



EDITORIAL

Light Engineering Industry Development Policy needs a holistic approach for proper implementation

Light engineering (LE) is a promising sector for growth in Bangladesh's domestic and international markets. It critically supports industrial, agricultural and construction industries by reducing costs for companies sourcing components and finished goods for domestic and international markets. About 50,000 micro-enterprises and 10,000 SMEs in this sector employ nearly 800,000 people. Furthermore, there is a vast potential for increasing women's employment and women-owned businesses in this sector if there are women-focused policy support and investment.

In 2020, the government of Bangladesh declared LE as the "product of the year"; nevertheless, the sector needs further revamping. Considering the importance of the sector Ministry of Industries (MOI) has announced the Light Engineering Industry Development Policy 2022. It has taken eleven strategic targets along with a six-year action plan. There are 23 lead agencies and ten supporting agencies to implement 29 action plans for achieving 11 strategic targets in 2023- 2027, which is

an appreciable step. Implementation of the actions will give a boost to the sector.

Currently, the GDP contribution of the sector is about 3 per cent; it can grow at least 10% if the actions identified in the policy are implemented. Although the production from this sector is increasing, it meets 50 per cent of the overall demand and imports meet the rest. About USD 7 trillion in the global market (share of Bangladesh is less than 1%), export of the sector is USD 795.63 million FY21-22 against the import of USD 12871.43 million FY 20-21.

BUILD analysed the policy and presented it in its 8th SME Development Working Committee on 16 January 2023 at the Ministry of Industries, co-chaired by the Secretary, MOI, and President, Chittagong Chamber of Commerce and Industry. The analysis tried to find areas and recommend the way forward so the sector could get a thrust.

The policy limits the definitional issues to original equipment manufacturing and intermediate components, such as circuit breakers and transformers. It must gradually incorporate genuine design manufacturing, with appropriate incentives/tax breaks for the relevant sectors.

Although there are nine objectives (identification of products and services [2022-25], international standard capital

machinery, tax and financial incentives, cluster development, 4IR [2022-23], branding [2022-25], R&D, market expansion, uniform platform [2022-27]), time-bound action plans are only loosely aligned with the objectives.

Some products are eligible for tax holidays and cash incentives, but others, such as agro-machinery, construction-related equipment and machinery, stone and brick crushers, spare parts for paper and cement mills, cast iron articles, carbon rods, train and rail support equipment, marine spare parts, and so on, are not included in the list.

The policy makes reference to branding. There is, however, no precise action plan. A proposal has been made to create a raw material bank by 2025. It must begin working in this area since the industry is significantly reliant on imports. Many changes will occur in tariff determination after LDC graduation in 2026. Domestic businesses will struggle to survive if they are not competitive.

BUILD put forward some key recommendations for the promotion of light industry in Bangladesh, including the establishment of One Stop Service (OSS) to streamline the process for traders and investors, provision of land and industrial shed/cluster by Bangladesh Small and Cottage Industry Corporation (BSCIC) for the production of LE goods at low cost; expansion of e-commerce facility; formation of an e-platform for LE entrepreneurs, re-skilling and up-skilling to create a technologically skilled workforce, enforcement of AI, rationalisation of raw material import duty and encourage TT export, strategy to attract domestic and foreign investment.

However, a holistic approach is needed to ensure greater coordination and cooperation among the relevant ministries, authorities, agencies and the private sector to prevent overlapping of activities and delegations of power among various administrative agencies. ■

Ferdaus Ara Begum
CEO, BUILD



BUILD for full-scale automation of the company registration process

Business Initiative Leading Development (BUILD) Chairperson Nihad Kabir paid a courtesy call to Tipu Munshi, Minister of Commerce, Government of Bangladesh, on 26 January 2023 at the Ministry of Commerce.

Commerce Minister Tipu Munshi said his ministry would continue its advocacy with other ministries to simplify the process of obtaining certificates and registration, including five-year trade licences to ensure ease of doing business.

As part of it, the ministry issued a notice in November 2022 to provide Import Registration Certificate (IRC) and Export Registration Certificate (ERC) for five years rather than one.

Referring to the BUILD request for complete automation of RJSC services, he said, "We will go for full-scale automation, and we will be going through some internal proceedings while we aspire to be a paperless office delivering faster business registration services online."

Calling the need for full-scale automation of the company registration process, BUILD Chair Nihad Kabir expressed concern over the high paid-up capital requirement for one-person companies (OPC). As a result of the enforcement of high paid-up capital, the nation has yet to see the predicted rise in OPC. The existing paid-up capital of BDT 2.5 million should follow the example of private limited companies.

She urged the commerce minister to consider eliminating the BDT 25 lakh minimum paid-up capital requirement for one-person companies while there could be a maximum limit. She also advocated eliminating the necessity for a commercial address when applying for a trade licence to facilitate company operations nationwide.

"The government has extended the validity of all trade licences by five years to reduce the hardships faced during the annual renewal of these certifications, which involves considerable time and effort that, in turn, affects the ease of doing business, and we appreciate it,"

said MCCI President Md Saiful Islam. "Following the examples of IRC and ERC of five-year terms, other agencies can issue licences and relevant certificates," he commented.

Having stressed the need to simplify obtaining a trade licence, he advised that the government could digitally collect all relevant fees and transfer the revenue under the head to appropriate agencies that earn income for providing the licences.

BUILD CEO Ferdaus Ara Begum said that the notification for five years terms trade licence by LGRD is a great move. Still, the notification was not meant for the municipalities and union parishad, opening the private sector's concerns as they regularly issue trade licences for thousands of small businesses. The commerce minister endorsed it.

She further said that BUILD and the Ministry of Commerce prepared export roadmaps on plastic, leather, and light engineering sectors, targeting USD 22 billion, USD 12.9 billion, and USD 12.56 billion by 2030.

Underscoring the need to implement the roadmap's action plans, she said that the Ministry of Commerce could take the lead and contribute to the country's export basket. During her presentation, she appraised some research and survey-related activities and assured more collaboration with the Ministry of Commerce while the country transitions to a developing country. The president of DCCI, Sameer Sattar, also attended the meeting. ■



Conducive regulatory environment for local investment urged during BIDA and BUILD call

On 8 January 2023 at the BIDA office, Lokman Hossain Miah, Executive Chairman of Bangladesh Investment Development Authority (BIDA), called on Nihad Kabir, Chairperson of Business Initiative Leading Development (BUILD), to work together to ensure a conducive environment for local investments, which, in turn, could attract more foreign

investments in Bangladesh.

Appreciating the activities of BUILD, he said that foreign investors first meet up with the local investors. "So we need to provide proper facilities and business-friendly regulations to support the businesses and make the local investors happy, and our endeavour needs to ramp up,".

Highlighting different collaborative activities between BIDA and BUILD, BUILD Chairperson Nihad Kabir updated about BUILD's secretarial services to the Private Sector Development Policy Coordination Committee (PSDPCC) chaired by the Principal Secretary at PMO to establish a structured mechanism to advocate for private sector issues to work for simplification of regulatory reforms and thus unlocking investment constraints.

She further briefed on the activities of BUILD for private sector development and raised examples of regulatory bottlenecks being faced by the local and foreign investors in the country while Bangladesh is exerting to find investors in several new and non-traditional sectors. She requested BIDA to speed up trade and investment services so that time and cost of the investors could be reduced.

Executive Chairman BIDA informed that BIDA is very much into regulatory simplification and developing several Standard Operating Procedures(SOP) so that all government bodies share the same SOP with the businesses.

Referring to One Stop Service (OSS) in BIDA, he added that out of 150 services, it now gives 67 services, and about 23 organisations are involved in these processes.

BUILD CEO Ferdaus Ara Begum referred to some of the activities of BUILD in addressing ease of doing business and policy reforms regarding repatriation, which is pursued by BUILD in collaboration with BIDA. She also referred to a business confidence survey conducted by BUILD to gather perceptions of enterprises about general business conditions and their willingness to expand new business and, in that respect, sought cooperation from BIDA.

BIDA and BUILD agreed to revisit the existing MOU (previously signed with the Board of Investment) following the new scopes of collaboration and have it signed for promoting public-private policy dialogue. She also referred to the signature publication of BUILD titled *Business Start-Up Licencing: A Regulatory Guide*, published by BUILD and BIDA for supporting entrepreneurs and sought continued support from BIDA.

BUILD Chairperson, while thanking BIDA Executive Chair and referring research initiated by BIDA for six potential

countries, suggested more collaboration for conducting need-based surveys and studies for attracting likely investment sectors, countries to contribute to achieving investment targets of 8th FYP and Perspective plan 2041.

Shah Mohammad Mahboob, Director General, BIDA; Md Shakil Mahamud, Director (Deputy Secretary), BIDA; Fahmida Jabeen Shoma, Consultant of BUILD; Moshaddek Alam, Additional Director for Communications and Advocacy; and Kanis Fatama, Sr. Research Associate, were present in the meeting. ■



Call for promoting the light engineering sector with targeted action: Industry Secretary at the 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 realistic 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 of the Light Engineering Industry Development Policy 2022 at the meeting. From the private sector, Mahbubul Alam, President, Chittagong Chamber of Commerce, and Industry (CCCCI), co-chaired the meeting and urged the Ministry to keep supporting the high potential section 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 BISCIC for the sector and giving special incentives to the sector that shares the domestic market worth USD 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. We have a number of laws in place, and we need aligned action plans to go somewhere. So we plan to set out targeted actions that truly facilitate small entrepreneurs, and in turn, they can hugely contribute to the employment generation and eventually export. She added that we would see how the business under the sector can avail of incentives under green transformation funds."

Speaking as the keynote, BUILD CEO said that only five countries import about USD 2.51 tn, and Bangladesh enjoys market access in all these destinations. If we increase by 1%, we can export about USD 25 billion from the sector.

Dr Md Mafizur Rahman, MD, SME Foundation, informed in the meeting that

SME Foundation is currently formulating a cluster development guideline. There is no need for a separate cluster development policy.

Mirza Nurul Ghani Shovon, President, NASCIB, emphasised identifying the sub-sector of the light engineering sector. He also recommends creating a common platform to provide information regarding access to finance.

A representative from Bangladesh Bank said that we are very much willing to support the sector during the growing stage, and we will see how they can avail of 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 FSP to cope with the aftermath of the pandemic. WEs have suffered substantial financial loss, and the unavailability of the FSP makes the situation worse.

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, Bangladesh Skill Development Institute etc. ■

BUILD submitted budget proposal to NBR

In February 2023, BUILD proposed that the government consider tax deducted at source as the final settlement of tax and ensuing the TDS refund facilities to all industrial sectors in the forthcoming national budget for 2023-2024.

Currently, only 0.20 per cent of the total TDS collection is refunded annually. Of the 111 industrial sectors, 41 are paying TDS as the minimum tax and are not allowed to get refunds.

BUILD made the proposals at a pre-budget discussion with the National Board of Revenue at the NBR's office at Sher-e-Bangla Nagar in Dhaka. NBR chairman Abu Hena Md Rahmatul Muneem presided over the programme.

BUILD proposed limiting tax officials' discretionary authority. It also proposed lowering VAT on small and micro businesses and integrating VAT return form 9.1 in the VAT automation system. It proposed enhancing customs capacity to meet WTO regulations in order to achieve LDC targets, as well as providing a bond facility for partial importers. BUILD also urged that tax policy and tax administration be separated.

Along with BUILD, representatives of the Bangladesh Investment Development Authority, the Bangladesh Export Processing Zone Authority, the Bangladesh Economic Zone Authority and the Bangladesh Hi-Tech Park Authority also placed their proposals in the meeting. ■



BUILD joined the investment climate reform discussion

BUILD CEO Ferdaus Ara Begum joined the programme titled "Investment climate reform in Bangladesh: Findings from the end-term evaluation of BICF programme", which was jointly organised by the Bangladesh Investment Development Authority (BIDA), the UK's Foreign, Commonwealth and Development Office (FCDO) and the IFC at the intercontinental Dhaka on 22 February 2023.

The evaluation highlights that business registration has drastically changed, reducing the time from 56.5 days in 2009 to just two days in 2020.

The BICF programme pioneered in supporting ICT-led reforms in government-to-business services through

the automation of company registration, the introduction of online tax registration and the regulatory framework for e-payment.

The programme also initiated the automation of investor service at the BIDA and helped establish BUILD.

The programme's second phase has focused on three core areas: improving the investment climate, thus improving Bangladesh's investment competitiveness; facilitating private investment in industrial infrastructure such as economic zones and logistics; and diversifying exports beyond readymade garments.

Under BICF, IFC helped establish the award-winning One Stop Service (OSS) of the BIDA, which has reduced the time to register a business and deepened reforms in established institutions to improve the investment climate. ■

Finance Secretary chaired the session and acknowledged the presence of all in the meeting. Dr Samsh Uddin Ahmed, Member (Income Tax Policy), and Md Masud Sadiq, Member (Customs Policy), gave their study group's presentation, where they discussed their job progress and future work schedule.

Ferdaus Ara Begum, CEO of BUILD, stated that BUILD has already sent their opinions and proposals, as requested. BUILD raised some proposals for protecting the interest of domestic industries, HS code-related complexities, AEO and advancing ruling issues. Through trade facilitation, she added, anti-export bias can be minimised; otherwise, it will be futile. Thus, TFA activities must be completed in accordance with Bangladesh's ratification. ■



the Conference room of BUILD with a view to getting BUILD's inputs into planned interventions on private sector engagements that IFC is designing in Bangladesh.

The main objective of this meeting was to discuss planned private sector engagements that IFC is designing in Bangladesh with BUILD. The discussion focused on designing IFC's new private sector development programme and setting up a women entrepreneurs' leadership circle.

Ferdaus Ara Begum, CEO, BUILD, welcomed IFC Team and thanked them for having this exclusive discussion with BUILD. She gave a brief introduction and informed the audience about the activities of BUILD through the seven Thematic Working Committee and Private Sector Development Policy Coordination Committee for the development of the private sector. She mentioned the major achievements of BUILD and its impact towards the private sector. She added the progress of the initiatives jointly taken by activities of BUILD- focusing on Women's Entrepreneurial Strength, details activities done between BUILD and IFC-WBG. BUILD also proposes insights on priority areas for intervention in designing IFC's new private sector development programme and shares ideas on developing a leadership circle.

Ashani Alles, Senior Private Sector Development Specialist, Creating Markets Advisory, IFC, thanked BUILD CEO for her insightful presentation. She congratulated BUILD for its achievement towards the private sector and women's entrepreneurship development. She also added that the new private sector development programme would focus on policy formulating for creating new investment in the blue economy, power transmission, and green economy.

The IFC team thanked BUILD for sharing their views and expressed that designing the new phase is still ongoing. They will talk to different stakeholders to get the idea and search for an effective component so that the private sector can mobilise the resources and attract more investment.

Regarding the women entrepreneurs' leadership circle, they informed the audience that this leadership circle would be formed with a small circle initially.



BUILD welcomes DCCI President

On 10 January 2023, Md Sameer Sattar, President of Dhaka Chamber of Commerce and Industry (DCCI), called on Ferdaus Ara Begum, CEO of BUILD, to work together on the areas of policy advocacy and research, especially soft infrastructure for logistics integration and increasing business efficiency and quick disposal of commercial disputes along with necessary reforms to the Arbitration Act 2001.

BUILD CEO congratulated Md Sameer Sattar as the new President of DCCI. She also congratulated S. M. Golam Faruk Alamgir Arman, Senior Vice President and Md Junayed Ibna Ali, Vice President of DCCI. She also delivered a presentation to introduce BUILD to the new functionaries of DCCI to highlight different collaborative activities between DCCI and BUILD. She further briefed on the activities of BUILD for private sector development and raised examples of regulatory bottlenecks being faced by local and foreign investors. ■

BUILD-IFC meeting on planned private sector engagements

A meeting between BUILD and IFC was held on 13 February 2023 at 10:00 am in

Meeting on LDC Graduation: Sub-Committee on Internal Resource Mobilisation and Tariff Rationalisation

Bangladesh is going to graduate its LDC status by 2026; it is in the transition stage from Least Development Country (LDC). For a smooth transition, the government has formed seven working committees; one of the key committees among the seven LDC graduation committees is Internal Resource Mobilisation and Tariff Rationalisation (IRM&TR), undertaken by the Ministry of Finance. This committee deals with three aspects, i.e., income tax, import tariffs, and subsidies. The committee has formed different study groups.

As a private sector stakeholder and think tank, BUILD works with these study groups. A committee meeting was held on 10 January 2023; BUILD joined the meeting online through Zoom to discuss tariff rationalisation and other issues. BIDS, BTTC, PRI, FBCCI, NBR, EMRD, BIDA, MoF, Bangladesh Bank, WTO Cell and others were also present.

In the end, the CEO of BUILD handed over a set of important publications and the women entrepreneurs survey report by BUILD to Ashani Alles. ■



Meeting with the CMSF Chairman

On 13 February 2023, Nihad Kabir, Chairperson of BUILD, met Najibur Rahman, the Chairman of the CMSF, at his good office, and a number of important issues related to business and investment in Bangladesh were discussed.

During the meeting, Kabir shared her views on the current state of the economy. He emphasised the need for continued efforts to attract foreign investment, especially in the wake of the ongoing COVID-19 pandemic. She also highlighted the importance of promoting entrepreneurship and women's empowerment in the country.

Rahman, for his part, expressed his appreciation for BUILD's contributions to the business community in Bangladesh and assured her of the government's commitment to supporting the growth and development of the private sector.

Overall, the meeting was deemed a success by both parties, and Kabir expressed her gratitude for the opportunity to engage in a constructive dialogue with Rahman. The two leaders pledged to continue working together to promote economic growth and development in Bangladesh. ■

Monetary policy formulation needs an understanding of the market system

BUILD CEO Ferdaus Ara Begum stressed the need for monetary policy formulation with a proper understanding of the country's market system and the economy. She spoke as a panellist. The Institute of Chartered Accountants of Bangladesh (ICAB) hosted the roundtable on Monetary Policy 2022-23 at CA Bhaban on 29 January 2023.

"Unless monetary policy was formulated

with a proper understanding of the market system, its impact on the economy would be profound," said Policy Research Institute's Executive Director, Dr Ahsan H. Mansur. Highlighting India's liberal interest rates, he called for coordination among policymakers in Bangladesh. "Despite disruptions in global commodity supply chains, the authorities took no steps to neutralise its impact in Bangladesh", he said, adding that the situation could be controlled to some extent by adjusting the interest rate regularly.

Former Senior Finance Secretary Mahbub Ahmed, ICAB former President Dr Jamaluddin Ahmed, Economic Reporters Forum President Mohammad Refayet Ullah Mirdha, Dainik Samakal's Business Editor Zakir Hossain, took part in the discussions moderated by ICAB Council member and former President Md Humayun Kabir and ICAB President Md Moniruzzaman delivered the address of welcome. ICAB Vice Presidents Md Yasin Mia and M. B. M. Lutful Hadee, Council Member and former President Md Kamrul Abedin, Council Members Sabbir Ahmed and Fouzia Haque, Chief Executive Officer Shubhashish Bose, and Chief Operating Officer Mahbub Ahmed Siddiqui were present. ■

Discussion on textile competitiveness platform

A meeting among Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Business Initiative Leading Development (BUILD), and International Finance Corporation (IFC) took place on 13 February 2023 at BGMEA. The meeting transacted the launching event of the Textile Competitiveness Platform.

The meeting further discussed the agenda of the TCP event and other logistics proceedings. BUILD will draft a participants list and agenda to be shared with IFC and BGMEA, while BGMEA will provide BUILD with a list of brands to invite to the event, and IFC will provide support with booking the venue for the event.

The meeting was attended by Ferdaus Ara Begum, CEO of BUILD; Faruque Hasan, President of BGMEA; Adiba Mehnaz Chowdhury, Operations Officer, IFC; Madhubanti Anashua, Consultant, IFC; Fahmida Jabeen, Consultant, BUILD and Mehedi Hasan, Senior Research Associate of BUILD. ■

EuroCham: Boosting EU-Bangladesh business ties

Ambassador and Head of Delegation of the European Union (EU) to Bangladesh Charles Whiteley, on 18 January 2023, said the time has come for moving ahead



with a European Chamber of Commerce in Bangladesh (EuroCham) to promote trade and investment and help ensure a smooth transition to GSP+ era. Senior government officials, business leaders, and EU Deputy Head of Mission, Dr Brend Spanier, attended the soft launching event. Ferdaus Ara Begum, CEO, BUILD was also present in the meeting.

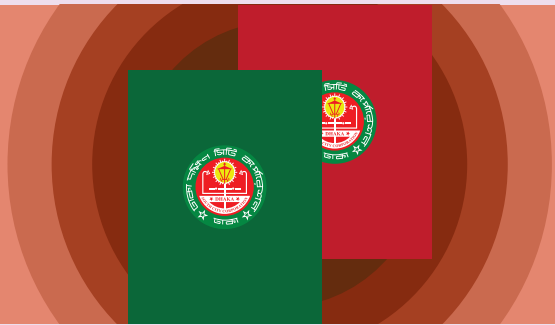
EuroCham will be established in Bangladesh to lobby for European business interests and remove barriers to trade and investment. It will bring critical thinking and analysis to bear on key business challenges, stimulating interest in existing and potential business sectors. It will complement existing bilateral chambers of commerce. EuroCham will help strengthen the well-established relationship with the EU as it is Bangladesh's largest trading partner, and European companies are interested in exploring investment opportunities. ■



Consultation on establishing the European Chamber of Commerce

The Delegation of the European Union to Bangladesh has mobilised a technical assistance mission to support the creation of a European Chamber of Commerce in Bangladesh. As part of the stakeholder consultation, François Kacen, Key Expert 2, Trade, Private Sector Development and Engagement, and Regional Integration (TPSDE) Facility II of the European Union, joined a meeting with BUILD CEO on 24 January 2023 at the BUILD Secretariat. The meeting focused on establishing an EU Chamber of Commerce as well as identifying partnerships/collaboration opportunities. As a critical PPD platform in Bangladesh, BUILD CEO made a brief on BUILD highlighting major activities in Bangladesh and the constraints the private sector faces. ■

REFORMS



Businesses are now obtaining/renewing Trade Licence for five years

Trade Licence is the primary legally mandatory document for all business forms within the country's boundary. It is an area- or zone-based business permit issued by the local government of the respective areas and renewed yearly. The private sector, especially CSMEs, faces hurdles in obtaining and renewing this licence which hampers the ease of doing business. To address the concern of the businesses, BUILD conducted a study on Trade Licence issuance, renewal, and other relevant issues to identify policy and procedural constraints. To facilitate the private sector and improve the business environment, BUILD recommended a set of policy and process-related proposals to the concerned authorities based on the study's findings.

BUILD presented the study along with recommendations in its 9th Trade and Investment Working Committee (T&IWC) meeting held on 28 September 2022, headed by the Senior Secretary, Ministry of Commerce (MOC) and President Metropolitan Chamber of Commerce and Industry (MCCI). All the recommendations were endorsed by the meeting.

As a member of the Working Group of the Bangladesh Investment Climate Improvement Programme (BICI) of BIDA, BUILD also sent proposals to BIDA for improving the business environment. Based on the recommendation proposed by BUILD, BIDA sent a letter to Local Government Division (LGD) on 18th July 2022 for issuing/renew Trade Licences for a maximum of 5 years and developing a unified/prescribed Application Form for Trade Licence, Unified Trade Licence format and Checklist.

In reference to the above advocacies, City Corporation Wing-1, LGD issued a letter on October 12, 2022, with a directive to the concerned to take necessary action for issuing/renewing Trade Licences for 5 years in all City Corporations.

City Corporation Wing-1, LGD also issued

a letter on 24 January 2023, with a directive to the concerned (city corporations/municipalities/union parishads) to issue Trade Licence following the unified/prescribed application form for Trade Licence, Unified Trade Licence format and Checklist prepared by LGD. ■

NATIONAL LOGISTICS DEVELOPMENT AND COORDINATION COMMITTEE



Formation of National Logistics Development and Coordination Committee

To have a high-powered national committee led by the Prime Minister's Office to ensure coordination among the stakeholders of the logistics sector as well as to have sustainable growth of this sector, both the public and private sector leaders raised their voices in that regard to the workshop entitled formulation National Logistics Industry Development Policy for Bangladesh: Experience from Global Good Practice" which was organised by BUILD with support from the Ministry of Industries and the World Bank Group on 16-17 November 2022.

Regarding BUILD's advocacy and research assistance, Prime Minister's Office formed the National Logistics Development and Coordination Committee (NLDCC) under the chairmanship of the Principal Secretary of the HPM. NLDCC aims to attain national growth targets, improve trade and investment competitiveness, and efficient freight transport and service to make a holistic and comprehensive impact in the logistics sector of Bangladesh. In that regard, an official gazette notification was published on 25 January 2023 (03.10.2690.882.018.00122-15).

The first meeting of this national committee was held on 2 January 2023 at PMO. BUILD proposed extending possible research and secretarial support to the committee through the Logistics Infrastructure Development Working Committee. ■

Jute is under agricultural products

BUILD presented a Policy Paper on the Simplification of Policies for Diversified Jute Products (DJP) in its 5th Meeting of



the Trade and Investment Development Working Committee (T&IWC) of BUILD held on 3 May 2016. One of the recommendations was to Issue a circular/SRO to formalise the jute sector as an agricultural sector, and the circular terms and conditions should be spelt out. The study and recommendation were further placed at the 9th Private Sector Development Policy Coordination Committee (PSDPCC) meeting held on 28 August 2017, chaired by Principal Secretary to the PM.

In regard to the proposal, BUILD followed up with these recommendations to all corresponding channels through the PSDPCC meeting. Honourable Prime Minister Sheikh Hasina also declared the jute sector as an agricultural sector in the cabinet meeting. On 1 March 2023, a gazette was published under the Ministry of Agriculture announcing golden fibre jute as an agriculture product. Now Jute will avail all the benefits allowed for agricultural products. ■

SCOPES



Revamping export diversification challenges and implementation of policies, roadmaps and action plans

Diversification is one of the critical priorities of Bangladesh's Government. Bangladesh exports 52.08 billion, which contributes 11.32 % of GDP, whereas the GDP contribution of neighbouring countries like Malaysia (68.84%), Vietnam (93.29%), and India (21.4%) are much higher.

Over-concentration on a single sector is risky. RMG sector contributes 82% of export and 13% of GDP, while other

sectors' contribution is much lower such as LE contributing 3%, leather 0.6%, and plastic 0.03% of GDP.

Since 2017, BUILD has been making efforts to speed up the process of diversifying exports. After looking at the present export trend, critical economic indicators, and relevant national trade policies, it has become clear that the diversification of the export basket still has to take place, despite the fact that the government has placed a lot of focus on it. It has been noted that an increased amount of commitment is necessary in order to reach the export objective set by the government in each of the many programmes and strategies.

This research was undertaken by BUILD with the purpose of analysing the primary policies now in place to address the issue of export diversification and proposing feasible revisions that would accelerate export diversification. This research will concentrate on the comparison of various countries in terms of export diversification, the execution of national policies and sectoral roadmaps, and the acceleration of product diversification within the RMG sector. ■

ARTICLES

Industrial transformation and industrial development policy • *The Daily Observer* cutt.ly/buildconnect231-01

Bangladesh's transition to low-carbon and its implications • *The Business Standard* cutt.ly/buildconnect231-02

Industrial policy beneficial for growth of SMEs • *The Business Standard* cutt.ly/buildconnect231-03

জাতীয় শুল্ক নীতি প্রণয়ন • *Bangla Tribune* cutt.ly/buildconnect231-04

Patent regime and resolving mailbox issues of Bangladesh • *The Business Post* cutt.ly/buildconnect231-05

Key takeaways from the Monetary Policy Statement 2023 • *The Business Standard* cutt.ly/buildconnect231-06

Can EFPF work as a substitute of EDF? • *The Business Post* cutt.ly/buildconnect231-07

Light engineering sector needs revamping • *The Business Post* cutt.ly/buildconnect231-08

Conducive regulatory environment for local investment urged during BIDA, BUILD meeting • *The Business Standard* cutt.ly/buildconnect231-09

Nat'l committee formed to oversee logistics sector dev • *The Business Post* cutt.ly/buildconnect231-10

BUILD for TDS return facility for all industries • *New Age* cutt.ly/buildconnect231-11

The first NLDCC meeting held

Prime Minister's Office has formed a 29-member high-powered National Logistic Development and Coordination Committee that aims to attain national growth targets, improve trade and investment competitiveness, and efficient freight transport and service to make a holistic and comprehensive impact in the logistics sector of Bangladesh. The first meeting of NLDCC was held on 2 February 2023 under the chairmanship of Md Tofazzel Hossain Miah, Principal Secretary to HPM, where BUILD trustee board members led by Nihad Kabir, Chairperson of BUILD, graced the session.

Chairperson BUILD expressed gratitude to PMO for formulating the NLDCC to keep the momentum raised by public and private sector stakeholders to ensure comprehensive development of the logistics ecosystem in Bangladesh. LIDWC co-chair Abul Kasem Khan proposed to form a sub-committee to portray time-bound development strategies for 21 logistics sub-sector. BUILD CEO Ferdaus Ara Begum proposed that along with PSDPCC, LIDWC, and the Working Group for Japanese Investors established in PMO, BUILD will be honoured to extend secretarial and research support to NLDCC to serve the national interest as well as to attain the targets of Perspective Plan 2041 by improving the logistics ecosystem in Bangladesh.

Principal Secretary praised the contribution of BUILD for providing policy advocacy through the PPD platform to improve the overall trade and investment competitiveness of Bangladesh. Moreover, he appreciated the proposals of BUILD to facilitate the NLDCC through LIDWC, which will be officiated soon. Finally, Principal Secretary to HPM instructed to form five sub-committee to formulate the National Logistics Development Policy within one year.

The meeting was graced by the valuable remarks of the Secretary/Executive Chairmen of MoF, MoC, Mol, MoCAT, MoFA, MoHA, BEZA, BEPZA, BIDA, and Presidents of FBCCI, DCCI, MCCI, CCCI, SCB, BAFFA, and BSCMS, among others. ■

UNCC Fashion Policy Dialogue: BUILD CEO urged for the right financial incentives

A policy dialogue titled "Fashion Industry Charter for Climate Action Policy Dialogue, Bangladesh" was organised by the United Nations Climate Change on 27 February 2023 at Sheraton Dhaka to identify the key actions that can be taken in Bangladesh to enable change towards



the goal of the Fashion Industry Charter for Climate Action.

The Fashion Industry Charter for Climate Action, convened by the United Nations Climate Change, was established to drive the global fashion industry towards a 1.5 °C future. It was launched at COP24 in Katowice, Poland, in December 2018 and renewed at COP26 in Glasgow, UK, in November 2021. As one of the Fashion Charter's signatories, Bangladesh is committed to implementing changes in its operation and supply chains to enable rapid reduction and phase-out of greenhouse gas (GHG) emissions.

Ferdaus Ara Begum, CEO of BUILD, presented in the second session of this policy dialogue titled "Financing Renewable Energy for Bangladesh". The title of her presentation was "Identifying the Right Financial Incentives to Suppliers".

In her presentation, the CEO of BUILD suggested that banks and other financial institutions be granted the authority to determine their annual targets for the disbursement of green financing and that this should take place after an annual analysis of the demand had been prepared. Also, she argued in favour of recognising banks for their excellent green performance in addition to recognising them for other financial metrics. She suggested broadening the scope of the loan to cover the purchase of machinery and other areas of environmentally responsible business practices.

She said that considering the reality of Bangladesh, banks may partly waive or reduce the due diligence requirements for small borrowers while applying for green finance, including GTF. According to her, GTF needs to be integrated into composite term loans. Joint processing should be allowed so that a borrower can apply for a term loan of which one part would qualify for GTF. Bangladesh Bank may consider GTF for export-oriented firms procuring capital machinery or accessories from local manufacturing firms. She also urged for a standard format for project profiles and environmental certificates.

The session was moderated by Rubana Huq, Vice Chancellor of the Asian University for Women. Daniel Ciganovic, CFO and Co-Founder, SOLshare and Navid ul Haque, Managing Director of Desh Energy Limited, also presented in this session. ■



Official opening of the BIDA head office

BUILD Chairperson and CEO attended the inaugural ceremony of Biniyog Bhaban, the head office of the Bangladesh Investment Development Authority (BIDA), on 5 February 2023 at BIDA. Sheikh Hasina MP, the Hon'ble Prime Minister, was present as the Chief Guest, while Salman F. Rahman MP, Private Sector Advisor to the Hon'ble Prime Minister, chaired the programme.

Prime Minister Sheikh Hasina inaugurated the newly constructed Biniyog Bhaban of Bangladesh Investment Development Authority as the chief guest at Agargaon. Prime Minister's private industry and investment adviser Salman F. Rahman and BIDA Executive Chairman Lokman Hossain, among others, were present.

Prime minister Sheikh Hasina called upon all to invest in the country to build a developed Bangladesh. "Make investments. It will not only bring benefit for yourself but also the country," she said.

The multi-storey building would be used as the offices of three agencies — BIDA, the Bangladesh Economic Zones Authority and the National Skills Development Authority. The prime minister emphasised the expansion of the export basket incorporating new export items alongside exploring new markets. "Bangladesh will progress further through both local and foreign investment, and Bangladesh will be a developed country by 2041," she said. Mentioning that the main target of her government is to develop the people at the grassroots level, she stated, "Their

purchasing power is increasing, their per capita income is increasing, and in this case, our own market is being created." In this connection, she also said that the government had established communication with the neighbouring countries, including Bhutan, Nepal, India, Thailand and Myanmar, as Bangladesh is geographically located in a good position.

She noted that South Asia is a market of 300 crore people, and anyone can take advantage of it. With prime minister's private industry and investment adviser Salman F. Rahman in the chair, BIDA executive chairman Lokman Hossain Miah delivered the welcome address. Principal Secretary to the prime minister M. Tofazzel Hossain Miah was also present, among others. The prime minister sought foreign investments and wished the country's youths would turn themselves into investors. ■



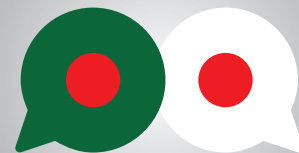
BUILD Chairman first visited the new BUILD office

BUILD Chairperson Nihad Kabir paid the first visit to the newly renovated office of BUILD on 16 February 2023 and met the officials of BUILD.

She took the time to sit down with the personnel and get to know the ongoing activities and other key policy developments BUILD has been working for. Her visit's core agenda was to

understand BUILD's current growth momentum better, gain insight into how policy dynamics are shifting, and get a refreshed look at how BUILD can play a crucial role in Bangladesh's journey of prosperity and progress.

During the meeting, she advised all officials of BUILD to work as the bridge and connect with the public and private sectors for better communication, coordination, and collaboration in bringing reforms in business policies and procedures to improve Bangladesh's investment climate. ■



Preparatory meeting of the Japan-Bangladesh Economic Dialogue

BUILD CEO Ferdaus Ara Begum joined a preparatory meeting to set the agenda of the 5th Japan-Bangladesh Public-Private Joint Economic Dialogue on 16 February 2023 at Prime Minister's Office, which was chaired by M. Tofazzel Hossain Miah, Principal Secretary to the HPM. Director General-1 and Director-1 of PMO jointly presented the keynote in the session.

BUILD CEO pointed out that Bangladesh's logistics sector has more than 19 sub-sectors, and the government is highly enthusiastic about attracting FDI, JV, and local investment in these sectors. She also emphasised the need to advance the effort to formulate the subject of signing an FTA between Japan and Bangladesh. ■

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