for Technical Know-How, Royalties, Technical Assistance Fees, and Other Fees (e.g., Training, Consultancies etc.). One of the key proposals of BUILD was to harmonise the policy and align the provision of the BIDA Act 2016 and Bangladesh Bank Foreign Exchange Guideline, and the role of the Authorized



Dealers (AD) and to publish a guideline in this regard.

To advocate these issues, BUILD placed those recommendations through its 6th Financial Sector Development Working Committee (FSDWC) meeting on 4 June 2017 at Bangladesh Bank, which is co-chaired by Deputy Governor, BB and President DCCI and then was discussed at the 9th meeting of Private Sector Development Policy Co-ordination Committee (PSDPCC) at PMO on 28 August 2017, which the Principal Secretary, PMO, chaired. BIDA formed a committee where BUILD also shared the proposals to understand the harmonisation and to make a clear idea.

BIDA has prepared guidelines on outward remittances on account of royalty, technical knowledge/technical expertise fee(s), technical assistance fee(s) and franchise fee(s) where BUILD also put comments, and now BIDA published this guideline on 3 March 2021 and also gazetted on March 20, 2021. Bangladesh Bank also issued a FEPD Circular Letter No. 07 on Payment of royalty, fees for technical knowledge or technical assistance and franchise fees to foreign persons or institutes for Head offices/principal offices of all Authorized Dealers on 11 April 2021.

● Extension of VAT and SD exemption period for the refrigerator industry

In the year 2019, an SRO (SRO NO-173/AIN/2019) was circulated to give VAT Supplementary Duty (SD) waiver to the local refrigerator industry for procuring necessary parts components (import or local source), which ended in June 2021. The pandemic barred this industry from reaping the benefit announced by the Government of Bangladesh to provide room to grow as an advanced manufacturing industry, eventually an export-oriented sector soon.

BUILD proposed to extend the waiver period till 2029. NBR extended this VAT and SD exemption period till June 2024 through an SRO (SRO No:142-AIN/2021/139-VAT) on 3 June 2021, which would help the existing assembling industry to become producer experts eventually where there could be created an option of export diversification import substitution.

● Registration of electric vehicles by BRTA

BUILD presented a set of recommendations on electric vehicles in a separate meeting of SGGWC on 31 January 2019. In accordance with BUILD's recommendations, BRTA has provided for the

registration of electric vehicles with SRO 54-law/2020, dated 17 February 2020. It defines EVs as "a vehicle powered exclusively by one or more electric motors whose traction energy is supplied by a rechargeable battery installed in the vehicle but does not include battery operated bicycle or rickshaw". This SRO thus paves the way for formally registering the electric three-wheeler vehicles run by battery and sets the ground for bringing those EVs under proper regulations.

Corporate income tax (CIT) for non-publicly traded companies has been reduced from 35% to at least 30%. For publicly traded companies, the rate is 22.5%.

Mostly the new companies and the existing sole proprietor companies are supposed to come under the OPC (one-person company) category. BUILD proposed to announce a new slab for them, and the Government introduced CIT 25% for OPC. (Reference: Finance Act 2021, Paragraph Kha, Page: 10085)

● COVID-19 stimulus and links to employment

BUILD conducted a study titled "COVID Stimulus and Links to Employment, Consumption, and Investment: The Bangladesh Experience, Global Lessons, and Priorities for Next Round Support", that aims to assess the effect on Bangladesh's economy in the immediate aftermath of COVID-19, understand the stimulus and its key features, understanding the economic recovery post-covid stimulus, focusing on consumer demand, employment and private investments, comparative analysis of measures taken in select countries, derive key-takeaways and key recommendations for a quick and inclusive turnaround of the economy.

Conducted a rapid survey (February 2021), which was a part of the study, also found that the sales of SME firms have been negatively impacted due to the pandemic, and a number of firms reported a depressed demand currently compared to the pre-COVID scenario, which indicates consumption and demand has not recovered fully.

● BUILD's virtual dialogue on redesigning a second stimulus package for the economic recovery of CMSMEs

Cottage and micro enterprises should be separately grouped and targeted from small and medium enterprises so that their access to the stimulus packages can be increased, said Husne Ara Shikha,





General Manager (SME and Special Programmes Department), Bangladesh Bank, observed. She was speaking at the virtual dialogue on “Redesigning a 2nd Stimulus Package for Economic Recovery of CMSMEs” organised by BUILD on Zoom on 23 May 2021.

She said that at present, 6% of the stimulus package has gone to cottage and micro enterprises, while women entrepreneurs have received 6% of the SP. The Bangladesh Bank is working to support employment generation by allocating funds to organisations like Karmasangsthan Bank, Prabashi Kalyan Bank, and so on, added the Bangladesh Bank GM (SME-SPD).

Bangladesh Bank has taken the initiative to extend the timeline of the current stimulus package. By 2023, a total of BDT 60,000 crore will be raised to SMEs to ensure economic resilience that will enhance GDP, employment, and inclusive development, said Abu Farah Md Naser, Deputy Governor, Bangladesh Bank at the virtual dialogue titled “Creating Resilient Recovery for Businesses through Enhancing Investment Opportunities: A Case of Southwest Bangladesh”. He joined the meeting as the chief guest. Sk Abdur Rahman, Mayor of the Mongla Municipality of the Bagerhat district, joined as the Special Guest. With support from the PROKAS programme of the British Council, BUILD organised the dialogue virtually on 1 April 2021.

The Deputy Governor mentioned that the BDT 2,000 crore collateral-free loan opportunity for SMEs made available under the credit guarantee scheme should be utilised as much as possible. He held the example of City Bank’s Leno model, which uses digital technology to process loan applications in the shortest possible time and encouraged other banks to follow the example. For banks operating at the grassroots level, he urged digital technology to ensure that loan evaluation and processing can be managed quickly. He thanked BUILD for organising the meeting to address the concerns of the cottage, micro, and small enterprises from remote regions.

● BUILD’s dialogue on identifying the challenges and measuring gaps of present standardisation capability in Bangladesh for export potential products

The Bangladesh Standards and Testing Institution (BSTI) is keen to align its efforts with international standards for which it is already working with

academia to have research-based product standardisation and upgrading its capacity by setting up new laboratories to ensure proper testing and standards certification for a variety of sectors, said Dr Md. Nazrul Anwar, DG, BSTI. He spoke on 25 May 2021, at a virtual dialogue titled “Identifying the Challenges and Measuring Gaps of Present Standardisation Capability in Bangladesh for Export Potential Products”. BUILD, in collaboration with IFC-WBG, organised the webinar.

● Dialogue on removing time, cost and process-related bottlenecks in company registration

BUILD organised a virtual consultation on reducing time, cost, and process-related bottlenecks in Company Registration on 6 June 2021. The talk focused on the findings of the recent survey conducted by BUILD during March-May 2021 of the companies that have been registered over the past two years. This initiative was supported by USAID-funded Feed the Future Bangladesh Improving Trade and Business Enabling Environment Activity.

Santosh Kumar Pandit, Additional Registrar (Joint Secretary), Office of the Registrar of Joint Stock Companies and Firms, said that the Registrar of Joint Stock Companies and Firms present during the meeting mentioned that the institution is planning automation and merger of name clearance, company registration and fee payment into a single process. On Starting a business, the first indicator of the Ease of Doing Business Index of World Bank Group, Bangladesh ranks 131st because of digitisation efforts of the automation by the Registrar of Joint Stock Companies and Firms.

BUILD organised an online dialogue on Paper Pulp from Whole Jute Plant (WJP): Potential and Way Forward on 3 May 2021 via Zoom. This dialogue focuses on discussion among the concerned from the jute and textile ministry, Bangladesh Jute Research Institution (BJRI), Bangladesh Council of Scientific and Industrial Research (BCSIR), Bangladesh Jute Mills Corporation (BJMC) and representatives of private paper and paper products producers.

Abul Kasem Khan, Chairperson, BUILD, highlighted BUILD’s meeting with the Minister of Textiles and Jute on 24 February 2021 regarding an initiative to produce paper pulp from the whole jute plant. He said that this dialogue would focus on the scope of commercialising paper pulp from the entire jute plant, developing an ecosystem, bringing changes in existing policy, developing a jute pulp and paper

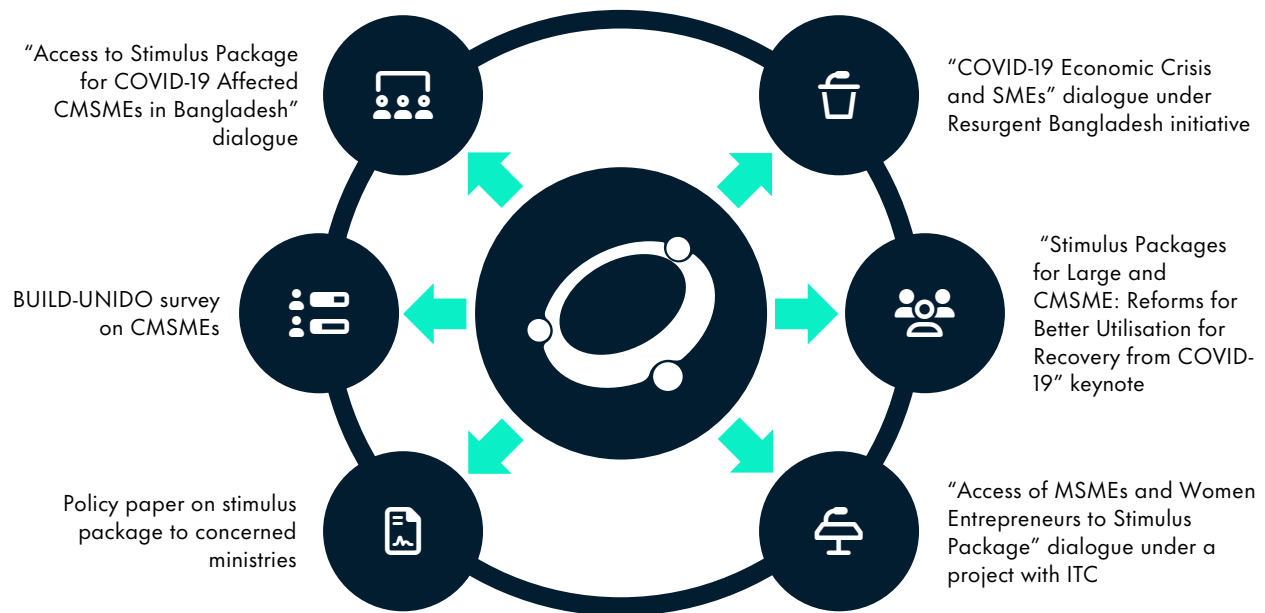


Act and so on, keeping in mind the sustainable development fund and climate change issue.

● Measures adopted in response to COVID-19

- Prepared policy papers on COVID-19 and proposed the stimulus package and support to the business
- Prepared a summary paper with comments on Special Packages announced by the government

- Organised Virtual Dialogues on different priority sectors to gauge their problems
- Established partnership collaboration– a private-sector alliance for disaster-resilient societies, working as a network of private-sector entities led by the UN Office for Disaster Risk Reduction (UNDRR)
- BUILD translated COVID-19 Planning Tool for SMEs, which will be posted on the website of UNDRR and ARISE for well circulation



- Conducted surveys in collaboration with UNIDO, Policy Exchange etc
- Prepared a list of potential medical equipment and other COVID products which has investment potential
- Submitted special Budget proposals to address COVID-19 issues
- Supported to prepare of a Lockdown Exit Policy
- Maintained contact with its partners to know their issues with COVID-19
- Gathered data on employment, agriculture, and other related sectors, which is required now
- Published op-ed on foreign investment needs and other related issues

As a public-private dialogue (PPD) platform, BUILD in 2021 was mainly engaged with policymakers, regulators, the private sector, development partners and other key players the opportunity to engage in frank and focused conversations, share technical

expertise on critical policies, develop more informed policy, and encourage innovation and investment to the country's path to recovery from COVID-19, a return to healthy economic growth and strengthened national security.

For the private sector development, we tabled several policy recommendations at the Private Sector Development Policy Coordination Committee (PSDPCC) Meeting headed by the Principal Secretary to the Prime Minister at the Prime Minister's Office and other Working Committee Meetings, and the government has already implemented a considerable number of policies.

Before recommending any policy suggestions to the Government, BUILD maintains a structured filtration system and puts its utmost efforts into identifying the crosscutting and sectoral issues. The issue identification method and baseline information

collection follow a structured filtration process. Implementing the filtration mechanism of BUILD ensures that this basic information is available even before the reform is recommended. PSDPCC and seven working committees play a significant role in the entire reform architecture of BUILD. Using PSDPCC, Working Committees, National Budget, and other platforms, BUILD successfully helped the government implement 57 reforms.

Early in the year, BUILD organised the third round of the Bangladesh-Austria Trade and Economic Forum along with Advantage Austria. BUILD has been the official partner of the Austrian Embassy Commercial Section (Advantage Austria) since 2016. BUILD and Advantage Austria also organised the prestigious National Energy Globe Award Giving Ceremony 2019.

Besides, as a valued member, BUILD attended all meetings of the Policy Coordination Committee on Leather goods and Footwear Sector, Taskforce of Action Plan Formulation and Development of Recommendations for the Leather Sector, Bangladesh Trade Portal, National Steering Board of the Bangladesh Water Multi-Stakeholder Partnership (MSP) Steering Committee, National Consultative Committee on Export Policy, National Consultative Committee on Import Policy Order, Government-Tenderers' Forum (GTF).

National Consultative Committee on Taxation, National Single Window, Trade Facilitation Committee, SDG Platform, Water Governance and Sustainability Work Stream, Agriculture Work Stream, Integrated Private Sector Policy Concept Note Preparation Committee, Asia Pacific Business Forum (APBF) by UN ESCAP, Credit Guarantee Fund (CGF) Advisory Committee of BFP-B, Global Partnership for Effective Development Monitoring Survey, Working Group on Improvement of Investment Climate (Japan), Project Implementation

Committee (PIC) Member of the project for promoting Investment and Enhancement of Industrial Competitiveness, Friday Market of Bangladesh Bank, Committee on preparing recommendations for Import Policy 2018-2021, Guideline for Green Economic Zone, Investment Promotion Team, SME Policy Advocacy, Research and SME Database Development Working Committee of Ministry of Industries, Leather Sector Development and Taskforce in the Ministry of Industries.

Our accomplishments would be impossible had we not received the invaluable support from our stakeholders, such as the Dhaka Chamber of Commerce and Industry, Metropolitan Chamber of Commerce and Industry and Chittagong Chamber of Commerce and Industry.

We want to extend sincere thanks to the Prime Minister's Office, World Bank Group, International Finance Corporation, UNDP Bangladesh, USAID, International Trade Centre-Geneva, Austrian Embassy Commercial Section, ActionAid, Japan External Trade Organisation, ILO, UNIDO, PROKAS of British Council, and the media community for selecting BUILD as one of the partners. At the same time, we would extend sincere thanks to several Chambers/Associations that acknowledged our role and benefited from the services of BUILD.

Thank you. It is an honour to serve this unique organisation.



Abul Kasem Khan

Chairperson
Trustee Board
Business Initiative Leading Development (BUILD)





Brief on BUILD

Business Initiative Leading Development



Business Initiative Leading Development (BUILD) is the country's pioneering public-private dialogue platform jointly promoted by the three leading chambers of the country — DCCI, MCCI, and CCCI.

Established in 2011, BUILD is uniquely positioned to provide research-driven policy recommendations to the government on behalf of the private sector. Since its inception, BUILD has played essential roles in the public-private policy dialogue process by identifying investment, trade and business constraints and recommending policy-level changes to help unlock many growth potentials for the private sector and the economy.

BUILD conducts additional research to develop policy recommendations for private sector-led development. It works as a strategic partner of the Private Sector Development Policy Coordination Committee (PSDPCC) at the Prime Minister's Office (PMO) and provides all secretarial support through Policy Coordination Unit (PCU) at the PMO. The Private Sector Development Policy Coordination Committee (PSDPCC) is a high-powered public-private sector committee chaired by the Principal Secretary of the government.


BUILD currently contributes through seven thematic public-private dialogue (PPD) platforms focused on taxation, SME, financial sector, logistics and infrastructure, trade and investments, ICT and 4IR, sustainability, and green growth. These PPDs create the bridge between policy planners and the private sector on a regular basis working towards deeper engagement of the stakeholder dialogue and discussion process for improving policies. Each of

the PPD is headed jointly by the senior public and private sector representatives.

Given the ever-changing needs, these engagement platforms between the public and private sectors create a deeper understanding of the improved planning process and policy design for the economy. BUILD's recommendations from PPDs are forwarded to the Private Sector Development Policy Coordination Committee (PSDPCC). PSDPCC provides guidance and direction on the various recommendations.





 BUILD Chairperson Abul Kasem Khan presents the Hon'ble Commerce Minister Tipu Munshi MP with a selection of BUILD publications. Pictured are (from left to right) Md Hafizur Rahman, Additional Secretary and DG, WTO Cell; Hafizur Rahman, Additional Secretary, Ministry of Commerce and EC4J Project Coordinator, BUILD Chairperson Abul Kasem Khan; Tipu Munshi MP, Hon'ble Minister, Ministry of Commerce, Government of Bangladesh; Asif Ibrahim, Founder Chairman of BUILD; Ferdaus Ara Begum, CEO, BUILD; and Md Abdus Samad Al Azad, Joint Secretary, Ministry of Commerce.









BUILD aspires to promote and create enduring progress in how the government and private sector collaborate to accomplish the nation's development objectives and secure a better future for Bangladesh.

It strives to make the following a reality:

Generating
2 million+
smart,
sustainable
jobs

Facilitating
USD 10
billion+ in
investment

Creating
40,000+
new small
and
medium-
sized
enterprises

Board of Trustees

BUILD's Board of Trustees plays an important role in terms of transformational leadership, coherent strategy, and bringing innovative skills into the fold. Following are the incumbent trustees for 2021.



Abul Kasem Khan
Chairperson



Rizwan Rahman
Trustee Board Member



Nihad Kabir
Trustee Board Member



Mahbubul Alam
Trustee Board Member



Asif Ibrahim
Trustee Board Member



Syed M. Tanvir
Trustee Board Member



Asraful Arefin
Trustee Board Member



Farooq Ahmed
Trustee Board Member



Engr. Mohd. Farque Ahmed
Trustee Board Member

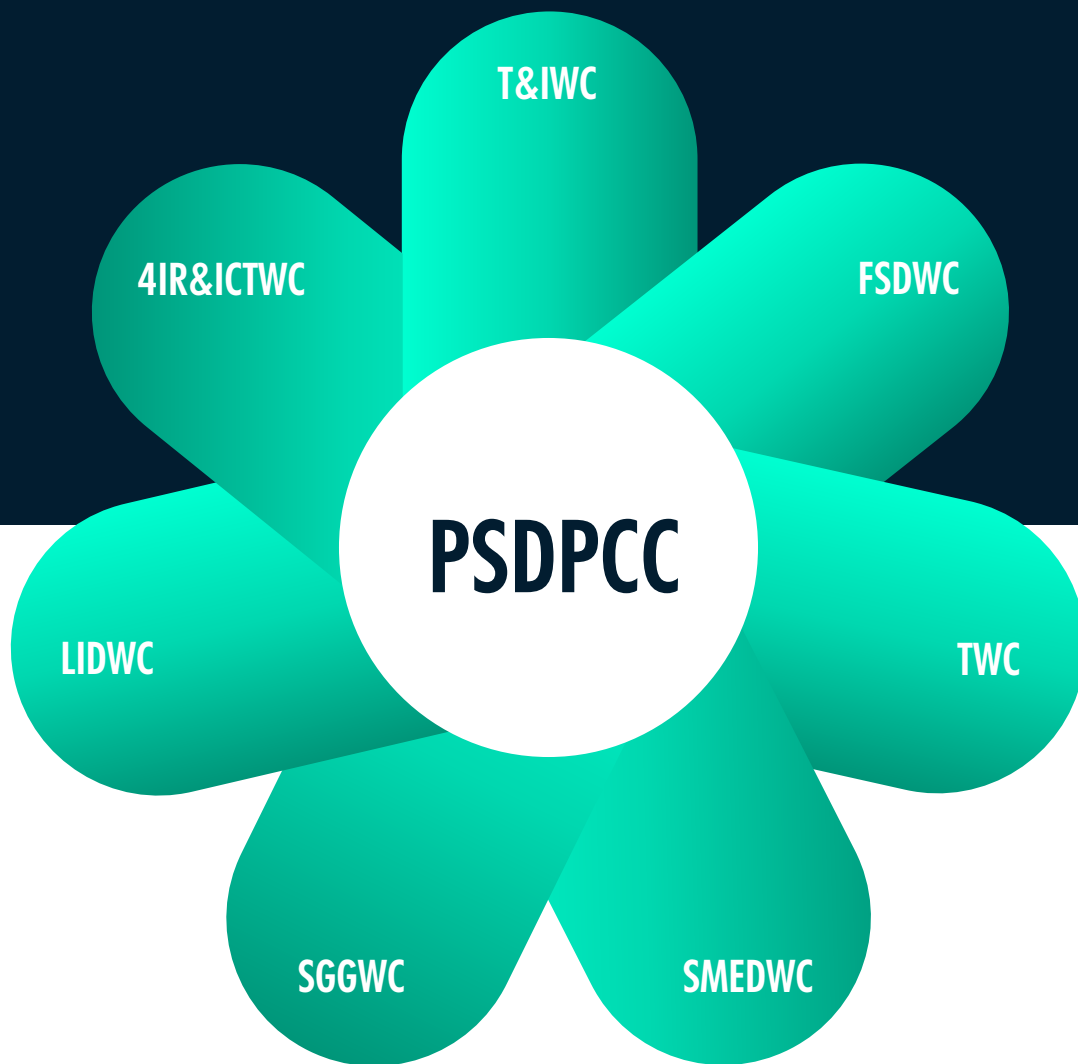


Ferdaus Ara Begum
Chief Executive Officer (CEO)



PSDPCC and Working Committees

BUILD is a strategic partner of the Prime Minister's Office's (PMO) Private Sector Development Policy Coordination Committee (PSDPCC). BUILD participates via seven thematic public-private dialogue (PPD) platforms focusing on taxes, small and medium-sized enterprises (SMEs), the financial sector, logistics and infrastructure, trade and investments, ICT and 4IR, sustainability, and green development. BUILD engages with PSDPCC via these seven themes' working committees, much like a flower with seven petals.



Trade and Investment Working Committee (T&IWC)

OBJECTIVE

To unlock the investment potentials of Bangladesh and address the issues related to trade and investment policies

PUBLIC SECTOR CO-CHAIR

Secretary, Ministry of Commerce

PRIVATE SECTOR CO-CHAIR

President, MCCI

Financial Sector Development Working Committee (FSDWC)

OBJECTIVE

To identify constraints to SME business and eventually create a conducive business environment for SMEs

PUBLIC SECTOR CO-CHAIR

Deputy Governor 1, Bangladesh Bank

PRIVATE SECTOR CO-CHAIR

President, DCCI

Taxation Working Committee (TWC)

OBJECTIVE

To bring in reforms for tax formulation and continuous re-appraisal of tax-policies and tax-laws

PUBLIC SECTOR CO-CHAIR

Chairman, National Board of Revenue

PRIVATE SECTOR CO-CHAIR

President, FBCCI

SME Development Working Committee (SMEDWC)

OBJECTIVE

To identify constraints to SME business development and promote SMEs for alleviating poverty and generating employment

PUBLIC SECTOR CO-CHAIR

Secretary, Ministry of Industries

PRIVATE SECTOR CO-CHAIR

President, CCCI

Sustainability and Green Growth Working Committee (SGGWC)

OBJECTIVE

To create awareness among businesses for climate change for green growth and environment-friendly sustainable business

PUBLIC SECTOR CO-CHAIR

Secretary, Ministry of Environment, Forests and Climate Change

PRIVATE SECTOR CO-CHAIR

President, BGMEA

Logistics Infrastructures Development Working Committee (LIDWC)

OBJECTIVE

Facilitate private sector business to increase its competitiveness so that the cost of doing business can be reduced and analyse the policies to reform.

PUBLIC SECTOR CO-CHAIR

Secretary, Prime Minister Office

PRIVATE SECTOR CO-CHAIR

Chairperson, BUILD

4th Industrial Revolution and ICT Working Committee (4IR&ICTWC)

OBJECTIVE

To harness the benefits of the Fourth Industrial Revolution and ICT for Bangladesh's economy to expedite growth and create new employment opportunities by close cooperation among the public and private sectors on relevant policies and practices.

PUBLIC SECTOR CO-CHAIR

Managing Director (Secretary), Bangladesh Hi-Tech Park Authority

PRIVATE SECTOR CO-CHAIR

President, BASIS

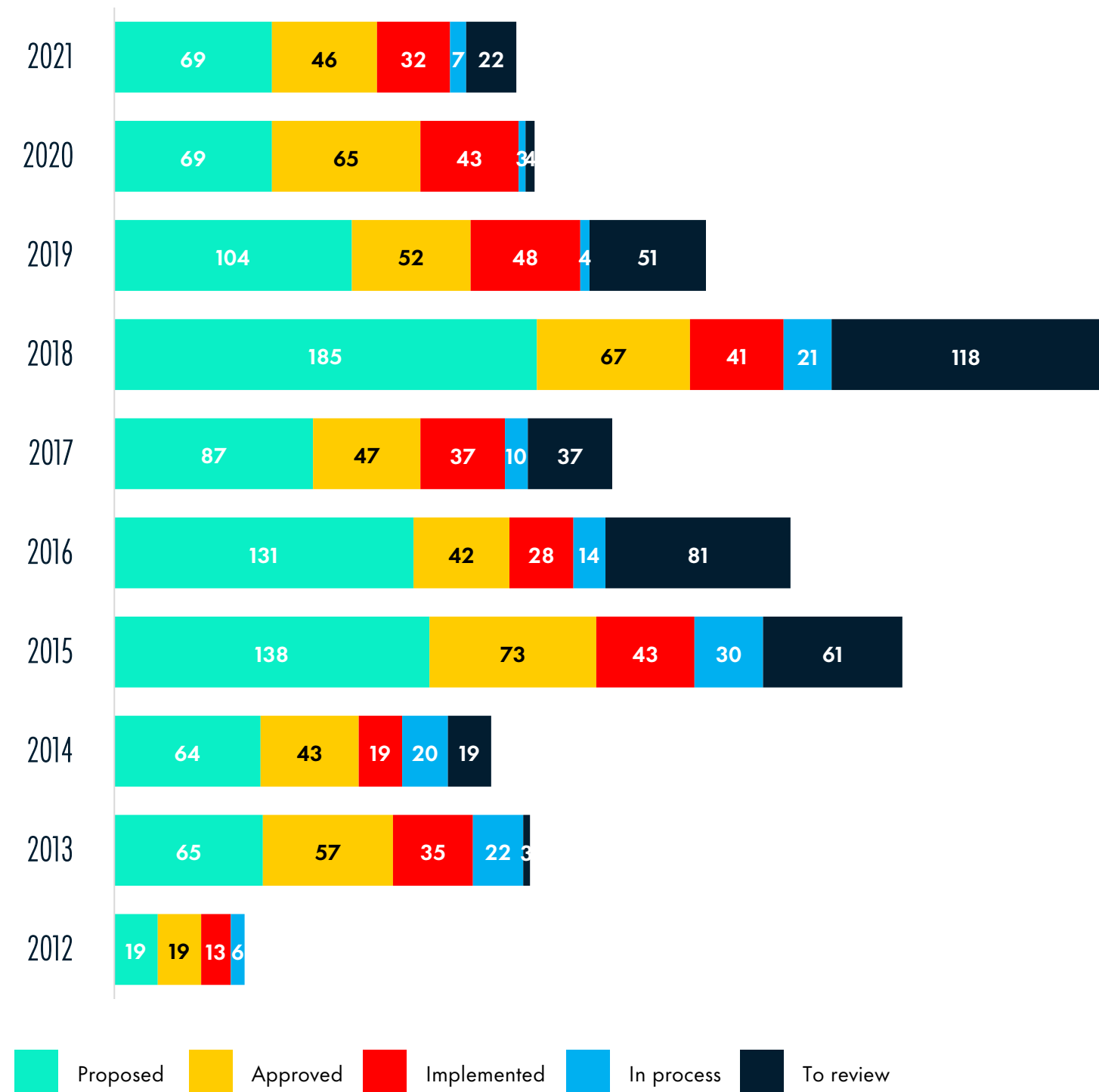




The Private Sector Development Policy Coordination Committee (PSDPCC) at the Prime Minister's Office, headed by the Principal Secretary to the Prime Minister, coordinates and catalyses government agencies and private sector activities related to private sector development matters. The committee takes an inter-ministerial integrated approach to make decisions on regulatory policies. Getting policy directives from the seven thematic working committees, BUILD has been working as the Secretariat to the PSDPCC since its inception in 2011. The committee's ToR (terms of references) is to identify private sector development constraints, analyse investment climate, and prescribe policy suggestions.

BUILD's Commitment to Results

The scorecard for BUILD's reform efforts from 2012 to 2021 is shown in the figure below.



BUILD's Policy Reforms in

2021

Proposed



69

Approved



46

Implemented



32

In process



7

To review



22

Major Policy Reforms

in 2021



Act/Policies/ Guideline/ Action Plan	Placed	Implementation	Implementing Authority
National Budget 2021-22	National Budget 2021-22 by Taxation Working Committee of BUILD	CIT for publicly and non-publicly traded companies are now 22.5% and 30%.	NBR
		One Person Company (OPC) are allowed to pay CIT at 25%	
		E-TDS system has also been introduced for monitoring of tax deduction and collection. We have taken all necessary measures so that the taxpayers can submit their annual income tax return online from next year. This initiative will help the taxpayers for submission of their income tax return conveniently.	
		Minimum tax (Section 82C of Income Tax Ordinance 1984) reduced to 0.25 percent from 0.50 percent.	
		Exemption period of Value Added Tax and Supplementary Duty extended from 30 June 2021 to 2022 in respect of Refrigerator Industry	
		Exemption period of Value Added Tax and Supplementary Duty for air conditioner industry extended from 30 June 2021 to 2024	
		Advance Tax (AT) has been reduced from 4% to 3%	
		The adjustment shall be made in the tax period in which the value is paid against any supply, in that tax period or in the tax period subsequent to that tax period.	



		<p>A new Customs Act, 2021 is being formulated in accordance with international best practices followed in worldwide customs management. The law is now at the vetting stage. It will be placed in the Parliament very soon.</p> <p>Abolition of 5% tax on retail gas sales and re-introduction of tariff pricing.</p> <p>TDS rate is fixed at 0.25% for all exporter</p>	
Extended Producer Responsibility (EPR) in the plastic sector of Bangladesh	Third SGGWC of BUILD	BUILD is coopted into the Technical Advisory Committee of Department of Environment on Extended Producer Responsibility	MoEFCC
Revisiting the action plan of SME Policy 2019 to address COVID-19 situation	Seventh SMED WC of BUILD	<p>BUILD proposed a separate committee to look after the COVID-19 affected CMSMEs under the SME Policy 2019. Ministry of Industry is formed a committee named SME Sector Revitalisation Committee [এসএমই খাত উজ্জীবন সংক্রান্ত কমিটি] to look after the COVID-19-affected CMSMEs.</p> <p>BUILD proposed a special stimulus package can be announced for stimulating consumption and local demand and creating new employment in that respect Prime Minister announced 5 more stimulus packages worth Tk 3,200 crore for the poor on 13 July 2021.</p>	Mol
Industrial Policy 2016 — CMSMEs in Bangladesh	Seventh SMEDWC of BUILD	<p>BUILD proposed a standard definition of trading to accommodate in the Industrial Policy 2016. Ministry of Industries introduced the definition of Trading in Draft NIP 2022. (NIP – 2022; Annex 4; Page 35)</p> <p>Ministry of Commerce introduced DBID (Digital Business Identification Number) for E-Commerce business entrepreneurs. (Bangladesh Gadget No. 26.00.000.133.93.026.19.119; Para – 1.2.13; 3.1.12; 3.1.13)</p> <p>Ministry of Industries introduced a new chapter on 4IR and ICT in Draft NIP 2022. (NIP – 2022; Chapter 15; Page 25)</p>	Mol



		<p>Ministry of Industries (Mol) included logistics as the “Export Diversified” and “Priority Sector” in the National Industrial Policy 2022.</p> <p>LIDWC listed 21 logistics sub-sectors that were included in the National Industrial Policy 2022.</p> <p>A certain amount of govt. procurement will be brought from women entrepreneurs (NIP – 2022; 7.4.3)</p> <p>A specific definition of Cluster has been included in the Industrial Policy 2022 and Bangladesh Bank announced a financing policy to support the cluster on 14/08/22 SMESPD Circular No. 05: Cluster financing in CMSME sector</p>	
Redesigning COVID stimulus linking to employment, consumption and investment for next round support	Ninth FSDWC meeting of BUILD	<p>2nd round of CMSME Stimulus Package (SP) implemented up to June 2022 (SMESPD Circular no: 09, 9 September 2021); 3rd round of CMSME stimulus package is extended up to June 2023 (SMESPD Circular letter no: 04; 24 July 2022)</p> <p>A new CGS of TK 25,000 crore has been introduced</p> <p>CGS guarantee fee of the CMSEs has been revised (CGD circular 2 on 10 August 2022):</p> <ul style="list-style-type: none"> ● 1% guarantee fee for the 1st year, 0.50 for second year who have classified loan 5% or less ● 0.75% who have classified loan 5% to up to 10% <p>Payment moratorium on consumer loans till December 2022 to ensure ease of lending and support CMSMEs. (SMESPD Circular: SMESPD Circular Letter No 05/2022)</p> <p>SMESPD Circular letter no: 04, 24 July 2022, 3rd round of CMSME package implementation is going on and its tenure extended from July 2022 to June 2023</p> <p>3rd round of SP of BDT 30,000 crore has been allocated for medium and large industry (BRPD circular Letter no 31 on 28.7.22)</p> <ul style="list-style-type: none"> ● Industry and service sector (except CMS) BDT 27,000 crore ● A, B, C type industry under BEZA, BEBZA, High tech Park and 100% foreign investment and joint venture outside BEZA, BEBZA, High tech Park BDT 3000 crore 	BB



		<ul style="list-style-type: none"> 2nd round of CMSME package is allocated 70% for CMS sector New Entrepreneurs are also encouraged to apply for this 2nd round of SP with some condition (SMESPD Circular no: 09, 9 September 2021). In the 3rd round these facilities extended. 	
		<p>SMEF in collaboration with A2I is working to create a nationwide SME e-database.</p> <ul style="list-style-type: none"> Entrepreneurs can upload their own information for SME e-Database by themselves or with the help of Union Digital Centre or through SME Cluster Association by logging on to www.smef.nise.gov.bd. WE Directory launched by SMEF in collaboration with World Bank. 	SMEF
Action plan of 4IR&ITC	Recommendations emerged from discussion of the second 4IR&ITC meeting	BUILD proposed action plan under 4IR&IC working committee where a special emphasis on a detailed and multidimensional guideline for the e-commerce sector. A Digital Commerce have separate definition in the National Digital commerce policy 2018 and a Digital Commerce Operation Guidelines 2021 has been prepared by MOC also.	MOC
Drafting the National Logistics Industry Development Policy under the supervision of PMO	Decisions of second LIDWC meeting held on 13 November 2021	<p>Under LIDWC, BUILD prepared the Framework for National Logistics Industry Development Policy that was accepted and acknowledged by Prime Minister's Office (PMO).</p> <p>In the National Logistics Industry Development Policy, A BUILD analysed the examples of best practice countries and accumulate data to reduce the logistics cost</p>	PMO



%Chg

+0.35%

+1.70%

-5.71%

+1.66%

+3.26%

+1.20%

+1.43%

+1.75%

+0.94%

0.00%

72.50



Recommendations by BUILD

in 2021



● The initial reaction by BUILD for the 2021-22 budget

The 50th Budget of the country of BDT 6.03 trillion for the FY 2021-22, 17.3% of GDP, which is 12.25% higher than 2020-2021 (17.9% of GDP). The Budget theme is "Priority on lives and livelihoods, tomorrow's Bangladesh."

So far, the Budget seems good in terms of the situation and forward-looking giving 'Made in Bangladesh' concept not only help businesses to diversify but also creates road for our LDC graduation. Agro industry support is welcoming. Also, Medical and Hospital services outside Dhaka, Chattogram and other urban centres is a very important initiative but needs additional support under PPP to create better service levels. In terms of export diversification in Medical and Personal Protective Equipment (MPPE), extension of tax exemption benefits up to June 2022 may encourage export diversification in this sector.

On the other hand, it seems, sluggish investment will continue as COVID uncertainty remains, and private sector credit growth is still at a lower level (8.7%), but SEZ and other investment reforms including ease of doing business reforms should be accelerated so that cost of doing business is reduced. Extended employment targets in the SEZs and Hitech Park has to be continued at any costs.

The revenue target for the next fiscal has been set BDT 3.89 trillion, which is 11.02% of the GDP, of which BDT 330,078 crore will be contributed by the NBR i.e., 9.5% of the GDP. As the proposed budget is 12.25% higher than the previous budget, the revenue collection target for the upcoming year is 19.3% higher where tax revenue is 8.1% higher and non-tax revenue 3.37% higher. NBR tax revenue growth is 7.28% in 2020-2021 where it lagged behind BDT 1 trillion.

From the experiences of last consecutive years, it is seen that, Budget has been trimmed at the last stage. Because of the revised Budget, the important sectors/projects which are deprived are not known to the public. ADP of 2021-2022 has been fixed at BDT 2.37 trillion which was BDT 2.25 trillion for the FY of 2020-21 fiscal year.

The proposed budget deficit is above 6 % of GDP amounting BDT 2.11 trillion which may reach to 8% as the revenue collection has been showing slow trend in pandemic period. The deficit will mainly be filled taking loan from the banking sector and foreign loan. The dependence on foreign financing has been increased 162% than previous fiscal which is alarming. The deficit financing from security certificate stood BDT 32,000 which 25,000 in last budget.

Tax Deducted at source (TDS) constitutes a significant share of tax collection. When the tax thus collected exceeds the tax chargeable on them on the basis of tax returns, they are entitled to a refund. However, once the TDS goes to treasury, it becomes impossible to get adjustment. In view of the critical situation of the businesses, the adjustment should be offered to businesses every six months for compliant manufacturers. The source tax on export earnings should be reduced to 0.25% from current 0.50% to offset Covid-induced export loss and be applicable for both RMG and Non-RMG sectors.

VAT exemption facilities with necessary amendments in the following sectors such as for manufacturing of refrigerator, freezer and its compressor for one more year and extension of existing VAT exemption facility for manufacturing of air conditioner and its compressor for three more years is appreciable and will encourage domestic manufacturers and help consumers. The trade VAT of 5% can be exempted or the rate should be reduced. There should be exemption of paying VAT at source for businesses





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that are paying 15% VAT. Bonded warehouse facilities should be offered for all sectors with equal treatment. In Customs procedure, it currently takes one week for the release of a consignment. It should be brought down to 24 hours. To reduce the time, ASYCUDA world should be fully integrated with the port authority and the banks through digitisation.

● BUILD urges the central bank to support the services sector

SME and Special Programmes Department of Bangladesh Bank (BB) issued a circular on 3 August 2021 (SMESPD Circular Letter no. 09/2021), which instructed that the Refinancing interest/profit rate be fixed at 0.5% at the bank/financial institution level maximum 5% at the customer level, previously which was 3% 7% respectively as per SMESPD Circular Letter no. 02/2020.

As per the instructions of paragraph 3 of SMESPD Circular no. 2/2019, for a net loan of the CMSME sector at the end of 2024, a minimum distribution target of 15% of the advance status is set for women entrepreneurs (WE) for refinancing facility on a priority basis under the “Small Enterprise Refinancing Scheme”.

Through its SME Development Working Committee, BUILD recommended that Bangladesh Bank take the initiative to ensure a separate refinancing scheme for WE to enable them to avail more credit facilities and a dedicated desk for WE in Banks NBFIs to get prompt services.

The circular would support WEs, those who are multiple loan consumers; for them, other than interest rates, timely loans and simple conditionalities are much more important. It is seen that banks require about 24 types of documents in the form of company documents, personal documents, and business guarantor documents which becomes very difficult to submit for a small business entrepreneur. Simplification in this respect is also significant.

Rural women entrepreneurs are in a precarious position because they cannot afford collateral, despite the fact that BB has announced several other options, such as educational certificates and chamber/association certificates. Still, banks and financial institutions rely heavily on collateral-based loans. Nowadays, in the rural areas, many returnee migrants at the local level who have just lost their jobs, suffering a severe financial

crisis, need collateral-free finance even if the amount is minimal for their sustenance.

● MPS for FY 2021-22, new investment drives

For the first time, the yearly Monetary Policy Statement (MPS) has been announced electronically for FY 2021-22, which is an expansionary accommodative policy with some specific steps to mitigate the damages done to the economy by the COVID-19 pandemic. Considering the situation's lack of assertiveness for investment businesses, MPS targeted private sector credit growth at 11% and 14.8% for the first and second half of FY 2022, while the public sector credit growth target is 30.6% and 32.6%, respectively.

Banks have excess liquidity of BDT 2.31 trillion as of 30 June 2021 because of lower private sector credit growth. In that situation, Bank investment may be diverted to alternative sectors such as stocks, bonds, or even the real estate business. Experts apprehend asset bubbles, i.e., excess money with no dividends. The situation has to be adequately addressed by encouraging alternative investments. The service sector could be a good opportunity for which supportive policies need to be announced. The Bangladesh Bank has provided policy support in the form of a loan moratorium, an extension of the validity period of an L/C for the import of essential goods, a Credit Guarantee Scheme, Start-Up Loans, a BDT 1,000 crore Technology Upgradation Fund, an extension of the EDF, and so on. Unfortunately, the investment situation is not improving. Because of low credit growth in the private sector, the broad money supply has been reduced, which is described by the BB as one of the reasons for the containment of the inflation rate.

MPS also mentioned that about BDT 1.35 trillion with 28 stimulus packages had been announced by the government to contain the impact of COVID-19. However, disbursement of the fiscal incentives to the required areas is limited. Many entrepreneurs needed support from these SPs, especially the CMSMEs. Special attention supportive policies are to be announced for micro, cottage small entrepreneurs. A significant share of micro, cottage small entrepreneurs are informal businesses suffering from small monetary support. Bangladesh Bank's policies to support these segments need to be more comprehensive.

The country needs to promote investment to ensure maximum utilisation of the existing SPs as well as the Credit Guarantee Schemes for the immediate rescue



of CMSMEs. The government may announce a specific 2nd round of SPs with an allowance for new employment as well as retention of jobs to encourage investors. While there is a considerable amount of liquidity in the banks, there could be a good use of this liquidity in the areas so that the velocity of money increases.

The trade balance has deteriorated by approximately USD 3.2 billion over the previous fiscal year. This is concerning since imports have been slowed for five months. It should focus on encouraging service exports to maintain a trade balance positively. We have a 36 per cent increase in foreign currency reserve that can last three quarters. But the overseas employment rate has fallen severely in the last two years. Many of the 0.4 million returned Bangladeshis are jobless. MPS may intervene in this market via a credit-based investment programme.

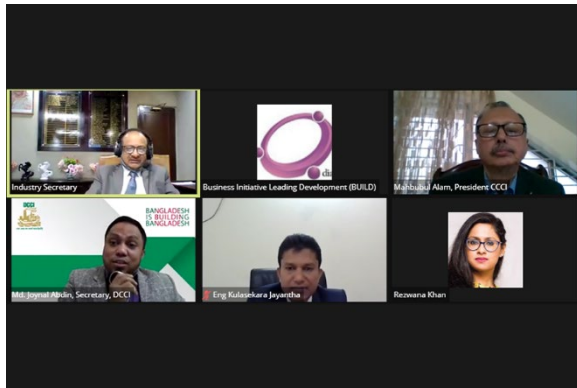
There are no directions for Lending Rate, Deposit Rate, Interest Rate Spread, Cash Reserve Ratio (CRR), Statutory Lending Rate (SLR), Repo, Reserve Repo Call Money rate in the stated MPS, making the liquidity position in the credit market uncertain. In the event of a credit decision, the Bank's other lenders would be affected. The MPS should utilise OMO, reserve requirements, credit guidance, and collateral policy to maintain favourable monetary and economic indicators.

The MPS of the central banks aims to control the money supply, inflation control, and employment creation. The announced MPS has not been directed clearly to keep inflation under control in the era of broad money expansion; it has not shown any directional policy support for new job creation after the devastating pandemic period. New circulars should be issued to compensate for the lack of policy push for job creation and inflation control.



Working Committee Meetings

in 2021



● BUILD urges to address the definition of CMSME in the upcoming National Industrial Policy 2021 and revisit SME Policy 2019

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

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

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

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

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

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

Rozina Akhter Mustafi, DGM, SMESPD, informed that Bangladesh Bank is very much willing and monitoring the issues of disbursing the FSP. Bangladesh Bank clearly defines collateral issues to



avail of the FSP from the banks. So far, more than 81 thousand enterprises have availed of the FSP.

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



● Meeting between BHTPA MD (Secretary) and BUILD Chairperson: Research is a must to address the automation-related crisis in the job market

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

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

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

BUILD CEO Ferdaus Ara Begum urged for initiating research on the sectoral impact of 4IR in Bangladesh. According to her, the impact of 4IR is different for some sectors. We need a sectoral study to understand the scenario. She said that BUILD's 4IR and ICT working committee is going to start a gap analysis of Bangladesh in the field of 4IR with the help of e-CAB, BASIS and BHTPA. According to her, this study will help us understand our position in 4IR around the globe.



● BUILD's budget proposals for FY2021-22 to NBR

BUILD placed some effective recommendations in a bid to facilitating the tax revenue collection procedure of the government focusing on widening tax net, corporate tax reduction, minimizing the gap of supply side and demand side and simplifying the tax payment procedures.

During the meeting with NBR, BUILD Chairperson said that we see no other option for increasing the Tax-GDP ratio. He added that the existing ratio of direct and indirect tax in Bangladesh is around 35:65, which should be reversed to uphold the interest of the consumers and the productive sectors. Priorities for this year's budget should be to increase the tax net, reduce the tax rates, and simplify tax payment procedures to encourage taxpayers.

BUILD urged to reduce the costs of administration and compliance, ensure procedural fairness, avoid discrepancies and discrimination, ensure transparency and build confidence in the taxpayer-citizen-client. It also demanded increased reliance



on Information Technology – electronic payment facilities. BUILD asked for considering the taxpayer as a customer and facilitating compliance. It raised the importance of tax audit strategies to increase efficiency and reduce risk of leakage. The policy paper also identified the urgency of the segmentation of taxpayers to create better service levels for all.

Further, BUILD urged the NBR to address the minimum turnover tax (2%) on gross receipts (82C of ITO 1984) for the telecom sector since the present rate is discriminatory as for other sectors, it is 0.50%, and for tobacco, it is 1%.

After LDC Graduation, Bangladesh will need to be more independent in acquiring technology and innovation. Research expenditure is the lowest in the country, BUILD proposed to consider 1% of Gross Revenue for Research, Innovation, Skills development and training as Tax deductible for 3 years.

In addition, individuals spending on computers, smartphones, laptops, training, skill development, research etc., for their family up to BDT 200,000 should get tax deductibles. These would encourage people to be trained and also improve technology adaptation, secondly improving skill set.

In respect of audits, BUILD proposal said, the big companies are frequently audited that adds the additional costs, so the companies can be audited by the auditors that are approved by NBR in order to stop unnecessary audits on companies or individuals.

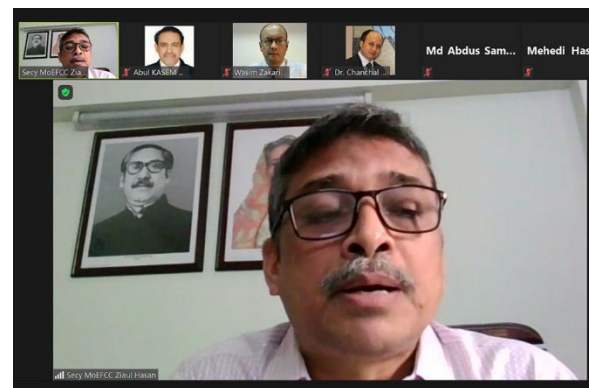
BUILD also made a call for Discounted Corporate Income Tax rate of 25% for all One Person Company (OPC) under new tax slab to encourage them, also requested to reconsider paid up capital requirements as announced in the policy and reduce the amount as a rational manner so that a good number of informal entrepreneurs can be formalized.

In order to encourage taxpayers, BUILD Chairperson referred introduction of Tax Card in different names for all taxpayers which will be a recognition and reward to taxpayers. It must be made into smart card so that it is not only a dynamic database but also linked to NID and also become a reference for loans and services.

In response to BUILD's proposals, NBR Chairman said that the scope of Tax Cards in order to recognize the taxpayers of the country can be widened and, in that respect, NBR can prepare a list in consultation with other organizations. He further added that we need to make sure that no one can misuse it and it will not be linked to any financial benefits. NBR cannot do it alone, so NBR will need supports from other organizations to prepare the list, BUILD can also extend support to NBR.

The proposal of introducing incentives on employment generation is a good option for us but we need to make sure how the employment over scope will be ensured, said the NBR Chairman. He said that it should be proportionate and in that respect capability of an organization to create employment is to be considered. He agreed with the proposals of BUILD that there is a need for more investment on research and innovation and in that respect, universities would need to be engaged. We can support result-oriented research in the country, but this research should be linked to industries, he further added.

Having underscored the opportunities in the local market, he said that we should not remain attached to importing products that can be produced in the country at reasonable cost. To strengthen the spill over effects, we should facilitate linkage with other businesses that operate outside the economic zones.



● Committee for green growth and recycling to be formed for achieving industrial sustainability

The 3rd Sustainability and Green Growth Working Committee (SGGWC) meeting took place on 9 March 2021 virtually to discuss different tools and Policies for Extended Producers Responsibilities (EPR) for the plastic sector. The meeting was presided over by Ziaul Hasan ndc, Secretary of Ministry of Environment, Forest and Climate Change



(MoEFCC), Government of Bangladesh while Wasim Zakariah, Chairman of Standing Committee on Research and Development, BGMEA was present.

The Ministry of Environment, Forests and Climate Change (MoEFCC) will work closely with BUILD as well as other relevant stakeholders to ensure an effective policy on Extended Producer Responsibility for the plastic sector, said the Environment Secretary.

He added that we will form two new sub-committees on recycling and green growth under the existing Sustainability and Green Growth Working Committee (SGGWC). The two new platforms should hold regular discussions and deliberations on critical issues on sustainable development in the private sector. We are seriously concerned over the issue of pollution control, in that respect in 2018 there was an SRO on EPR, but it could not play proper role, he said.

BUILD Chairperson Abul Kasem Khan said that in addition to recycling and management of waste, we also need to promote green growth through diversification and wider adoption of environment-friendly models and solutions such as jute-based pulp, bamboo-based fibre, biofuel from waste, and so on. Citing the example of neighbouring countries that are coming up with innovative and sustainable business solutions, he underscored the importance of close and regular cooperation among public and private sector through the SGGWC and its two proposed sub-committees.

At the beginning of the meeting, BUILD CEO Ferdaus Ara Begum updated the meeting with the progress achieved in implementation of decisions of the Sustainability and Green Growth Working Committee. She mentioned that the Bangladesh Bank has revised the provisions and design of the Green Transformation Fund to make it more accessible for all manufacturers-exporters for importing environment-friendly machinery. The Bangladesh Road Transport Authority (BRTA) has issued an SRO to get the battery-run electric vehicles registered.

Md. Tahmid Zami, Additional Research Director of BUILD made a presentation on Extended Producer Responsibility (EPR) in the Plastic Sector of Bangladesh. Citing the growth of per capita use of plastic waste in urban areas of Bangladesh, he mentioned that the country should follow the footsteps of more than sixty countries around the

world that have adopted some model of EPR to combat the growing menace of mismanaged plastic waste. The government's EPR policy should address how to upgrade the waste collection efficiency, expand plastic recycling capacity, and ensure regular stakeholder cooperation on the multi-faceted problem. The plastic industry is a high-priority sector for export diversification, and it needs proper incentives, finance and technology to ensure its export competitiveness as well as proper waste management.

Wasim Zakariah, Chairman of Standing Committee on Research and Development, BGMEA endorsed the formation of two committees so that comprehensive policies in these two important areas can be framed. He also added that rather sectoral incentives it should be based on the contribution of recycle of the sector or business have been able to do. The government may come up with policy incentives for RMG factories in order to promote waste management of plastic. Besides, we do not have any kind of chemical safety management policy in place that resulting in accidents around our industry. He also urged the Government to form a platform that will be responsible for recycling of all kinds of wastes.

Arif Faisal, Programme Specialist at UNDP Bangladesh said that the Government can make an action plan for next 10 years on the SDG-12 on Sustainable Consumption and Production. For control of single-use plastic, market-based solutions should be adopted in the coming days.

Muhammad Rashed from BSCIC mentioned that the government has taken all necessary measures for establishment of the plastic industrial park which should be complete within the next one and a half year.

Nazmul Hassan, President of Bangladesh Pet Flakes Manufacturers and Exporters Association (BPFMEA) suggested that PET bottles should have some engraving or traceable mark that would enable recyclers to understand whether those are made from virgin plastic or from recycled material.

Syeda Masarrat Quader, Regional Sustainability Manager of H&M mentioned that on top of plastic recycling, we should also take immediate measures to ensure recycling of other materials such as pre- and post-consumer waste in the textile sector. Bangladesh should quickly take steps to expand its





recycling capacity for textile like other countries like China, India, Vietnam, Turkey, etc.

Shamim Ahmed, former President of Bangladesh Plastic Goods Manufacturers and Exporters Association (BPGMEA) mentioned that banning plastic solutions without alternatives won't be feasible while financial tools like imposing levy on single-use plastic could be more effective. Mr. Narayan Dey, Secretary of BPGMEA urged on speedy completion of the plastic industrial park.

Prof. Engineer Abu Bakr Siddique, Dean at BGMEA University of Fashion and Technology mentioned that he has developed solutions for producing various usable material from recycled plastic. Swapan Kumer Ray, Principal Scientist of BCSIR said that he has already developed solutions for aggregate modification of various waste including plastic for producing construction material.

Abu Hasnat Md. Maqsood Sinha, Executive Director of Waste Concern urged on speedy approval of the Urban Waste Management and Handling Rule that would provide a legal basis to implement EPR. Upstream management would be the only sustainable solution for plastic waste.

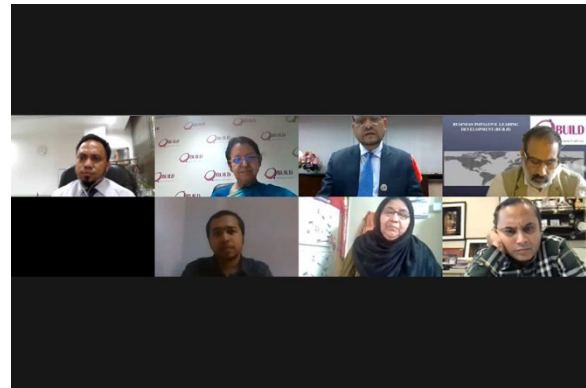
A. Shamim Al Razi, Additional Secretary (Development Wing) of the MoEFCC mentioned that the BEST project supported by the World Bank will include a component to implement required measures for waste recycling.

Mr Nazmul Hasan, Director of Department of Environment (DOE) put emphasis on Green Budget and requested BUILD to support in that respect. He further suggested that there is a Technical Committee in DOE on EPR where BUILD can be a member. Referring proposals of BUILD in the earlier meeting he informed that Battery recycling policy has been updated.

The meeting was also attended by representatives from BSTI, BIDA, Ministry of Water Resources, Finance Division, Ministry of Industries, Ministry of Fisheries and Livestock, Unilever, and so on.

● Financial support to the cottage, micro, and small enterprises will be expanded further

The Bangladesh Bank has taken the initiative to extend the timeline of the current stimulus package and by 2023, a total of BDT 60,000 crore will be extended to SMEs to ensure economic resilience that will enhance GDP, employment, and inclusive



development, said Abu Farah Md Naser, Deputy Governor of the Bangladesh Bank. The Deputy Governor of the Bangladesh Bank joined the meeting as Chief Guest while Sk Abdur Rahman, Mayor of the Mongla Municipality of the Bagerhat District joined as the Special Guest. Business Initiative Leading Development (BUILD) with support from the PROKAS (Promoting Knowledge for Accountable Systems) programme of the British Council organized the dialogue virtually on 1 April 2021.

The Bangladesh Bank Deputy Governor mentioned that the BDT 2,000 crore collateral-free loan opportunity for SMEs made available under the credit guarantee scheme should be utilized as much as possible. He held the example of City Bank's Leno financing model that uses digital technology to process loan applications in the shortest possible time and encouraged other banks to follow the example.

For banks operating in grassroots level, he encouraged digital technology to ensure that loan evaluation and processing can be managed in the shortest possible time. Abu Farah Md Naser thanked BUILD for organizing the meeting to address the concerns of cottage, micro, and small enterprises from remote regions. He mentioned that Bangladesh Bank is also facilitating expansion of aggregate demand by nurturing Bank-MFI linkages that has a base of three crore people across the country.

Sk Abdur Rahman, Mayor of the Mongla Municipality mentioned that the neediest section of the population – the cottage enterprises, fishermen and the working class – has largely missed the benefits of the stimulus package. He suggested that banks should provide not only credit but also technical support to ensure that the credit is properly utilized for repayment. Training and capacity



building provided by the government at the local level need to be scaled up. He encouraged speedy completion of the Mongla airport to ensure accelerated investment and development in the region.

In the opening remarks of the meeting, BUILD Chairperson Abul Kasem Khan noted that the COVID-19 has affected businesses all around the country, especially the MSMEs. The timely initiatives by the Hon'ble Prime Minister and the government to prepare the country to tackle the health challenges as well as economic effects of the pandemic combined with the all-out action by the Bangladesh Bank and other government agencies were instrumental in protecting the country from the worst consequences.

Aside from supply side interventions, there also need to be demand side initiatives so that the income and consumption of the ordinary people can be boosted to reinject dynamism in the economy. He requested for social safety bond for the small entrepreneurs and some tax changes in the Tax policy and extend tax incentives so that large scale industries can also sustained.

BUILD's CEO Ferdaus Ara Begum while moderating the session informed in reply to a point raised by Bangladesh Bank that BUILD is working closely with the Ministry of Industries to get the definition of cottage, micro, small and medium enterprises to ensure that smaller and vulnerable businesses receive more policy priority and support. As BUILD continues to engage in research and facilitation of the businesses in Mongla and Bagerhat the support from the central bank will be essential.

In the keynote presentation, Md. Tahmid Zami, Additional Research Director of BUILD noted that in the local BSCIC Industrial Estate of Mongla, around 50% businesses are out of operation and only 20% workers are retained in many factories. The coconut oil mills, rice mills, small traders, and many other sectors have faced tremendous shock due to the COVID-19. Finance should be distributed to the cottage, micro and small enterprises without stringent requirements for rescuing the endangered businesses.

He referred the e-survey in the form of a KPI conducted by BUILD during February-March 2021 covering chamber representatives, local Government and BSCIC, Bank officials and Businesses.

Husne Ara Shikha, General Manager, SME and Special Credits Department informed about 6% of total money disbursed for SME have gone of Southwest region, in case of women, in number it is about 5.43% of the total and noted that there are both positive signs and mixed results in distributing credit to SMEs in the region.

She mentioned that Bangladesh Bank has gone out of its way to develop a data dashboard to collect and manage disaggregated data on finance at local level. As the finance extended under the Stimulus Package is high powered money, it cannot be continued for an indefinite period, it is essential to ensure especially state-owned commercial banks fully utilize their wide network of branches to disburse adequate credit to the remote businesses.

Syed Abdul Momen, Head of SMEs of BRAC Bank mentioned that the definition of SMEs should be modified to target the cottage, micro and smaller enterprises more effectively. The decentralized credit management of BRAC and the agent banking sets a good example for the banking industry of the country for meeting the needs of the businesses in the rural level.

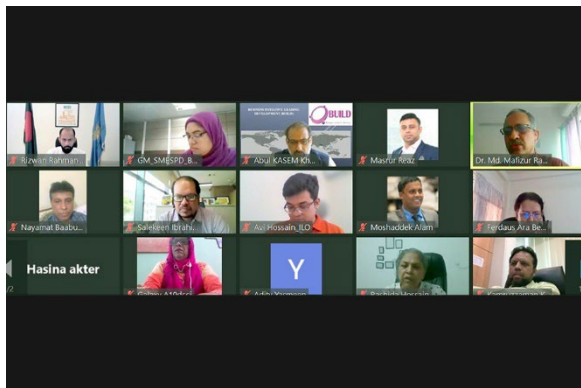
S. Humayun Kabir, Vice President of Bangladesh Frozen Foods Exporters Association (BFFEA) requested for a proper insurance policy for the shrimp industry as well as higher incentives such as cash subsidy to ensure better development of the high-potential sector. Cold storage facility for the shrimp and fish sectors should be boosted.

He further suggested to consider the sector as agro-based sector while extending support facilities. In case of getting finance, Banks and FIs request for higher collateral considering uncertainty of the production.

Md Mofidul Islam Tutul, Director of Khulna Chamber of Commerce and Industry stressed on the prospects of the jute sector. Illustrating the vulnerability of the Southwest region, he mentioned that very recently a few villages in the region have been flooded, which is hurting the shrimp and fisheries businesses.

Md. Abul Basar, IBP Manager, Climate Finance of the PROKAS programme appreciated the role of Bangladesh Bank and urged the stakeholders to create resilient recovery for businesses in southwest region of the country.





● BUILD's virtual dialogue on redesigning a 2nd stimulus package for economic recovery of CMSMEs

Cottage and micro enterprises should be separately grouped and targeted apart from small and medium enterprises so that their access to the stimulus packages can be increased, said Husne Ara Shikha, General Manager (SME and Special Programmes Department), Bangladesh Bank observed. She was speaking at the virtual dialogue on "Redesigning a 2nd Stimulus Package for Economic Recovery of CMSMEs" organized by BUILD on zoom on Sunday, 23 May 2021.

She said that at present, 6% of the stimulus package has gone to cottage and micro enterprises, while women entrepreneurs have received 6% of the SP. The Bangladesh Bank is working to support employment generation by allocating funds to organisations like Karmasangsthan Bank, Prabashi Kalyan Bank, and so on, added the Bangladesh Bank GM (SME-SPD).

Dr M. Masrur Reaz, Chairman, Policy Exchange of Bangladesh, delivered a presentation on "Redesigning Stimulus Package for Economic Recovery of CMSMEs". Highlighting global and national impact of covid, he mentioned that in Bangladesh GDP growth decelerated from 8% in FY19 to, while the RMG sector has faced cancellation order worth \$3.2bn, leading to loss of jobs of 24,000 workers between April and June 2020. There has been a 39% drop in Domestic and FDI proposals in FY20, while import of Capital Machinery and Disbursement of Industrial Loans Dropped.

Rizwan Rahman, DCCI President suggested that definition of SMEs needs to be clarified and national database for SMEs should be set up. Cash

flow based financial transaction and reduction of documentation costs should be reduced.

Dr Md Mafizur Rahman, Managing Director, SME Foundation urged that bank-client relations criteria needs to be readdressed to avail FSP. Proper coordination among focal point of a Bank and local branches is required. BUILD should be invited to join SMEF to assist Electronic Database for SMEs in collaboration with a2i.

Monowara Hakim, President, Chittagong Women Chamber of Commerce and Industry highlighted the deprivation of WEs in availing FSP. Bankers should be trained to deal with WEs with utmost care.

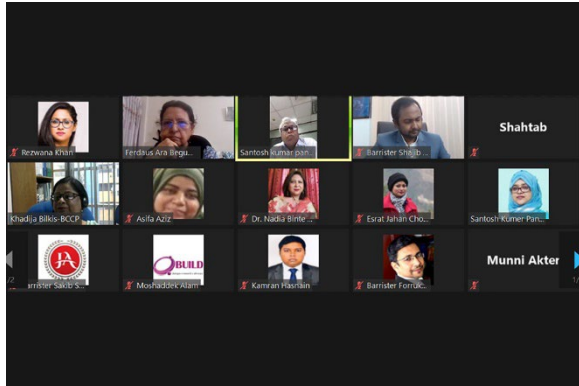
Akhil Ranjan Tarafder, General Manager, BSCIC identified a certain lack of awareness about BB circular among scheduled bankers. BB should take initiative to reach all the BB Circular to scheduled banks. Bank-client relations as the set criteria to avail FSP is one of the biggest problems. Mohammad Nazmul Avi Hossain, Programme Officer, ILO, mentioned that financial stimulus package should be treated at package of multiple purpose. These should address Financial Literary along with other Technology and Technical issues. Mazedul Islam, Development Coordination Officer, UNRCO recommended developing gender-disaggregated database to address to destination of FSP. The banking procedures should be simplified.

Ferdous Ara Begum, CEO, BUILD concluded the meeting by sharing the workplan of BUILD going forward. The BUILD-ILO study will work to link employment and investment in the context of COVID 19 which will feature hon'ble Planning Minister as the Chief Guest. Moreover, BUILD will organise webinar in mid-June 2021 to present the outcomes of the STUDY. She pledged that BUILD would take initiative to create awareness on Bangladesh Bank's circular among SMEs, and work with PPD Platform for furthering policy simplification. BUILD and SME foundation will work for Digital Dynamic Database for SMEs.

● Dialogue on removing time, cost and process related bottlenecks in company registration

BUILD organized a virtual consultation on reducing time, cost and process related bottlenecks in company registration on 6 June 2021. The consultation focused on the findings of the recent survey that was conducted by BUILD during March-May 2021 of the companies that have been





registered over the past two years. This initiative was supported by USAID funded Feed the Future Bangladesh Improving Trade and Business Enabling Environment Activity.

Santosh Kumar Pandit, Additional Registrar (Joint Secretary), Office of the Registrar of Joint Stock Companies and Firms said that Registrar of Joint Stock Companies and Firms present during the meeting has mentioned that the institution is planning automation and merger of name clearance, company registration and fee payment into a single process. On Starting a business, the first indicator of Ease of Doing Business Index of World Bank Group, Bangladesh ranks 131st because of digitisation efforts of the automation by the Registrar of Joint Stock Companies and Firms.

Having welcomed the participants at the virtual consultation, BUILD CEO Ferdous Ara has mentioned that some changes in the registration process will facilitate the businesses start-up. She further emphasized the need for simplifying the process of registration for one person company, self-amendment while having company registration, capitalization, and simplification on trade licenses.

Oleg Grigori, Costing Expert of the USAID Feed the Future Bangladesh Improving Trade and Business Enabling Environment mentioned the importance of baseline measurement of administrative burden and the impact of high administrative burdens on business enabling environment.

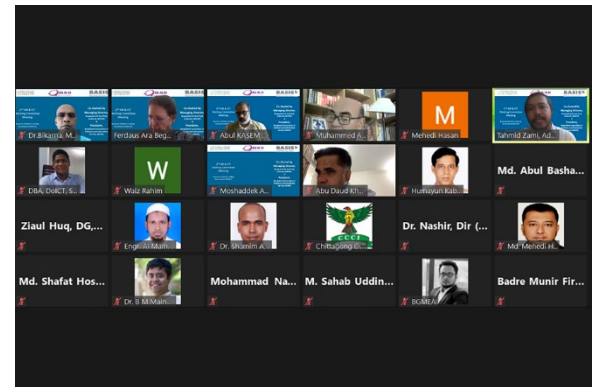
Md. Kamran Hasnain, Research Associate of BUILD made the keynote presentation and highlighted key challenges that include difficulties in obtaining information regarding step of the company registration process, requirements for hiring consultants and third parties, informal fees paid by

the applicants to speed up the process, presence of intermediaries and informal parties and rules of Citizen Charter etc.

Afsarul Arifeen, Secretary General of Dhaka Chamber of Commerce and Industry said that the Government may consider empowering the trade bodies by involving them in trade license issue, to encourage enterprises to become members of relevant chambers and associates.

Engr Mohd. Farque, Secretary (In charge) of Chittagong Chamber of Commerce and Industry urged the Government to make the registration process transparent and decentralize the process to reduce entrepreneurs' dependence on intermediaries, and thus cutting the cost of registering and operating a business.

Barrister Shajib Mahmood Alam said that website of Registrar of Joint Stock Companies and Firms should be mobile responsive and made a call for reducing the registration fee for foreign companies to attract the foreign investment and cut down the time for company registration from the current 19.5 days.



● 2nd 4IR ICT Working Committee meeting of BUILD held

4IR and ICT are now a reality; Bangladesh must prepare. The private sector's involvement may improve the government's approach in this regard. BUILD produced a concept note to highlight Bangladesh's shortcomings in comparison to comparable nations. On 28 July 2021, a presentation was given to collect additional ideas during BUILD's 4IR ICT working committee's 2nd meeting. Concerned public-private sector representatives were present. Bikarna Kumar Ghosh, Managing Director of Bangladesh Hi-Tech Park Authority (HTPA), and Syed Almas Kabir, President of Bangladesh Association of Software Information

Services, co-chaired the meeting (BASIS). A. K. Khan, Chairperson of BUILD, and Dr Mohammad Alamgir, Member of UGC, were present.

Bikarna Kumar Ghosh, Managing Director of the Bangladesh Hi-Tech Park Authority, thanked BUILD for organising the 2nd meeting of the 4IR&ICT Working Committee and for delivering an informative keynote presentation. He emphasised the need for coordinated public-private sector cooperation to guarantee the long-term development of the 4IR&ICT industry in Bangladesh. While the government has made many steps and adopted policy measures, the private sector is always welcome to provide new and justifiable suggestions. BUILD will consider all comments, advice, and expert opinions collected from this session in its subsequent report.

Syed Almas Kabir, President, BASIS, shared his observation on data privacy guidelines, stressing the urgency of its implementation. Proper data privacy is required to enhance Big Data expansion. IOT issue needs to be addressed as a priority agenda under the Digital Security Policy. Expansion of 5G internet is a critical need for eventually developing the IoT 4IR technologies. Up-skilling and re-skilling of workers is essential to ensure that there is minimum disruption in the labour market as automation through industrial robotics technology is coming fast. It is high time to collaborate with the international robotics industry to the domestic industry.

He further informed that COVID had accelerated the pace of technology adoption. We need to be prepared to go with 4IR&ICT. BHTPA BASIS will always be with BUILD in its further journey.

Muhammed Alamgir, Member, University Grants Commission (UGC), pointed out that Bangladesh ranked 135th among 137 countries recently in internet connectivity in the world. There should be a clear understanding of the existing situation and intended goals of development in 4IR ICT. The industry needs to be more proactive in providing customised human resource development for the graduates from academia, while the academia should have a closer alignment with the terms of the industry by delivering more outcome-based education for a skilled, employable workforce. Incentives for industrial research are limited that should be extended at a larger scale. 4IR strategy and other relevant issues should get priority in academic syllabus preparation to achieve SDGs by 2030.

Abdul Wahed Tomal, General Secretary, e-CAB, informed that the stakeholders of the digital commerce industry are facing a series of constraints and challenges. Policy interventions should be carefully designed so that the interests of various industries can be protected, contributing to a synergistic development pathway.

Intensive training in the electrical, and electronic sector to boost the 4IR robotics industry is needed, observed Dr Shamim Ahmed Deowan, Assistant Professor Chairman, Department of Robotics Mechatronics Engineering, University of Dhaka.

Ziaul Huq, DG, BIDA, encouraged the participation of more public sector ministries agencies in the working committee's dialogue knowledge-sharing process.

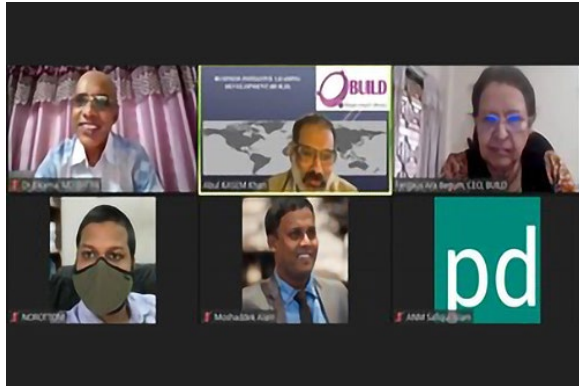
Humayun Kabir, Joint Secretary, Ministry of Labour Employment, focused on creating skilled workforce logistics infrastructure sector for 4IR&ICT development in the country. Sustained private sector investment is required in this area.

Mohammad Monower Hossain, Joint Secretary, BGMEA, informed that the RMG sector is utilising upgraded technology in product development, product design, product sampling, and so on. The technology software is mainly imported from abroad. We need to focus on domestic investment, including venture capital investment for homegrown technology software solutions. Sustainability in manufacturing industries will be linked to blockchain; therefore, the skill gap needs to be addressed.

Dr Mohammad Dulal Hossain, Chief Engineer, BAEC, suggested that a very focused specific gap analysis should be conducted in that respect. Ferdaus Ara Begum, CEO, BUILD, in her opening remarks, shared the activities conducted by the committee, including initiating an assessment of where the country sits and where it aims to reach in the arena of 4IR ICT. BUILD is working to engage relevant stakeholders from the public-private sector to this committee, she added. She urged for policy-related constraints for which BUILD can advocate.

Tahmid Zami, Additional Research Director, presented the keynote at the meeting. Representatives from the Ministry of Youth Sports, DOICT, DU, BAEC, BCSIR, Labour Ministry, BIDA, BD4IR, BACCO, and e-CAB interacted.





● Preparatory meeting of 4IR ICT held

At a preparatory meeting of the 4IR&ICTWC working committee on 17 July 2021, BUILD Chairperson Abul Kasem Khan welcomed the new Managing Director of the Bangladesh Hi-tech Park Authority (BHTPA), Dr Bikarna Kumar Ghosh, who co-chairs the 4IR&ICT working committee of BUILD from the public sector.

BUILD CEO Ferdaus Ara Begum said the working committee was established to harness the benefits of 4IR&ICT for the Bangladesh economy to accelerate growth and create new employment opportunities through close public-private sector cooperation on relevant policies and practises.

Several vital issues were discussed in the meeting to facilitate 4IR ICT in Bangladesh. BHTPA MD gave his kind consent for the 2nd working committee meeting, which is going to be held on 28 July 2021. Senior officials of BHTPA BUILD attended the meeting.



● Preparatory meeting of PSDPCC held with PMO

A preparatory meeting took place virtually on 19 July 2021 to review the agenda of the 14th Private Sector

Development Policy Coordination Committee (PSDPCC).

Private Sector Development Policy Coordination Committee (PSDPCC) is planning to organise its 14th meeting soon. Zubaida Nasreen, Director General 1, Prime Minister's Office, chaired this review meeting.

Ferdaus Ara Begum, Chief Executive Officer, Business Initiative Leading Development (BUILD), presented 19 proposals in 4 steps related to Bonded Warehouse Facilities for the Non-RMG sector. She also raised 12 proposals in two steps associated with the scope of works of the SME Policy 2019, considering the COVID-19 situation. In these proposals, some specific recommendations were raised in line with Bonded Warehouse Facilities for Non-RMG sector SME Policy 2019.

In her speech, BUILD CEO presented a short review of the SME Policy 2019, the impact of COVID-19 on the economy, different initiatives/programmes their progress, support to achieve policy goals, and reconsidering the definition of CMSME tax policy based on the current proposed definition.

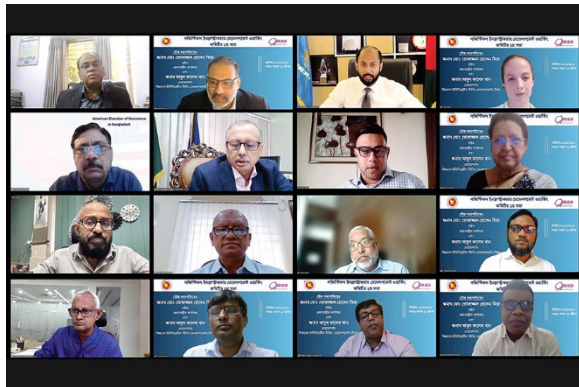
Anisur Rahaman, Director 1, PMO, asked for the opinion of the Ministry of Industries (Mol) regarding the definition of SMEs opinion of the National Board of Revenue (NBR) regarding the readjustment of the tax policy based on the proposed definition.

Zubaida Nasreen, DG 1, PMO, said that it would be very effective if BUILD and the Ministry of Industries organised a joint meeting to provide all the Mol-supported recommendations to PSDPCC. Also, she urged minimising the number of proposals.

Dr Mafizur Rahaman, Managing Director, SME Foundation, expressed his unanimity with the proposals of BUILD. He said BUILD's SME-related proposals had reflected the thoughts of SMEF. He said that all kinds of discrimination are to be eliminated to implement these proposals. Also, he commented that the tax policy readjustment is important for SMEs.

Kazi Sakawat Hossain, Additional Secretary (BSCIC, SME BITAC), Ministry of Industries, said that the definition of SME is needed to be reconsidered soon. In this regard, several joint meetings with SME Foundation have already been organised. Based on these meetings, the decision to revisit the definition of SME will be made soon.

Abul Kasem Khan, Chairperson, BUILD, said that the supports given to the RMG sector need to be duplicated in other sectors. All the sectors are not getting bond facilities. It is required in order to be established through PSDPCC that at the macro level, all sectors need bond facilities. Then the sectoral priorities should be determined at the micro level. In the last budget, ten years of tax holidays were given to the electric sector. The bond facility is a must to implement this decision. He also mentioned that sector diversification industry diversification is urgent to achieve the targets of Vision 2030, 2041.



● 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 the 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, and railroads are 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) a framework or position paper will be prepared to set the national target of reducing logistics costs and (2) an 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 reducing dwell times at Chattogram Port and national highways congestion, along with the initiation of a national logistics



strategy, would increase the 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 proper utilisation of Pangaon Port and Dherasram Project which should be linked with temperature-controlled logistics. 98% of the freight forward operators in Bangladesh suffer 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 cannot 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 has been working for MSMEs of agro-processing, agro-machineries, livestock and fisheries sector to understand their critical vulnerabilities and risks due to climate change. BUILD conducts research, dialogue and policy advocacy for the sector while enhancing the knowledge of climate change and climate finance among the MSMEs of the agro sector so that they can be climate-smart businesses.





Major Policy Events

in 2021



● Public-private partnership is key for public policy support for the private sector

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

During the courtesy call, Planning Minister M. A. Mannan MP said we must step ahead to ensure more private sector engagement in a public-private partnership for coordinated development in the country.

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

BUILD Chairperson Abul Kasem Khan briefly highlighted the major activities of the organisation

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

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

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

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

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



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

● Investment and export diversification policies need to be supportive of potential sectors

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

Mentioning that e-commerce should be automatically recognised as an enterprise, the Minister added that this high-potential sector is not getting promoted as expected since they need a trade licence. His Ministry is already working with the Local Government Ministry to speed up introducing trade licences for the industry so e-commerce businesses can access finance and other opportunities.

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

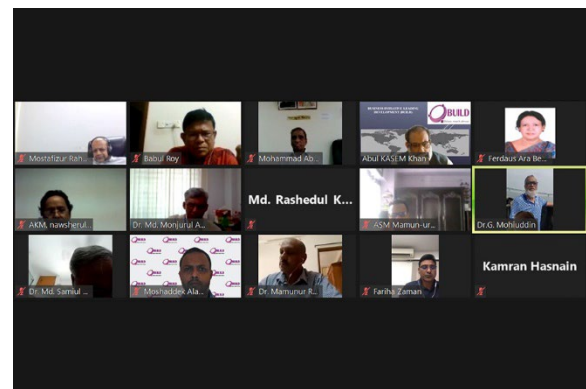
BUILD Chairperson also informed that BUILD is working on three export sector roadmaps. Once the road maps are prepared, national-level dialogues

will be organised to disseminate the main points, and BUILD will expect all support from MOC in that respect.

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

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

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



● Value-added jute goods need policy and research support for domestic industrial diversification

BUILD Chairperson Abul Kasem Khan presents BUILD publications to Golam Dastagir Gazi Bir



Protik MP, Hon'ble Minister for Textiles and Jute, during a call on 24 February 2021 at his office at the Secretariat.

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

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

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

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

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

He also urged the government to consider policy benefits for the sector by encouraging government purchase of Jute pulp-based paper in addition to other initial policy supports so that local jute-based pulp producers can take off in business growth and

eventually contribute to export in the context of burgeoning demand in the world market as the wood-based pulp is discouraged.

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

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

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

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

● Public procurement opportunities for women business entrepreneurs

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

BUILD, in collaboration with ITC SheTrade, has been conducting research for mapping women-owned businesses (WoB) in public procurement, and a tool has been prepared to assess access to women entrepreneurs in public procurement and, in that respect, what is the policies in the country level,



procuring entity and women-owned business organisations.

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

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

● Long-term health safety measures for export competitiveness

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

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

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

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

Nusrat Nahid, a private sector specialist, at International Finance Corporation, made a presentation highlighting issues of health safety and informed about the impacts of COVID-19 on trade. She stressed the need to maintain different health and safety guidelines even after the roll-out of the vaccines.

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

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

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

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

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

● Preventive activities need to be continued for long even after vaccination

Bangladesh Investment Climate Fund II, which is implemented by the International Finance Corporation (IFC), BUILD and World Bank Group and funded by the Foreign, Commonwealth and



Development Office (FCDO) organised a virtual workshop on Health Safety Guidelines for Business Continuity and Trade Facilitation during COVID-19 for Custom House, Benapole.

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

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

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

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

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

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



● A new economic frontier concept in special economic zones of BEZA underscored

BUILD Chairperson Abul Kasem Khan called on Paban Chowdhury, Executive Chairman of Bangladesh Economic Zone Authority (BEZA) on 2 March 2021 at his office to discuss more private sector-friendly policies and joint research for further success in BEZA.

BEZA Executive Chairman informed that BEZA has already received more than USD 20bn of investment and it is going to reach USD 30bn soon. Terming Mirsarai EZ as a game changer, he shared that land allocation is almost exhausted in this Zone. Considering the potential, the areas of the Zone can be increased further encompassing Companiganj, Sitakunda, Sandip, Hatia and so on.

He put emphasis on the macro-level policy reforms and strong governance for the successful completion of the targeted EZs in Bangladesh.

He further suggested that BUILD should come up with comprehensive proposals with facilitation of trade and investment, attracting more FDI, supporting SMEs, spill over impact in society in the SEZs etc.



BUILD CEO Ferdaus Ara Begum said that the policy gaps in handling private and public EZs and other country specific EZs would need to be minimized. She added that BUILD will come up with a research study on the New Economic Frontier to consolidate the idea and seek support from the government for policy reforms in attracting more private sector investment.

● Long-term health safety measures for export competitiveness

To disseminate and reemphasise the core health safety guidelines to prevent the further spread of the disease and maintain trade and business activities of the economy following the impact of COVID-19 pandemic, Business Initiative Leading Development (BUILD) and International Finance Corporation (IFC) organized a virtual workshop on Workplace Health Safety for Business Continuity with Inland Container Depot (ICD) during COVID-19 on March 7, 2021.

This initiative is supported by BICF II, which is implemented by the IFC, World Bank Group and funded by the Foreign, Commonwealth and Development Office (FCDO). The objectives of the workshop were to sensitize concerned service providers and service takers to maintain health safety measures to run businesses even in the post-COVID stage to mitigate export losses.

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

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

Nusrat Nahid, Private Sector Specialist, IFC, made a presentation highlighting issues of health safety and informed about the impacts of the COVID-19 in trade, and stressed upon the need to maintain different health and safety guidelines even after the roll-out of the vaccines. She showcased some audio-visuals on health safety guidelines which was

prepared after carefully reviewing all the different health protocols and guidelines issued by the Government of Bangladesh, NBR and WHO. She requested for further circulation of the AVs through different customs houses for educating the customs personnel, service providers and other relevant frontliners which will save them from this deadly pandemic.

Dr Mohammad Abul Hasnat, International Public Health Specialist, emphasized on the policy level decision for addressing this type of pandemic and appreciated the role of the government for all time-bound policies to address the pandemic. He informed that the impact of a virus may remain for 2-3 years to be contained fully, and thus we need to maintain all safety practices throughout 2021. High officials from Custom House, Dhaka and private sector officials of the trade-related agencies participated in the workshop.

● Consultation on the impact of COVID-19 and constraints in the light engineering sector

To discuss on the present scenario of Light Engineering sector of Bangladesh specially the COVID pandemic impact for updating Strategic Export Roadmap on Light Engineering Sector, a virtual consultation meeting between BUILD and the President of Bangladesh Engineering Industry Owners Association (BEIOA) was held on 12 April 2021. BUILD is working on updating the 'Strategic Export Roadmap on Light Engineering Sector' in light of the current context pertaining to the pandemic under the project component entitled "Provide Policy Advocacy Support Through Structured Public Private Dialogue to enhance Competitiveness of Selected Manufacturing Sectors" assigned by IFC, WBG.

BUILD CEO informed that the Vision of the LE Export Roadmap is targeted to reach USD 420 million (both direct and deemed) by 2025. Should we set new Vision of LE sector export for 2025 and 2030 considering the pandemic ongoing situation? What can be the criteria for determining new vision of LE Export, she added.

Md Abdur Razaque, President, BEIOA said, vision of export of LE sector should be much higher than the present target as export of LE sector has already reached USD 381.63 million in 2020-21 (July-March) with a growth of 49.72% than the same period of previous year. He shared export figures of last couple of years to inform about the prospects of the sector.



Virtual Consultation on Impact of COVID-19 and Constraints faced by the Leather Sector and their Inputs for updating Export Roadmap

A Consultation meeting between BUILD and the Leather Goods and Footwear Manufacturers & Exporters Association of Bangladesh (LFMEAB) was held on 20 April 2021 to discuss the present scenario of the Leather sector of Bangladesh specially the COVID pandemic impact for updating Strategic Export Roadmap on Leather Sector.

Ferdaus Ara Begum, CEO of BUILD initially briefed about the agenda of the meeting. She outlined the objective of the meeting what is based on the Leather Sector Roadmap. BUILD is working on updating the 'Leather Sector Export Roadmap' in light of the current context pertaining to the pandemic.

LFMEAB President in short informed some of their observation and suggestion in line with COVID and addressing the questionnaire prepared by BUILD.

● Virtual consultation on impact of COVID-19 and constraints of plastic sector

Virtual Consultation on Impact of COVID-19 and Constraints of Plastic Sector took place on 21 April 2021 to discuss on the present scenario of Plastic Sector, its constraints and the impact of COVID-19 for updating Strategic Export Roadmap on Plastic Sector.

Ferdaus Ara Begum, CEO, BUILD initiated the meeting by giving a brief introduction about the agenda of the meeting to the President and other participants of BPGMEA. BUILD is working on updating the 'Strategic Export Roadmap on Plastic Sector' in light of the current context pertaining to the pandemic.

The strategic Export Roadmap for Plastic Sector set a vision to be among the top 50 largest exporters of plastics (89th position in 2018-19) and among the top 25 largest exporters of toys (53rd position in 2018-19) by 2021.

Shamim Ahmed, President of BPGMEA informed that one of the main raw materials is petrochemical, which is totally imported, because of COVID situation the price has swollen up from USD 700/MT to USD 1200 /MT which is almost unaffordable for them.

High dependency on imported raw materials and lack of trading houses/ central bonded warehouse for bulk import of raw materials for the plastic sector is the biggest constraint. Without reducing cost and the lead time for raw materials, the sector will continue to suffer and will not be able to achieve the full potential.

● FGD on bonded warehouse regime

A focus group discussion was held on "Bonded Warehouse Regime in Bangladesh Economic Zones Authority" on 17 April 2021 to discuss the BWH system under BEZA.

Mustafizur Rahman, Deputy Secretary, BEZA said that under their jurisdiction is aligned with Customs Act 1969 and BWH policies by NBR, it takes 21 days for having a BWH license which is easier and faster. Usually, Home consumption BWH is used in BEZA. He also mentioned in reply of BWH automation that among 125 services provided under BEZA 48 services (22 services from BEZA and 26 services from other government bodies) are automated. If the BWH become automated by NBR, the BWH for BEZA would be automated as they have an institutional MOU with NBR. He also mentioned that currently 10 BEZA entrepreneurs are using BWH facility under the BEZA Act 2010 and Customs Act.

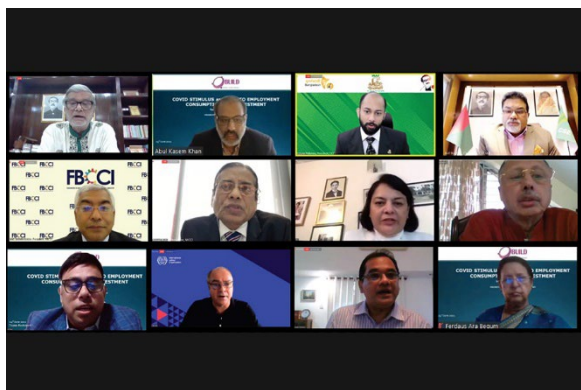
Nusrat Babi, Private Sector Specialist, IFC-WBG asked a question regarding declaration of Customs BWH (CBWH) area and why it takes long time to declare an area as CBWH station.

BUILD CEO Ferdaus Ara Begum conducted the FGD.

● A well-designed and tailored COVID stimulus package for inclusive economic recovery proposed by BUILD

Business Initiative Leading Development (BUILD) conducted a study on COVID Stimulus and Links to Employment, Consumption, and Investment: The Bangladesh Experience, Global Lessons, and Priorities for Next Round Support that aims to assess the effect on Bangladesh economy in the immediate aftermath of COVID-19, understand the stimulus and its key features, understanding the economic recovery post-covid stimulus, focusing on consumer demand, employment and private investments, comparative analysis of measures taken in select countries, derive key-takeaways and key recommendations for a quick and inclusive turnaround of the economy.





Conducted a rapid survey (Feb 2021), which was a part of the study also found that the sales of SME firms have been negatively impacted due to the pandemic and a number of firms reported a depressed demand currently compared to the pre-COVID scenario, which indicates consumption and demand has not recovered fully.

These major findings were revealed at the webinar titled held on Thursday, 24 June 24, 2021. The event was organized virtually by BUILD as part of supporting the Government for redesigning a second-round stimulus package for inclusive economic recovery.

Having joined the webinar as the Chief Guest, M A Mannan, MP, Minister for Planning said that the country's economy has been growing gradually because of millions of small drops of investment. Referring to the recent UNCTAD report of 2021, he said, the government is always welcoming greenfield FDI in Bangladesh considering quality of investment. Responding to the points raised by the discussants, he said the National Budget for FY 2021-22 has focused on the continued economic recovery amid the pandemic. The government will consider the demand of the bottom line of the society if a second stimulus package is formulated where importance will be given to activate more SME supportive organization. Best practices from different developed countries should be considered to make the overall economic ecosystem of Bangladesh vibrant. He also appreciated central bank's role in disbursing stimulus package of the CMSME.

During the welcome note, Abul Kasem Khan, Chairperson, BUILD said that the initiative and leadership of our Honourable Prime Minister to combat the COVID-19 gave confidence to the economy. Unemployment, demand generation, and

savings need to be addressed to make the initiative more fruitful.

Md Jashim Uddin Ahmed, President, FBCCI said that in the national budget of FY 2021-22, the government addressed private investment, SME, agriculture, health, education, employment, social safety net, integrated logistics system, etc. as the equipment of the economic recovery plan. He cordially appreciated the government for coming up with some simplified reforms on tax and VAT issues to assist the private sector amid the pandemic.

Tuomo Poutiainen, Director, International Labour Organization said that social inclusive measures like assisting youth, real unemployed, vaccination programme, access to education, mental health etc. need to be addressed and linked to the stimulus package. To ensure continuity of the growth of investment, productive employment, the social safety net programme, etc., the upcoming stimulus package should be focused on inclusive areas. He praised the government to address almost all the micro and macroeconomic issues with the context of the pandemic in the 8th Five Years Plan. To attract FDI in Economic Zones, the skill ecosystem needs to be upgraded to provide a technically and technologically sound workforce.

Dr M. Masrur Reaz, Chairman, Policy Exchange made the keynote presentation and highlighted that the design of the government announced stimulus packages is not adequately inclusive because of a lack of consideration of the challenges and needs of small entrepreneurs. He added that the working capital support and the overall design of the packages lacked incentives for employers to sustain employment. Sharing some examples of stimulus packages in different countries such as Germany, India, China, Vietnam, and the USA, he proposed several short and long-term recommendations for a robust next round of support.

Nihad Kabir, President, Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) moderated the panel discussion and open floor session. She said while summing up the panel discussion that the informal economy does not receive the expected benefit from the announced Financial Stimulus Package (FSP). She focused on the upgradation and modernization of the education system of Bangladesh.

Mahbubul Alam, President, Chittagong Chamber of Commerce and Industry (CCCI) said that our desired



results are not achieved through the first announced FSP. Private investment and demand are decreasing, on the other hand unemployment rate is increasing. The government has taken mega projects to reach the logistics sector to a global height.

Prof. Dr Mustafizur Rahman, Distinguished Fellow, CPD said that employment generation should get proper focus on FSP. FDI has been reduced amid the COVID-19 at an alarming rate. He referred targeted FDI of 7th FYP was \$33 billion of which only \$11 billion has been achieved. He recommended for segmented stimulus considering the 60.5 million labour force of which 4.4% are employees, 44% are self-employed, 11.55% are family helpers and 15.5% labours. The involvement of NGOs, Associations in the disbursement process of FSP will make the better SME environment.

Rizwan Rahman, President, Dhaka Chamber of Commerce and Industry (DCCI) said that COVID-19 hits the GDP growth, employment generation, SME sector, consumers demand, retail and tourism sectors as well as other economic indicators are facing slow momentum. The cash flow system needs to be taken into account. Terms and conditions for the informal sector to avail FSP need to be simplified. Moreover, the initiative to formulate SME database will identify the true beneficiaries.

Dr Md Masudur Rahman, Chairperson of SME Foundation thanked BUILD for coming up with suggestions for the development of the SME Sector. The government has announced two FSP for SMEs but the disbursement process from the end of the commercial bank is not adequate. As most of the SMEs are from an informal sector that makes them unable to be bankable.

Asif Ibrahim, Chairman, Chittagong Stock Exchange and founder chairperson of BUILD focused on taking learning from the first FSP to make the second more effective. Health, education, rural economy should get the highest priority while designing the second stimulus package. Constraints faced by SMEs to avail stimulus package needs to be addressed in an innovative and simplified manner.

Jamal Uddin, General Manager, Bangladesh Bank informed that about 73% of CMSME stimulus has been disbursed benefited about one lac entrepreneurs of which about 5.58% are women entrepreneur. While 98% of announced FSP for Large scale entrepreneurs. In case of agriculture

about 80% has been disbursed benefited about 1.7 lac people.

BUILD CEO Ferdaus Ara Begum told that a redesigned second round of stimulus would be helpful for the private sector and will support the CMSME in particular.



● BUILD's call on with FBCCI President

BUILD Chairperson Abul Kasem Khan paid a courtesy call on the newly elected President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) Md Jashim Uddin, on 31 May 2021 at the FBCCI Secretariat.

BUILD Chairperson said that under the dynamic leadership of new FBCCI President, we will see further development of business and industry in the country. BUILD Chairperson said that FBCCI President's guidance during the pandemic will be very important for our business community. Referring to the MOU signed between FBCCI and BUILD in 2015, BUILD Chairperson requested the support from FBCCI for joint collaboration.

Md Jashim Uddin said FBCCI will work towards accelerating private sector growth and will give highest priority in resolving the many challenges faced by businesses. He stressed the need to strengthen research and innovation as these would help reach the 2041 economic vision for the country.

BUILD CEO Ferdaus Ara Begum also welcomes the new President as the Co-chair of the Taxation Working Committee of BUILD and requests his support and guidance.

● Dialogue on removing time, cost and process related bottlenecks in company registration

BUILD organized a virtual consultation on reducing time, cost and process related bottlenecks in



Company Registration on 6 June 2021. The consultation focused on the findings of the recent survey that was conducted by BUILD during March-May 2021 of the companies that have been registered over the past two years. This initiative was supported by USAID funded Feed the Future Bangladesh Improving Trade and Business Enabling Environment Activity.

Santosh Kumar Pandit, Additional Registrar (Joint Secretary), Office of the Registrar of Joint Stock Companies and Firms said that Registrar of Joint Stock Companies and Firms present during the meeting has mentioned that the institution is planning automation and merger of name clearance, company registration and fee payment into a single process. On Starting a business, the first indicator of Ease of Doing Business Index of World Bank Group, Bangladesh ranks 131st because of digitisation efforts of the automation by the Registrar of Joint Stock Companies and Firms.

Having welcomed the participants at the virtual consultation, BUILD CEO Ferdaus Ara has mentioned that some changes in the registration process will facilitate the businesses start-up. She further emphasized the need for simplifying the process of registration for one person company, self-amendment while having company registration, capitalization, and simplification on trade licenses.

Oleg Grigori, Costing Expert of the USAID Feed the Future Bangladesh Improving Trade and Business Enabling Environment mentioned the importance of baseline measurement of administrative burden and the impact of high administrative burdens on business enabling environment.

Md Kamran Hasnain, Research Associate of BUILD made the keynote presentation and highlighted key challenges that include difficulties in obtaining information regarding step of the company registration process, requirements for hiring consultants and third parties, informal fees paid by the applicants to speed up the process, presence of intermediaries and informal parties and rules of Citizen Charter etc.

Afsarul Arifeen, Secretary General of Dhaka Chamber of Commerce and Industry said that the Government may consider empowering the trade bodies by involving them in trade license issue, to encourage enterprises to become members of relevant chambers and associates.

Engr Mohd. Farque, Secretary (In charge) of Chittagong Chamber of Commerce and Industry urged the Government to make the registration process transparent and decentralize the process to reduce entrepreneurs' dependence on intermediaries, and thus cutting the cost of registering and operating a business.

Barrister Shajib Mahmood Alam said that website of Registrar of Joint Stock Companies and Firms should be mobile responsive and made a call for reducing the registration fee for foreign companies to attract the foreign investment and cut down the time for company registration from the current 19.5 days.

● BUILD's dialogue on identifying the challenges and measuring gaps of present standardization capability in Bangladesh for export potential products

The Bangladesh Standards and Testing Institution (BSTI) is keen to align its efforts with international standards for which it is already working with academia to have research-based product standardization and upgrading its capacity by setting up new laboratories to ensure proper testing and standards certification for a variety of sectors, said Dr Md Nazrul Anwar, Director General of BSTI. He was speaking on Tuesday, 25 May 2021 at a Virtual Dialogue on Identifying the Challenges and Measuring Gaps of Present Standardization Capability in Bangladesh for Export Potential Products. BUILD in collaboration with IFC-WBG organized the webinar.

While Moderating dialogue, Ferdaus Ara Begum, CEO, BUILD in the beginning delineated the objectives of the Dialogue informed that in order to become successful and competitive exporter in the current global market, they must be ensured that their products fulfil the strict requirements of quality demanded by the foreign markets. In this respect up to date information on technical regulations specified in standards or technical regulation set by WTO as demanded by the foreign markets is very important.

Dr Syed Humayun Kabir, Former Director General, SARSO, SAARC made the keynote presentation on the importance of standard setting for Potential Export Products (PEP). He focused on identifying gaps of PEP in existing BSTI standards, identifying international standards for shortlisted PEP for plastics, leather and leather goods, and light



engineering, and developing recommendations to harmonize those additional standards.

Shamim Ahmed, President, Bangladesh Plastic Goods Manufacturers and Exporters Association (BPGMEA) mentioned that the plastic industry is a very important export-oriented industry that also serves other sectors as a backward linkage industry specially RMG, electronics sector etc.

Dr Aloke Kumar Mozumder, Professor, BUET, pointed out the limitations of standardization gaps and said that it is a very difficult and complex process to set standard for products. Setting standards of products based on local demand requires local research.

Md Towhidur Rahman, BAB said that there are 80 laboratories accredited by BAB and it is working to secure international recognition for its work. BSTI and BAB are working together. The private sector should come forward to work with BSTI. BAB is working for Halal Food Standardization and Accreditation. International recognition of such initiative will open export opportunities for this sector.

K. M. Iqbal Hossain, BPGMEA held that local industries often have to send products to Singapore to get product standardization, incurring huge costs and time, thereby increasing the cost of doing business as well as hindering export growth. He sought the help of the World Bank to address the problem.

Hafizur Rahman Khan, Chairman, Runner Group opined that product specification is the most important issue rather than standards to boost exports. The World Bank may initiate a project to set product specifications and establishment of quality testing laboratory. He thanked BSTI for being very supportive to the motorcycle industry.

Nilufa Haque, Director, BSTI mentioned BSTI follows the ISO and international standards following 6 steps set by ISO, and also works on the basis of local demand. BSTI assists exporters to convert standards set by specific country.

Hosna Ferdous Sumi, Private Sector Specialist, World Bank stated that local and international standardization of product should be synchronized as it is one of the competitive factors to attract foreign buyers. Complexity in Product standardization and accreditation process is one of

the key barriers for export growth in non-RMG export sectors.

● BUILD holds dialogue on paper pulp from whole jute plant: Potential and way forward

BUILD organized an online Dialogue on Paper Pulp from Whole Jute Plant (WJP): Potential and Way Forward on 3 May 2021 via Zoom platform. This dialogue focuses on discussion among the concerned from Jute and Textile Ministry, Bangladesh Jute Research Institute (BJRI), Bangladesh Council of Scientific and Industrial Research (BCSIR), Bangladesh Jute Mills Corporation (BJMC) and representative of private paper and paper products producers.

Abul Kasem Khan, Chairperson, BUILD in his welcome note highlighted on the BUILD's meeting with the Minister of Textiles and Jute on 24 February 2021 regarding an initiative on producing paper pulp from whole jute plant. He said that this dialogue will focus on the scope of commercialization of paper pulp from whole jute plant, developing an ecosystem, bringing changes in existing policy, developing a jute pulp and paper Act and so on keeping in mind the sustainable development fund and climate change issue.

Ferdous Ara Begum, CEO, BUILD presented the keynote on Reviving the Past Glory of Jute: Jute-based Pulp and Paper for Industrial Diversification. She said that pulp, the number one raw material for producing paper, is presently imported and produced locally from recycled wastepaper quality of which is not very good. The demand for hard and soft pulp has also been increasing. Green jute-based pulp can meet the increasing local and export demand.

Mohammad Abul Kalam, NDC, Additional Secretary, Ministry of Textiles and Jute appreciated the good efforts and the keynote paper said that a professional approach is required for this initiative. At the same time economic viability of using whole jute plant needs to be considered. Getting 40% outcome from 100% input is seemed not as profitable aspect. The farmers are needed to be convinced to produce more jute. On the other hand, industries need to get out of the infant industry concept.

Dr Md Monjurul Alam, Former Director General, Bangladesh Jute Research Institute (BJRI) agreed with BUILD presentation and said that in that respect BJRI is working for production of this annual plant



within a shortest possible time (from 120 to at least 90 days) so that number of productions can be increased. He also said that cottage industries can be developed locally to run industries of paper pulp manufacturing from whole jute plant.

Dr Sarwar Jahan, Director (Pulp and Paper), Bangladesh Council of Scientific and Industrial Research (BCSIR) said that it is not feasible to run the small-scale pulp industries because whole jute plant-based pulp will cost more than USD 1100 per ton.

Babul Chandra Roy, Former Director (Marketing), Bangladesh Jute Mills Corporation said that a study was conducted in 2017 on this issue. He presented some of the study findings.

Dr Ghulam Mohiuddin, Former Director and Principal Scientific Officer, Chemistry and Bio-chemistry Division, Bangladesh Jute Research Institute (BJRI) talked about the NSAQ process and Bioprocess of pulping.

Mustafizur Rahman, Deputy Managing Director, Bashundhara Paper Mills Ltd. said that the capacity of producing high quality paper needs to be increased. It is required to produce paper with 90% brightness.

BUILD will take the lead for a professional study in collaboration with the Ministry and the concern and will have follow up meeting soon to focus on ensuring a holistic approach from every stakeholder to conduct feasibility assessment of jute-based paper pulp production.

● BUILD and SME Foundation to create a dynamic database for SMEs

BUILD and SME Foundation will work on creating a dynamic database for SMEs using upgraded data analytics, so that it can be standardized compared with other countries. This decision was made during a virtual call between BUILD and SME Foundation on 25 May 2021. Dr Md Masudur Rahman, Chairperson, SME Foundation said that due to information gap and documentational insufficiency a big number of SMEs could not be benefited from the stimulus package announced by the government, as most of cottage and micro entrepreneurs engaged informally.

BUILD Chairperson Abul Kasem Khan said that a dynamic database of all categories of enterprises, including CSMEs needs to be prepared on an urgent

basis. This database should include all relevant information that should help them get access to credits. Such a database would help identify enterprises that have not received any support yet and also sectors that have traditionally received less attention in the package etc. Based on the database, fiscal and monetary policy support could be directly extended to the enterprises.

Earlier Ferdaus Ara Begum, CEO, BUILD delineated a brief intro of BUILD and related activities of SME Development and how SMEF and BUILD can join hands together to support SMEs as the mandate of the two organizations are almost same.

Dr Md Masudur Rahman, Chairperson, SMEF agreed the proposal of making an effective database. Referring 7.8 million enterprises as per BBS census of 2013, he mentioned that the number of CMSMEs has now become more than a crore. He added, there are thrust sectors, district chambers, FBCCI as good sources of information. He put emphasis for an operational structure along with specific time frame, in case of financial support it needs to explore alternative sources.

Dr Md. Mafizur Rahman, Managing Director, SMEF informed that they have already completed groundwork for creating a SME Database in collaboration with “a2i”. He added, BBS can give us a number, but we need a dynamic database.

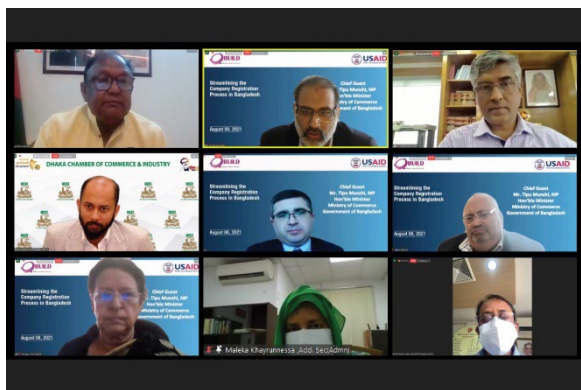
● BUILD CEO joined IPF online seminar as keynote speaker

BUILD CEO Ferdaus Ara Begum speaks as the keynote speaker at the “IPF Online Seminar — Plastic Industry Status, Prospects of Exports, Challenges”. It was held from 5 to 8 July 2021 by the South Asian plastics, printing and packaging industries and organised by Bangladesh Plastic Goods Manufacturers and Exporters Association (BPGMEA) together with Yorkers Trade and Marketing Service Co., The event was attended by Tipu Munshi MP, Commerce Minister, and Md Jashim Uddin, President of FBCCI and Shamim Ahmed, President of BPGMEA among others.

● Complete automation of the company registration process saves time and money

The government of Bangladesh is committed to implementing high-impact regulatory reforms such as streamlining the existing company registration process to reduce administrative costs in the procedures, said Tipu Munshi MP, Hon’ble Minister





of Commerce, who spoke in the webinar on “Streamlining Company Registration Process in Bangladesh” as Chief Guest. The meeting was organised by Business Initiative Leading Development (BUILD) in collaboration with the Feed the Future Bangladesh Improving Trade Business Enabling Environment (FtFBITBEE) of USAID.

The commerce minister cited the examples of Singapore and Malaysia, which have shown remarkable success in simplifying the company registration process, reducing the time to register a company to less than one hour. The Registrar of Joint Stock Companies Firms (RJSC) of Bangladesh has undergone several reforms and digitalised the registration process. However, there is still room for improvement for which collaboration of both the public and private sectors is required.

Abul Kasem Khan, Chairperson, BUILD, commenced the programme by thanking the commerce minister to modernise the Companies Act. RJSC has digitised the registration process along with other services. He mentioned that BUILD is presenting a survey conducted jointly with FtFBITBEE supported by USAID containing recommendations to reduce the time costs in the company registration process.

Ferdaus Ara Begum, CEO, BUILD, delivered the keynote presentation on ‘Removing Time, Cost Process related Bottlenecks in Company Registration in Bangladesh’. She presented the survey findings conducted during March-April 2021 on the companies registered in the country in the past two years. The survey looks after the effective time overall all-time total costs of each stage of name clearance, company registration, company seal, opening a bank account, obtaining trade license registering VAT. It also made a comparison of the official time cost with the appropriate cost time.

She said that new inexperienced applicants spent more hours obtaining information on RJSC registration, thus taking eight days to complete it, which is supposed to be finished within three days. She highlighted bottlenecks like manual intervention in preparing documents, consulting with 3rd parties, paying bank fees, etc. The study found that RJSC registration requires 89% of 3rd party engagement; thus, cost enhances by up to 49.22%. In the case of obtaining a trade license, 67% 3rd party engagement is required incurring an added 32.33% cost. She also added that the post-registration process is more complex than pre-registration as more offline interaction is needed. CEO, BUILD, suggested that adequate overall time for Company registration can be reduced with a fully automated registration service has to be introduced. She also recommended a one-stop service for all stages of company registration, capacity development of applicants, embedding mobile financial services for payment, ensuring a mobile-friendly website, simplification in amending the online application, express service for foreign investors, etc.

Sheikh Shoebul Alam ndc, Registrar, (Additional Secretary), RJSC, appreciated the recommendations placed by BUILD in the presentation. RJSC seeks to implement a full online service. He recommended training, an awareness outreach programme to familiarise the stakeholders related to RJSC with the existing online system.

Maleka Khayrunnessa, Additional Secretary, Ministry of Commerce, GoB, mentioned that the applicant should be accustomed to the online process. There should be more training or publicity so that the registration can be done without the help of a third party without any hassle.

Igor Gutan, Team Leader, FtFBITBEE, said that the study is critical to know about the country’s actual cost time incurred in company registration. If Bangladesh wants to get into the first fifty countries in Doing Business, the country needs to improve its position in terms of time, cost, and the number of procedures in company registration.

Rajin Ahmed, Advocate at Supreme Court of Bangladesh and Head of Chambers, Ahmed and Associates, mentioned that soft copies and both hard copies are still required in RJSC registration. Less than a thousand foreign companies were registered in RJSC. The payment system should be



online, using mobile financial services like Bkash and Nagad.

In the Open Session, Rizwan Rahman, President, DCCI, noticed that the cost of the company registration process in RJSC ranges from BDT 6000-10,000 is bearable for the medium-large industry. However, it is a bit high for small industries. Third-party support is recognised all over the world. We may provide this third party/consultancy system under institutional formation and bring them under the tax bracket.

Asifa Aziz, Owner, Yoshi International, emphasised that 100% automation in every office stage will be business-friendly for the companies; otherwise, online services will have no meaning.

Dr Nadia, Director, FBCCI, requested both English and Bengali versions of the Trade license while its renewal as five years as a passport to encourage people to be under legal coverage.

Tapan Kanti Ghosh, Secretary, Ministry of Commerce, Government of the People's Republic of Bangladesh, mentioned that while a remarkable number of reforms have been made but more needs to be done. The officials must work hard to reduce the number of days for the procedure while the cost is bearable. Every applicant should be accustomed to the online process to avail the benefit of automation. The RJSC should ensure that any 3rd party engagement cannot pose any obstacle to the smooth process.

As Special Guest, Rebecca Moanikeala Robinson, Acting Deputy Office Director - Feed the Future Office of Economic Growth USAID Bangladesh, mentioned that ease of doing business ranking could be improved by better effective reform proposed by BUILD for reducing cost time in RJSC registration.

CEO BUILD said that the comments of the participants are noted carefully and will be taken into account and addressed. The points derived from the discussion session will be incorporated into the final report.

As the Guest of Honour, Marc Shiman, Chief (Acting) of Party, FtFBITBE, suggested that the RJSC follow best practices to adopt a practical approach to set its future actions to upgrade ranking in the Ease of Doing Business Index. The Ministry of Commerce plays a crucial role in driving reform. An initiative from a high-powered political level is

required to ensure incremental changes to a better business environment in Bangladesh. He said the process is a continuous effort; all other countries in the world are also following the improvement in the process development. He suggested that while Bangladesh is trying to reduce the process for getting trade licences, countries have already gotten rid of Trade licenses through bank account provisions.

● Meeting on women, business and the law held

BUILD, in collaboration with IFC-WBG, has initiated a detailed study to analyse the related laws, rules, and regulations so that its ranking of Bangladesh in the WBL can be improved in the next session of the WBL report.

The indicators used in the report are mobility, workplace, pay, marriage, parenthood, entrepreneurship, assets, and pension. The WBL 2021 presented an update of the index based on the laws and regulations reformed between 2 September 2019 and 1 October 2020. In the study, BUILD will also recommend some provisions for the overall improvement of the situation of women in the business. BUILD has developed a detailed questionnaire, started interviewing concerned professionals/lawyers/academics, and set meetings with those already interviewed for the WBL 2021 published in February of this year.

● Specialised bonded warehouse free economic zones

A meeting between IFC, GLCC Solutions Team and different consultants working for Bonded Warehouse policies was held on 9 August 2021 virtually. Dr Masrur Reaz, Chairman, Policy Exchange; Nusrat Nahid Baby, Private Sector Specialist, BICF-II, IFC; Margub Kabir, Consultant, IFC; Giorgi Tskhakaia, Consultant, GLCC Solution; and Ferdous Ara Begum, CEO, BUILD, among others, were present in the meeting. There was a presentation made by the GLCC team on the assessment of the Free Economic Zones, how it operates how Bonded Warehouse (BWH) facilities can be extended to the SEZ entrepreneurs.

The meeting also discussed the BWH facilities for the different export sectors, such as the Leather goods agro sector, in case of having centrally bonded warehouse facilities in the SEZ what types of policy changes were required. As BUILD, Policy Exchange, and GLCC Team were working on these issues, a



meeting to coordinate efforts for Bond Policy simplification was held to share each other's views.

CEO, BUILD, informed that BUILD will soon have a meeting with NBR as preparation for the next PSDPCC Meeting. She also raised the problems of Agro sector Bond policies, referring to a sectoral consultation session on Bond policies of BUILD organised in cooperation with IFC.

● ERF-TAF RAPID webinar on leather sector export

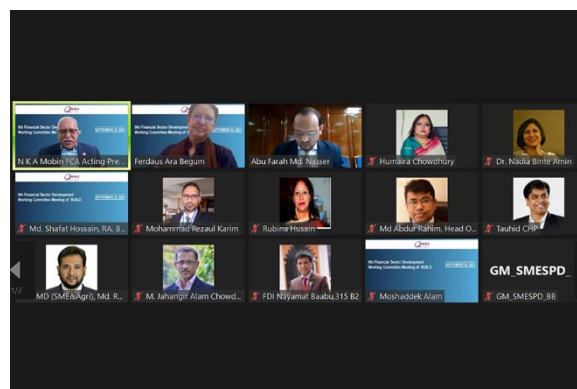
The Economic Reporters Forum (ERF) co-hosted a webinar with RAPID titled "Leather Export from Bangladesh: Capitalising on the Global Economic Recovery". On 13 July 2021, Dr M. A. Razzaque of RAPID spoke on reviving the leather sector after COVID-19. The chief guest was Salman F. Rahman, a private sector advisor. BUILD CEO attended the event and reviewed the RMG and Non-RMG sector's unequal regulations, arguing that fair rules for all export sectors would result in significant increases in exports from Bangladesh.

● Meeting on monitoring of the overall situation of the leather industry

The Ministry of Industries organised the meeting titled "Monitoring of the Overall Situation of Leather Industry" on 8 July 2021 at the Ministry of Industries. BUILD CEO, as a task force member, was present in the meeting. Zakia Sultana, Secretary of the Ministry of Industries, presided over the meeting. Monitoring the leather industry's overall condition was one of the major agenda items during the Eid al-Adha festivities. The agenda included the effective CETP of Savar Tannery Industrial Estate, solid waste management, adequate supply for collection storage processing of raw hides across the country, prevention of leather smuggling, level playing field, debt settlement, credit facilities, transfer, development and use of tannery city, and market creation strategy for leather products globally.

BUILD's CEO proposed different pricing for staled, non-salted rawhide. She said that the already stored salt would be sufficient to satisfy the need for culinary salt, including the preservation processing of raw skins for Eid al-Adha. She went on to say that Bangladesh exports three types of leather: wet blue leather, polished leather, and leather products, with leather goods generating the most money. BUILD is collaborating with the Ministry of Commerce on a leather export strategic road map, and it has been discovered that policies for exporting leather-related

goods face discrimination against other export products. She said that the major markets for rawhide are Argentina, Brazil, Vietnam, Taiwan, China, and the EU and that by increasing the monetary incentive, exports of wet blue leather may be expanded into new markets. She particularly highlighted Vietnam, which exports USD 350 billion now and began working with Bangladesh simultaneously; there is a significant need for export diversification, and these policies should be sector neutral.



● Redesigned 2nd round stimulus package addressing demand and new employment creation

A BUILD-UNIDO survey which was conducted in March-July 2021 delineated that only 6% of vulnerable SMEs have received support from stimulus packages (SPs) declared by the Bangladesh Government, while in overall Asia, the amount is 36%. All SMEs and large firms faced the loss of sales, while resilient Asian large firms witnessed positive sales growth. It indicates a lack of consumer demand in Bangladesh from March to July 2021. This survey was presented at the 9th Financial Sector Development Working Committee meeting, which took place on 22 September 2021. Abu Farah Md. Nasser, Deputy Governor, Bangladesh Bank (BB), and N K A Mobin, Acting President of Dhaka Chamber of Commerce and Industry (DCCI), co-chaired the meeting.

According to the SP circular, a loan may be issued based on books of accounts rather than the bank-client connection, said Deputy Governor Abu Farah Md. Nasser of Bangladesh Bank. He stated that institutions like BRAC Bank are actively upgrading SME banking processes. The collateral-free loan now is supported by Credit Guarantee Scheme (CGS), and collateral-free financing has been prioritised in each division. A 10% collateral-free



loan has been allocated to female entrepreneurs. 8% of the total loan must go to women entrepreneurs at 5% interest. A 1% incentive for women entrepreneurs and banks to recognise excellent borrowers has been introduced.

He told the meeting that the Ministry of Industries had been asked to provide alternatives for trade permits for the cottage, micro, and small businesses. Bangladesh Bank has announced a new BDT 500 crore collateral-free lending plan via agent banking, MFS, and bank sub-branch for rural and ultra-poor people and enterprises. He added that the programme would use Leno finance to handle loan applications quickly and support grassroots projects. He declared that the central bank had undertaken measures to maintain bank liquidity and decrease funding costs for the private sector, particularly cottage, micro, small and medium enterprises (CMSMEs).

He also stated the Central Bank and World Bank's intention to establish an independent payment mechanism for CMSMEs. He praised Bangladesh Bank and the country's scheduled banks for their proactive initiatives, citing a BDT 2,43,000 crore disbursement to SMEs by June 2020. Earlier, BUILD CEO Ferdaus Ara Begum greeted the participants and thanked Bangladesh Bank (BB) for taking measures to assist the execution of 15 out of 20 recommendations provided by BUILD in an earlier meeting, such as biweekly monitoring, increasing the stimulus package volume, separating arrangements for cottage and micro-merchants, women's allocation, among others.

CMSME finance difficulties may be addressed by resolving the CMSME definition, according to DCCI Acting President N. K. A. Mobin FCA, FCS. All CMSME development organisations, such as the SME Foundation, BSCIC, PKSB, and PKSf, may be grouped under a single roof. He cited a DCCI poll performed in 2021 on its members, which found that banks denied 45 per cent of applications for stimulus package loans and that half of accepted loans were not released on schedule.

A BUILD-UNIDO survey indicated that layoffs are greater in SMEs than in big sectors in both national and regional settings. The presentation also referenced another BUILD research that compared country-specific employment and investment programmes.

Premier Bank's Imtiaz Uddin welcomed BUILD's request to prolong the moratorium to avoid a liquidity crisis. Dr Nadia Binte Amin, Director of FBCCI, emphasised that while disbursing FSPs, WEs should be given special consideration. Dr M. Jahangir Alam Chowdhury, Executive Director, Centre for Microfinance and Development, University of Dhaka, argued that comparing stimulus packages across nations with comparable GDPs would be preferable. The working committee meeting included central bank officials, scheduled banks, academics, business chambers and organisations, and private sector entrepreneurs.



● BUILD Chairperson attended the USDA trade facilitation project launch

The USD 27 million initiative aims to strengthen Bangladesh's capacity to develop and diversify exports, assure food safety and quality, and improve agricultural trade institutional structures. On 6 October 2021, Commerce Minister Tipu Munshi inaugurated the Bangladesh Trade Facilitation Project at the Hotel InterContinental Dhaka, which focuses on simplifying and automating import and export processes, strengthening risk-based clearance processes, improving notification provisions, developing lab capacity and testing procedures, and improving the cold chain system for facilitating perishable goods trade.

The initiative will be implemented by Land O'Lakes Venture37, a US-based non-profit economic and agricultural development organisation. BUILD Chair Abdul Kasem Khan commended Minister Munshi and Ambassador Miller for generating chances for the agro-food industry. Khan believes that more streamlined trade processes benefit importing and exporting enterprises and that businesses want predictable, standardised procedures and appreciate transparency. He added that aspirations to become an upper-middle-



Income, and the developed nation would be aided by global trade possibilities and investments in critical sectors.

Over five years, the Bangladesh Trade Facilitation Project would offer technical, logistical, and technological support to Bangladeshi authorities and agricultural and food sector partners. The trade minister emphasised the government's commitment to self-sufficiency in food production, safe and healthy food supply, and commercialising agriculture to make it lucrative for disadvantaged farmers. US Ambassador Earl R. Miller attended the inauguration. Miller reaffirmed the US government's support for Bangladesh's reforms and the development of a business-friendly trade environment. He said that the initiative would help strengthen and extend Bangladesh's refrigerated logistics network.

Commerce Secretary Tapan Kanti Ghosh said that the ministry's WTO Cell would work closely with Land O'Lakes Venture37 to organise TFA implementation for the government of Bangladesh. According to him, the USDA initiative will assist in integrating the WTO TFA provisions, and he anticipated the trade agencies to work together to execute them. "I also anticipate the initiative to concentrate on creating collaborations between the public and private sectors and other development partners," he said. The purpose is to improve agricultural import and export efficiency. Its aims relate to the country's Eighth Five-Year Plan's goal of boosting prosperity and inclusivity.

● Vulnerable returnee migrants and MSMEs need more right-of-way support

In-country returnee migrants are among the most vulnerable groups to COVID-19, said the BUILD CEO Ferdaus Ara Begum. She contended that roughly 4.5 lac external migrants returned to the nation during the epidemic, but in-country migrants were more vulnerable and jobless. For the virtual dialogue titled "Enhancing Opportunities for In-Country Returnee Migrants and MSMEs: A Case of Southwest Bangladesh" on 29 September 2021, Business Initiative Leading Development (BUILD) collaborated with PROKAS, British Council and FCDO. While there are services for returning migrants, in-country migrants typically go unnoticed. She also discussed BUILD's research on domestic in-country returnee migrants in Mongla-Bagerhat.

The dialogue aimed to communicate the BUILD survey results on in-country returnee migrants from

Southwest Bangladesh with essential stakeholders, learn their perspectives, and discuss and reflect on possible solutions.

As the dialogue's Chief Guest, Sharifa Khan, Secretary (Industry and Energy Division), Planning Commission, said that new job opportunities are crucial in the country's in-country migration. She mentioned the government's BDT 427 crore Reintegration of Returnee Migrants initiative, which would give skill-based training and financial assistance to returnee migrants in FY2020-21. She added that the scheme could include vulnerable in-return migrants. Women and men who are jobless might benefit from the rigorous nationwide training programmes offered by Bangladesh Industrial Technical Assistance Centre (BITAC). She said the administration had established various financial and skill development initiatives for marginalised groups. She advised aggrieved internal and foreign migrants to contact the Wage Earners' Welfare Board (WEWB) for assistance. She also brought up the issue of migration and asked for concrete solutions to be made.

Sheikh Abdur Rahaman, Mayor of Mongla Port Municipality, says returnee migrants need the training to use bank, NGO, and government funds properly. He claimed the government has strict rural and marginal low-income safety net programmes. Robust oversight of funds is also required, he stressed. He sought a Bank Asia branch in Mongla to efficiently pay several allowances, including the government's Freedom Fighter Allowance.

Md Jaker Hossain, GM, SMESPD, Bangladesh Bank, said that so far, BDT 15,386 crore of the BDT 20,000 core stimulus package has been distributed. The fund has given women entrepreneurs BDT 759 crore. He pointed to the Small-Scale Employment Creation Project with ADB, which will soon be launched to target marginal rural, unemployed young, and migrants for urgent social and employment protection. He also mentioned the banks' particular CSR activities, where 50% of the funds would go to beneficiaries in Rajshahi and Khulna. He also revealed a credit guarantee plan for collateral-free loans up to BDT 25 lac.

Tahmid Zami, Additional Research Director at BUILD, gave the keynote talk earlier on Enhancing Opportunities for In-Country Returnee Migrants and MSMEs: A Case of Southwest Bangladesh. He emphasised the loss of employment of domestic returnee migrants in cities, leading to their return to



their hometowns or villages. He also said that there is a shortage of ready jobs and assistance programmes in urban and rural regions. According to a BUILD study of Southwest stakeholders, one-third of returnee migrants are jobless. Most women employees are now unemployed, and most have lost more than 60% of their income.

COVID-19 forced numerous fish processing firms in Khulna to close, according to Bangladesh Frozen Food Exporters' Association Vice President S. Humayun Kabir. The annual shipment of frozen fish has been cut in half. M. Khairul Bashar, ASA Joint Director, stated that MSMEs offer 20 million employments. NGOs need over BDT 2,000 crore to reach marginalised individuals with limited income.

According to Rubel Pervez, RSC Manager, BRAC Migration Programme, Khulna, greater funding for vulnerable in-country and foreign returnee migrants is needed. Md Abul Basar, IBP Manager, Climate Finance and Climate-Induced Migration, PROKAS programme, urged the government to provide more opportunities for climate migrants.





Interacting with Women Entrepreneurs

● Export trade procedures for women-owned entrepreneurs

Business Initiative Leading Development (BUILD) International Finance Corporation (IFC), World Bank Group under BICF II funded by the Foreign, Commonwealth and Development Office (FCDO), organised a virtual workshop on step-by-step export trade procedures online, which has applications for providing better services to Dinajpur Women Chamber of Commerce Industries (DWCCI). The key objective of the virtual workshop was to inform the women entrepreneurs on how to enter the export trade. High officials from the Export Promotion Bureau (EPB), Custom House, Dhaka East, and private sector officials of the trade-related agencies participated in the workshop, which was organised on 22 August 2021.

Ferdaus Ara Begum, CEO, Business Initiative Leading Development (BUILD), welcomed all the participants. She thanked DWCCI for their eagerness to respond first to have programmes to raise awareness of their members on the trade procedures. She said that the country's economy is highly dependent on export, amounting to 350 billion USD. It is necessary to increase export revenue to create more employment. Bangladesh is maintaining its export target compared to other countries amid the COVID-19 pandemic. Trade-related procedures are embracing online platforms day by day in the country. It is indispensable for women entrepreneurs to be aware of the trade-related practices where increasingly IT solutions are introduced to simplify it. Dinajpur has a high concentration on exportable agricultural products, poultry, crafts, fashion wear etc. WoBs are coming up in several new ventures, which is a good sign.

Kanis Fatama, Senior Research Associate; Shahriar Rawshon, Research Associate; BUILD, jointly presented the keynote titled "Women-Owned Entrepreneurs (WOE) on Export Trade". In reference to IFC (2016) data, women-owned businesses (WoB) constitute six lack out of the 8 million businesses in Bangladesh. It is hoped that the full functioning of the Economic Zone at Dinajpur will make a vibrant contribution to the local economy. The presentation covered detailed step-by-step export procedures, time costs engaged in getting several permissions,

certificates, approvals etc., in areas of trade license, membership from the local chamber, online licensing module, export registration certificate, export permit, bank account opening, TIN certificate, VAT registration, customs procedure as well as incentives announced by the government to encourage export.

Exporters are awarded cash incentives, bonded warehouse facility duty exemption and duty drawbacks upon their export earnings to ensure their export competitiveness in the export market. In the end, detailed case studies on (1) the export of fresh vegetables from Bangladesh to the Middle East and (2) the export of jute goods from Bangladesh to the EU were presented to provide the real practical scenario of the export procedure from Bangladesh.

In the open session, moderated by the BUILD CEO, a number of WoBs participated. Shadia Khanom, Member, DWCCI, said that she is doing online business in the crafts sector. She hoped that she might expand her business depending on customers' demand. She has her own Facebook page, where she regularly posts her goods to attract customers.

Suraya Begum, Member, DWCCI, said that she is delighted to join the programme. She said that she is mainly involved in online business and delivers goods to different parts of the country besides Dinajpur. She sought everyone's helping to help her expand her company beyond the country.

Nahida Akter Bubli, Member, DWCCI, said that she runs a boutique business. She also has an internet presence. She is presently selling to neighbours in the area, and she hopes to grow her company if she receives assistance. She also informed that she did not receive the stimulus package for women announced by the government.

Salma Nasreen, Additional Secretary (former), Ministry of Finance; Director, Dhaka Stock Exchange, CDBL, thanked BUILD and said that the insightful presentation would benefit women entrepreneurs in capacity building. She noted that additional IFC support mechanisms for women entrepreneurs in remote regions are needed. Rural areas have the most female entrepreneurs. It would help to enhance the visibility of female entrepreneurs in the business community. She also said that a specific tax waiver for women's businesses would be an excellent boost for WoB.

Nusrat Nahid Babi, Private Sector Specialist Task Team Leader Trade Competitiveness for Export

Diversification Project Bangladesh Investment Climate Fund II, IFC, informed that IFC-WBG worked for trade facilitation for quite a long time to facilitate the Trade sector to make the business process easy. In 2018 IFC-WBG conducted a baseline study to identify the difficulties between men and women in trade in collaboration with BUILD. From the study, it has been found that sometimes men need more time than women. Most of the women importers-exporters are mainly dependent on C&F agents for customs clearance. She also mentioned that based on the type of business, the processes are different, but some certification registration processes of the trade, like ERC, VAT, TIN etc., are now online. Anyone can access those services from anywhere in Bangladesh. There is a massive potential for import-export from Birol port. So, she recommended that WoBs look into expanding their company and engaging in trade if they are interested.

Dr Nahida Faridi, ADC, Customs Excise VAT (Dhaka East) Sub-Project Director, NBR National Single Window Project, thanked BUILD IFC for organising such a dedicated session for WoB and assured that NBR is a WoB-friendly organisation very much dedicated to assisting. She requested WEs to visit concerned offices to avail themselves of better services. Government is very much willing to reduce the procedural complexities of VAT, TAX, and Customs issues by making these online. She referred to some special tax exemptions for WoB, such as up to BDT 70 lac turnover; for men, the amount is BDT 50 lac, and she suggested using these benefits.

Khaled Mamun Chowdhury, Director General 2, Export Promotion Bureau, said that empowering women entrepreneurs to encourage more sectoral participation in businesses is necessary. He noted that EPB always works as a business-friendly organisation and is very eager to assist women entrepreneurs. If all the formalities are done accurately, all the trade-related certifications can be obtained easily. He encouraged the women entrepreneurs to apply for the stimulus package. It is essential to focus on export diversification. He informed the audience about special support for WoB to participate in the trade fairs as well as support for attending fairs abroad. He suggested establishing a help desk in BUILD to support WoB and organising a similar programme in all districts.

Suraya Begum, DWCCI Member, said she distributes to other areas of the country besides Dinajpur. She notified that since many of them do

not get financial assistance, they become demotivated, resulting in setbacks for business expansion. The programme drew a total of about 46 entrepreneurs and business representatives.

● Workshop on cross-border trade procedures for WEs of Rajshahi

On 9 September 2021, Business Initiative Leading Development (BUILD) organised a virtual training on Trade Procedures for members of the Rajshahi Women Chamber of Commerce and Industries (RWCCI) in partnership with the International Finance Corporation (IFC), World Bank Group under BICF II, supported by the Foreign, Commonwealth and Development Office (FCDO). The workshop was organised as part of the Support to Organise Stakeholder Outreach and Consultation Programmes (SOSOCIP) project.

It was a pleasure to collaborate with RWCCI on informing their members about trade procedures, said BUILD CEO Ferdaus Ara Begum. She outlined the project's goals and urged female entrepreneurs in Rajshahi to take advantage of the government's private sector initiatives focusing on exportable agricultural items, poultry, handicrafts, and clothes. A network of other companies, trade organisations, and government agencies can help entrepreneurs obtain knowledge and make better choices. Market research should be done to find suppliers, exporters, and sellers. She said that the chamber libraries include a product-specific information guide and related business data.

RWCCI President Rosettee Najneen praised BUILD and IFC for organising this important event. She affirms that RWCCI helps Rajshahi's female businesses. Rajshahi's WEs do not participate in innovative business concepts but rather in conventional cottage and micro enterprises. Innovative training facilities may help the overall commercial situation in Rajshahi. Moreover, Rajshahi's WEs cannot secure a bank loan. The bank should help the WEs financially. She mentioned trade licensing costs as a hurdle to the WEs and that VAT, TAX, and other concerns should be eased for WEs. She advised the government to support the national Women's Chamber of Commerce and Industry.

Kanis Fatama, Senior Research Associate, and Shahriar Rawshon, Research Associate, BUILD, co-presented a keynote titled "Export and Import Trade Procedures for Women Entrepreneurs." Export and import processes were addressed in full, as were



charges associated with obtaining various licenses and permits, including Trade license, local chamber membership, CCI&E online licensing module, export registration certificate, export permission, bank account opening, TIN certificate, VAT registration, customs process, and government incentives offered to stimulate export. The presentation further said that exporters get Cash Incentives, Bonded Warehouse Facilities, Duty Exemption and Duty Drawbacks on their export revenues to maintain global export competitiveness.

Moniruzzaman, President, Rajshahi Chamber of Commerce and Industry, guaranteed full assistance for WEs. He said that a single platform is essential to get all support services. Locals want cargo flights to export agricultural produce. RCCI is eager to help RWCCI and WEs in every way possible, including training and using the RCCI infrastructure to help WE manage their companies. Bank funding for WEs must be made simple. He told RWCCI that RCCI is ready to organise and assist their business.

According to Salma Nasreen, former Additional Secretary, Ministry of Finance, training facilities for women to get information on the capital market might be a new field. Less than 1% of investors are female. BSEC, NBR, and the Ministry of Commerce must ensure women's participation in the capital market.

Saiyab Amal Ahmed, the IFC Consultant, declared that IFC-WBG worked for trade facilitation for an extended period to make business easier. In 2018, IFC-WBG performed baseline research with BUILD to identify trade barriers between men and women. The study revealed that Bangladeshi WEs had difficulty acquiring information on trade, notably export and import and company registration procedures, primarily online.

Dr Nahida Faridi, ADC, Customs Excise and VAT (Dhaka East) indicated that women are excluded from paying VAT on showroom rent. She suggested that dependency on C&F agents must be decreased. She assured us that NBR is a woman-friendly organisation that supports female businesses. She advised WEs to visit the relevant offices. The government is eager to automate VAT, Tax, and Customs procedures. NBR continuously invites WEs to use NBR's services. WEs should attend NBR, VAT, and Customs authorities for help.

BUILD and IFC were commended by MoC Joint Secretary Zinat Ara, who stated that such

programmes should be maintained nationwide. She added that MoC assists WEs in export and import trading and asked WEs to connect with business organisations and chambers. The Bangladesh Trade Portal has information in Bangla and English that would benefit the WEs. WEs may take the effort to learn about the automation system to get digital services. She emphasises the national slogan "EK Jela Ek Ponno" to maintain district product branding.

● Trade procedures for WEs of Mymensingh

On 10 October 2021, BUILD organised a virtual session titled "Trade Procedures for Members of Mymensingh Women Chamber of Commerce and Industry (MWCCI)", in partnership with IFC, World Bank Group under BICF II, supported by the FCDO. The workshop was organised by BUILD as part of the SOSOCP Project.

BUILD CEO Ferdaus Ara Begum said the conversation would raise awareness of women businesses' trading practices. The country's trade processes are increasingly using internet platforms. Understanding trade practices helps WEs do better business. She said Mymensingh has a lot of prospects for exporting goods. Other successful women entrepreneurship includes clothing trades, fashion (boutiques, Manipuri sari, baby things and fancy goods), agricultural marketing, processed food (frozen foods, dry food), crafts/handicrafts (jute), cosmetics, spices and other sectors. She said that today's debate would focus on the role of WEs in using ICT solutions. A growing number of women businesses are interested in export-related processes made easier by IT solutions.

MWCCI President Lucy Akhtary Mahal thanked everyone for organising such a critical awareness workshop for her members. She began by highlighting the current government's efforts to promote female entrepreneurs. She said that women are denied these advantages despite substantial lending and banking facilities due to a lack of knowledge about business operations. Given the region's economic significance, she advocated creating an "agricultural town" in Mymensingh where female entrepreneurs could access different services.

A keynote was delivered by Kanis Fatama, Senior Research Associate, and Shahriar Rawshon, Research Associate, BUILD, covering the time and expenses involved in gaining various licences, certifications and approvals, etc. Export license,



local chamber membership, CCI&E online licensing module, export registration certificate, export permission, bank account opening, TIN certificate, VAT registration, customs process, and government incentives offered to stimulate export. The presentation further said that exporters get Cash Incentives, Bonded Warehouse Facilities, Duty Exemption and Duty Drawbacks on their export revenues to maintain global export competitiveness.

Saiyab Amal Ahmed, the IFC Consultant, reported that IFC-WBG worked for trade facilitation for an extended period to make business easier. In 2018, IFC-WBG performed baseline research with BUILD to identify trade barriers between men and women. The analysis revealed that Bangladeshi WEs had difficulty acquiring trade information, mainly export and import data, and registering their enterprises, particularly online.

EPB Deputy Director Kumkum Sultana appreciated BUILD for organising such a specific workshop outside Dhaka to help struggling women businesses by exchanging expertise on export and import trade. When an exporter requested favourable tariff treatment, EPB facilitated it. She also asked for more similar initiatives to help WEs in places with promise, including all authorities and processes involved in exporting from Bangladesh.

Dr Nahida Faridi, ADC, Customs Excise and VAT (Dhaka East) and Sub-Project Director, NBR National Single Window Project, praised BUILD and IFC for organising such a focused workshop to help WEs learn about export and import trade. To the WEs, she also stressed filing VAT returns to avoid penalties. She cited the government initiative of exempting WEs from VAT on showroom rent. Also, NBR is striving to make its services entirely online which WEs would benefit from. She assured them that NBR is a WE-friendly organisation, urging WEs to attend regional offices to get assistance.

● Workshop on cross-border trade procedures for WEs of Patuakhali

BUILD organised a virtual session on trade procedures for Patuakhali WEs on 17 October 2021, in partnership with the IFC, World Bank Group under BICF II, supported by the FCDO, UK. The session demonstrated ways to improve trade services for Patuakhali Women Chamber of Commerce and Industries (PWCCI) members.

Ferdaus Ara Begum, CEO of Business Initiative Leading Development (BUILD), greeted the

delegates and explained Patuakhali's export focus. With substantial turnover, many WEs are doing well in the agro-processing business. Thanking the PWCCI for their interest in business operations and conversation, she outlined the project's goals and urged female entrepreneurs to take advantage of the government's pro-business policies. She cited a BUILD-IFC study that showed women lag in accessing government-provided digital infrastructure and solutions.

PWCCI President Ismat Jerin Khan expressed the need for further seminars to be organised. She said that women in the area want to start new online and bankable companies. They require business and procedural knowledge to organise and structure their firm. She said the chamber is working with the SME Foundation. She also shared several wins. She noted that the efficient adoption of digitalisation and increased participation of women in business need additional capacity development. She remarked that regional chambers need to improve their facilities and capacities. She also asked BUILD to help them discover new markets inside and beyond Bangladesh.

Kanis Fatama, Senior Research Associate, and Shahriar Rawshon, Research Associate, BUILD, co-presented the keynote titled "Export and Import Trade Procedures for Women Entrepreneurs," covering the time and expenses involved in gaining various licences, certifications and approvals, etc. Export license, local chamber membership, CCI&E online licensing module, export registration certificate, export permission, bank account opening, TIN certificate, VAT registration, customs process, and government incentives offered to stimulate export. They added that cash incentives, bonded warehouse facilities, duty exemptions and duty drawbacks are granted to exporters to enhance competitiveness in the global export market. It also included general rules for commercial and industrial import, different import procedures, dispute resolution mechanisms in trade-related imports, and specific licenses/permits/certificates like import permits, import registration certificates, IRC for indenting organisations, and ad-hoc industrial IRC.

Saiyab Amal Ahmed, the IFC Consultant, said that IFC-WBG has long focused on trade facilitation to ease international trade transaction procedures. In 2018, IFC-WBG performed baseline research to identify the cost, time, and process-related challenges male and female dealers face. Women require more time than males to do trade-related



tasks in certain circumstances. Most female importers and exporters rely on C&F agents to pass customs. WEs in Bangladesh have difficulty acquiring information on export, import, and company registration procedures.

Dr Nahida Faridi, ADC, Customs Excise and VAT (Dhaka East) and Sub-Project Director, NBR National Single Window Project, expressed gratitude to BUILD and IFC for organising such a dedicated session to support WEs through knowledge sharing on export and import trade.

● Workshop on trade procedures for WEs of Rangpur

BUILD, in partnership with the IFC, World Bank Group under BICF II, financed by the FCDO, organised a virtual training on Trade Procedures for members of the Rangpur Women Chamber of Commerce and Industries (RaWCCI) on 9 September 2021. The workshop was organised by BUILD as part of the SOSOCP Project.

According to BUILD CEO Ferdaus Ara Begum, Rangpur is a hub for exportable goods. Also, many WEs are successful in agro-processing, clothes, jewellery, processed foods, crafts and handicrafts, etc. She stated that Bangladesh's GDP of 3,846,101 million in 2020-21 is a strong growth indicator. Stating that Rangpur's female farmers are critical, she elucidated how that helps industrialisation, particularly agro-based enterprises. She focused on the fact that there are 33 medium and 3,000 small businesses, such as lighting and food production, and that woman entrepreneurs may benefit significantly by using e-commerce.

Anwara Ferdousi (Poly), President of RaWCCI, praised BUILD and IFC for putting up such a focused programme to help WEs learn about exporting. "Rangpur is a northern backwater. Most WEs work in jute, handicrafts, salons, and shops. They grow potatoes and veggies. Shipping handcrafted items by female entrepreneurs has enormous potential," she added. Reminding the house that export lags far behind, she contended that the WEs of Rangpur need both governmental and private collaboration to export.

The keynote, titled "Export and Import Trade Procedures for Women Entrepreneurs," was jointly given by Kanis Fatama, Senior Research Associate, and Shahriar Rawshon, Research Associate, BUILD, describing the time and expenses involved in gaining various licences, certifications and

approvals, etc. Export license, local chamber membership, CCI&E online licensing module, export registration certificate, export permission, bank account opening, TIN certificate, VAT registration, customs process, and government incentives offered to stimulate export. A cash incentive, bonded warehouse facility, duty exemption and duty drawback are granted to exporters to enhance competitiveness in the global export market.

Quazi Md Saidur Rahman, AD, EPB, gave a speech in which he praised the organisers for putting on such a fantastic and productive event. He said that the C&F agents now handle all paperwork, including certifications, customs clearance, and BL, making the import-export procedure considerably more straightforward. Entrepreneurs must be registered with an Export Promotion Bureau (EPB) to get favourable tariff treatment when exporting products. The EPB issues the applicant an Export Enrolment Certificate, which entitles the bearer to fair tariff treatment. EPB also helps communicate with a large number of customers from foreign embassies.

Rashedur Rahman, DGM, Planning, BSCIC, stated that to make Bangladesh economically self-sufficient and achieve the government's goal and vision, all government agencies and institutions must fully support WEs. He added that BSCIC is the only government agency that provides full service to entrepreneurs. BSCIC has developed a preliminary plan for entrepreneurs to cooperate with WEs fully.

Saiyab Amal Ahmed, the IFC Consultant, claimed that IFC-WBG worked for trade facilitation for an extended period to make business easier. In 2018, IFC-WBG performed baseline research with BUILD to identify trade barriers between men and women. The investigation revealed that Bangladeshi WEs had difficulty acquiring trade information, mainly export and import data, and registering their enterprises, particularly online.

Dr Nahida Faridi, ADC, Customs Excise and VAT (Dhaka East) and Sub-Project Director, NBR National Single Window Project, said that banks should be more flexible so that WEs may get loans more quickly. She also said that if the women's chamber makes any recommendations for the upcoming budget, she would be advocating for their adoption.

● Seminar on "Women, Business and the Law 2022"



“Women, Business, and the Law 2021,” released on 23 February 2021, is the seventh in a series of yearly studies analysing the laws and regulations that impacted women’s economic potential in 190 countries from 1970 to 2020.

Bangladesh placed 173rd out of 190 economies with 49.40 out of 100. Therefore, BUILD and IFC have agreed to work together on a project to analyse the relevant laws and select a suitable development site to enhance the WBL index rating in the following report session. On 11 September 2021, BUILD and IFC co-hosted a webinar titled “Ranking of Bangladesh in Women, Business and the Law – Suggested Policies for Improvement”. In that webinar, Ferdaus Ara Begum, CEO of BUILD, presented an analysis titled “An Analysis of Bangladesh’s Ranking in Women, Business and the Law — Suggested Policies for WBL 2022”.

She explained the WBL publication’s history, the eight indicators and Bangladesh’s score, the legal foundation for the questions and answers, the 35 points, the sectors where Bangladesh may improve its score, and lastly, the new WBL study fields. In an open floor debate, the gathered experts discussed how Bangladesh might get a “yes” instead of a “no” on practically every topic in the WBL 2022 report.

Hosna Ferdous Sumi, private sector specialist, World Bank, thanked everyone for participating. She explained the WBL index structure and said that its primary goal is to strengthen the legal framework for women in the workplace and business. She believes that since it is a comparative rating, the respondent should bear in mind that the WBG is simply seeking the provisions, whether there is a provision for a particular topic or not. Another point she articulated was the recommendation issue in the WBL report. If the respondent answers based on implementation, the recommendation may suggest that there is no law, which is unhelpful to legislators. As a result, focusing on existing legislation rather than implementation is prudent.

Nabila Rafique, Solicitor, Azurist and Lexpert Solicitors LLP referred to The Constitution of the People’s Republic of Bangladesh of 1972 Act 19 (1, 2, 3), Act 20 (1, 2) and Act 29 (1, 2) for equal opportunity at the workplace and The Constitution of 1972 Act 42. (1, 2) for asset purposes that ensures equal property rights.

Nafiz Imtiaz Hassan, BNWLA Director, emphasises using numerous laws/acts/provisions, such as Muslim

Act, Labour Act, Divorce Act, etc. Nazma Akter, Executive Director of Awaj Foundation, stated that legislation addressing just workplace sexual harassment was essential, citing ILO convention 190. She noted that the 2008 Petition No. 5916 ruling is simply a guideline for workplace sexual harassment.

● Workshop on cross-border trade procedures for WEs

Business Initiative Leading Development (BUILD) organised several regional virtual outreach programmes across the country to develop Women-Owned Businesses (WOBs) in the year 2021. A total of seven virtual training programmes on Trade Procedures for members of women’s chambers 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 WEs can be benefitted and move forward for export and import business across the country. The 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 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 WEs.

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),





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Women's involvement in business is rapidly expanding. Previously, women's work was predominantly in agriculture; however, this is spreading to many more sectors, such as industrial and service. Apart from typical boutique enterprises, WEs are increasingly highly active in construction, engineering, IT, and e-commerce, to name a few.

Ferdaus Ara Begum
CEO, BUILD



Sylhet, participated in the workshop. Many WEs (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 WEs 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 the 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 WEs from CWCCI participated and raised their issues in the workshop. A total of 52 participants and 37 WEs 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 WEs and members of KWCCI 35 participated and raised their issues on business procedures. A total of 48 WEs and different stakeholders attended the programme.

Sunamganj District

A Virtual Orientation and Awareness Workshop 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 WEs 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 WEs.
- 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 with 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 would be helpful to minimise the knowledge gap regarding trade procedures. Through increasing awareness of trade procedures among WEs, it would be possible to enter them into the export business.





● Meeting between EC4J and BUILD

A meeting between the Export Competitiveness for Jobs (EC4J) project and BUILD was held on 25 October 2021. Md Monsurul Alam, EC4J Project Director, presided over the meeting, while Ferdaus Ara Begum, BUILD CEO, led the BUILD team. Officials from both the EC4J and BUILD teams were present. The discussion focused on an IFC-funded project titled "Provide Policy Advocacy Support via Structured Public-Private Dialogue to Enhance Competitiveness of Selected Manufacturing Sectors," which BUILD is managing.

The meeting's primary goal was to update EC4J on the three Export Roadmaps (ERM) developed by the Ministry of Commerce in 2014. The Road Maps were on Leather, Plastic, and Light Engineering. BUILD revised and refined these roadmaps in light of COVID-19 and its effect on these vital export sub-sectors.

BUILD's CEO, Ferdaus Ara Begum, commended EC4J's Project Director for meeting with BUILD so quickly. She explained how BUILD works to help the private sector grow with the help of the public sector.

She also noted the tight connection MOC has had with BUILD from its start. Concerning the EC4J initiative, she said BUILD was involved in the MoC-funded Sector Competitiveness Advisory for Bangladesh (SCA4BD) project. BUILD executed a component of the SCA4BD project called "Policy Advocacy Support via Structured Public-Private Dialogue (SPPD)" from October 2017 to August 2019.

Nusrat Tania, Consultant, BUILD, presented the Plastic Sector Export Roadmap. On the local and global level, she described the pandemic's impact. She discussed the roadmap's updated export vision

and detailed intervention-based action plans recommended to address stakeholder concerns.

Mustain Billah, EC4J Component Coordinator 1, notified PD that BUILD is working on the SCA4BD project within IFC goals and regions. However, both projects work together to create specific components. He said that the Ministry of Commerce made these three Roadmaps and can finalise them.



● BUILD CEO joined a seminar on post-COVID investment promotion strategy at BIDA

Ferdaus Ara Begum, CEO, BUILD, joined the session titled "Seminar on Post COVID Investment Promotion Strategy" on 25 October 2021, which was jointly organised by Bangladesh Investment Development Authority (BIDA) and Japan International Cooperation Agency (JICA) at BIDA Conference Hall.

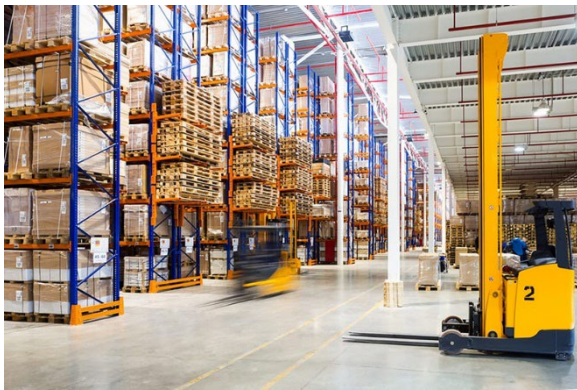
Md Sirazul Islam, Executive Chairman, BIDA, graced the seminar as chief guest, while Shaikh Yusuf Harun, Executive Chairman, BEZA was the special guest and Yoho Hayakawa, Chief Representative, JICA, the guest of honour. Mohsina Yasim, Executive Member of BIDA, presided over the seminar while Shah Mohammad Mahboob, Director General, BIDA, was the moderator.

Ferdaus Ara Begum, CEO of BUILD, said that the WTO had issued 423 notifications on TBT and SPS issues that may hinder Bangladesh's exports, particularly of MPPE, in the near future. By 2025, the worldwide market for MPPE will have increased by more than USD 230 billion. Bangladesh has tremendous potential to become one of the world's leading export markets in the MPPE industry. That concern, as well as the participation of MSMEs, should be addressed in the survey in order to provide a realistic scenario. She focused her efforts on strengthening the logistics industry since doing so would cut lead times and transportation costs while



increasing export competitiveness and encouraging investment development. Trade licenses for e-commerce should be issued, and bonded warehouse facilities for the non-RMG sector should also be made available.

In his concluding remark, Shaikh Yusuf Harun, Executive Chairman, BEZA, thanked the CEO, BUILD, for correctly pointing CMSME, MPPE, Logistics, Telegraphic Transfer, WTO, etc. in the session. He informed the audience that the pace of the progress activities of BEZA had been hampered very severely. But the 30 companies of BEZA will go for the entire operation in the next six months. In Bangladesh, backwards linkage industries of the light engineering sector, RMG, and agriculture, among others, are improving gradually.



● Discussion on bonded warehouse facilities for the non-RMG sector with CBC, Dhaka and NBR

As a preparation for the 14th Private Sector Development Policy Coordination Committee (PSDPCC) meeting, following a request from Policy Coordination Unit (PCU), PMO, BUILD had a discussion session with NBR on bonded warehouse facilities for the non-RMG sector on 14 October 2021 at the office of CBC.

BUILD CEO briefed about the significant proposals along with some essential facts regarding bonded warehouse facilities for non-RMG sectors, which includes: amendment of 100% E/O Industries (Temporary Importation) Rules 1993, issued on 3 August 1993 by an SRO (SRO no. 153-AIN/93/1520/Customs) NBR; now only BGMEA, BKMEA and LFMEAB can issue coefficient for their members, otherwise DEDO issues coefficient; general permission for a continuous bond, UD for the non-RMG sector, sub-contracting, audit report submission for non-RMG bonders, among others.

Bond Commissionerate agreed on some of the proposals, such as continuous bonding, automation requirements, and a decrease in the number of modules in that regard and pointed out that they had already reduced the number of modules, which was 26 before. He conveyed that the Ministry of Commerce would handle the concerns about samples and subcontracting. CBC will offer feedback on BUILD's proposal, as well as thoughts on amendments, in preparation for presentation at the PSDPCC meeting at the PMO. Meeting with Mol for revisiting the SME Policy 2019 considering the COVID-19 situation

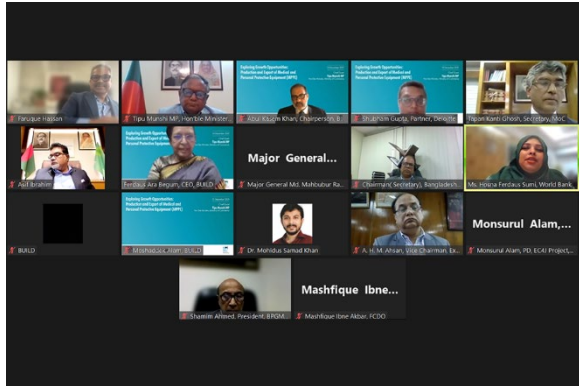
Referred to the decision of the 14th PSDPCC preparatory meeting, a meeting was held on 21 October 2021 between BUILD and the Ministry of Industries with its affiliated agencies (BSCIC, SME Foundation, etc.) under the chair of the Additional Secretary (BSCIC, SME, and BITAC), Mol. The key objective of the meeting was to review the BUILD proposal on the need to adjust the implementation strategy of SME Policy 2019 and redefine the definition of CMSME.

In the presentation, Ferdaus Ara Begum, CEO, BUILD, highlighted a summary of SME Policy 2019, the impact of COVID-19 in the SME sector, financial support, and policies to mitigate the damage. Also, she pointed the definitional issues of CMSMEs along with their justifications. She offered 15 recommendations based on revisiting the definition of CMSME and adjusting the implementation strategy of SME Policy. Decisions adopted per BUILD proposals:

- Redefining the definition of CMSME can be considered.
- Several departments/agencies can be included as implementing partners of various activities of SME Policy 2019's time-bound action plan.
- An independent authority for the development and growth of SME clusters can be planned.

● 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 COVID-19 has posed a significant challenge to the development dynamic of Bangladesh, the country has weathered the challenges. It 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 COVID-19. 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 are 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 to attract 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, and 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 Ferdaus 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 the multiple uses of the products. He also mentioned the 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 during 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 sectors.

● 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 the 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, and 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 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 Khusru; 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.

● 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; Mahbubul 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.

The keynote speaker urged that a comprehensive national logistics policy is required to develop the logistics and transport sector to attract more foreign investment in the field. Companies need efficient logistics support for improved productivity, channel expansion, tackling 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 to build world-class infrastructure and transportation, ensuring sustainability. Elaborating on the importance of maritime transport and logistics, M Shahjahan called on 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.



● Bangladesh needs more focus on solar to achieve the RE target

BUILD, in collaboration with International Finance Corporation (IFC), organised a Discussion Session with the 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% of 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 the 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 the audience 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: 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.

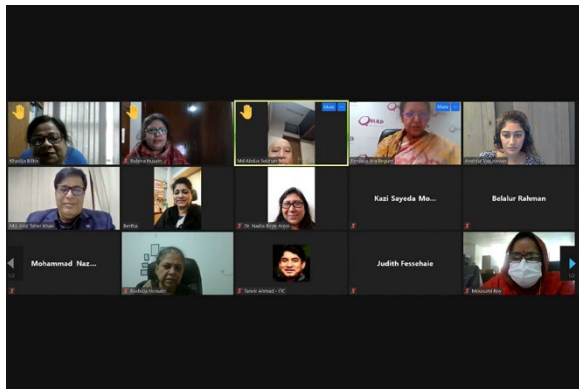
Salima Jahan, Member, Policy and Research (Joint Secretary), SREDA, stated Bangladesh aims to create 40% renewable energy by 2041. SREDA and BGMEA are discussing the expansion of solar power facilities in the RMG sector. They have signed an MoU. Rooftop solar has a strong commercial case. Consumers may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



International Events

in 2021



● Gender-responsive public procurement urged at BUILD-ITC policy dialogue

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

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

The Government has made the Public Procurement Act, a new set of Public Procurement Rules and Citizen Portal EGP System to improve the performance of public procurement with more transparency and ensure fair treatment to all. We

have seen that the presence of women in public procurement is not adequate, yet the discussion gives some indications about the way forwards for developing a gender-responsive public procurement in Bangladesh in the coming days to enable women-owned businesses (WOB) to access markets and working closely with both private and public sectors to develop tools and knowledge to prioritise gender equality in business opportunities, said the CPTU Director.

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

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

Anahita Vasudevan, Associate Economic Affairs Officer, ITC- She Trades Initiatives, demonstrated a presentation on "How to re-shape public procurement for women entrepreneurs", which encompassed multi-dimensional public procurement issues in favour of women. She briefly described the step-by-step guide to reshaping public procurement, which includes assessing the situation, designing a roadmap, making it happen and monitoring the progress.



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

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



● Singapore Consul in Bangladesh called on BUILD Chairperson

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

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

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

She also said that a Singaporean investor from the agriculture sector has already invested in Bangladesh, and they are doing well. She also said that there is a huge trade gap between Singapore

and Bangladesh, and to reduce this gap, she urged for more product diversification.

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

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



● BUILD and JETRO to develop a roadmap for the automobile sector

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

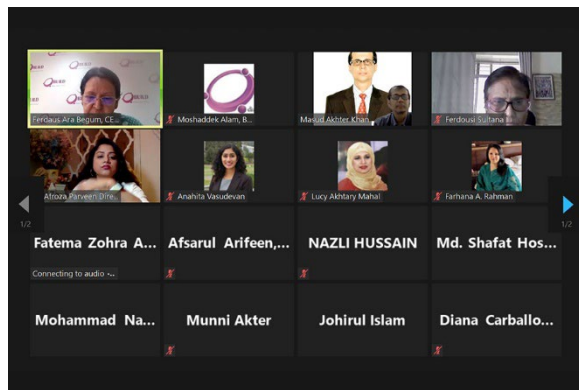
Having underscored the role of the Private Sector Development Policy Coordination Committee (PSDPCC) at Prime Minister's Office chaired by the Principal Secretary, he said that JETRO is a trusted partner of BUILD and implemented a number of joint activities in recent years. He also said that the transfer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

Yuji Ando, Country Representative, JETRO Dhaka Office extended his gratitude towards BUILD for conducting research on battery run three wheelers in Bangladesh. He said that their push for addressing regulatory issues on battery run electric vehicles in the country would not be possible without this research. Now JETRO is focusing on two wheelers

and four wheelers electric vehicles. Companies such as Toyota and Mitsubishi can share their experience so that the automobile sector in the country can be developed. It is needed to gather information regarding this sector and identify potential sectors for electric vehicles in the country.

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

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



● Gender-responsive public procurement policy recommends for gender enabling policy urged at BUILD-ITC policy dialogue

BUILD in association with the Central Procurement Technical Unit (CPTU) of and the International Trade Centre (ITC)'s SheTrades Initiative organized the 3rd virtual policy dialogue on "Gender-Responsive Public Procurement in Bangladesh: Interview Findings" on March 10, 2021, 2021 to increase women's participation in the public procurement in Bangladesh.

Survey results, scored country assessment based on specific questions as developing, meaning of which is inclusion of Women Owned Business (WoB) in the country's agenda is in place but not yet fully accomplished in case of public procurement. In case of entity assessment in that respect, current situation is marked as developed meaning some action /administration issues have been done but the results are yet to be achieved. Data on WoB shows almost similar number in the case of "yes" and "no", meaning there are similar number of benefits at the

same time barriers for encouraging participation of WE in the tendering process in public procurement.

Masud Akhter Khan, Director (Joint Secretary), CPTU in his speech informed that as the main authority of dealing the public procurement issue in Bangladesh, CPTU has been working very closely with World Bank and ITC to increase the capacity of WoB. He stressed to take initiative to define the definition of 'women owned businesses' and the Ministry of Commerce, and Ministry of Women and Children Affairs may take initiative in that respect. Besides, global best practices need to be analysed while preparing the roadmap and policy in the context of Bangladesh. Moreover, he noticed that procurement is a complex and comprehensive issue. Prior to engaging in that system, WoB need to upgrade themselves with proper technical knowledge.

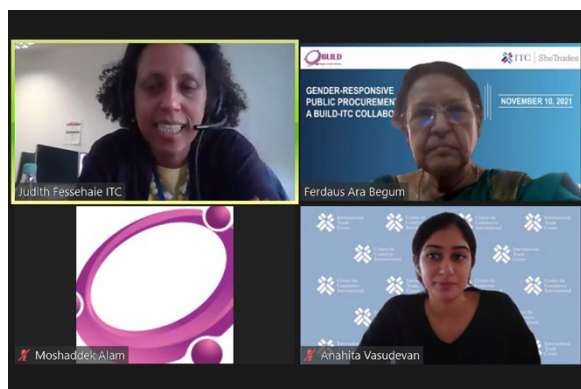
Ferdous Ara Begum, CEO, BUILD made a presentation in that respect highlighting the findings of the survey conducted during Jan-Feb'21 for getting Gender Specific information on public procurement. Women entrepreneurs are not totally aware of the prevailing scopes for them in the public procurement domain. She presented country comparison among Nigeria, Chile, Gambia and Bangladesh to have the scenario of public procurement.

Tanvir Ahmad, Country Coordinator, ITC SheTrades in his speech appreciated the joint initiative of BUILD and ITC for preparing Gender Responsive Public Procurement Roadmap. This roadmap will assist the WEs to cope up with the post COVID economic era as well as it will ensure gender equality in the business community. Findings of the survey interview will be the vital information to prepare a comprehensive roadmap as the reflections of the public and private sector are reflected in the survey.

Anahita Vasudevan, Associate Economic Affairs Officer, ITC- She Trades Initiatives in her presentation described the overall process and methodology to conduct the survey and explained the terms and definition of women owned business (WOB). She also explained the assessment tool. She informed that by the late March 2021 the final document will be submitted which will help WEs to participate in PPR.

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

Ferdous 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 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.

Financial Report

of 2021



The following are the independent auditor's report and audited financial statements for the financial year ended on 31 December 2021.





**Independent Auditor's Report
to the Board of Trustee of Business Initiative Leading Development (BUILD)**

Opinion

We have audited the accompanying Financial Statements of Business Initiative Leading Development (BUILD) ("the Trust"), which comprise the balance sheet as at 31 December 2021, income and expenditure statement, statement of changes in fund and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements give true and fair view of the balance sheet as at 31 December 2021, income and expenditure statement, statement of changes in fund and cash flow statement for the year then ended in accordance with accounting policies summarized in Note 2 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organization in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management of Business Initiative Leading Development (BUILD) is responsible for the preparation and fair presentation of these financial statements so as to give a true and fair view in accordance with accounting policies summarized in Note 2 to the financial statements and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and

using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trusts's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Dhaka, Bangladesh

Dated: 07 November 2022

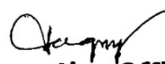


ACNABIN
Chartered Accountants
Signed by: Md. Rokunuzzaman FCA
Partner
Enrollment No: 0739
DVC: 2211070739AO676963

BUSINESS INITIATIVE LEADING DEVELOPMENT (BUILD)
STATEMENT OF FINANCIAL POSITION

As at 31st December 2021

Particulars	Notes	Amount in Taka	
		31.12.2021	31.12.2020
Assets:			
Non-Current Assets:			
Property, Plant & Equipment	03.00	913,634	845,267
Total Non-Current Assets		913,634	845,267
Current Assets:			
Accounts Receivable	04.00	120,000	2,386,691
Fixed Deposit	05.00	83,861,752	80,826,882
Interest Receivable	06.00	859,207	6,466,923
Cash & Cash Equivalent	07.00	4,049,728	563,245
Total Current Assets		88,890,687	90,243,742
Current Liabilities:			
Accounts Payable	08.00	438,039	791,481
Total Current Liability		438,039	791,481
Net Current Assets		88,452,647	89,452,261
Net Assets		89,366,282	90,297,528
Fund & Liabilities:			
Endowment Fund	09.00	72,455,530	71,580,133
Excess of Income over Expenditure	10.00	16,910,752	18,717,395
Total Fund & Liabilities		89,366,282	90,297,528


Chief Executive Officer, BUILD

Chairperson, BUILD

Dated: Dhaka,
07 November 2022

ACNABIN
Chartered Accountants


Signed by: Md. Rokunuzzaman FCA
Partner
Enrollment No: 0739
DVC: 2211070739AO676963

BUSINESS INITIATIVE LEADING DEVELOPMENT (BUILD)

STATEMENT OF INCOME & EXPENDITURE For the year ended 31st December 2021

Particulars	Notes	Amount in Taka	
		31.12.2021	31.12.2020
Income:			
Contribution Income	11.00	10,534,516	13,661,612
Interest Income	12.00	3,904,222	9,055,087
Other income	13.00	13,001	20,151
Total Income		14,451,739	22,736,850
Expenses:			
Salaries & Allowances	14.00	10,206,665	10,299,078
Administrative Expenses	15.00	6,050,705	3,583,054
Total Expenses		16,257,370	13,882,131
Excess of Income over Expenditure (Transferred to statement of Financial Position)		(1,805,630)	8,854,719

The annexed notes form an integral part of Financial Statements.


Chief Executive Officer, BUILD


Chairperson, BUILD

Dated: Dhaka,
07 November 2022

ACNABIN
Chartered Accountants



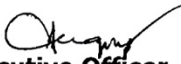

Signed by: Md. Rokunuzzaman FCA
Partner
Enrollment No: 0739
DVC: 2211070739AO676963

BUSINESS INITIATIVE LEADING DEVELOPMENT (BUILD)

STATEMENT OF CASH FLOWS
For the year ended 31st December 2021

Particulars	31.12.2021 (Taka)	31.12.2020 (Taka)
A. Cash flows from operating activities:		
Cash Received from contribution & Research Income	12,612,639	11,275,939
Advance Contribution Received	-	-
Cash Receipt from Savings & FDR A/C interest	10,371,146	14,095,191
Others income	13,001	20,151
Cash payment for operational expenses	(16,243,990)	(14,652,984)
Cash inflow from operating activities	6,752,795	10,738,297
B. Cash flows from investing activities:		
Addition of fixed Assets	(247,633)	(114,895)
Addition Interest Receivable	(859,207)	(6,466,923)
Addition of FDR	(3,034,870)	(7,826,883)
Advance, Deposits & Prepayments	-	-
Net cash used by investing activities	(4,141,710)	(14,408,701)
C. Cash flows from financing activities:		
Loan Received	-	-
Endowment Fund Received	875,397	-
Net cash provided by financing activities:	875,397	-
Overall cash inflow/ outflow (A+B+C)	3,486,483	(3,670,404)
Cash and cash equivalents at beginning	563,245	4,233,649
Cash and cash equivalents at closing	4,049,728	563,245

The annexed notes form an integral part of these Financial Statements.


Chief Executive Officer, BUILD


Chairperson, BUILD

Dated: Dhaka,
07 November 2022



BUSINESS INITIATIVE LEADING DEVELOPMENT (BUILD)

Statement of Changes in Fund
For the period of 1st January to 31st December 2021

Particulars			(Amount in Taka)
	Endowment Fund	Retained Earning	Total Fund
A. Balance as at 1st January 2021	71,580,133	18,717,395	90,297,528
Addition during the period:			
Endowment Fund	875,397		875,397
Excess of Income over Expenditure		(1,806,643)	(1,806,643)
B. Total Income	72,455,530	16,910,752	89,366,282


Chief Executive Officer, BUILD


Chairperson, BUILD

Dated: Dhaka,
07 November 2022



Partners and Affiliations

of BUILD



Partners



Affiliations



Secretariat

of BUILD



Ferdaus Ara Begum
Chief Executive Officer

Moshaddek Alam
Senior Communication and Advocacy Associate

Pallab Biswas
Admin Associate

Md. Tahmid Zami
Additional Research Director
Sustainability and Green Growth Working
Committee

Kanis Fatama
Senior Research Associate
Trade and Investment Working Committee

Nasib Ul Amin
Research Associate
Taxation Working Committee

Md Nooruzzaman
Research Associate
Taxation Working Committee

Shahriar Rawshon

Research Associate
Financial Sector Development Working Committee
Mohammad Nazimuddin
Research Associate
Trade and Investment Working Committee
Logistics and Infrastructure Development Working
Committee

Md Kamran Hasnain
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Financial Sector Development Working Committee

Md Shafat Islam
Research Associate
SME Development Working Committee

Md. Mehedi Hasan
Research Associate
Sustainability and Green Growth Working
Committee
4IR and ICT Working Committee

Mohammad Nurunnabi
Office Assistant

Md Sumon Hossain
Office Assistant



Acknowledgements

The Annual Report 2021, which covers the period from 1 January to 31 December 2021, has been prepared by the Communications Department of BUILD. This report incorporates a focused snapshot of the organisation's overall performance over 2021. Its purpose is to help BUILD partners, stakeholders, and beneficiaries evaluate BUILD's progress and pinpoint programmes and initiatives that require improvement or attention.

The Communications Department of BUILD would like to thank all the departments and offices for their significant contributions to this report. Every effort has been made to ensure the accuracy of the data used in this publication. Variations in data in other publications often result from different publication dates, although differences may also come from the source and interpretation of data. BUILD accepts no responsibility for any consequence of their use.

In this publication, "taka" refers to Bangladeshi taka unless otherwise stated. Throughout this report, "Business Initiative Leading Development" refers to "BUILD" and vice versa.

Published in 2022

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