



EDITORIAL

UK's DCTS: Seizing opportunities and preparedness for Bangladesh

With longstanding historical and economic connections, the UK is Bangladesh's third-largest export destination and a significant market. Almost 10% of our exports were headed to the UK in 2023, amounting to more than USD 5 billion. As Bangladesh braces for its graduation from the Least Developed Country status in 2026 with a three-year grace period, it is considering scaling up its trade with key markets like the UK.

Meanwhile, the UK is introducing a new scheme to offer preferential trade terms to developing countries to replace its earlier Generalized System of Preferences (GSP). The Developing Countries Trading Scheme (DCTS), launched in June this year, provides tariff concessions for developing countries exporting to the UK market.

DCTS offers three preferences: comprehensive, enhanced, and standard. Comprehensive preference grants zero tariffs for 46 least-developed countries, including Bangladesh (until graduation), with the possibility of enhanced preferences post-graduation. DCTS

facilitates global supply chain access for importing raw materials from 95 countries and exporting final products to the UK duty-free.

DCTS offers more flexibility compared to EU GSP+. Unlike the EU's draft GSP proposal for 2024-34, DCTS lacks safeguard measures for apparel products based on import share and graduation thresholds. Additionally, while the EU mandates ratification of various conventions, DCTS does not make it obligatory, although violations can lead to the suspension of benefits. Despite these advantages, the key challenge lies in maximizing the benefits for Bangladesh. Currently representing just 0.7% of the UK's USD 780 billion import market, Bangladesh has the potential to climb the ranks and become one of the UK's top 20 trading partners.

Diversifying beyond apparel and clothing is crucial to boost exports to the UK. Currently, 95% of Bangladesh's exports to the UK are in this category, posing challenges due to a double-stage transformation requirement for 50% local value addition post-graduation. Focusing on knitwear, with 82% value addition, is a strategic move. In 2022, the UK imported USD 14.02 billion of knitwear, with Bangladesh contributing only USD 3 billion. There's potential to increase this to at least USD 5 billion. To attract foreign investment, especially from countries like China, addressing infrastructural issues

such as uninterrupted energy supply, relieving road congestion between Dhaka and Chittagong, and optimising the logistics network is essential.

Bangladesh can diversify exports beyond apparel into areas like home textiles, agro-products, footwear, IT engineering, and more. While having successfully exported a high-speed container ship to the UK, there are untapped opportunities in the UK market, such as pearl and precious metals, machinery, electrical appliances, minerals, and organic chemicals, where Bangladesh currently lacks a foothold.

Bangladesh must be ready for opportunities and challenges in the DCTS arrangement. Unlike Vietnam, we lack a free trade agreement with the UK for zero-duty market access. Compliance with good governance, human and labour rights, climate change, environment, and fair trade is essential. Increasing local value addition in the apparel sector, using more locally produced fabrics and yarn, is crucial. Our products, including agro-goods and fish, require improved production and logistics, along with investments in traceability systems, technology, cold storage, quality testing, and packaging. We must simplify and rationalise tariffs to easily import critical and raw materials and related techs, such as those for man-made fibre and solar power components. Streamlining government incentives, providing long-term financing for machinery, establishing high-quality labs, and collaborating with sectors to address compliance challenges are essential. Additionally, simplifying obtaining social audit certificates for UK market access, guidance, and support should be offered to entrepreneurs.

The possibilities DCTS offers are substantial, but they also pose some challenges. We need to strengthen our capacity and knowledge as well as develop a regulatory and institutional ecosystem to enable our businesses to make the best of the opportunities. ■

Ferdaus Ara Begum
CEO, BUILD



Policy relevance of logistics sub-sectors: Workshop on NIP 2022

M. Tofazzel Hossain Miah, Principal Secretary to the HPM, was present as the Chief Guest at the workshop titled "Logistics Service Sub-sectors and Its Policy Relevance Under National Industrial Policy (NIP) 2022", while other speakers were Tapan Kanti Ghosh, Sr Secretary, Ministry of Commerce; Nasreen Afroz, Executive Chairman (Secretary), the National Skill Development Authority, Prime Minister's Office; Zakia Sultana, Secretary, Ministry of Industries; A. B. M. Amin Ullah Nuri, Secretary, Road Transport and Highways Division. Besides, Shahida Sultana, Director General, Executive Cell of the Prime Minister's Office; Nihad Kabir, BUILD Chairperson; Dr M Masrur Reaz, Chairman, Policy Exchange; Mohammad Lutfullah, Sr Private Sector Specialist, IFC, Ferdous Ara Begum, CEO of BUILD; and representatives from 21 Logistics service sub-sectors attended the workshop. The workshop was organised by NLDCC, PMO, the World Bank and BUILD at the Bangladesh Parjatan Corporation on 7 September 2023.

Recognising its vital significance, the National Logistics Development and Coordination Committee, Prime Minister's Office, World Bank and BUILD organised the pivotal workshop on 7 September 2023, at the Bangladesh Parjatan Corporation. This workshop, aptly titled "Logistics Service Sub-Sectors and its Policy Relevance under National Industrial Policy 2022", sought to explore and address critical issues within the logistics domain.

Shahida Sultana, DG, Executive Cell, PMO, welcomed the guest guests and gave a summary of the activities of the logistics sub-sectors included in the Industrial Policy 2022. She informed that the workshop is attended by 22 private sector representatives of different sub-sectors along with several public sector bodies to work closely to understand the present situation of the sector, related policies, administrative status, ministries/offices/agencies engaged with the concerned sectors. A specific template was circulated to the five groups who worked on particular sub-sectors. They also made a presentation based on the discussion, explained the situation of the sub-sectors, identified the overarching constraints, and

proposed possible remedies so that the sectors can move further to support an efficient logistics sector in the country.

The Secretary of the Road Transport and Highways Division said the Logistics Policy would be interlinked with several other policies, such as the Industrial Policy. He informed the audience that the Infrastructure Development Committee, which his ministry has looked into, has charted our action plans, and they are working accordingly to contribute to the sector.

Sr Secretary of the Ministry of Commerce said that the logistics support services are handled mainly by the private sector; he cited the example of a number of fishing vessels that are not yet registered and need to be registered per the concerned policy. He gave an example of other countries and informed that in several other countries, SMART cards are provided by the government while the private sector extends all other field-level activities; the role of the government is to monitor those activities. Considering efficient support services for competitiveness, he elaborated that logistics is a service industry, and there is a need for massive investment in this sector. We need to analyse carefully how much we would open for foreign investment. He also emphasised the need for skill development and explained that it is not possible only by the government; the private sector would need to join hands in that respect.

Taking a cue from a speaker regarding the simplification of policies, he gave an example of the Import Registration Certificate and Export Registration Certificate, highlighting that they have reduced the requirement of documentation from 12-13 to only 6-7, which would help the private sector to reduce the time for getting a certificate. He emphasised the coordination among all concerned ministries for improved support services. He elaborated that policies are a wish list. In contrast, to get the benefits from the policies, there is a requirement for SROs/Office orders and further regulations, which needs time.

Executive Chairman (Secretary) of the National Skill Development Authority, PMO, in her speech, mentioned that they have several ad-hoc committees established in the NSDC and received several requirements for skill development. She gave an example of Supply Chain activities; under this area, there are several activities such as handling, brokerage, shipping agents, document specialists, etc. In all these areas, we need to develop skills. She suggested a separate workshop for skill development issues so that it can identify the gaps meant explicitly for the logistics sector.

The senior secretary of the Ministry of Industries also spoke on the occasion and

referred to the logistics development policy prepared by BUILD, for which MOI also worked closely. She informed the audience that, in the meantime, they have had a number of meetings and charted out an action plan for the skill development issues. She also communicated that her ministry is working closely with the National Skill Development Council (NSDC) and the Skill for Employment Investment Programme (SEIP) to understand the gaps and prepare an enriched curriculum for skill development in logistics.

The Chairperson of BUILD acknowledged the collaboration and support of PMO in having all relevant logistics development activities. She articulated that the workshop is one of the important ones that would give us an idea of the gaps in policy requirements and challenges the sectors face, which would give us an idea of chalking out remedies for removing the challenges. She echoed the voice of earlier speakers and said that efficiencies in delivering better services are one of the priorities to be sustainable in the business.

The Chairman and CEO of Policy Exchange said that logistics is an overarching issue that needs support from all other sectors, such as transport, rail, water, and air. Integrated policy support is required for logistics sector development. This programme would give us an idea to identify the gaps in policies, regulations, and infrastructure development, among others.

In his speech, the Principal Secretary thanked everybody, especially the private sector representatives, for their whole-hearted work to support the government. He emphasised the need for policy simplification and requested the private sector to identify the required areas. He referred to a case of shortage of welders in the country. He added that several major infrastructural projects are going on that require many efficient welders, and the question is why these kinds of skills cannot be developed in the country. He requested the private sector to come forward in this respect. He said that from the 22 private sector representative organisations, at least twenty-two issues should come to us; the government is ready to listen from the private sector as they contribute a considerable proportion of GDP. We need to see a robust logistics sector and more investment in this area to reduce the cost of doing business. ■

BUILD Trustee Board met ADB Mission

The Asian Development Bank (ADB) fielded a mission from 8-11 October 2023 with its Technical Team to initiate the preparation of technical assistance to support logistics sector development in Bangladesh.



BUILD Chairperson Nihad Kabir indicated much scope for ADB to support the Government's reform agenda for logistics sector development. In the areas of skill development, as discussed with NSDA, the Skills Sub-committee and the Ministry of Industry, ADB could support (a) Mapping of occupations in the logistics sector, (b) Preparation of qualification packs, (c) curriculum development based on existing gaps, (d) Certification for skills. Some priority occupations could be taken up, including warehousing supervision, pilot harbour, packaging, etc.

BUILD Trustee and Co-chair of LIDWC Abul Kasem Khan said there is a need to work with the universities and sector skill council to bridge the skills gaps and fill up knowledge gaps for postgraduates in supply chain management, etc. There is a need to retrain university graduates to make them more employable. If Bangladesh is targeting improvement in LPI ranking by 2030, it must reduce the cost of exports (contributing 20% of logistics costs) to 10% to compete with others.

BUILD highlighted the need to streamline business processes at key gateways as there is a need to move physical files on average 43 times in gateways vis-à-vis only seven times in Germany/Korea. The turnaround time is 24 hours in Germany/Singapore vis-à-vis 24 days in Bangladesh. There is an urgent need to streamline business processes at ports, airports, and land ports.

BUILD also focused on an integrated digital master plan, which ADB could support to bring together individual master plans of various ministries on a single geospatial platform for better logistics planning. It further suggested that there needs to be an institutional mechanism in place to take responsibility for this activity and would require learnings from other countries on how Bangladesh could develop this institutional capacity.

ADB suggested that it could bring in experiences from Korea and arrange for exposure visits of senior officials to learn and understand the institutional mechanism and skills required to undertake this exercise. KOTI, under PMO in Korea, is mandated by law to undertake national logistics master plan preparation for the logistics sector in Korea.

Mahbub Rabbani, Senior Economics Officer, Bangladesh Resident Mission of ADB, Atul Prodhon, Pritom Das, and Jibon Ranjan Das from ADB joined the meeting.

Moreover, BUILD supported the mission meeting with key government, private sector, and development partner counterparts --- Prime Minister's Office (PMO), three sub-committees under NLDCC on Infrastructure Development, Technology and Digitalization, and Institutional and Skill Development of National Logistics Development and Coordination Committee (NLDCC), National Skills Development Authority (NSDA) and Ministry of Commerce.

The consultations focused on ADB's engagement in this sector, agreeing on the next steps and planning follow-up actions, including ADB Technical Assistance to support upstream activities.

The consultations have allowed ADB to identify specific areas of support to the Bangladesh government, which the participants from the government, business, and academia supported. Such support can be categorised into three broad areas: skill development, support towards institutional development for master planning, and developing a tool to ensure optimal utilisation of logistics infrastructure.

From BUILD, Moshaddek Alam, Additional Director of Communications and Advocacy, helped ADB Mission organise all consultations and led the discussions. ■



Analysing customs and logistics regulations for targeted reforms

The workshop on 9 and 10 September 2023 marked a significant turning point in the ongoing efforts to support Bangladesh's logistics industry. This collaborative forum, organised by the Ministry of Commerce and supported by the World Bank, was effectively facilitated by the Policy Exchange of Bangladesh and built upon the conclusions and insights from the previous workshop on 10 August 2023. Shahida Sultana, DG, PMO, representatives from NBR, Customs, Mol, MoC, Chittagong Port Authority, BIDA, members from relevant associations, and

stakeholders from the public sector were present at the workshop. Ferdaus Ara Begum, CEO, and Ahmed Julker Nine, Research Associate from BUILD, attended the two-day workshop.

The workshop's primary goal, which brought together a wide range of professionals and stakeholders, was to identify essential tools and reform initiatives. Participants emphasised the need for seamless data sharing and integration between different stakeholders, the necessity of capacity-building programmes for customs officials and logistics personnel, training modules focused on the latest technologies, international best practices, and customer-oriented service, establishing multimodal connectivity, enhanced collaboration between the public and private sectors and highlighted the need for reviewing and amending outdated legislation governing customs and logistics.

These discussions focused on solving the urgent problems and difficulties previously identified as part of Bangladesh's competitive logistics environment, laying the groundwork for a successful future. ■

Meeting with BGMEA to discuss the UK's DCTS

BGMEA has an incredibly positive outlook on the UK's Developing Countries Trading Scheme. BGMEA has started preparing to make use of DCTS. The Readymade garment manufacturers exported USD 5.02 billion worth of clothing to the UK in the fiscal year 2022-23, which was USD 4.50 billion in FY2021-2022, 11.78% growth in a year.

The machinery cost for transforming to MMF is much higher; the minimum investment requirement is Tk 300-500 crore. MMF is environmentally friendly because waste is less, resource use is less, and recycling is easy. In Bangladesh, annual pre-consumer waste is about four lac MT, used for landfilling or incineration. Only two recycling hubs are in Bangladesh; BEXIMCO owns one.

Fabric scraps, locally known as jhut, can be a big source of export if we can utilise these properly; now, we are earning only USD 5-6 million, which can be increased to USD 5-6 billion.

GSP+ requires 50% local value addition. However, UK DCTS requires only 25% (as per CP for LDCs only). After graduation and extended support up to 2029, the garment makers will need a 'double transformation' of 50% local value addition. BGMEA has undertaken 'Apparel Diplomacy' to increase market access to the UK and expects the UK to extend additional benefits up to 2032. However, there have been no G2G efforts in that respect.

In the meantime, they are more interested in MMF and rather serious about double transformation. Bangladesh produces about 70% of cotton-made apparel. The share of value-added goods is gradually increasing in the overall production. Locally produced man-made fabric (MMF) and yarn will increase value addition. There is a vast global demand for synthetics or MMF. Bangladesh must invest more in manufacturing man-made fibres and fabrics to stay eligible for the GSP+ facility after LDC graduation (in the EU market). However, this requires heavy investment in machinery, manufacturing yarns, fabrics and dyeing facilities with proper wastewater and chemical management. FDI can be encouraged in these products as they require massive investment.

BGMEA is exploring the UK and other markets to diversify its products. It is looking at capturing markets for outerwear, formal wear (suits for ladies and gents), active wear segments, and non-cotton categories. Faster adoption of technologies is required to reduce the cost of manufacturing.

There are calls by a few importing countries to impose protection measures, such as textile safeguard measures on textile and apparel goods of Bangladesh, to protect their domestic industry.

RMG should increase the use of renewable energy as there is an acute gas shortage and safeguarding the environment. Many RMG factories have installed rooftop solar systems.

In the areas of mandatory ratification of international conventions, while ratification is not obligatory for DCTs, they nonetheless adhere to it rigorously. BGMEA informed that in that respect, the responsibilities of the Government are much higher than those of the private sector. It was reported that 17 observations of the EU in this respect are waiting for a response.

Modern Syntex has stepped up with a big investment in manufacturing polyester and synthetic yarns to fit the bill for global consumers switching from cotton to man-made fabrics. It has invested USD 131 million to produce four types of products, such as polyester draw textured yarn (DTY), polyester fully drawn yarn (FDY), polyester staple fibre (PSF), polythene terephthalate (PET) chips, to provide backward support to readymade garment, footwear, and vehicle-making industries. ■

BIDA workshop on enhancing efficiency in service delivery

Bangladesh Investment Development Authority (BIDA) organised a Workshop titled “Streamlining Services by Reducing



Service Providing Steps, Time, and Number of Required Documents for Investment in Bangladesh” on 19 October 2023. This initiative was borne out per the Prime Minister’s Office (PMO) instructions. It aims to streamline and speed up providing investment support, ultimately fostering a more attractive investment climate for prospective investors in the country.

In pursuit of this objective, BIDA requested BUILD to conduct a comparative analysis of business startup requirements in Bangladesh and other benchmarked countries. Based on that, BUILD analysed the current business startup landscape in Bangladesh, Vietnam, Singapore, and Malaysia and sent it to BIDA on 26 October 2023. The overarching goal was to identify opportunities for further streamlining and simplifying business startup procedures in Bangladesh.

Based on the assessment conducted by BUILD, it is evident that the documentation requirements in Bangladesh are notably higher compared to other countries, which can be reduced further. Singapore is one of the suitable models for commencing a business, characterised by a significantly streamlined process involving fewer permits, simplified steps, shorter timeframes, and lower associated costs. Both Singapore and Vietnam have simplified procedures for starting businesses or making investments. It is apparent that Bangladesh’s policies on paper are moderately business-friendly. However, implementation sometimes takes more time than what is stipulated in the policy. ■



BUILD and Circle Economy collaboration

BUILD has entered a strategic partnership with Circle Economy — a global impact organisation founded in 2011 — to

comprehensively evaluate the socio-economic implications of the European Union’s Circular Textile Policy.

Designing collaborative, inclusive, and equitable circular textile policies is pivotal for aligning with global human development and environmental objectives and ensuring a fair transition towards a circular economy. It is crucial for Europe to lead the way in advancing the circular textiles industry while respecting trade dynamics with its partners.

The success and fairness of the EU’s circular economy textile policies are contingent on understanding their impact on partner nations and supply chain actors. Currently, there is a lack of systematic impact assessment of EU circular economy policies on trading partners, exacerbated by the absence of insights into trade and policy harmonisation dynamics, particularly with low- and middle-income countries (LMICs).

Failure to design more collaborative, inclusive, and equitable circular textile policies could compromise global sustainability objectives and the policy’s core objective of promoting circular trade. In response to these challenges, a two-phased project led by a consortium of globally renowned circular economy research organisations aims to achieve several outcomes:

- Raise awareness within the EU policy community about the need to systematically assess circular economy textile policies’ social and socio-economic impacts on LMIC trading partners.
- Increase awareness among the EU policy community regarding the necessity of inclusive processes in legislation affecting LMIC trading partners.
- Enhance understanding among the EU policy community and critical stakeholders in LMIC trading partners about the potential impacts of EU circular economy textile policies.
- Amplify local stakeholders’ and governments’ voices and concerns in trading partner countries during EU textile policy-making processes.
- Equip the EU policy community with tools and methodology to evaluate the potential impacts of circular economy textile policies by developing a robust impact assessment framework.
- Empower local stakeholders to develop national policy and align with EU policies.

The project consists of two phases: Phase 1 will conduct an initial baseline assessment of two case study countries, Bangladesh (upstream trading partner) and Ghana (downstream trading partner). It will provide valuable insights into trade flows, employment, relevant social and socio-economic effects, and policy

interdependencies. Phase 2 will use this foundation to create a robust impact assessment framework for evaluating future circular textile policies' likely social and socio-economic impacts.

BUILD, in collaboration with Circle Economy, will contribute by:

- Offering country-specific insights into current trade flows and socio-economic impacts related to EU trade.
- Participating in interviews with relevant representatives from the private and public sectors to assess the potential impacts of upcoming EU circular textile policies.
- Assisting in the publication of a report and dissemination activities within the country and the EU.
- Engaging in conferences, workshops, and forums organised as part of the project.

This partnership between BUILD and Circle Economy underscores the commitment to fostering equitable and sustainable circular textile policies in the European Union, emphasising the importance of considering their impact on global trade and human development. ■

Developing Countries Trading Scheme (DCTS)



BUILD and Ministry of Commerce's meeting on DCTS

Ferdaus Ara Begum, CEO of BUILD, and her colleagues paid an official visit to Md Abdur Rahim Khan, Additional Secretary of the Ministry of Commerce, and his team on 26 November 2023. The meeting focused on an ongoing study undertaken by BUILD that focuses on the implications of the UK's Developing Countries Trading Scheme (DCTS) on Bangladesh's trade with the UK and how the private sector and the policymakers of Bangladesh are responding to the UK's recently announced scheme. The DCTS reduced tariffs on an additional 156 products, made rules of origin simpler and more flexible and eliminated the ratification/implementation condition for countries under DCTS to benefit from preferential treatment.

There were discussions on the following issues: a cautionary approach to FTA with

the UK, Bangladesh cannot give cash incentives after LDC graduation but would provide incentives indirectly, shifting to man-made fibre, renewable energy, the possibility of offering bonded warehouse facility agro-processing industry, the complexities of refunding the exporters by DEDO (Duty Exemption and Drawback Office) as well as moving to circularity by 2029 and Circle Economy.

Although there are some advocates for a Free Trade Agreement (FTA) with the UK, Rahim Khan said that instead of the FTA, Bangladesh would benefit much more from the DCTS comprehensive preference scheme for three more years after LDC graduation and then from the DCTS enhanced preference scheme. He pointed out that an FTA with the UK or any rich country would require reciprocity from Bangladesh. For example, FTAs or PTAs between developed and developing countries often require sharply reduced tariffs on industrial goods from the developed country, and it would expose domestic manufacturers to overwhelming foreign competition. This would prevent poorer nations from developing their industrial sectors. He also reiterated Bangladesh's policy on providing cash incentives indirectly or in other forms after 2026, as according to the WTO Rules, the government cannot provide subsidies or cash incentives on exports after a country graduates from an LDC status.

They both discussed the importance of shifting to man-made fibre. Also, they acknowledged that the production of man-made fibre is capital-intensive and requires machinery and technology that can be very expensive for Bangladesh. Foreign Direct Investment in this sector can be encouraged.

There was also a discussion on how the Ministry of Commerce works with the National Board of Revenue (NBR) to reduce or eliminate customs duties and other taxes on seven renewable energy equipment, especially solar panels and solar inverters. The 37 per cent customs duty on solar inverters has made solar very expensive for firms working on renewable energy in Bangladesh.

NBR offers bonded warehousing benefits to some export-oriented industries for duty-free importation of inputs/raw materials and packaging materials. However, there are no Bonded Warehouse facilities for exporting agro-processed products.

DEDO is responsible for settling claims of duty drawback, duty exemption and VAT refund for exporters in Bangladesh. DEDO usually gives refunds on the export of several goods, including knitwear, specialised textiles, jute goods, plastic goods, shopping bags, fuel, processed woods, insulators, leather, surgical goods, power transformers, metal zippers, MS products and urea.

In her discussion with Rahim Khan and his colleagues, Ferdaus Ara Begum highlighted the crucial aspect of exporters actively pursuing long-term loans to support their business endeavours. Emphasising the significance of financial stability in the export sector, she underscored the considerable need by manufacturers to identify and leverage opportunities for securing soft loan facilities with extended tenures from various available sources. ■



**13th WTO MINISTERIAL
CONFERENCE
ABU DHABI - UAE
2024**

Meeting on reviewing the LDC-Ministerial declaration

Two officials of BUILD participated in a meeting titled "Reviewing LDC-Ministerial Declaration for the Thirteenth WTO Ministerial Conference 2024" organised by the Ministry of Commerce on 9 October 2023. The Director General of WTO Cell, MOC, chaired the meeting, and various sector representatives were also present.

The government of Djibouti had prepared the draft declaration on behalf of all LDC countries. The primary objective of this meeting was to provide feedback on the proposed declaration, considering the country's context and other perspectives from LDCs. The aim was to prepare to present the country's viewpoint at the Senior Officials meeting of the WTO General Council scheduled for 23-24 October 2023.

In line with the decisions made during the meeting, BUILD shared its comments and observations regarding the draft LDC-specific MC13 Declaration, considering the country's perspective. A decision was made at the WTO General Council meeting on 23 October that Bangladesh can enjoy trade benefits beyond graduation from the LDC bracket in November 2026. Yet, a definitive timeframe for extending benefits is not provided. Despite the positive outcome for Bangladesh at the WTO meeting, the absence of a specific timeline for the extension of trade benefits raises uncertainties about the post-2026 scenario. Clarity on this aspect remains crucial for the nation's strategic planning and smooth economic transition beyond its LDC status. ■

REFORMS



Registrar of Joint Stock Companies and Firms

RJSC website updated with procedural simplification details

RJSC is implementing various procedural simplifications and reforms in its continuous efforts to disseminate information on the Automated Memorandum of Association (MoA) and Articles of Association (AoA). Additionally, the organisation has developed a video highlighting RJSC services and crafted multiple tutorials demonstrating its clients' use of the new business registration software. Circulars and relevant information have been published on both the official website and RJSC's Facebook page (facebook.com/DigitalRJSC). It has also introduced a fee calculator on its website to facilitate the calculation of registration fees for all types of companies.

BUILD conducted a study followed by a survey titled "Improved Business Environment and Simplification of Company Registration Process" and presented it at the 9th Trade and Investment Working Committee meeting on 28 September 2022. This meeting, co-chaired by the Senior Secretary of the Ministry of Commerce and the President of the Metropolitan Chamber of Commerce and Industry, served as a platform for discussing and implementing proposals outlined in the study. All the recommendations were also presented in a meeting of RJSC on 22 October 2022, presided by Tapan Kanti Ghosh, Senior Secretary, Ministry of Commerce. ●

CPTU enacts comprehensive reforms

Sustainable Public Procurement (SPP) Policy 2023 was published on 10 December 2023 by the Implementation Monitoring Evaluation Division (IMED), Central Procurement Unit (CPTU) of the Planning Commission, GoB. The gazette is in Bangla (www.dpp.gov.bd/bgpress/index.php/document/extraordinary_gazettes_monthly/2023-12-07). BUILD worked closely with CPTU for the policy in collaboration with ITC, Geneva. ■

SCOPES



Turning tannery waste into opportunities for SMEs

Managing solid waste from tanneries poses a notable environmental challenge yet simultaneously presents unexplored business prospects for small and medium-sized enterprises (SMEs). The conversion of tannery solid waste (TSW) into valuable goods and services not only allows SMEs to play a crucial role in promoting environmental sustainability but also empowers them to forge innovative revenue channels, thereby fortifying their economic resilience and contributing to a more sustainable business landscape. ●



switch
to Circular Economy
Value Chains

BUILD's partnership with Chatham House

SWITCH to Circular Economy Value Chains (SWITCH2CE) is a groundbreaking international development initiative generously supported by the European Union and the Government of Finland. At its core, the project aims to catalyse a transformative shift within the textile, plastics, and electronics sectors, fostering a paradigm where enterprises actively embrace and implement circular economy practices.

This ambitious endeavour acknowledges that attaining true circularity within these industries demands concerted, cooperative actions spanning the entire global value chain. From influential multinational corporations to essential suppliers and nimble small to medium-sized enterprises (SMEs), the

project recognises the imperative role each stakeholder plays in steering the industries towards a sustainable, circular future.

As part of SWITCH2CE, pilot initiatives will be executed in three countries, including Bangladesh. These initiatives will specifically target garment and textile suppliers working with EU multinational companies, guiding them in their transition towards circular practices. The ultimate goal of SWITCH2CE is not only to facilitate this transition but also to structure value chains sustainably, ensuring that the changes introduced have a lasting impact. This will be achieved through the capacity development of national partners and the creation of enduring business models and collaborative platforms that can thrive beyond the project's timeline.

UNIDO (as the lead partner), UNIDO and Chatham House, EIB, and Circle Economy are jointly spearheading this programme. Business Initiative Leading Development (BUILD) has partnered with Chatham House to conduct comprehensive research and facilitate multistakeholder dialogues within this collaborative framework. These collective efforts are designed to propel a circular economy transition prioritising equity and inclusivity. The partnership between Chatham House and BUILD will play a pivotal role in (a) Analysing the circular economy challenges and opportunities inherent in Bangladesh's garment and textiles industry, encompassing not only formal but also informal sector stakeholders; (b) Identifying and addressing critical knowledge gaps, regulatory obstacles, and collaboration challenges that currently impede the sector's progress towards circularity. Collaboratively, BUILD and Chatham House stand prepared to instigate substantial shifts and encourage the adoption of sustainable circular practices within Bangladesh's essential garment and textiles sector, bringing about a meaningful transformation. ■

ARTICLES

ক্ষুদ্র ও আংশিক রফতানিতে নীতিসহায়তা রফতানি বহুমুখীকরণে অবদান রাখবে • Bonik Barta ■
cutt.ly/buildconnect235-01

The fisheries sector needs re-orientation to face LDC graduation challenges • The Business Standard ■
cutt.ly/buildconnect235-02

GI for small artisans • New Age ■
cutt.ly/buildconnect235-03

ডিজিটাইজার মৎস্য ভর্তুকিসংক্রান্ত নতুন চুক্তির সুবিধা ও অসুবিধা • Bonik Barta ■
cutt.ly/buildconnect235-04

Logistics costs need to dramatically come down to meet post-LDC challenges • The Business Standard ■
cutt.ly/buildconnect235-05



BUILD Chairperson speaks at the LPI workshop

In a workshop led by the Prime Minister's Office and supported by the World Bank and Policy Exchange Bangladesh, key stakeholders, experts, and policymakers gathered at the Bangladesh Investment Development Authority (BIDA) on 18 October 2023 to discuss measures for boosting the country's performance in the Logistics Performance Index (LPI). The focus was on highlighting the significance of the Logistics Index, notably the Home-Grown Logistics Index, aiming to articulate actionable strategies for positive transformations in the sector. The collective dedication of participants aimed at cultivating a more efficient and competitive logistics index, laying the groundwork for future prosperity.

Nihad Kabir, Chairperson of the Business Initiative Leading Development (BUILD), highlighted the crucial role of logistics in Bangladesh's economic aspirations. "A robust logistics sector is the backbone of any thriving economy," she emphasised, "and improving our LPI ranking is fundamental to enhancing trade competitiveness and attracting foreign investment."

The LPI, published by the World Bank, benchmarks the efficiency of a country's logistics infrastructure and services. While Bangladesh has seen recent progress, jumping 12 notches in the 2023 index to rank 88th, further advancements are crucial to compete effectively in the global marketplace.

Kabir reiterated BUILD's commitment to supporting the development of the logistics sector through various initiatives, stating, "We are actively working with stakeholders to implement effective reforms for the development of this sector."

Md Tofazzel Hossain Miah, Principal Secretary to the HPM, was present as the chief guest. "Bangladesh needs pragmatic and practical policies and measures to improve logistic performance," he stated. "This is a challenging task, as the scope of implementation has now widened from the traditional attention to infrastructure to trade facilitation. There should be more focus on sustainability and resilience, spatial dimensions of logistics, specificity of regulatory and legal frameworks, and skills development. Regulatory

improvements should enhance the quality of service. Therefore, concerted efforts by the relevant stakeholders, timely and effective inter-agency coordination, and constant public-private dialogue and cooperation are needed to improve the logistics performance in the country," he added.

The programme emphasised the need for collaborative efforts between government, private sector, and development partners to achieve significant progress. The World Bank representative lauded Bangladesh's recent improvement and pledged continued support for the country's LPI ambitions. With a focused approach and sustained collaboration, Bangladesh aims to climb the LPI ladder, unlocking its full potential as a global trade and investment destination.

Moshaddek Alam, Additional Director of Communications and Advocacy, BUILD, joined the workshop and extended support from BUILD. ■

BUILD CEO joins workshop on investment policy

BUILD CEO Ferdaus Ara Begum joined the Development of Investment Policy Workshop supported by the ADB on 17 September 2023 at BIDA. Mohsina Yasmin, Executive Member (Foreign Investment Development), BIDA, has revealed that BIDA is currently in the process of drafting a comprehensive investment policy. The finalisation of this policy will depend on incorporating the perspectives of all relevant stakeholders. Notably, the policy is designed to encompass a range of incentives, prominently featuring tax exemptions aimed explicitly at encouraging green financing within the investment landscape.

BUILD CEO, in alignment with this initiative, has asserted that the eventual shaping of the investment policy will be a collaborative effort, drawing upon the collective insights of foreign investors, the private sector, and policymakers. This inclusive approach aims to ensure a well-rounded and effective policy framework that caters to the diverse needs of the stakeholders involved in shaping the economic landscape of Bangladesh. She added that BIDA needs to integrate more investment-related services into its virtual One Stop Services, which will enhance the country's investment climate. Presently, BIDA offers 112 investment services from 37 departments through the BIDA OSS platform. Through the OSS, BIDA can deliver the highest quality services to investors and highlight the need for quick and efficient service provision. She mentioned that nations such as Vietnam offer investors all necessary services within a span of 35 days, Indonesia within 48 days, and India within 60 days. ■



BUILD CEO addresses EU export opportunities at RAPID workshop

BUILD CEO Ferdaus Ara Begum joined as a Panel Speaker at the workshop titled "Exploring Export Diversification Opportunities in the European Union", organised by Research and Policy Integration for Development (RAPID) on 11 September 2023, supported by Friedrich-Ebert-Stiftung (FES), Bangladesh. EU Ambassador to Bangladesh HE Charles Whitely spoke at the event. Senior Commerce Secretary Tapan Kanti Ghosh was also present. The Economic Research Forum (ERF) and RAPID collaborated to organise this workshop to share findings on Bangladesh's export diversification to the EU and data journalism. Refayet Ullah Mirdha, the president of ERF, presided over the event.

The study indicates that Bangladesh is not maximising over 40% of its export potential in European markets due to limited product diversification and standard certification. Additionally, protective tariffs in the country make the domestic market more appealing for local businesses, posing another hurdle to exports. The RAPID study suggests that in 2021, Bangladesh had a USD 40 billion export potential in the EU, with only USD 23 billion utilised. Of the remaining USD 17 billion, USD 2.5 billion comprises non-apparel items, which the report highlights as having significant export potential. It emphasises the opportunity to diversify garment sector exports, including more artificial fibre items.

BUILD CEO addressed the issue of anti-export bias, highlighting its relevance given the heavy dependence of the export and manufacturing sectors on imported raw materials. When discussing impediments to exports, she specifically pointed out the challenges posed by unpredictable regulatory systems. Additionally, she emphasised the urgent need for effective export financing mechanisms, recognising their crucial role in sustaining and promoting the growth of businesses focused on export activities. Stressing the critical importance of adhering to standards, the CEO underscored how they significantly contribute to facilitating export diversification and play a pivotal role in enhancing the resilience and competitiveness of industries engaged in global trade. ■



Discussion on tannery waste study

BUILD CEO joined a programme of Asia Foundation titled "Supply Chain Analysis of Tannery Solid Waste Bi-products in Bangladesh" and put forward her opinion on the study as a speaker on 25 October 2023 at BRAC Centre Inn, in collaboration with Solidar Suisse and OSHE Foundation. Tannery sector stakeholders were present in the workshop.

Speakers have called for a separate supply chain for the country's tannery industry waste, which is used as raw material in other industries but cannot be managed due to a lack of precise information.

BUILD CEO said that we have scattered data on solid waste, but we do not have any specific data. A separate supply chain can be created for solid wastes. This will enable us to turn waste into resources.

Department of Environment Assistant Director Salman Shawon said at the dialogue, "A common effluent treatment plant (CETP) has been set up in Hemayetpur, Savar, but it is not operating properly. A feasibility study must be done before generating energy from waste." He maintained that many tanneries must use the CETP to treat their waste properly.

Dr Yusuf Haider, a professor at the University of Dhaka, said, "Our institutions are not giving much importance to solid waste management and by-products generated from wastes. This requires

specific structures and policies. Hopefully, the matter will be cleared in the approved Detailed Area Plan (DAP)."

In the keynote paper presented at the programme, Asia Foundation Programme Coordinator Samiha Jamil said solid waste recyclers in Hazaribagh process rawhide trimmings to produce gum, gelatin, and glue. They recycle 14,500 tonnes of waste, generating 725 tonnes of by-products and BDT 2.32 crore in revenue. Samiha Jamil said the challenges faced by solid tannery waste recyclers include the absence of a permanent plot for them in Savar Tannery Industrial Estate, lack of access to finance, licensing and certification; absence of permission to take out raw trimmings, and lack of technical knowledge. She also noted that over 50 recyclers went out of business as they were left out when tanneries were relocated from Hazaribagh to Savar. Six of the solid tannery waste recyclers are barely surviving and struggling to make ends meet. ■



BUILD meeting highlights focus on logistics skill development

On 18 September 2023, a meeting at BUILD focused on skills and institutional development with the Ministry of Industries and the National Skill Development Authority. This workshop is part of the National Logistics and Distribution

Coordination Committee's (NLDCC) sub-committee on skills and institutional development. The goal is to contribute to shaping the National Logistics Policy, focusing on promoting and incentivising professional skill development for efficient logistics services. The government encourages universities, both public and private, to include comprehensive supply chain management modules in their curricula as major and minor subjects. This educational approach aims to equip the workforce with the necessary skills to meet the evolving demands of the logistics industry and enhance overall efficiency and competitiveness. ■



Validation workshop on NLDP

The Roads and Highways Division organised a validation workshop on 4 October 2023 at the Bangladesh Secretariat to confirm the findings from the study titled "Private Sector Consultation on Framing the National Logistics Development Policy". Moshaddek Alam, Additional Director of Communications and Advocacy at BUILD, attended the meeting and played a role in validating the consultation report conducted on 1 October 2023. This collaborative effort underlines BUILD's commitment to providing practical insights and expertise for developing an effective National Logistics Development Policy that aligns with industry needs. ■

Founding Organisations



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

Affiliations



Scan this to
get Connect in
your inbox.

DCCI Building, 9th Floor, 65-66 Motijheel C/A, Dhaka 1000, Bangladesh
info@buildbd.org +88 0222 33 81388, +88 0222 33 89961

© 2023 Business Initiative Leading Development (BUILD). All rights reserved.