**Press Release**

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

**Call for promoting the light engineering sector with targeted action: Industry Secretary at BUILD SME Development Meeting**

On 16 January 2023 at the Ministry of Industries, Zakia Sultana, Secretary, Ministry of Industries, called for promoting the light engineering sector with targeted action plans at the 8th meeting of the SME Development Working Committee of BUILD. Business Initiative Leading Development (BUILD) organised the meeting.

Ferdaus Ara Begum, CEO, BUILD, presented an analysis titled “Light Engineering Industry Development Policy 2022” at the meeting. From the private sector, Mahbubul Alam, President, Chittagong Chamber of Commerce and Industry (CCCI), co-chaired the meeting and urged the Ministry to keep supporting the sector that has high potential as it contributes 3% to GDP.

While co-chairing the committee, the Industry Secretary said, “We would extensively support the light engineering sector while exploring ways to set up a separate industrial park in BSCIC for the sector and giving special incentives to the sector that shares the domestic market worth $12 billion.”

Having underscored the need for promoting grassroots entrepreneurs of the sector and getting them on board, we will set out specific priorities in line with the Light Engineering Policy, which can be achieved at the earliest, said further referring to some priority proposals of BUILD.

Echoing the policy's objectives as raised by the BUILD keynote, focusing on 4IR and ICT, she informed that the Ministry is already working to promote the sector following the agenda of SMART Bangladesh as per the vision of the Hon’ble Prime Minister. “While we have policies in place, without aligned action plans, we go nowhere. So, we will be setting out targeted actions that truly facilitate small entrepreneurs and hugely contribute to the employment generation and eventually export, and greening the sector is our top priority”, added she.

Speaking as the keynote speaker, BUILD CEO said, “Only five countries such as China, USA, India, Singapore and Japan import about USD 2.51 trillion, and Bangladesh enjoys market access in all these destinations, and if we export at least 1% to these places, we can export about USD 25 billion from the sector.”

Having appreciated the active role of the Ministry of Industries in formulating the Light Engineering (LE) Industry Development Policy 2022, she pointed out, “We have room to improve the policy by developing strategy and action plans considering the situation of post-graduation, Made in Bangladesh Campaign for the LE sector.”

Further, she urged the Ministry to consider a dedicated industrial park and industrial cluster, an e-commerce platform for LE entrepreneurs, re-skilling and up-skilling to form a technologically skilled workforce, enforcement of AI, rationalisation of raw material import duty and encourage TT export, strategy to attract domestic and foreign investment to organise the sector.

She recommended setting a year-wise GDP and export target along with a well-defined action plan to implement development strategies for this sector while appreciating the Ministry for inclusion of the logistics sector as the high-priority sector and 4IR and ICT in the recent Industrial Policy formulated by MOI.

Referring to different policies where the importance of LE has been highlighted, she informed about the LE Road Map prepared by BUILD for MoC, where the export projection for the sector in 2030 is USD 12.56 billion, with specific action plans that need supportive financing for implementation.

Regarding the definition in the policy to be only an OEM producer, Bangladesh would need to transform to ODM, and eventually OBM giving examples of Vietnam, India and China.

Dr Md Mafizur Rahman, MD, SME Foundation, informed in the meeting that SME Foundation is currently formulating a cluster development guideline which will work cluster development and promote SMS in the Light Engineering sector. He emphasised tax-related issues for importing raw materials and accessories for entrepreneurs.

Mirza Nurul Ghani Shovon, President, NASCIB, emphasised identifying the specific sub-sectors of the light engineering sector and planning incentives accordingly. He also recommended creating a common platform to provide information regarding access to finance.

Mohammad Monjurul Islam, Additional Director of Bangladesh Bank, said, “We are very much willing to support the sector during the growing stage, and we will see how they can gain financial benefits under the collateral scheme.”

Dr Nadia Binte Amin, President of WEND, raised that WEs are deprived of financial assistance from the government-announced stimulus package to cope with the aftermath of the pandemic. WEs have been suffering substantial financial loss, and the unavailability of finance makes the situation worse.

Manzur Ahmed, Adviser, FBCCI, said that all industrial policies would need to be mandatory and, in that respect, an Industrial Protection Act can be framed where different chapters will be included in other sectors.

Following the recommendation of BUILD study, Abdul Amin, Director of Bangladesh Engineering Industry Owners Association (BEIOA) expressed “we need the Subcontracting Act at the earliest and industrial plots at affordable costs for safeguarding the interest the of sector”.

The meeting was graced by the valuable remarks of the high officials from the Ministry of Industries, ICT Division, SME Foundation, Business Promotion Council, Bangladesh Bank, UNIDO, BEIOA, and Bangladesh Skill Development Institute.

Sincerely,

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