

ANNUAL REPORT 2022

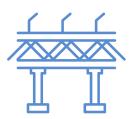
Building Upon a Half-Century of Independence and Resilience

Business Initiative Leading Development (BUILD)



Building Upon a Half-Century of Independence and Resilience

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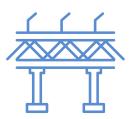
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Nihad Kabir Chairperson's Review

Looking Back



s we rejoice in the 11th anniversary of BUILD's establishment in 2022, I am humbled and excited to embark on my first year as the Chairperson, serving for the second time on the esteemed Trustee Board of BUILD. I am proud of how BUILD made a difference and effectively supported the government in designing policies promoting the private sector development of Bangladesh. This 2022 annual report (starting from January to December) shows the overall trajectory of our impact as a national public-private dialogue platform and continued diversification in our work areas, projects, engagement in the policy-making process of the government, and a substantial upswing in our private sector development engagement through many channels and covering many sectors.

We are facing challenges at every turn: the aftermath of the pandemic, a war in Ukraine and economic sanctions against Russia leading to a mounting inflation crunch in the supply chain.

Bangladesh also must prepare for the post-LDC status in 2026. Private sector growth is important not only for the businesses themselves but also for the public sector agencies that depend on private sector

resources for creating employment and critical infrastructure to maintain the continuity of the country's growth and development.

With the emergence of globalisation, trade liberalisations and privatisation of market economies as well as the expansion of cross-border business operations, there is now a major shift towards alignment between the private and the public sector globally as well as in Bangladesh. BUILD has been a leading force in public-private dialogue, supporting a two-way process in which government and business discuss a shared agenda in identifying key policy measures and reforms that serve the interest of business and the interest of society.

In 2022 we celebrate the golden jubilee as an Independent Nation. 26 March marks the commemoration of the Independence Day of Bangladesh. It commemorates the country's declaration of independence from Pakistan in the late hours of 25 March 1971.

After 50 years, Bangladesh is one of the world's greatest development stories. Bangladesh tells the world a remarkable story of poverty reduction and

development — from being one of the poorest nations at its inception, today Bangladesh is one of the fastest-growing economies in the world. Its steady economic growth of over 6 per cent per annum since 2000 has lifted millions of people out of poverty. Its Gross National Income has increased by a multiple of 21 times since 1972, reaching lower middle-income status in 2015. Bangladesh is now on its way to becoming an upper-middle-income country. The economy has made a strong recovery from the impacts of the COVID-19 pandemic.

Bangladesh made achievements in many areas, and they are most striking — empowering women and girls, investing in people, and moving decisively on climate adaptation and resilience. Our vision is to double our per capita income by 2031, and in this way, we will become an upper-middle-income country. This is a very clear vision that will provide focus on what will be required to reach this. And that means continued reforms to strengthen institutions so that they can serve the needs of an economy of a higher-income level.

It is time for Bangladesh to remain focused on protecting its development gains through policy interventions and a changing mindset to ensure building upon a half-century of independence and resilience.

As the Chairperson of BUILD, I present an overview of the activities it undertook for which it devoted its full time and energy throughout the year 2022.

BUILD features public-private dialogues on seven thematic areas — tax, SMEs, financial sector development, trade and investment, sustainability and green growth, 4IR and ICT&4IR and logistics infrastructure development.

Each working committee is co-chaired by the Secretary of the concerned Government Ministries or body and the President of the leading Chambers. It undertakes analysis and advocacy to support the dialogue process and develops specific, measurable, and results-based recommendations for the government to implement. BUILD presented policy papers in all thematic working committees.

Bangladesh must prepare to handle the challenges and reap the benefits that will arise post-LDC graduation. This would require creating an enabling regulatory environment for the private sector to become competitive and flourish after the withdrawal of preferential treatment when

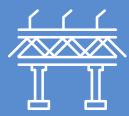
Bangladesh graduates to a developing country in 2026. However, private sector development is impossible without developing a robust logistics sector. A holistic and integrated National Logistics Policy is needed to revamp the logistics process, including infrastructure development, modernisation, monitoring, ICT, skilling and upskilling human resources, harmonisation and standardisation, trade and transport facilitation, and more.

Understanding the need, BUILD has been working for an extended period for the logistics sector development of the country. Prime Minister's Office (PMO) and BUILD developed the first public-private interaction forum termed 'Logistics Infrastructure Development Working Committee (LIDWC)' in 2020 to overcome the logistics barrier to the country's economic development. Upon the request of PMO, LIDWC, under the leadership of the Ministry of Industries, prepared a draft National Logistics Development Policy Framework this year. BUILD made various recommendations to be incorporated into the forthcoming National Logistics Policy. BUILD then presented the Draft National Logistics Development Policy on 24 February 2022 at a meeting in PMO. Md Tofazzel Hossain Miah, Senior Secretary, PMO, chaired the meeting.

Thereafter, BUILD and International Finance Corporation (IFC), World Bank Group (WBG) held a meeting on 20 April 2022 at Hotel Intercontinental. It was discussed in the meeting about the contribution of BUILD in organising a two-day workshop on global good practices in the logistics sector and gathering inputs from national and international experts, government officials and private investors to develop an integrated and efficient Logistics Industry Development Policy. The scope of the work of BUILD also included research, administration, communication, branding, and management.

Following the workshop, a meeting between BUILD and World Bank was held on 13 December 2022, entitled "Designing Future Course of Action and Way Forward to Formulating National Logistics Industry Development Policy (NLIDP)". The objective of the meeting was to take the logistics sector to the next level and to ensure sustainable development.

As in the previous year, BUILD this year also prepared a set of proposals for incorporation in the Budget 2022-2023 and submitted it to the National Board of Revenue. The number of proposals is 67, of



In total, BUILD has, until

2022

proposed

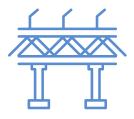
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reforms

585

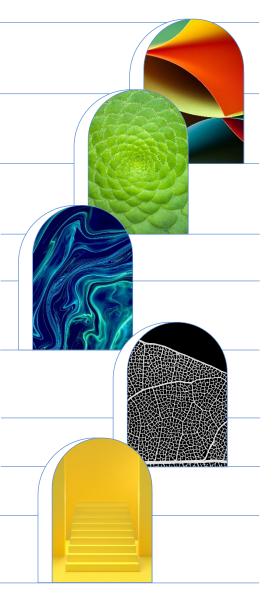
Approved





Major Milestones in

2022



Framework of the National Logistics Development Policy

Easing trade across borders for women entrepreneurs

Bonded warehouse policy reforms for the leather sector

Trade licence is issued for five years term

Establishment of a Textile Competitive Platform for export diversification

Logistics — now included in the Industrial Policy as a Thrust Sector

RJSC automation

5th Business Confidence Survey

Amendment of patent law for the pharmaceutical sector

Policy advocacy for access to finance for WEs

which 14 are on income tax, 16 are on VAT, and 37 are on customs-related proposals. Income tax proposals covered Corporate Income Tax (CIT), Tax Deduction at Source (TDS), allowable tax deduction and income tax audit etc. After that, BUILD Team has given comments on the Budget for FY 2022-2023.

BUILD initiated a number of projects in collaboration with government and donor organisations to support private sector development. BUILD and International Trade Centre (ITC) SheTrades Program, in collaboration with Bangladesh Standards and Testing Institution (BSTI), decided to work together to develop and adopt the globally recognised ISO standard definition of Women Entrepreneurship (ISO IWA 34:2021) in Bangladesh. In this context, a virtual discussion program was arranged on 19 April 2022 to discuss a clear and universally agreed-upon definition of women-owned and women-led businesses in the country — different institutions are using multiple terminologies.

Major Milestones in 2022

- Framework of the National Logistics Development Policy
- Easing trade across borders for women entrepreneurs
- Bonded warehouse policy reforms for the leather sector
- Trade licence is issued for five years term
- Establishment of a Textile Competitive Platform for export diversification
- Logistics now included in the Industrial Policy as a Thrust Sector
- **RJSC** automation
- 77 5th Business Confidence Survey
- Amendment of patent law for the pharmaceutical sector
- Policy advocacy for access to finance for WEs

To enhance the participation of women-owned businesses (WoB) in public procurement (purchasing of goods and services by the government) and the development of WoB, a seminar titled "Public Procurement and the e-GP system" was arranged by BUILD on 26 May 2022. The seminar focused on making women entrepreneurs aware of the details of tender participation procedures and how to be successful tenderers in public procurement.

To make trading across borders easier for womenowned businesses, BUILD, in collaboration with IFC Bangladesh, organised a seminar titled "Dissemination Seminar on Policy Recommendations to Make Trading Across Border Easier for Women-Owned Businesses" on 6 June 2022 at InterContinental Dhaka. While overall trading across borders has remained challenging in Bangladesh, women-owned businesses face even more difficulties than their male counterparts. This is primarily due to their lack of knowledge about policies and procedures for export and import, limited ICT orientation and exposure to service providers. To address this, BUILD and International Finance Corporation South Asia, under the Bangladesh Investment Climate Fund (BICF) project supported by the UK Government's Foreign, Commonwealth & Development Office (FCDO), had previously organised 14 virtual orientation and awareness workshops for women-owned businesses on trade procedures from different divisions and districts of Bangladesh.

Economic Relations Division (ERD) and BUILD jointly organised a seminar titled "Preparedness of Pharmaceutical Sector for LDC Graduation" on 10 August 2022. In this seminar, experts said that Bangladesh Patent Law 2022 needs to be amended in line with the changing scenario for the local pharmaceutical industry after the country's LDC graduation. Simultaneously, they called for close collaboration between the concerned government agencies and the private sector in the amendment process.

BUILD conducted a perception survey focusing on financing, trade and policy issues of entrepreneurs who participated at the 10th National Small and Medium Enterprise SME 10-day Fair 2022 from 24 November to 3 December 2022 at Bangabandhu International Convention Center (BICC). The primary purpose of the perception survey was to collect entrepreneurial and business-related data from various entrepreneurs who participated in the fair.



This year, about 60 per cent of the total stalls were for SME women entrepreneurs. Most of them have sound knowledge of financing and own their businesses. The respondents in the survey were engaged in Fashion Designing, handicrafts mostly made of jute, clay, bamboo, leather and many other raw materials, agro and food processing, the leather sector and light engineering. BUILD has produced a survey report with detailed findings.

In 2022, BUILD regularly held thematic working committee meetings. Under Financial Sector Development Working Committee (FSDWC), the 10th meeting was jointly organised by Bangladesh Bank and BUILD on 17 August 2022. In the meeting, BUILD delivered two presentations titled "The Constraints of Availing Financial Support of Women Entrepreneurs and Overseas Equity Investment Rules 2022". The studies covered four refinancing schemes of Bangladesh Bank. BUILD urged the central bank to enhance support for the CMSMEs after COVID-19 with collateral/individual collateral or third-party collateral or social collateral since they do not have assets for collaterals.

Under the 4IR and ICT working committee (4IR&ICTWC), a follow-up meeting of the third meeting of the 4IR&ICTWC regarding skilling and re-skilling for concerned persons and organisations was held on 21 September 2022 with Bangladesh Hi-tech Park Authority (BHTPA), Aspire to Innovate (a2i), and Bangladesh Association of Software and Information Services (BASIS).

Ninth Trade and Investment Working Committee meeting was held on 28 September 2022 at the Bangladesh Secretariat. The meeting was jointly organised by the Ministry of Commerce and BUILD. In the meeting, the Ministry of Commerce endorsed the proposal of BUILD for issuing trade licences for up to five years instead of one-year renewal culture to improve the ease of doing business.

In 2022, BUILD started conducting the 5th Business Confidence Survey (BCS) to forecast turning points in economic activities. Hence, businesses can get an early signal to take preparation and plan accordingly for the expansion or contraction of their business plans. The survey gathers enterprises' perceptions about general business conditions in the past six months and their expectations in the upcoming six months. In addition, the BCS collects information from companies on their current

operating capacity, cost of doing business, and factors limiting business activity and investment.

The inauguration of the brand-new secretariat of BUILD is a new landmark in 2022. I am thrilled to announce its relocation to a brand-new office location in the same building of DCCI (opposite side of the former office), showcasing our unwavering dedication to delivering prompt and dependable services to our valued public and private sector stakeholders. The major renovations include a conferencing space with casual gathering spaces to accommodate anything from board meetings to more extensive event requirements. In addition, all of the common areas received a refresh to modernise the employee's views, including seating arrangements, lobbies and common corridors. BUILD will make further improvements to the renovated office as part of a strategic plan underscoring our desire to ensure accessibility and convenience for the BUILD officials. I sincerely thank our Board Members for all their efforts.

I wish to express my gratitude to my colleagues, friends and mentors from the Dhaka Chamber of Commerce and Industry (DCCI), Metropolitan Chamber of Commerce and Industry (MCCI) and Chittagong Chamber of Commerce Industry (CCCI) for sharing this journey with me to create an enabling environment for private sector growth that will pave the way for a sustainable, inclusive economic development.

I wish to take this opportunity to thank the Prime Minister's Office, Ministry of Commerce, Ministry of Industries, Ministry of Environment, Forest and Climate Change, National Board of Revenue, Bangladesh Bank, Bangladesh Hi-tech Park Authority, FBCCI, World Bank, International Finance Corporation and UK Government's Foreign Commonwealth & Development Office, USAID Trade Activity, International Trade Centre, Austrian Trade Commission, FAO, UNDP for partnering with BUILD. I must also thank BUILD Team for working tirelessly, resulting in a successful year for BUILD.

Nihad Kabir

Chairperson

Trustee Board

Business Initiative Leading Development (BUILD)



Ferdaus Ara Begum......Message from CEO

Contributing National Economy Through Private Sector Development



arm greetings from BUILD! We began the year with a renewed sense of optimism and hope for the future after dealing with two years of COVID-19. Soon we were confronted with the impact of the Russian-Ukraine war, high inflation, and supply chain shocks.

At the same time, we must prepare for the challenges that Bangladesh may face after graduating from a Least Developed Country (LDC) to a developing country.

Despite these challenges, BUILD has re-doubled its efforts to continue delivering timely, relevant, and meaningful work to identify barriers to trade and investments in Bangladesh by undertaking in-depth research, holding public-private dialogue, and providing sound recommendations for policy reforms.

BUILD has successfully influenced the government to make policy reforms promoting private sector growth, job creation, increasing exports, government revenue, and foreign exchange earnings.

BUILD's Engagement with Trade and Investment Policy Reforms

A structured filtration system is maintained to implement reform recommendations from BUILD, followed by extensive research. BUILD puts its utmost effort into identifying crosscutting and sectoral issues. It facilitates structured or informal and inclusive dialogues involving interaction between the concerned officials from the government, private business enterprises, donors, academia, experts, and civil societies. BUILD researches and analyses critical issues arising from these public-private dialogues and consultations with the concerned stakeholders. Then we evaluate the issues and identify and prepare policy recommendations. Policy recommendations that are less costly but can hugely benefit the private sector's growth, higher inclusive economic growth, and society at large. Using PSDPCC, Working Committees, National Budget consultation, and other platforms, BUILD successfully implemented several reforms in 2022.

In response to the resolution of the first LIDWC meeting, BUILD presented to the Secretary of the



Ministry of Industries a concept note titled "Urge for Sectoral Recognition of Logistics as a High Priority Sector in the National Industrial Strategy." BUILD also delivered supporting documentation and met with the Industries Secretary. In this regard, the Ministry of Industries included BUILD's recommendation on logistics as a priority and export diversification sector in the National Industrial Policy 2022.

BUILD recommended initiatives regarding the plastic sector, light engineering sector, leather sector, medical and personal protective equipment (MPPE), recycled products, R&D, and regulatory support have been incorporated into the Export Policy 2021-24. These new adjustments will increase private-sector possibilities and boost export revenues.

BUILD advocated several recommendations in the Budget proposals for 2022-23 to help the country's business growth. The government has approved a significant number of suggestions in the Budget Bill 2022-23. BUILD recognised the problem and sought to drop the inadmissible Workers Profit Participation Fund (WPPF) clause in a letter (BUILD/06/2022/219) on 22 June 2022. NBR analysed the recommendation and the magnitude of the conflict between the two statutes. It has abolished the WPPF clause as a non-admissible item in the final Finance Act which was announced on 30 June 2022. (Section 17).

The 9th Meeting of BUILD's Financial Sector Development Working Committee (FSDWC) recommended that the stimulus package for CMSMEs be enhanced based on each sector's labour force and GDP contribution. In the second round, Bangladesh Bank enriched CMSME stimulus packages in order to revitalise the country's CMSMEs.

BUILD submitted a policy paper that made one proposal about 4IR and ICT concerns that should be fully addressed in policy in a separate chapter so that this sector may thrive and reap the government's declared policy benefits. The Ministry of Industries included a chapter on "Expansion of 4IR Friendly Technology" in the National Industrial Policy (NIP) 2022, as well as 4IR-related activities in the special development industry list, where AI, blockchain, IoT, big data analytics, advanced robotics, 3D printing, and augmented reality (AR) were added as components of 4IR.

At the 10th Meeting of the Financial Sector Development Working Committee (FSDWC), BUILD presented a policy paper titled "Financial Constraints of Women/SME Entrepreneurs". It proposed one recommendation for Bangladesh Bank to publish a book in Bangla that contains financial guidelines to educate and raise awareness among entrepreneurs. Bangladesh Bank has created a Bangla-language financial literacy website (finlit.bb.org.bd) to educate individuals from all walks of life about the financial services, products, and other activities of various commercial banks and financial institutions, including the Central Bank.

BUILD's Contributions to a Number of National Committees

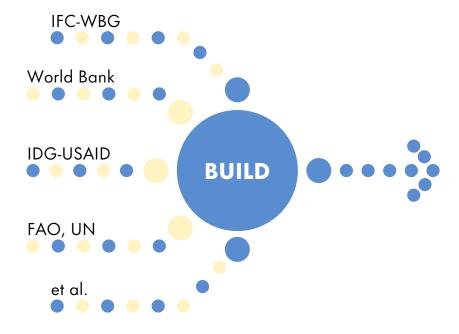
BUILD holds collaboration and contributes as a member along with many public and private sector entities and in a number of National Committees established by PMO, different Ministries, offices, agencies, etc. In 2022, BUILD joined more than nine newly formed committees as members. In total, BUILD upholds membership positions in 39 different committees (enclosed with the report). The important committees of 2022 are as follows:

#	NAME OF THE COMMITTEE/FORUM/TASKFORCE	RELATED MINISTRY	POSITION
1	National Logistics Development Coordination Committee	Prime Minister's Office (PMO)	Member and Interim Secretarial Service
2	Policy and Regulatory Framework Sub-Committee	Ministry of Commerce (MoC)	Member
3	Technical Working Group of Policy and Regulatory Sub-Committee	Ministry of Commerce (MoC)	Member
4	Investment Attraction Sub-committee	Prime Minister's Office (PMO)	Member

5	LDC Coordination Committee on Internal Resource Mobilisation	Ministry of Finance (MoF)	Member and Member of Study Groups
6	Study Group on Tax Rules and Procedures Reform	Ministry of Finance (MoF)	Member
7	Study Group on Tariff Rationalisation	Ministry of Finance (MoF)	Member
8	Study Group on Subsidies	Ministry of Finance (MoF)	Member
9	Technical Advisory Committee on Extended Producer Responsibility	Department of Environment, Forestry and Climate Change (MoEFCC)	Member

Support From a Number of National and International Organisations

BUILD also worked with a number of national and international organisations on numerous projects in 2022.



These partnerships allow BUILD to reach a wider audience, work with the best practitioner, and build credibility. Some of them are mentioned below:

#	CLIENTS (LOCAL AND FOREIGN AGENCIES/FIRM)	PROJECTS/TASKS/ASSIGNMENTS	PROJECT START YEAR
1	IFC-WBG	Textile Competitiveness Platform (TCP)	
2	World Bank	Organisation of a Global Good Practices Workshop on the Logistics Sector in Bangladesh Guiding the formulation of proposed National Logistics Policy	2022
3	IDG-USAID	Business Confidence Survey	

4	Food and Agriculture Organisation (FAO), UN	Background Paper and National Stakeholder Dialogue on Private Sector engagement in Climate Actions: Focus on Micro-Small and Medium Enterprises (MSMEs) Climate Actions and Investments in Bangladesh
5	Land O'Lakes Bangladesh, Bangladesh Trade Facilitation Project, USDA	Developing Agro-Trade and Agricultural Goods Clearance Section, Supported by Bangladesh Trade Facilitation (BTF)

BUILD also worked with SheTrade Initiatives of ITC-Geneva, South Asia Regional Digital Initiatives (SARDI), Trade for an Inclusive Circular Economy with Chatham House and is supported by UNIDO and many others and is in the process of establishing other partnerships.

BUILD Is Thankful to Everyone Involved

During the whole working process throughout 2022, BUILD received whole-hearted support from its partners as well as friends from national and international organisations. BUILD gratefully acknowledges the unreserved backing of the Prime Minister's Office and all the thirteen ministries with whom BUILD is working. We want to extend our genuine and sincere thanks to all the concerned officials. On behalf of BUILD, I also would especially like to express my deep and earnest gratitude to the co-chairs of the respective thematic working committees of BUILD, who are the secretaries of the concerned Ministries and leaders of different Chambers. They were accommodating and extended their time for the meetings even though they remained tremendously bogged with their official preoccupations. BUILD is also thankful to the members of the working committees of the public and private sectors.

We express our deepest appreciation to the private sector, the government of Bangladesh, multilateral agencies, and other development organisations whose continued support has helped us to move forward with our agenda. We could not have achieved such success without the incredible work of our BUILD team. We are so proud of our employees who have shown dedication and hard work to our mission in another challenging year.

Looking ahead at the year before us, we look forward to advancing our mission of promoting the private sector and the country's economy, working hand in hand with the government of Bangladesh and donors as part.

Ferdaus Ara Begum

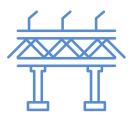
CEO

Business Initiative Leading Development (BUILD)



Brief on BUILD

Business Initiative Leading Development



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

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

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

BUILD currently contributes through seven thematic public-private dialogue (PPD) platforms focused on taxation, SME, financial sector, logistics and infrastructure, trade and investments, ICT and 4IR, sustainability, and green growth. These PPDs create

the bridge between policy planners and the private sector on a regular basis working towards deeper engagement of the stakeholder dialogue and discussion process for improving policies. Each of the PPDs is headed jointly by the senior public and private sector representatives.

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



At the closing session of the workshop titled "Formulation of National Logistics Industry Development Policy for Bangladesh: Experience from Global Good Practices", (seated, from left) Zanendra Nath Sarker, Additional Secretary, Ministry of Industries; Martin Holtmann, Country Manager (Bangladesh, Bhutan, and Nepal), IFC; Dr Shomik Raj Mehndiratta, Practice Manager, Transport, South Asia, World Bank; Nurul Islam Sujan MP, Hon'ble Minister, Ministry of Railways; Nihad Kabir, BUILD Chairperson; Abul Kasem Khan, Former Chairperson of BUILD; and Ferdaus Ara Begum, CEO of BUILD; (standing) BUILD team et al. The two-day event was organised by the Ministry of Industries, BUILD, and the World Bank Group at the InterContinental Dhaka from 16 to 17 November 2022.





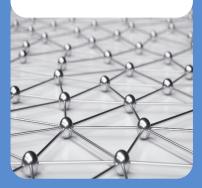


BUILD aspires to promote and create enduring progress in how the government and private sector collaborate to accomplish the nation's development objectives and secure a better future for Bangladesh.

It strives to make the following a reality:

Generating 2 million+ smart, sustainable jobs Facilitating USD 10 billion+ in investment

Creating 40,000+ new small and mediumsized enterprises







Board of Trustees

BUILD's Board of Trustees plays an important role in terms of transformational leadership, coherent strategy, and bringing innovative skills into the fold. Following are the incumbent trustees for 2022.



Nihad Kabir Chairperson



Rizwan RahmanTrustee Board Member



Md Saiful Islam Trustee Board Member



Mahbubul Alam
Trustee Board Member



Abul Kasem Khan Trustee Board Member



Syed M. TanvirTrustee Board Member



Asraful ArefinTrustee Board Member



Farooq Ahmed
Trustee Board Member



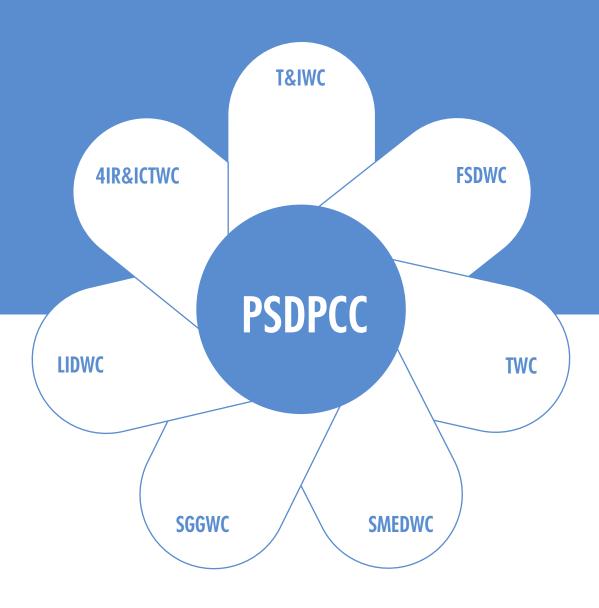
Engr. Mohd. Farque Ahmed Trustee Board Member



Ferdaus Ara Begum Chief Executive Officer (CEO)

PSDPCC and Working Committees

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



Trade and Investment Working Committee (T&IWC)

OBJECTIVE PUBLIC SECTOR CO-CHAIR

To unlock the investment potentials of Bangladesh and address the Secretary, Ministry of Commerce

issues related to trade and investment policies

PRIVATE SECTOR CO-CHAIR

President, MCCI

Financial Sector Development Working Committee (FSDWC)

OBJECTIVE PUBLIC SECTOR CO-CHAIR

To drive financial growth through research, reform, and Deputy Governor 1, Bangladesh Bank

engagement with private sectors across key areas

PRIVATE SECTOR CO-CHAIR

President, DCCI

Taxation Working Committee (TWC)

OBJECTIVE PUBLIC SECTOR CO-CHAIR

To bring in reforms for tax formulation and continuous re-appraisal Chairman, National Board of Revenue

of tax-policies and tax-laws

PRIVATE SECTOR CO-CHAIR

President, FBCCI

SME Development Working Committee (SMEDWC)

OBJECTIVE PUBLIC SECTOR CO-CHAIR

To identify constraints to SME business development and promote Secretary, Ministry of Industries

SMEs for alleviating poverty and generating employment PRIVATE SECTOR CO-CHAIR

President, CCCI

Sustainability and Green Growth Working Committee (SGGWC)

OBJECTIVE PUBLIC SECTOR CO-CHAIR

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

PRIVATE SECTOR CO-CHAIR
President, BGMEA

Logistics Infrastructures Development Working Committee (LIDWC)

OBJECTIVE PUBLIC SECTOR CO-CHAIR

Facilitate private sector business to increase its competitiveness so

Secretary, Prime Minister Office that the cost of doing business can be reduced and analyse the

PRIVATE SECTOR (O_CHAIR

that the cost of doing business can be reduced and analyse the PRIVATE SECTOR CO-CHAIR policies to reform.

Chairperson, BUILD

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

OBJECTIVE PUBLIC SECTOR CO-CHAIR

To harness the benefits of the Fourth Industrial Revolution and ICT Managing Director (Secretary), for Bangladesh's economy to expedite growth and create new employment opportunities by close cooperation among the public PRIVATE SECTOR CO-CHAIR

and private sectors on relevant policies and practices.

PRIVALE SECTOR (0-CH)

President, BASIS



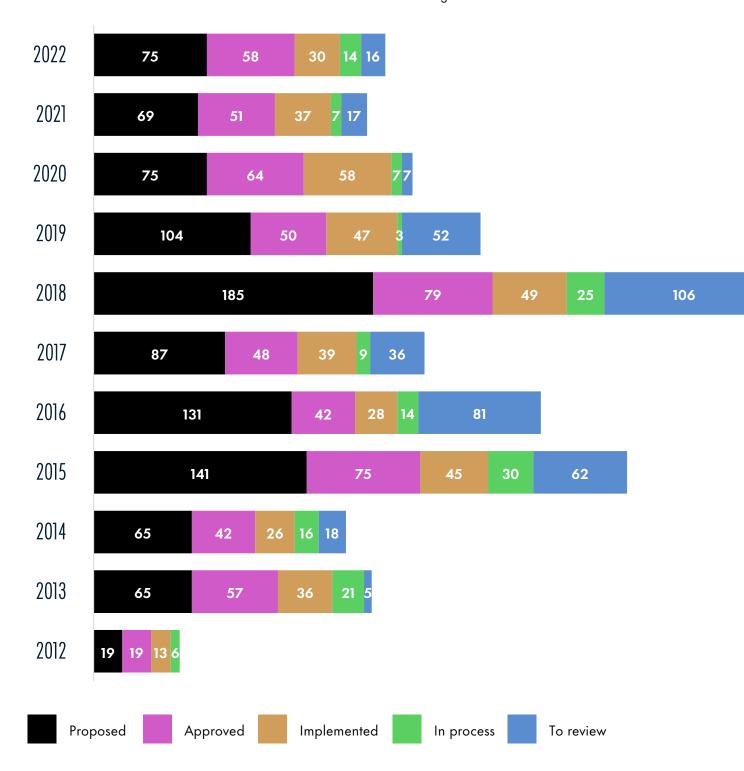
The Private Sector Development Policy Coordination Committee (PSDPCC) at the Prime Minister's Office, headed by the Principal Secretary to the Prime Minister, coordinates and catalyses government agencies and private sector activities related to private sector development matters.

The committee takes an inter-ministerial integrated approach to make decisions on regulatory policies. Getting policy directives from the seven thematic working committees, BUILD has been working as the Secretariat to the PSDPCC since its inception in 2011.

The committee's ToR (terms of references) is to identify private sector development constraints, analyse investment climate, and prescribe policy suggestions.

BUILD's Commitment to Results

The scorecard for BUILD's reform efforts from 2012 to 2022 is shown in the figure below.



BUILD's Policy Reforms in

2022

Proposed



75

Approved



58

Implemented



30







In process



14

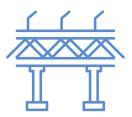
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Major Policy Reforms

in 2022



In its journey to inspirit Bangladesh's business and investment climate, BUILD continues advocating for policy reforms by diligently coordinating productive public-private dialogue.

Bonded Warehouse Policy Reforms for Leather Lector for Further Export Diversification

BUILD conducted research entitled "Simplifying Bonded Warehouse Facilities for Non-RMG Sector in Bangladesh" and suggested some policy recommendations based on specific analysis-based findings. Recently customs wing of NBR announced 19 Statutory Regulatory Orders (SRO) mentioning some policy simplification to simplify BWH policy for the sectors other than readymade garments.

Leather goods and Footwear Manufacturers & Exporters Association of Bangladesh (LFMEAB) would be able to provide the coefficient jointly with DEDO for the 100% export-oriented leather and footwear industries. This order simplified the coefficient providing process for the leather sector for the next five years. Previously this approval needed to be taken every six months by LFMEAB. BUILD also suggested opening this facility for competent export-oriented sectors like the plastic sector, which is under review by NBR.

NBR also announced a simplified policy for Reissuing or renewing coefficient for the same export item without changing the raw materials was brought under the BWH policy, earlier after the mentioned tenure for a product expired with a specific date for one product. Continuous or extension of BWH facility was opened for leather and tannery sector which would help the mentioned sectors to gain a competitive edge in the international market. Presently Blue Ocean leather is using the extended bonded warehouse facility. Extension of bond premises was redefined, which made BWH items stored near the BWH area. Currently, five industries in this sector are using this facility.

Sectoral Recognition of Logistics in the Draft National Industrial Policy 2022

With reference to the decision of the first meeting of LIDWC, BUILD submitted a concept note to the Secretary of the Ministry of Industries titled "Urge for Sectoral Recognition of Logistics as a High Priority Sector in the National Industrial Policy". Besides, BUILD sent supportive documents and had a meeting with the Industries Secretary. In that respect, the Ministry of Industries assured that the recommendation of BUILD on the logistics issue

would be addressed in the upcoming national industrial policy.

Recently, the Ministry of Industries posted a draft of the National Industrial Policy 2022 on its website. It is noticed that logistics has been declared as an export diversified manufacturing sector (chapter 20, annex-1) and high priority sector (chapter 20, annex-3) in the draft policy. Moreover, in annexe 11 of the policy, Mol has included a list of sub-sectors of the logistics sector which was provided by BUILD to Mol. BUILD sent a letter of thanks to the Secretary of the Mol for addressing the BUILD recommendations by considering sectors' demand.

Reforms Through Export Policy 2021–24

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

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

Plastic Sector

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

Light Engineering Sector

The light engineering sector (auto parts, bicycles, motorcycles, batteries etc.) has been included in the high-priority sector (Clause 5.3.9, Chapter 5). By increasing productivity and product development programmes, the initiative will be taken to increase the export of light engineering products in the international market (Clause 7.11.3, Chapter 7).

Necessary steps will be taken to develop the capacity of the engaged workforce of the light engineering industry. To develop and increase capacity of light engineering products, research and development activities will be initiated (Clause 7.11.2, Chapter 7).

Leather Sector

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

MPPE

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

Recycled Products

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

R&D and Regulatory Supports

To expand export, need-based research programmes and university/research organisations will be -financially supported (Clause 6.15.3, Chapter 6). National Board of Revenue, Export Promotion Bureau (EPB) and Bangladesh Bank (BB) will take necessary action to show deemed export earnings separately Clause 6.26.2, Chapter 6). Cost accounting standard needs to be ensured in the case of anti-dumping (Clause 6.27.6, Chapter 6).

To reduce lead time and simplify the business processes, concerned capable associations of high-priority sectors will be able to issue the Utilisation Declaration (UD) based on the recommendations of the Ministry of Commerce (Clause 6.27.15, Chapter 6).

To ensure raw materials availability for exportoriented industries and uninterrupted supply chain, the establishment of a sector-wise central warehouse will be reviewed, and necessary steps will be taken (Clause 6.27.17, Chapter 6).

Corporate Income Tax Rationalisation

BUILD placed several recommendations in the Budget proposals 2022-23, with a view to facilitating the country's business growth. A substantial number of proposals has accepted by



the government through the Finance Bill 2022-23.

Among these, the following two highlighted reforms are implemented through a budget are depicted.

BUILD placed a recommendation for reducing the Corporate Income Tax (CIT) for Publicly traded companies and Non-Publicly Traded companies in the Budget proposals for FY 2022-23 as it has been observed that the CIT rates of economically competitive countries like Bangladesh are higher than the peer countries. The taxation pillar always plays an important role in attracting FDI and overall investment as well as business expansion.

With a view to simplifying the taxation system, NBR has reduced the CIT rate for both publicly and non-Publicly traded companies to 2.5%. Now the CIT rates are 20% and 27.5% consecutively (Finance Act 2022; Schedule 2; Paragraph Kha). Certainly, this will be a great relief for businesses during this worldwide economic turmoil as well as help planning for business growth.

Workers' Profit Participation Fund

Workers' Profit Participation Fund (WPPF)was declared as non-admissible undersection 30 of the Income Tax Ordinance in the Finance Act 2022 (Section 16: Kha; 'q') published on 9 June 2022. This was contradictory to the present labour law (Labour Law 2006; Section 244).

BUILD has identified the anomaly and proposed to withdraw the non-admissible provision for WPPF through a letter (BUILD/06/2022/219) on 22 June 2022. NBR reviewed the recommendation and considered the severity of the contradiction between the two laws. It has eliminated the clause of WPPF as a non-admissible item through the final Finance Act declared on 30 June 2022 (Section 17).

The Stimulus Package of CMSMEs Has Been Extended

The 9th Meeting of the Financial Sector
Development Working Committee (FSDWC) of
BUILD was held on 18 August 2020 at 11 am on
Zoom, co-chaired by Abu Farah Md Nasser, Deputy
Governor, Bangladesh Bank and N. K. A. Mobin
FCA, FCS, Sr. Vice President, Dhaka Chamber of
Commerce and Industry. The meeting suggested that
the stimulus package for CMSMEs be increased
depending on each sector's labour force and GDP

contribution. Bangladesh Bank increased CMSME stimulus packages in the second round to revive the country's CMSMEs.

- In the second round of the CMSME package, BDT 20,000 crores were extended up to June 2022 (SMESPD circular no. 09, 9 September 2021). Third phase of the CMSME package has also been extended through June 2023 (SMESPD Circular letter no. 04, 24 July 2022).
- A new refinancing scheme term loan of 25,000 crores for CMSME (SMESPD Circular letter no. 04, 19 July 2022) has been introduced for three years.
- BUILD also recommended that the Government of Bangladesh (GoB) provide a stimulus package for active export-oriented enterprises to secure start retention and employment. For the large industries, the third round of SP of BDT 30,000 crore has been allocated (BRPD circular letter no. 31 on 28 July 22) up to June 2023.
- The industry and service sectors (except CMSME) have been allocated BDT 27,000 crores

4IR Activities in the NIP

BUILD presented a policy paper titled "Industrial Policy 2016: CMSMEs in Bangladesh" at the 7th Meeting of the SME Development Working Committee (FSDWC) of BUILD, which was held on 7 February 2021 and was co-chaired by K. M. Ali Azam, Secretary, Ministry of Industries, Government of the People's Republic of Bangladesh and Mahbubul Alam, President, Chittagong Chamber of Commerce and Industry (CCCI). The paper proposed one recommendation regarding 4IR and ICT issues that need to be adequately taken in the policy in a separate chapter so that this sector can flourish and get relevant policy benefits announced by the government.

The Ministry of Industry added the "Expansion of 4IR Friendly Technology" chapter in the National Industrial Policy (NIP) 2022 and included 4IR-related activities in the special development industry list in NIP 2022, where AI, blockchain, IoT, big data analytics, advanced robotics, 3D printing, augmented reality (AR) were added as components of 4IR.

Sectoral Recognition Logistics in the NIP

Ministry of Industries has included logistics as the export-diversified and priority sector in the National Industrial Policy (NIP) 2022. Along with that, a list of 21 logistics sub-sectors is included in the NIP. This implementation has been treated as a milestone achievement of the Logistics Infrastructure Development Working Committee (LIDWC) of BUILD, which is co-chaired by the Senior Secretary of the Prime Minister's Office (PMO) and the Chairperson of BUILD.

Launch of Financial Literacy Website in Bangla

BUILD presented a policy paper titled "Financial Constraints of Women/SME Entrepreneurs" at the 10th Meeting of the Financial Sector Development Working Committee (FSDWC) of BUILD, which was held on 17 August 2022 and was co-chaired by Abu Farah Md Nasser, Deputy Governor, Bangladesh Bank, and Rizwan Rahman, President, Dhaka Chamber of Commerce and Industry (DCCI). The paper proposed one recommendation for publishing a book in Bangla by Bangladesh Bank that contains financial guidelines to educate and raise awareness among entrepreneurs.

Bangladesh Bank has launched a financial literacy website (finlit.bb.org.bd) in Bangla to educate people from all walks of society about the financial services, products, and other operations of various commercial banks and financial organisations, including the Central Bank. This programme's primary purpose is to promote public awareness and increase people's ability to use these goods or services by teaching financial themes related to banking products and services in simple and comprehensive language.

Reforms Through Import Policy Order 2021-24

Definition of Sample

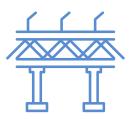
The definition of 'Sample' has been included in the Import Policy Order 2021-24 (Chapter 1, Clause 2 (18)).

The Number of Sample Imports Increased

- Sales of sample imports increased from BDT 3 lakhs to USD 1,000 (Chapter 4, Section 13, 1)
- Export-oriented industries can import a maximum of 1500 samples, with a maximum of 15 pieces in each category (Chapter 4, Section 13, 2) (previously a maximum of 700 samples, with a maximum of 12 samples from each category).

Recommendations

by BUJLD



Multiple constructive and far-reaching improvements were recommended by BUILD in 2022.

BUILD's Comments on Budget for FY 2022-23

Budget for FY 2022-23 — Some Heedfulness

The size of the budget for FY 2022-23 was BDT 6.78 trillion aligned with 8th FYP budget projection priorities of which is to contain inflation, ensuring food security, human resource development, boosting domestic investment, export and promoting export diversification, job creation and tackling climate change effects.

- Finance Act was announced on 30 June 2022 bringing in some changes responding to the request of the private sector: some of these are:
- CIT has been reduced to 2.5%, while the company can now transact Tk 36 lakhs as cash which was Tk 12 lakhs in the draft
- Contribution to WPPF by the companies would be treated as admissible expenses
- Provision for penalty and investigation regarding offshore asset transfer was inserted(19G)
- Two new provisions for penalty on failure to submit proof of submission were included (184 A; sub sec;8 and 9)

New provision for appeal within three months in case of customs was included in law (196A) etc.

BUILD placed budget proposals and initial reaction after the announcement of the Budget and sent some proposals to NBR after analysing the Budget for acceptance. A simple analysis based on the information available in the Finance Act 2022 is given below.

In the Finance Act, in case of income tax, some definitions were included such as: Export, Research & Development and Supply of Goods etc, Definition of Deemed export has been included however, supply of services was not included, which needs to be specified as the share of service has been around 55% of GDP.

CIT has been reduced to 27.5% from 30.0% for non-listed Companies and from 22.5% to 20% for listed companies with some conditions. In the previous budget there was a CIT reduction also. However, because of non-refundable tax at source or Advance Income Tax (AIT), the ultimate tax burden increased. The spirit of income tax is that any tax deducted at source must be adjustable at the end of income year, but Income Tax ordinance 1984; Section 82-C known as provision for minimum tax hampering the TDS adjustment, in the year 2020-21, about 62% of income tax collected under the regime of TDS.





The number of listed companies are 384 would enjoy 20% CIT by following conditionalities on the other hand 272598 registered companies will pay 27.5% CIT. Benefits of reduction of corporate tax rate will not provide any benefit to the corporate unless income tax collected at source remains non-refundable. In a calculation, BUILD found that a listed company would be paying 55% income tax as final tax incidence even after reduction of CIT, previously the tax incidence was 58% which is nearly double than that of declared CIT.

Tax-free income limit remains unchanged at Tk3 lakh since last few years which means person's monthly income of Tk25,000 in the fiscal year 2022-23, s/he must pay income tax. Considering the price hikes of commodities and other utilities, the government could consider raising the tax-free income limit at TK 4 lakh. This increase could at least protect the buying capacity of low-income group to some extent from spiralling inflation preventing erosion of their living standard.

A new provision for legalising undisclosed offshore asset was inserted where flat 7% tax has been declared. The provision for bringing back the asset as investment (19AAAAA) and undisclosed property (19 AAAA) has been dropped in finance act which gives a mix and mis leading signal to the compliant taxpayers. Previously 15%, 10% and 7% tax were applicable for different categories of undisclosed income and asset.

The investigation for penalty related to undisclosed asset has been mentioned in section: 19 G (new inclusion) of ITO 1984 which is ingenious explanation of law.

Perquisites limit for employee has been increased to ten lakhs from 5.5 lakhs which covers casual benefit of salary or wages of an organisation. This is a good initiative of the government, and the admissible income calculation would be simpler due to this change.

Finance Act 2022 included a new provision (117 A) for TDS collection, increasing the discretionary power of tax collecting authority, it has also increased penalty like cutting utility connection for some noncompliance issues. This provision was added to income tax law which needs to be revisited.

The VAT rate on retail and wholesale (Trading Stage) has been reduced to 1.5 per cent from the current 5 per cent, which would lower the pressure of tax burden on downstream value chain wholesalers and retailers (nearly 55 lakh) across the country who are suffering or evading VAT due to high TTI of VAT. But how it would be accommodated in VAT credit mechanism which is not clear to the taxpayers.

The direction for VAT exemption provided by GO-17 is still the same pace; through this policy, VAT registration will be required irrespective of yearly turnover. It won't let the relatively small enterprises to enjoy the announced VAT exemption benefits.

New 34 items have been brought under SD imposition with existing 1274 items, as Bangladesh is going to graduate economically from 2026, this type of protection is contradictory to the commitment in WTO-TFA agreement. In this regard the auxiliary duty protections at import stage need to be reduced gradually.

There is no direction in the budget to synchronise electronically VAT modules, especially VAT return, VAT payment, VAT Chalan, VDS and CPC (Central Processing Centre), for simplifying the VAT system through automation.

The budget has announced that the new Customs Act 2021 is now at the vetting stage and will be placed to the Parliament soon for final nod. The new customs act needs to be finalised and come to effect by this time where the trade facilitation issues and provision for Customs automation will be included with consultation with concerned stakeholders.

Withdrawal of 5% SD from all types of polythene bags and single use plastic bags are contradictory to the NDCs declared by Bangladesh.

NBR issued an SRO discouraging import of luxury items on 24 May 2022 and taken a step to reduce import through imposing Regulatory Duty on some selected items like Cut flowers, fly ash, and Furniture that has an infinitesimal effect on import. A task force needs to be formed to impose import duty measures on luxury and less important products taking care of the stake of local industries and reducing import payment.

Regarding expediting the customs clearance process, national single window (NSW), automation

of Bond management, Introduction of Authorised Economic Operator (AEO) and establishment of Customs Risk Management Commissionerate are underway as per the announcement of the budget, which needs to be expedited for simplification of customs procedure to facilitate import and export trade.

Customs Bond management issues are one of the concerns of the private sector; a new provision for bond management electronically was included in Customs Act 196 in a view to carry on the activities BWH digitally, but no digital tools have been developed or suggested for the bond users for this purpose.

A new provision for exchanging information has been inserted in the law. Customs data exchange between customs internally and to the international counterpart should follow international benchmarking data sharing and protecting protocol like GDPR.

The budget has proposed not to continue import duty exemption on PPE and related products (The SRO-109/AIN/2021/122/ customs), which will discourage the entrepreneurs who have planned for export diversification through producing MPPE for the country.

There are 98 heads of penalty in Customs Act 1969 where 52 provisions were under penalty amounting TK 50 thousand, among them penalty for 25 heads has been increased to 2 lakh which would give more room to the customs authority for exercising discretionary power.

The budget proposed (261r) that as per the guidelines of the World Customs Organisations (WCO), HS codes of some goods of the First Schedule will be amended. BUILD requests that government formulate a committee immediately to ensure the private sector is not impacted.

Graduation challenges are explained in the budget, and some steps have been announced, such as the formation of a high-powered committee and subcommittees, bilateral trade agreements, free trade agreements and preferential trade agreements. However, Bangladesh has so far announced only PTA with Bhutan. BUILD thinks that Bangladesh should explore PTA/FTA/EPA with China, Japan, Sri Lanka, and other countries.

Stump duties have been increased up to five times from 1 July 2022-23. Therefore, the price of the service will be increased by 50 to 500 percent for conducting various activities including Memorandum of Article or association, deed of agreement, affidavits, bill of lading, certificate of sale, deed of lease, customs bond donation, letter of allotment of share, letter of credit, mortgage, Partnership agreement etc. It would increase the price of different services mentioned above which would enhance the cost of doing business ultimately.

The government has recently introduced the Unique Business ID (UBID) for Digital Commerce, issued by the Registrar of Joint Stock of Companies (RJSC) to e-commerce entities to restore public confidence in e-commerce sites and protect consumers' interests. It is not clear in the clause whether UBID will act as a substitute for a trade licence for e-commerce entrepreneurs. It is not even clarified either that DBID-certified entrepreneurs will be eligible for bank loans as well. (National Budget Speech (English) for FY 2022-23, Section 134, Page78).

The policy changes for simplification taken for improving the overall compliance is not resulting as much as it expected due to the governance situation. As for example Digitisation process does not yielding positively for manual intervention which has been termed as "Manual Automation". The overall governance issue should be synchronised with automation to reap the targeted benefit of changes made in the fiscal changes made by government.

Major Reform Recommendations Placed in 2022

Logistics Sector-Related Policy Recommendations

- Included Logistics as Export Diversified Sector in National Industrial Policy 2022
- Included the 21 sub-sectors of Logistics in the National Industrial Policy 2022

Recommendations Placed in the Third Meeting of the 4IR&ICT Working Committee

- To create awareness of data privacy need and develop Data Privacy Guidelines
- Initiate surveys to determine where 5G technology is required and whether they are ready to use this facility. Initiate discussion with telcos to find out the demand for the 5G

- network. After ensuring all the necessary infrastructure, work will have to expand the 5G network.
- Tifferent academies and universities can be responsible for the survey by arranging dialogues on practical problems and opportunities in a few sectors. ICT Ministry and BHTPA can provide directives in that respect.
- Modernisation of education, vocational, and training sectors curriculum aligned with 4IR. In this respect, 23 ministries have been engaged to enhance capacities. The private sector needs to be involved in the field of capacity building. Ministry of Industries can take the lead in that respect.
- Along with G2G collaboration, the industry needs to be understood for assembling Industrial Robots. Supportive policies, the new Industrial Policy 2022, is in the process and can include the sector as one of the priority areas.
- BUILD can work with particular industries and associations for re-skilling, and a2i can assist BUILD.
- The government may make it mandatory to spend on academic research from the CSR (Corporate Social Responsibility) fund through specific policies.
- Through gap analysis, industries must be brought under automation and connected with e-commerce.
- To encourage industrial research government can declare it an allowable expense.

 Government can consider a special VAT-TAX exemption for all domestic IT-related companies and firms to avail of the benefits of 4IR. The government may issue specific instructions on what kind of VAT TAX exemption and facility the traders will get in case of the 4IR adoption issue.

Recommendations Placed in the Ninth Trade and Investment Working Committee (T&IWC)

Trade Licence needs rationalisation and simplification

Instead of yearly renewal Trade Licence can be issued for a maximum of 5 years as per the need of the businesses, as there is already a

- provision in the City Corporation Ideal Tax Schedule 2016.
- Renewal Fee should be 50% of issuing fee of Trade Licence.
- Income tax on renewal of each Trade Licence (BDT 500-3,000) is burdensome for SMEs and needs to be rational.
- A countrywide single, simplified, and digitised Trade Licence issuance and renewal process, including online payment, must be implemented immediately. As TL issuing process is manual and time-consuming, there is no unified method for TL regarding City Corporations, Municipalities and Union Parishad.
- Trade Licence issuing time can be reduced rationally to 1-2 Working Days in case no inspection is required, and it can be similar for the respective local authority.
- Trade Licence can be termed as Business
 Registration as it serves as the initial business
 starting requirements for all types of entities in
 Bangladesh.
- A single unified and simplified Trade Licence Form (Bilingual format) should be introduced in all City Corporations/Union Parishads, Municipalities etc., as online/editable Forms are already in place in some city corporation
- As Revenue generated from this source is not significant and the hassle faced by the businesses is vast, Trade Licence fees for some enterprises must be revisited (City Corporation Ideal Tax Schedule 2016).
- Additional permission from regulatory authority before getting a licence for new business added additional costs, which needs to be resolved.

Improved business environment and simplification of company registration process

- Full automation of RJSC&F service by 2023 to reduce overall registration time from 2-5 days to one day
- Ensuring One-Stop Service for Company Registration with full integration with other cogovernment agencies such as NBR, Bangladesh Bank, Banks, MOC etc.

- Security of the digital signature, using two-factor authentication instead of the scanned signature, to avoid fraudulent activity.
- Post-registration activities/systems such as; annual return; small amendments etc. should be simplified and online
- Though model AoA and MoA are available in the RJSC Registration process, it is found that firms are not using the prescribed format. So, an Awareness and dissemination programme must be arranged to encourage stakeholders to use model AoA and MoA format, available on the RJSC website.
- Information on the new reform process and time for entity registration can be reflected on the RJSC website
- Fee calculator should be operational for all categories of Companies (such as OPC and PLC) as like as Ltd. Companies.
- List of enlisted Entities (both active and inactive) needs to be published on the RJSC website.
- Dedicated IT team, including an adequate number of employees, is required to go for full automated service
- Allocating office space to ensure a healthy work environment is also required for the quality service of RJSC&F.
- Minimum limit of the paid-up capital (BDT 25 lac) of OPC should be removed, like Ltd. and PLC, to attract more registration, especially for SMEs.
- Announced annual turnover for the eligibility of OPC registration should not be limited to "BDT1 crore to BDT50 crore" (Sec 392-Ga (Kha)). No bar should be imposed to ensure the formalisation of CMSMEs under the Companies Act.

Recommendation Placed in the Tenth Financial Sector Development Working Committee (FSDWC) Meeting

Constraints of availing financial support of WEs

To Depending on the loan amount, the collateral criterion can be different. If the loan amount is

- minimal, the stringency of the collateral criterion can be relaxed
- The CMS sector categorisation list in the master circular needs revisiting. There is a segment mentioned as "Others"; it is not clear how business owners will define themselves in this segment. Our study found that WEs faced challenges as their businesses were not adequately mentioned in the list categorisation. Instructions for prioritising new emerging sectors and non-traditional sectors need to be addressed in the Circular.
- New Entrepreneurs Definition: Eligibility for new entrepreneurs having 20% project cost would be complicated for a new entrepreneur. This requirement can be reduced to 10% to 15% for the new emerging sectors by evaluating their business project.
- A definition of Industrial Cluster has been included in Industrial Policy (IP) 2022, announced on 25 September 2022. BB published a guideline for cluster financing for CMSMEs on 14 August 2022 (SMESPD Circular no.- 05). BB has defined cluster financing in the guideline and mentioned that they will follow the IP definition.
 - In the IP 2022 definition, the scope of the Industrial Cluster has been expanded to cottage/micro/small/medium/large industries engaged in the production and service sector.
 - Given the above, the SMESPD circular needs clarification concerning the inclusion of large manufacturing and service industries in the cluster financing guidelines.
- In the guideline of BB (para 4), it was mentioned that banks/ Fls themselves would prepare their own policy and post it on their website for Cluster Financing. BUILD visited 46 scheduled bank websites, of which 6 have their own products, and the remaining are in the process.
 - Because of this, BB can direct the Banks/FIs for cluster financing products for CMSME and large manufacturing and service sectors.

- Recently, a separate unit has been established in BB. 39 Banks and 16 FIs signed the agreement.
 - However, stringent due diligence such as; the Credit Analysis Report (Annexure 2 of the CGS manual), documents such as the Satisfactory CIB Report of the Borrower, Environment Policy Compliance, etc., will be difficult for CMS.
 - 'Certify the enterprise falls under the CMS category' is another criterion.
- Tocumentation: 20 documents are required such as; (TIN, T&T Phone, Environment Policy Compliance, Guarantee Form, Acknowledgment of the borrower, etc.) applying for CGS.
 - For CMS Cottage, the documentation requirement would need to be simplified
 - Strong monitoring for addressing proper system administration so that CGS reaches the disadvantaged entrepreneurs.
- BSCIC and SMEF should work to support a whole ecosystem for MSMEs in areas such as:
 - R&D and innovation support programme, MSME technological product investment support programme; Business and Productive Capacity (BPC) support programme; Incubation and Common Facility support programme; International (Foreign Market) support programme, etc.
- Women entrepreneurs must have a strong business initiative, and cottage and micro entrepreneurs' financial concepts would need to be very simple. More awareness about these schemes could be available for WE development.
- SME Foundation is currently creating an SME-edatabase, which would help identify sectorspecific micro and small entrepreneurs.
- Bangladesh Bank always sets a value-based target for other banks. But there is no mention of how many organisations a bank must cover to disburse their target. A number-based target can be set so that number of beneficiaries can be traced.

Overseas Equity Investment Rules 2022

- Equity investment could also be allowed gradually for non-exporters in the future, subject to preliminary conditionalities on capital transfer.
- Clause 7-1 limits the investment to the lesser amount equivalent to either 20% of the 5-year average of export earnings or 25% of the net wealth, whichever is the lesser amount, in the last audited report of the applicant company, which may give rise to length administrative procedures. Various other reporting requirements are also likely to add to complex administrative procedures. Administrative procedures for reporting can be simplified.
- Some private sector members can be included in the selection committee.

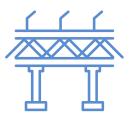
The Third Logistics Infrastructure Development Working Committee (LIDWC) Meeting

- BUILD prepared a framework for the National Logistics Development Policy which was presented to the Prime Minister's Office, Ministry of Industries and Ministry of Commerce.
- Ministry of Industries, BUILD, and World Bank Group jointly organised a two-day workshop on 16-17 November 2023 entitled "Formulating National Logistics Industry Development Policy for Bangladesh: Experience from Global Good Practices" to have the remarks of public and private stakeholders to formulate a comprehensive policy.
- Based on the workshop outcomes, Prime
 Minister's Office formed the National Logistics
 Industry and Coordination Committee.



PSDPCC

Supporting PSD Policy



Private Sector Development Policy Coordination
Committee (PSDPCC) is the only strategic public sector
platform for private sector-related policy review,
coordination, identification of investment barriers and
fostering public-private cooperation. The committee is
chaired by the Principal Secretary of the Prime
Minister's Office. This committee has a membership of
all Secretaries involved in trade and business with a
provision of co-option of other members as and when
necessary.

Brief on PSDPCC

PSDPCC has been established as per a Government Notification no 03.068.022.03.00.24.2011-377 on 12 September 2011 by the Prime Minister's Office. Objectives of the committee involve; Improving enabled policy environment for private sector development; Achieving the strategic goals as determined in SFYP for Private Sector Development; Helping to create an investment-friendly environment to attract more FDI; Coordinating both public and private sectors for better business; Reviewing the progress of implementation of PSD reforms to identify roadblocks to execution and devise strategies to overcome roadblocks.

The committee has been formed to review all related activities for private sector development initiated by both the public and private sectors and make recommendations; to review the overall investment scenario in the private sector and set out ways to improve it; identify bottlenecks in private sector development and set out recommendations with a view to removing all bottlenecks, and to recommend actions for building cooperation between public and private sectors with a view to private sector development.

Members of the Committee Chair Principal Secretary, PMO **Public Private** Senior Secretary, Finance Division, Ministry of Finance President, FBCCI Secretary, Ministry of Commerce President, MCCI Secretary, IRD, Ministry of Finance President, DCCI Secretary, Planning Division, Ministry of Planning President, CCCI Secretary, Roads and Highway Division, CEO, PPP Office Ministry of Road Transport and Bridges Secretary, Bridges Division, Ministry of MD, SME Foundation Road Transport and Bridges Secretary, Ministry of Industries Senior Secretary, Information and Communication Technology Division, Ministry of Posts, Telecommunications and Information Technology Secretary, Ministry of Environment, Forest and Climate Change Executive Chairman (Acting Secretary), BEPZA Deputy Governor-1, Bangladesh Bank Member 3, BIDA

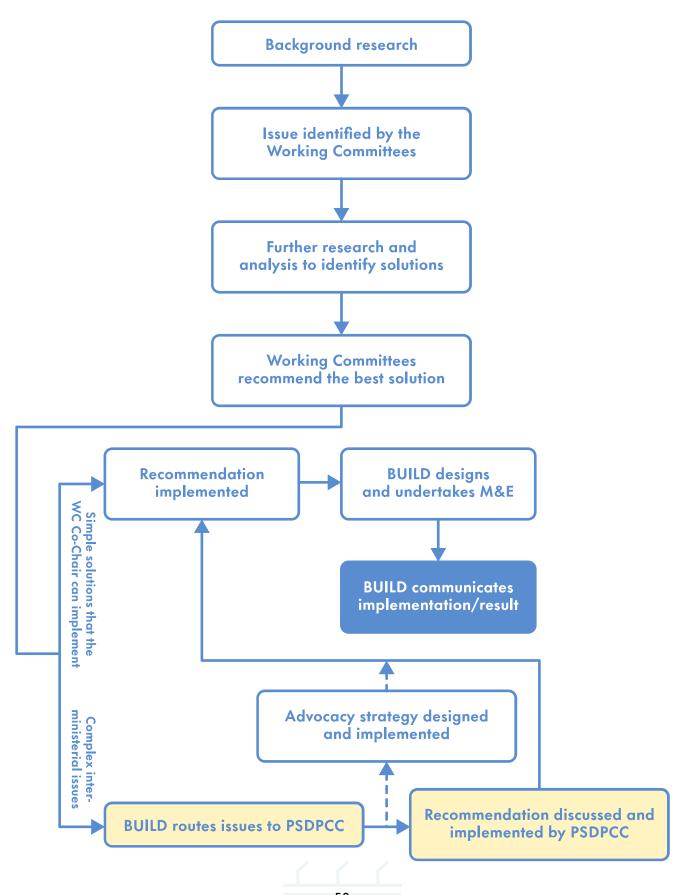
BUILD is a vehicle to convey research-backed inputs and policy suggestions from the private sector as a government's strategic partner. BUILD acts under planned reform architecture. Through this reform architecture, the WCs under BUILD, with support from the BUILD Secretariat, act as the core partners and Secretariat of the PSDPCC where complex interministerial issues are raised and resolved alongside recommendations proposed by BUILD. So far, BUILD has organised 13 PSDPCC meetings and one review Meeting under the chairmanship of Principal Secretary of PMO. PMO also supports BUILD and organises review meetings inviting Co-Chairs of the Working Committees for stock-taking exercises on the implementation status of the already approved recommendations.

A number of reform policy papers have been presented to the PSDPCC, where they have been considered, and numerous reform ideas have been adopted as a result of these sessions.

Secretarial Support of the PSDPCC

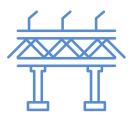
A Policy Coordination Unit (PCU) has been established on 13 September 2011 at the PMO comprising of important officials of PMO, Director General-1 and Director-1 to provide support services to PSDPCC. BUILD has been providing all secretarial services and working very closely with PMO. It is recognized as the primary source of information, and a strategic partner of the PSDPCC established at the Prime Minister's Office (PMO) working since 2011. In addition, the Prime Minister's Office has published a gazette on 1st January 2020 (03.068.022.2015/onsho.3/13) and engaged BUILD as the Secretariat and for providing research to the PSDPCC.

The PSDPCC-BUILD workflow is summarised below.



Working Committee Meetings

in 2022



Through its unique collaborative model, BUILD's thematic working committees exemplify the power of public-private partnerships in driving inclusive growth, enhancing socio-economic development, and addressing the evolving needs of Bangladesh.



3rd LIDWC Preparatory Meeting 1: Draft National Logistics Development Policy Presented at Prime Minister's Office

A delegation led by BUILD Chairperson Nihad Kabir attended a meeting on 24 February 2022 at Prime Minister's Office — chaired by Md Tofazzel Hossain Miah, Senior Secretary, Prime Minister's Office (PMO) — to have a stakeholders' consultation on the preliminary draft of the National Logistics Development Policy (NLDP) 2022.

Ferdaus Ara Begum, CEO of BUILD, presented the draft policy while Zubaida Nasreen, DG-1, PMO; Mohammad Fiznur Rahman, Director-1, PMO; Abul Kasem Khan, Former Chairperson, BUILD, and Director, FBCCI; Naquib Khan, President, Bangladesh Supply Chain Management Society (BSCMS); Mohammad Lutfullah, Senior Private Sector Specialist, IFC, made insightful comments in this regard.

CEO BUILD presented the outline and inputs of the draft national logistics development policy while presenting the keynote in the session. Senior Secretary of PMO highly appreciated BUILD for coming up with the preliminary draft of NLDP 2022. He requested to include a strategy for improving institutional and workforce development in the policy. He pointed to formulating sub-sectoral development strategies like TCL, o the dock, C&F, courier service, ride-sharing, financial logistics, ecommerce logistics, etc. Abul Kasem Khan, Former Chairperson, BUILD and Director, FBCCI, suggested including the global distribution centre as the logistics sub-sector, while Mohammad Lutfullah, Senior Private Sector Specialist, IFC, recommended

taking care of the logistics cost calculation issue. Naquib Khan, President, BSCMS, urged to consider every possible aspect of logistics in the policy. Nihad Kabir, Chairperson, BUILD, assured PMO that all the comments from the session would be covered in the draft policy and the legal aspects.

It was decided in the session by considering that there is no alternative to ensure sustainable harmonisation between 4IR and upgraded technology to create a developed logistics management system. Incentives will be announced to attract foreign and domestic investment in the logistics sector. A high-powered National Logistics Development Policy will be proposed under the chairmanship of the finance minister. At the same time, Ministers from Commerce, Industries, and Planning will be the Vice Chairman of the committee. Zubaida Nasreen, DG-1, PMO, and Mohammad Fiznur Rahman, Director-1, PMO, attended the stakeholders' session.



Discussion on NLDP Framework at Mol

On 7 August 2022, there was a discussion held at the Ministry of Industries (MoI) regarding the Framework of National Logistics Development Policy (NLDP). The meeting was presided over by Zakia Sultana, the Secretary of the Ministry of Industries.

Ferdaus Ara Begum, CEO, BUILD; Sheikh Faezul Amin, Additional Secretary, MoI; and Nusrat Nahid Babi, Transport Specialist, World Bank, attended the meeting. BUILD CEO shared the draft and the MoI Secretary commented on it.

Meeting With the Mol Secretary

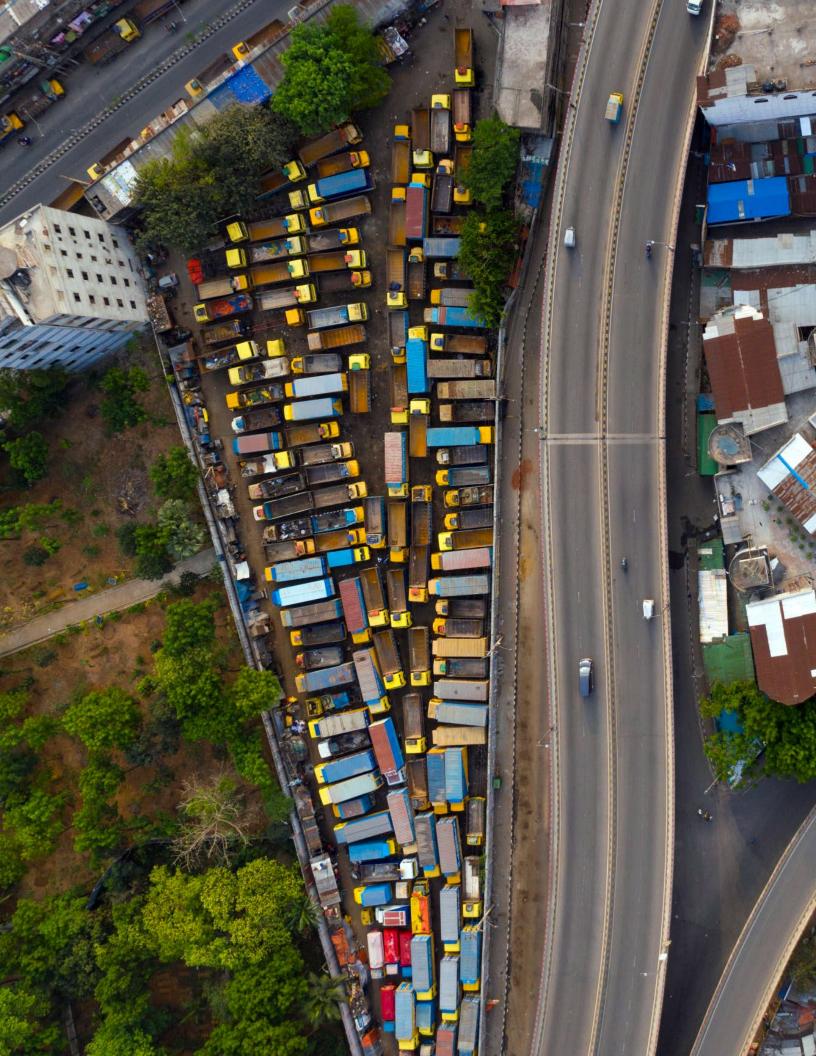
BUILD team led by Ferdaus Ara Begum, CEO, BUILD, met Zakia Sultana, Secretary, Ministry of



Industries, at her office on 22 September 2022 to have a discussion as well as on the concept note for the workshop titled "Formulating National Logistics Development Policy for Bangladesh: Experience from Global Good Practices".

BUILD CEO informed that the workshop aims to present good global practices in formulating the proposed National Logistics Development Policy and gathering expert opinions from national and international sectoral specialists, stakeholders, public sector representatives, and development partners. She briefly described broad and specific objectives as well as the draft agenda of the two-day workshop.

In continuation, Secretary thanked BUILD for producing the framework of the NLDP as well as the concept note and tentative agenda of a two-day workshop on logistics policy formulation based on the best practices. She brought up the potential for forming a core committee in order to ensure the completeness of both the concept note and the workshop. This committee would be responsible for resolving all of the outstanding concerns. Her statement that the MoI would provide a draft of the NLDP based on the framework of the policy established by BUILD within the next six months was a clear indication of her firm resolve. She was aware of the fact that the NLDP would make history in Bangladesh by becoming the country's first policy driven by the private sector. She went on to say that the workshop, which will take place over the course of two days, will be the most effective method for gathering the feedback of stakeholders from the private and public sectors, as well as academics and other members of the development community, as well as sectoral specialists from both the local and international arenas.





3rd LIDWC Preparatory Meeting 2: National Logistics Development Framework Policy Presented at the Prime Minister's Office

BUILD team met Md Tofazzel Hossain Miah, Senior Secretary of the Prime Minister's Office, at his office on 2 June 2022, while Ferdaus Ara Begum, CEO, BUILD, presented the draft of the National Logistics Development Policy. More specifically, the presentation addressed the comments and outcomes of the meeting held on 24 February 2022 at PMO on the same issue.

Senior Secretary pointed to rescheduling the proposed National Committee for Logistics Development. Besides, he mentioned that the Ministry of Industries would be the parent ministry in implementing National Logistics Development Policy. He appreciated BUILD for coming up with the framework policy and expected that this would provide further data-driven assistance to the Ministry of Industries.

World Bank official Nusrat Nahid Babi proposed organising a two-day long global good practices workshop on the logistics sector in Bangladesh, guiding the formulation of the proposed National Logistics Development Policy. The workshop's objective will be to organise a two-day workshop on good global practices in the logistics sector to help guide the formulation of the proposed National Logistics Policy and downstream sub-sectoral strategies.

The senior Secretary of PMO highly appreciated the upcoming initiative and suggested a day-long workshop before organising the two-day events to ensure awareness and outreach on logistics issues among the relevant stakeholders. Abul Kasem Khan,

Co-chair of LIDWC and former Chairperson of BUILD, mentioned that a holistic activity approach should be taken to make the proposed policy and upcoming workshops as informative and fruitful as possible. In that respect, harmonised coordination among PMO, BUILD, World Bank, etc., would be ensured. It was decided in the meeting that the framework policy will be presented at the upcoming 3rd meeting of LIDWC at PMO. Nafiul Hasan, Director General-1, PMO, and Mohammad Lutfullah, Senior Private Sector Specialist at IFC, put their valuable remarks in the meeting and wished to extend the required support.



3rd LIDWC Meeting: BUILD Presents the National Logistics Development Policy Framework at PMO

Business Initiative Leading Development (BUILD) presented the National Logistics Development Policy (NLDP) Framework on 31 August 2022 at the third meeting of the Logistics Infrastructure Development Working Committee co-chaired by Md Tofazzel Hossain Miah, Senior Secretary of Prime Minister's Office, and Abul Kasem Khan, Former Chairperson of BUILD. Zakia Sultana, Secretary, Ministry of Industries, was also present. Welcoming the stakeholders from the public and private sectors, Md Tofazzel Hossain Miah appreciated the role of the Ministry of Industries for including logistics as the thrust sector, which was approved in the cabinet recently and is holistically a new component following the recommendations of the committee secretarial services of which is being given by BUILD.

The benefits of including logistics as a Thrust Sector will theoretically work out, and this would be a future paradigm shift for the country. We would like to draft the logistics policy as the next step, and once the policy is in place, we will go for

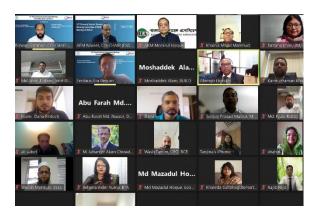
implementation, boosting the growth, said he. Ferdaus Ara Begum, CEO, BUILD, in her keynote presentation, informed that there is no alternative to the development of a synchronised multimodal logistics management system to reach USD 2.5 trillion economy size and USD 1.02 trillion in investment by 2041 as logistics has been treated as the key factor to take investment decisions. Besides, implementing the National Logistics Development Policy could be a way to ensure sustainable growth of the logistics sub-sectors.

Md Jashimuddin, President, FBCCI, informed that once the draft is shared with them, they will work to gather their comments on the policy and will be ready to extend all support. Underscoring more engagement from both public and private sectors, Abul Kasem Khan, Co-Chair of the committee, extended thanks to everybody for working together on the policy, which is very much required as logistics is the number one issue for supporting business. Mahbubul Alam, President of CCCI, suggested establishing a Truck Terminal in each and every port so that transportation and communication are more accessible.

Chairperson, BUILD Nihad Kabir viewed that we need to be more ambitious in fixing the target of logistics cost reduction so we can challenge ourselves. She suggested bringing NBR on board from the beginning and taking care of WTO-related issues as we graduate by 2026. Rizwan Rahman, President of DCCI, said there would be a need to organise sub-sectoral FGDs, and responsibilities can be shared in that respect. Bonded warehouse facilities are different for different sectors which can be linked with the policy. Dr Masrur Reaz, Chairman, Policy Exchange, thanked BUILD for developing a policy and suggested an integrated angle for each subsector. Additional Secretary, Ministry of Commerce suggested including land ports along with seaports for planning strategies. Naguib Khan, President, Supply Chain Management, suggested including the lead time issue along with the cost calculation.

Nusrat Baby, Transport specialist at World Bank emphasised bringing convergence in all sectoral logistics issues and expressed their desire to extend all support for research and development in having a good logistics sector. Mohammad Lutfullah, a Senior Private Sector Specialist of IFC, said that the formal inclusion of the logistics sector by the cabinet in the industrial policy is much-appreciated

recognition from the government. For this, we from the LIDWC would like to extend our sincerest gratitude to the Government and Prime Minister's Office in particular. A number of government officials from the Ministry of Industries, civil aviation, planning, railways, shipping, PPP authority, BIDA, and Bridge Division, among others, were present. While private sector representatives from the Shipper Council of Bangladesh, Freight Forwarder Association, etc., committee members, were present and interacted in the meeting.



10th FSDWC Meeting: Call for Enhanced Support for CMSME Financing for Sustenance After COVID-19

Deputy Governor, Bangladesh Bank Abu Farah Md Nasser said that our key focus is to control both the import and inflation and promote local production for generating employment, and for this, we have announced a new Credit Guarantee Scheme (CGS) on Refinancing against a Term Loan of BDT 250 billion, of which 75% for cottage micro and small and remaining for medium enterprises.

The Deputy Governor spoke at the 10th Financial Sector Development Working Committee (FSDWC) Meeting organised by Business Initiative Leading Development (BUILD) on 17 August 2022. Abu Farah Md Nasser, Deputy Governor of Bangladesh Bank (BB), and Rizwan Rahman, President of Dhaka Chamber of Commerce and Industry (DCCI), cochaired the meeting. He further said that an open interest cap will pile more stress yet on small-business owners struggling with debt and will add more cost to production, thus highly influencing the cost of business. He said that Bangladesh Bank is trying to combat inflation while ensuring employment generation, where CMSMEs play a vital role.

DCCI President Rizwan Rahman said that WEs should be aware of all policy changes of the regulators, and the women chambers should shoulder responsibilities to come forward in educating their members about all existing regulatory benefits they can avail. He recognised that we need to change our focus from collateral-based finance to cash flow-based finance which BB is doing now.

BUILD CEO Ferdaus Ara Begum delivered two presentations on Constraints of Availing Financial Support of Women Entrepreneurs and Overseas Equity Investment Rules 2022. The studies covered four refinancing schemes and four financial schemes by BB. It also analysed several schemes by Banks and Financial institutions in collaboration with Fintech firms. The study also covered several CGS facilities announced by the Central Bank. She urged the central bank to enhance support for the CMSMEs after COVID-19 with collateral/individual collateral or third-party collateral or social collateral since they do not have assets for collaterals. She also said that under the CMSME Loan Categorisation of Bangladesh Bank, trading and some non-traditional sectors come up so that the financial institutions can fund them. They cannot find funds since they are not under CMSME Loan Categorisation.

For the ease of financing, she underscored the need for advisory support, documentation support, format for financial reports etc. Earlier, she informed the audience that eight of the 13 policies recommended in the last meeting had already been implemented.

Md Amirul Islam, Deputy Director of Bangladesh Bank, appreciated the study on Equity Investment of BUILD and informed that BB has already given permission for USD 70 million and repatriated USD 40 million and stated some policies of BB for supporting investments other than exporters.

SMEF GM Farzana Khan said that SMEF has already identified 177 clusters, and a definition will be included in the upcoming industrial policy, which is aligned with BB definitions.

Wasfi Tamim, CEO of the Bangladesh Centre of Excellence, said that we need robust monitoring in place, and our focus should not be only on the total value but on the number of enterprises got beneted from the financial scheme of the central bank. Among others Md Jahangir Alam Chowdhury of the

University of Dhaka, Fauzia Hoque FCA, A. K. M. Monirul Hoque from Bangladesh Insurance Association, Khairul Majid Mahmud, Director, DCCI, Md Mazedul Hoque, Kamruzzaman Khan from Lanka Bangla, and Naim Rahat of Dana Fintec spoke.

The working committee meeting was participated by the members of the committee, representatives of the central bank, ICAB, BSEC, Ministry of Finance, a number of scheduled banks, academicians, business chambers and associations, entrepreneurs from the private sector, and so on.

The Financial Sector Development Working Committee (FSDWC) of BUILD aims to hear from the private sector and demonstrate the financial industry with the commitment to providing a conducive business environment. FSDWC endeavors to meet the needs of an evolving financial sector in the country.



Ninth T&IWC Meeting of BUILD

The Ministry of Commerce has endorsed the proposal of Business Initiative Leading Development (BUILD) for issuing trade licences for up to five years instead of one-year renewal culture to improve the ease of doing business.

BUILD produced the proposal at the ninth Trade and Investment Working Committee (T&IWC) meeting. Ministry of Commerce and BUILD jointly organised the meeting at the Bangladesh Secretariat on 28 September 2022. Tapan Kanti Ghosh, Senior Secretary to the Ministry of Commerce and Md Saiful Islam, President of the Metropolitan Chamber of Commerce and Industry (MCCI), co-chaired the working committee meeting. BUILD CEO Ferdaus Ara Begum said that we had studied the City



Corporation Ideal Tax Schedule 2016 and Municipal Taxation Rules and saw no legal bar in issuing trade licences for five years. Echoing the proposal, Mohammed Nora Alam Siddique, Joint Secretary of the Local Government Division, said it could be implemented for municipalities and city corporations. However, we need to review if Union Parishad can issue it under its present status. Addressing the event, Tapan Kanti Ghosh, Senior Secretary to the Commerce Ministry, said that we need to focus more on the recommendations of the previous meeting, which are yet to be implemented. Following the call of non-RMG sectors, we can formulate the sectoral sub-contracting rules, and we will engage with the National Board of Revenue to increase the de-minimis value.

Taking part in the discussion, MCCI President called for introducing NID as the singular document for trade licence issuance following global practices. Referring to BUILD's study on Improved Business **Environment and Simplification of Company** Registration Process, BUILD Chairperson Nihad Kabir suggested formulating a policy for availing certified copies from the Registrar of Joint Stock Companies and Firms (RJSC&F). The fill-up process of Model AOA (Article of Association) and MOA (Memorandum of Association) can be simplified to make the company registration process businessfriendly. Citing the process of issuing a subcontracting order, Mohammad Hatem, Executive President of BKMEA, said that we need more engagements and consultations with the regulators before formulating any trade policies to ensure private sector representations.

Mentioning the proposal of BUILD for establishing dedicated scanners for agro products in all ports, Dr Sayed Rafiqual Amin, Director, Plant Quarantine Wing, Department of Agricultural Extension, said that the Civil Aviation Authority had established terminal scanners which are not fully equipped for covering all agro items. Therefore, we need more specialised scanners for agro products and proper coordination with the relevant agencies for export growth. He further said that we had formed a committee to conduct a need analysis for establishing a National Plant Quarantine Authority; he added that a committee had been formed to analyse the importance of establishing the proposed authority.

BUILD CEO Ferdaus Ara Begum delivered the presentation on "Trade Licence: Needs

Rationalisation and Simplification", urging the government to issue trade licences for a maximum of five years as per the need of the businesses and reduction of renewal fees. The study also highlighted a digitalised trade licence (TL) issuance and renewal process, including an online payment system, a single unified and simplified Trade licence Form (Bilingual format) for all city corporations/union parishad, municipalities, revisiting discriminated fees, and resolving additional permission requirement from the local regulatory authority which was endorsed in the meeting. The Commerce Secretary requested BUILD study the Union Parishad Rules and support MOC and LGRD to formulate a uniform policy for all trade licence issuers.

BUILD CEO also made another brief presentation titled "DFQF Market Access to China-Policies and Measures Maximise the Benefits" and said that BUILD analysed the top 20 exporting items from Bangladesh to China, its status in the 98% DFQF list and how export can be increased and out of 294 (8digit HS code) exported products from top 20 (2digit HS code) analysed items, 194 products are in the DFQF list. Realising the importance of the topic, Sr. Secretary suggested having a detailed discussion on this topic shortly with BUILD and other concerned chambers. Commerce Secretary thanked BUILD for producing these vital policy papers for reforms and informed that government is also seriously thinking about simplifying and renewing necessary business start-up licences. In this respect, private sector points of view are highly appreciated. Representatives from MoC, RJSC, DAE, EPB, SME Foundation, CCI&E, BEIOA, BKMEA, BGMEA, BFTI, BASIS, LFMEAB, DCCI, USAID, DSCC, among others, spoke in the meeting.

4IR&ICT Working Committee Meeting: Meeting With HTPA, a2i, and BASIS on Re-skilling Required for 4IR& ICT

A follow-up of the third meeting of the 4IR&ICT Working Committee regarding Skilling and Reskilling for concerned persons and organisations was held on Tuesday, 21 September 2022. The meeting tried to take stock of what type of skilling and re-skilling programs are going on and what more can be suggested. Ferdaus Ara Begum, CEO, BUILD, Bikarna Kumar Ghosh, Managing Director Bangladesh Hi-Tech Park Authorities, Abu Bakar Siddik, Program Assistant, a2i, and Enamul Haz Latifee, Joint Secretary (Research Fellow), BASIS ware present in the meeting. Bikarna Kumar Ghosh,



Managing Director of Bangladesh Hi-Tech Park Authority, said Bangladesh's fragile economy had been converted to a middle-income country (MIC) by the able leadership of the honourable PM.

Capacity building and skill development activities are moving ahead in her direction. By 2041 Bangladesh will be transformed into a SMART country embracing 4IR and ICT. Technology-level training in Digital Service and Employment Training Centre will be established in the next two years in every Upazila. Basic IT education needs to be ensured in primary education. Policy formulation is needed to saturate start-ups to get those benefits in the Hi-Tech Park. About 6 lakhs freelancers are now in the country, but entrepreneurship is limited. The present target is to create about 1 lakh entrepreneurs in the coming year. Hi-Tech Park has a database of those competent people, and they can o er the right skills.

Siddik Ahmed from a2i gave a short presentation on their study on re-skilling programs in some selected sectors. He referred to their skill development study commissioned in 2019, where they found that 55 lakh people will lose their job by 2040, and some new emerging jobs will be created. Enamul Haz Latifee from BASIS has given different frontier-based training in cyber security, IoT, simulation, visualisation and digital twin, blockchain, etc. There is space for a joint collaboration with the government (HTPA, a2i) and international organisations for training.

Major Policy Events

in 2022



BUILD recognises the significance of policy reforms in creating an enabling environment for private-sector growth. Through rigorous research, analysis, and evidence-based recommendations, it seeks to address the critical challenges and barriers faced by businesses and investors in Bangladesh.



BUILD Joined Budget Meeting With NBR

National Board of Revenue (NBR) organised a Pre-Budget discussion with BUILD, BIDA, BEZA, BEPZA and BHTPA for the FY 2022-23. The meeting was held in NBR Conference Room on 10 February 2022. The Chairman of NBR, Abu Hena Md Rahmatul Muneem presided while concerned members of NBR, Md Masud Sadiq (Customs Policy), Zakia Sultana (VAT Policy) and Md Shamsuddin Ahmed

(Tax Policy) also spoke at the programme. This meeting was one of a series of stakeholder consultations organised by the revenue authority to gather input before drafting the next budget.

Ali Ahsan, Executive Member, BEZA; Shah Mohammad Mahboob, Director-General BIDA; Khorshed Alam, Executive Director, BEPZA; A. N. M. Shafiqul Islam, Joint Secretary and Director (Admin and Finance), BHTPA, and Ferdaus Ara Begum, Chief Executive Officer (CEO) from BUILD attended the meeting as invited spokespersons.

BUILD proposed to reduce Corporate Income Tax (CIT) from 22.5% to 20%, which would align the 10% gap between publicly and non-publicly traded companies — also proposed regarding tax deducted at source, audit system etc. It was also suggested lowering advance tax from 20 per cent to 10 per cent for companies and from 10 per cent to 5 per cent for individuals, proposed incorporating a provision in the tax law for refunds or adjustments to the tax deducted at the source with total payable

taxes. BUILD proposed regarding Value Added Tax (VAT) exemption where the turnover limit for VAT exemption (BDT 5 million) needs to be applicable for all sectors. In this respect, GO-17 of VAT is restricting 182 products and services to avail of this facility which needs to be eliminated or deactivated. Member (VAT Policy) of NBR agreed to address this issue. BUILD CEO also suggested that non-RMG exporters be permitted to import raw materials duty-free under the Bonded Warehouse privilege, to assist diversify the country's export basket. It proposes a central or syndicated BWH, which would allow small and medium-sized businesses who cannot export all of their items to ship using zero-duty imported raw materials.



Discussion on Leather Sector Export Roadmap

A validation discussion on the draft Leather Sector Export Roadmap took place on 10 January 2022 in the conference room of the Export Competitiveness for Jobs (EC4J) Project office. Tapan Kanti Ghosh, Senior Secretary, Ministry of Commerce, chaired the meeting while Md Hafizur Rahman, Additional Secretary (Export); A. H. M. Shafiquzzaman, Additional Secretary (IIT); A. H. M. Ahsan, Vice Chairman, Export Promotion Bureau; Md Monsurul Alam, Project Director, EC4J; among others, was present.

Bangladesh needs to shift its product concentration to sectors like light engineering and plastic so that it can move upwards in its industrialisation pathway, Senior Commerce Secretary Tapan Kanti Ghosh said. As Bangladesh will upgrade from being the 43rd largest economy to 25-26th by 2030, more significant foreign direct investment may be attracted, and the ease of doing business may be gradually improved, he said. With proper factor

analysis, the projected target for 2030 can be upgraded, the Secretary said.

After 2026 when Bangladesh will graduate from the least developed country (LDC) category, the government will not extend cash subsidies but provide support in the forms of research, knowledge, logistics and so on, he said. He also informed that the finance ministry had commissioned a study to seek alternatives to subsidies considering the changed situation after the LDC graduation. Referring to different projections of the light engineering sector, the Secretary said there is a need for alternative projections considering the status of global export, economic situation, supportive policies extended by the government and the target of a perspective plan to be a developed country.

Ghosh spoke while addressing a workshop to finalise the export roadmaps for plastic and light engineering sectors, jointly organised by Business Initiative Leading Development (BUILD) and the Ministry of Commerce, at the Export Competitiveness for Jobs (EC4J) project office in Dhaka. He said the plastic and light engineering sectors would be the drivers of export growth if they were provided with proper policy support. He also wanted to know from the stakeholders about what kind of policy support they need as the government is keen to see higher export growth through relevant policy interventions.

The Secretary also endorsed the projection of BUILD for the plastic sector roadmap to be the 40th largest exporter by 2030. BUILD shared two presentations on the two sectors' export roadmaps at the validation workshop. Viet Nam was able to increase its light engineering and bicycle export because they secured a significant amount of foreign direct investment, he said. He suggested BUILD revisit the target considering the global issues and economic development. At the event, BUILD CEO Ferdaus Ara Begum said plastic toys had got enormous potential to be a significant export product along with automobile components, provided that the sector is supported with policies such as bonded warehouse facilities and reduced lead time.

Additional Commerce Secretary Hafizur Rahman said: "We have a target to reach export of USD 80 billion by the marginal year of export policy 2021-2024." "We have roughly 300 plastic recycling factories across the country producing plastic flakes





from scraps and exporting around 40,000 tonnes of flakes annually for making yearns," said Md Monsurul Alam, director of the EC4J project. "We need to stop it and figure out how we can produce yarns from flakes in Bangladesh." Shamim Ahmed, president of Bangladesh Plastic Goods Manufacturers and Exporters Association, also spoke.

Officials from the Ministry of Industries, Ministry of Fisheries and Livestock, Department of Environment, BSCIC, and EC4J project etc., as well as a number of academic representatives were also present. Several stakeholders from relevant organisations took part in the meeting. The meeting validated the export projection target, mission and vision and time-bound action plans for the roadmap.



BSTI-BUILD Dialogue Emphasised Quality Management of Rooftop Solar Equipment

Bangladesh Standard and Testing Institution (BSTI) is working with other government institutions as well as the private sector to upgrade the country's testing, certification and quality compliance regime in the area of rooftop solar power, said Dr Md Nazrul Anwar, Director General of BSTI and informed 69 new labs is going to be established of which 21 for physical testing targeting 2041. He added that there are 229 products for which compulsory certification is required. The dialogue was organised by Business Initiative Leading Development (BUILD) with support from IFC's Partnership for Cleaner Textile (PaCT) project. He mentioned that BSTI has already introduced the Bangladesh Standards (BDS) for four key equipment of rooflop solar power and has made it compulsory to get certification from BSTI for the sale or marketing of these products.

Ferdaus Ara Begum, Chief Executive Officer of BUILD, welcomed the audience and thanked BSTI for its reforms. She stressed that to comply with the emerging challenges and upcoming targets for the renewable energy sector, the quality and regulatory issues must be addressed for rooflop solar plants. It would, for example, be important to get the manufacturers, importers and businesses involved in rooflop solar equipment supply registered with a relevant government agency such as the Sustainable and Renewable Energy Development Authority (SREDA).

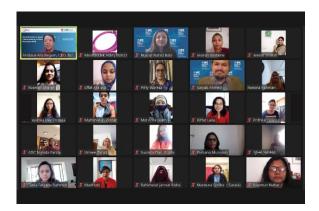
In a presentation on quality management issues in rooftop solar power, Md Tahmid Zami, Additional Research Director (ARD) of BUILD, mentioned that the existing laboratories that test rooftop solar equipment often lack the technology for testing specific components, especially the ones that have higher capacity. Rashedul Alam, Assistant Director at SREDA, mentioned that SREDA had been closely working with BSTI to ensure standards for the rooftop solar equipment.

Data Magfur, General Secretary of Bangladesh Solar and Renewable Energy Association (BSREA) and owner of Data Enterprise Limited, mentioned that the low-quality equipment for rooflop solar is often entering the market, which negatively affects good manufacturers and importers. Mohin Habib, CEO of Rahimafrooz Renewable Energy Limited (RREL) mentioned that Rahimafrooz is the Bangladeshi manufacturer that produces solar panels. He stressed on reducing the lead time for testing of the equipment. Tapas Barua from Youngone mentioned that net metering is not allowed for factories in BEPZA, which needs attention from the government.

Mobinul Islam, AD and Mohammad Arafat, AD BSTI clarified some of the recent progress achieved in upgrading BSTI's capacity as well as future way forward. Representatives from International Finance Corporation (IFC), Omera Solar, Sherpa Power Engineering Ltd, Sungrow, Solar EPC Development Ltd and so on also joined the meeting.

Her E-Trade and WEO-Focused WoB Workshop

A virtual orientation and awareness workshop for women-owned businesses (WoB) on trade procedures was organised by Business Initiative Leading Development (BUILD) on 5 January 2022,



in cooperation with Her E-Trade and Women Entrepreneur Organisation (WEO). The programme's prime objective was to enlighten women entrepreneurs about step-by-step general business procedures, trade-related online and manual services of the government, rules and regulations for operating formal businesses in Bangladesh, and the government announced policy benefits, especially for women entrepreneurs, etc.

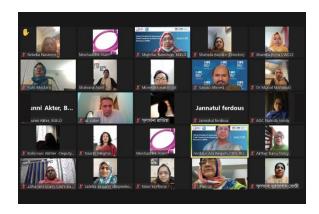
The programme also highlighted export-import business licensing requirements along with detailed procedures. Women entrepreneurs actively interacted with the government representatives, shared their challenges, and requested support through the programme.

Lack of financial support from banks and financial institutions, limited marketing knowledge, COVID-19 impact on businesses, absence of easy registration system for Online page-based business, physical address-related complexities for obtaining trade licence, lack of proper and cost-effective distribution channels etc. Here are some of the issues highlighted in the Awareness workshop.

Increasing the renewal frequency of trade licences, simplifying the locational issue of getting a trade licence, increasing transaction frequency in banks for small entrepreneurs, and training for obtaining Digital Business Identification Number (DBID) in collaboration with MOC are some of the proposal's suggestions placed in this workshop.

Women entrepreneurs from Her E-Trade and Women Entrepreneur Organisation (WEO), high officials from the Customs Excise and VAT, WTO Cell of Ministry of Commerce, private sector officials of the trade-related agencies, representatives from IFC-WBG, BUILD officials, were participated in the

workshop. In total, about 9,873 participants from different backgrounds joined the programme through Zoom and Facebook. ■

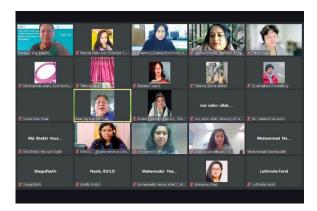


Chattogram Division Focused WoB Workshop

A virtual orientation and awareness workshop on trade procedures for women entrepreneurs of Chattogram was organised by BUILD on 13 January 2022, in collaboration with Chittagong Women Chamber of Commerce and Industry (CWCCI). Women Entrepreneurs from Chattogram are engaged in various businesses like apparel, food, agro-processing items, home decorator, jewellery, cosmetics, clothing, fashion house, boutiques, ornaments, beauty parlour, tailoring, shipping, C&F, and tourism, among others. The programme's key objective was to make aware women entrepreneurs of government adopted online services to facilitate businesses, detail step-by-step general business procedures, and the government announced policy benefits, especially for women entrepreneurs, etc. The programme also highlighted export-import trade licensing requirements along with detailed guidelines. Women entrepreneurs actively interacted with the government representatives and shared their challenges and requested support.

The awareness workshop highlighted issues such as lack of easy access to finance, limited availability of collateral-free loans and stimulus packages, lack of knowledge of business policies and procedures, and difficulty obtaining trade licences, among others. Suggestions made at this workshop include training regional government officials to assist entrepreneurs, the need for more outreach programmes on BSCIC, Bangladesh Bank circulars, NBR services, and simplifying the trade licence process. Present at the workshop were Chattogram women entrepreneurs,

CWCCI members, CCI&E officials, BSCIC, CCI&E, private sector representatives, IFC-WBG representatives, and BUILD officials. Around 405 participants from diverse backgrounds joined the programme through Zoom and Facebook.



Consultation Session on Harmonising Terminology of Women's Entrepreneurship in Bangladesh

Business Initiative Leading Development (BUILD) and International Trade Centre (ITC) SheTrades Programme, in collaboration with Bangladesh Standards and Testing Institution (BSTI), decided to work together to develop and adopt the globally recognised ISO standard definition of Women Entrepreneurship (ISO IWA 34:2021) in Bangladesh. In this context, a virtual discussion programme was arranged on 19 April 2022 to discuss a clear and universally agreed-upon definition of women-owned and women-led businesses in the country — different institutions are using multiple terminologies. Along with Selima Ahmad MP and BWCCI President, Representatives of the Ministry of Industries, several Chamber Presidents, and women entrepreneurs joined the virtual programme to share their views on the subject issue. In the keynote presentation, Ferdaus Ara Begum, CEO of BUILD, mentioned that despite the contribution of women entrepreneurs to the economy, today, they are deprived of fair opportunities and scope. One of the main reasons for this is the lack of gender-disaggregated data in our country. Adopting a global definition can allow Women entrepreneurs (WEs) to be integrated with international business and exploit the benefits of policies announced by the government. She highlighted the importance of adopting the ISO standard global definition. She illuminated that collecting sex-disaggregated data at the national level could help evidence-based policymaking and

international comparison. WEs could also get access to public procurement. She also shared examples of several countries accepting ISO definition and what benefits they have received.

In his speech, Edison Yap, Associate Economic Affairs Officer, SheTrades Initiative, International Trade Centre, informed that the sector has been suffering from policy support because of the nonexistence of harmonised global definition of women entrepreneurs. ITC, ISO and others have prepared four WE 2 • Connect definitions to ensure institutional recognition of their economic activities. Adopting and integrating the ISO IWA 34:2021 standard of WEs definition in Bangladesh will make the segmented entrepreneurs eligible for a policy and monetary assistance. Countries should set the definition by considering the nation's business environment and the demand of the women entrepreneurs' community. Selima Ahmad MP informed that the Bangladesh Bank and the Ministry of Industries had provided definitions of women entrepreneurs in Bangladesh. We need to consider the term women-owned business and the percentage of ownership while setting up the definition. She assured to provide every possible support from the end of Parliament to formulate a globally recognised and harmonised definition of WEs. Rebeca Nasrin, Director, CWCCI, pointed out that to avail bank loans, banks consider 60% ownership rather than the existing 51% provision to treat the business as owned by women. Besides, women face some constraints in accessing monetary assistance from financial institutions. WEs from the SME sector was deprived most from availing of FSP (Financial Stimulus Package) announced by the government amid the pandemic.

Ireen Parveen, Executive Director, Women in Ecommerce, said that the initiative to ensure knowledge empowerment on holistic marketing among the WEs would facilitate countrywide ecommerce growth. Rezwana Khan, Secretary-General, BWIT, informed that the tech industry has been suffering valuation constraints while availing bank loans. A strong Monitoring Evaluation Accountability and Learning (MEAL) system should be adopted by the Ministry of Finance and Bangladesh to ensure accountability of the AD Banks on loan disbursement to the service sector. Banks are not interested in providing loans to the tech industry in Bangladesh. Dr. Nadia Binte Amin, President, WEND and Director, FBCCI, said that harmonisation between ownership, management

control, and leadership should be considered to design the definition. There should be a provision to redesign the definition of CMSMEs by considering men and women-owned businesses.

According to Sharnalata Roy, President of the Sylhet Women Chamber of Commerce and Industries, an initiative should be taken to raise awareness among trade leaders and WEs in the CMSMEs sector. The government has launched a number of businessfriendly programmes to support WEs, but the industry is mostly unaware of them. In this sense, information gaps should be discovered and addressed. Bangladesh Bank should step forward to ensure the accountability of AD banks to facilitate WEs wholeheartedly. Md Salim Ullah, Senior Assistant Secretary, Ministry of Industries, informed that the Ministry of Industries includes a dedicated chapter regarding women entrepreneurs in the draft of the National Industrial Policy 2022. He requested to send the outcomes of today's session to Mol so that they would be able to accommodate the remarks in the draft policy, which is going to be finalised very soon. Anahita Vasudevan, Associate Economic Affairs Officer, Policy, ITC SheTrades Initiative, informed that the governments of Gambia and Zambia include the definition of WEs in the national policy. They also facilitate the WEs to participate in the national public procurement mechanism through harmonised policy assistance. Ismat Jerin Khan, President, PWCCI, suggested that the government may provide policy and fiscal assistance and incentives to provide certifications like compliance issues to enter the export market with a potential export basket. Moreover, the government may initiate International Certification Policy to make the process simplified for the WEs, paving the way for female entrepreneurs to win government tenders.

A Virtual Discussion Meeting on Duty-Free Quota-Free (DFQF) Market Access for Bangladesh to China

A virtual discussion meeting on the Duty-Free Quota-Free (DFQF) market access for Bangladesh to China was organised jointly by Business Initiative Leading Development (BUILD) and Bangladesh China Chamber of Commerce and Industry (BCCCI) on 24 March 2022. BUILD, a private-sector-led thinktank, has launched a study on the advantages of China's extended Duty-Free Quota-Free (DFQF) market access, which accounts for around 98 percent of



total Bangladeshi goods, as Bangladesh prepares to graduate in 2026 and is eager to diversify its export base. Notably, certain prospective Bangladeshi goods have a market in China and may be exported. The main goal of this discussion was to figure out how to boost bilateral commerce between Bangladesh and China. This discussion meeting was attended by senior officials from the BCCCI, the Export Promotion Bureau (EPB), private sector authorities, and a few exporters.

Ferdaus Ara Begum, CEO of BUILD, greeted all participants and delivered a keynote in which she said that China granted DFQF facility to 8,549 Bangladeshi goods, or 97 percent of tariff lines, in July 2020. Still, the country could not increase its exports to the Chinese market as expected due to a lack of exportable products, product standards and marketing initiatives.

This meeting's discussion topics included possible exportable items, sectoral exporter needs, exporter obstacles, policy-related concerns, rules of origin, and registration requirements, among others. A. Z. M. Azizur Rahman, Chairman, Investors Services Co. Limited opined that although some countries give GSP and DFQF facilities to Bangladesh, there are also some non-tariff and tariff barriers. To make it easy, especially for the Chinese market, exporters will have to build effective communication with Chinese buyers to increase the export from Bangladesh, Gao Yangbin, Chief Representative Officer (CRO), Consultancy and Project management Services, added that BCCCI is working hard to promote Bangladeshi products and increase the export of Bangladesh to China. Still, China has not gotten enough support from the Bangladeshi government compared to Vietnam, Malaysia, and other countries. In this regard, the government should come forward by taking initiatives like budget allocation to facilitate investors like Indonesia and Vietnam and establishing more regional offices in China.

Kumkum Sultana, Director, EPB, expressed that Bangladesh has more capacity to produce garments products, leather and leather goods, frozen foods and other agricultural products etc. Al Mamun Mridha, Managing Director, Mridha Business Limited, mentioned that the quality of the product, the packaging of the finished goods, value addition process, machinery, and logistics of Bangladesh are not that developed. In the concluding part, the BUILD CEO expressed warm gratitude to all for their presence in the discussion meeting and for raising their issues.



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

A meeting between BUILD and IFC, WBG was held on 20 April 2022 at Hotel Intercontinental from 12 am to 1:30 pm to discuss developing Bangladesh's national logistics policy. At the beginning of the meeting, Ferdaus Ara Begum, CEO of BUILD, provided a brief introduction to BUILD. She informed that Prime Minister's Office and BUILD have jointly formed the Logistics Infrastructure Development Working Committee co-chaired by Sr. Secretary of PMO and Chairperson of BUILD. Regarding the request of the Prime Minister's Office, BUILD has drafted the National Logistics Development Policy (NLDP) 2022, which has already been shared unofficially with the Sr. Secretary of PMO. WBG expressed candidness to support to ensure further development of the policy and requested BUILD to ask for specific support for the policy and logistics in general. WBG proposed a Consultation with Private Sector Seminar in June 2022. The duration would be

two days. Sector experts and participants from home and abroad will join the session. WB will provide international experts for best practices. Very relevant private sector stakeholders will attend the seminar. BUILD will organise, source participants, and may present a paper in the seminar It is decided to develop a research methodology to calculate the logistics cost (freight, accounting, warehousing, process and procedure simplification would be considered) and calculate some important product-specific logistics costs and supply chain.

The meeting also urged the development of logistics sub-sectoral development strategies (for example, road transportation, air/aviation service, seaport, warehouse, feeder vessels, freight forwarding, offdock/inland container depot, coastal transportation, e-commerce logistics, ride-sharing, container terminal, inland waterways, oceangoing sea vessels, courier and postal service, C&F, tank terminal, information and technology logistics, financial logistics, temperature-controlled lo It should be noted that these industries are included as subsectors of logistics in the National Industrial Policy 2022, despite the fact that logistics has been designated as an export-diversied and high-priority sector.) Furthermore, World Bank Group representatives emphasised the policy's truck transportation modernisation development strategy (3rd party truck transport systems such as Truck Lagbe, for example), strategy to reduce transport costs caused by container backhaul, as well as regulatory and customs process simplification issues (customs, bonded warehouse, Container Bonded Warehouse, etc.).

BUILD will create a time-bound action plan for implementation. Shomik Raj Mehndiratta, Practice manager, Transport, South Asia, South Asia Infrastructure Practice Group, World Bank; Rajesh Rohatgi, Senior Transport Specialist, Program Leader Infrastructure, Bangladesh and Bhutan, World Bank; Nusrat Nahid Babi, Private Sector Specialist, IFC, World Bank; Md Mokaddesul Hoque, Transport Specialist, ETC, Transport Unit, South Asia Region, World Bank; were all present at the meeting.

5th Business Confidence Survey

Monitoring business confidence levels through perception-based Business Confidence Surveys (BCS) is an important barometer and leading



indicator of business conditions and the economy's overall health. The BCS can provide information on future business developments based upon opinion surveys for some specific duration, specifically in the short run. Business confidence drives business growth, and investment supports employment opportunities and attracts people to the region, thus, improving economic activities. Several countries are using Business Confidence Surveys (BCS) to monitor output growth. They anticipate turning points in economic activities so that businesses can get an early signal to prepare and accordingly plan for expansion or contraction of their business plans. The BCI is very popular in many countries, including Asian Countries, OECD member countries and non-OECD member countries. In most developed countries across the world, these surveys are carried out quarterly or even monthly in some countries. As the voice of business in Bangladesh, Business Initiative Leading Development (BUILD) initiated to conduct Business Confidence Survey (BCS) in 2013 to understand better business enterprises' perceptions about the existing state of the business environment.

Since 2013, BUILD has successfully held the 1st, 2nd, 3rd, and 4th BCS in 2013, 2014, 2015, and 2019. Previous Business Climate Surveys (BCSs) that were carried out by BUILD gathered qualitative information, which assisted in monitoring the present economic environment in the nation and predicting its short-term growth. This monthly monitoring of the pulse of the private sector gave signs concerning turning points in the economic cycle and recondite difficulties, as well as counselled enterprises for contracting or expanding their operations. It is the intention of BUILD and the Trade Activity to carry out a survey of business confidence in 2022 with the purpose of eliciting responses from companies regarding their perspectives on the general state of

business conditions over the preceding time period and their expectations for the foreseeable future. Using qualitative questions pertaining to a company environment, employment, the amount of orders, raw materials, cost of doing business, and investment, perception will be gathered. It will take the temperature of how people in the private sector feel about the status of their working environment. As a consequence, an analysis of how companies feel, identification of what has been assisting businesses, and determination of what needs to be improved between July and December 2022 will be produced. Usually, survey results are used by the Government of Bangladesh to understand how businesses perceive the business environment in Bangladesh and what effects these perceptions have on their investment decisions.

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



Dissemination Seminar on Policy Recommendations to Make Trading Across Border Easier for Women Owned Businesses

To make trading across borders easier for womenowned businesses, Business Initiative Leading Development (BUILD), in collaboration with IFC Bangladesh, organised a seminar titled "Dissemination Seminar on Policy Recommendations



to Make Trading Across Border Easier for Women-Owned Businesses" on 6 June 2022 at InterContinental Dhaka.

While overall trading across borders has remained challenging in Bangladesh, women-owned businesses face even more difficulties than their male counterparts. This is primarily due to their lack of knowledge about policies and procedures for export and import, limited ICT orientation and exposure to service providers. To address this, BUILD and International Finance Corporation South Asia, under the Bangladesh Investment Climate Fund (BICF) project supported by the UK Government's Foreign, Commonwealth & Development Office (FCDO), had previously organised 14 virtual orientation and awareness workshops for women-owned businesses on trade procedures from different divisions and districts of Bangladesh. A comprehensive training program was organized specifically for women entrepreneurs, covering a wide range of essential topics related to business operations. The training sessions delved into general business procedures, both online and manual, with a particular focus on the trade-related services offered by the government. Additionally, participants were educated on the rules and regulations governing formal business activities in Bangladesh, ensuring their compliance with legal requirements. Moreover, the training shed light on the various policy benefits announced by the government, specifically designed to support and empower women entrepreneurs. These benefits were explained in detail to equip the participants with knowledge and understanding of the available opportunities.

The impact of these workshops has been substantial, as they successfully reached a significant number of individuals and organizations. Approximately 27,000 women entrepreneurs, government representatives, start-ups, and other stakeholders had the opportunity to benefit from the knowledge and insights shared in these training sessions. The program has played a vital role in empowering and enabling women entrepreneurs to navigate the business landscape more effectively, fostering their growth and success.

During the workshops, women-owned businesses expressed several significant obstacles they face. These challenges encompassed various aspects, such as formalizing their businesses, both in traditional and e-commerce sectors. They also highlighted the difficulties associated with the complicated trade

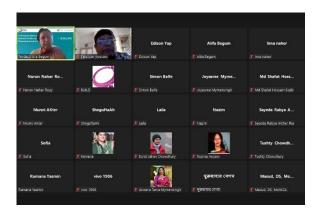
licensing procedures and the substantial fees required for license renewals. Obtaining loans without collateral and accessing funds from stimulus packages offered by banks and financial institutions were additional hurdles identified by these women entrepreneurs. They emphasized the lack of knowledge and understanding regarding effective marketing and branding strategies, which posed challenges in promoting their businesses and reaching their target audience. Furthermore, the direct impacts of the COVID-19 pandemic had a lasting effect on these businesses, making it difficult for them to recover fully. They also expressed difficulties in accessing the incentives and benefits announced by the government, further hindering their progress and growth. Following this, a report was prepared with policy recommendations to address these challenges which were disseminated during the event.

Other issues raised by women-owned businesses included having inadequate distribution channels, lack of a coordinated platform for trade facilitation, lack of knowledge regarding TIN/VAT registration and return submission, lack of demand-based training facilities like training for marketing on digital media, absence of a regional cargo flight facility, lack of knowledge regarding IRC and ERC online applications, problems in applying for a trade licence in case of online-based business and limited information regarding the annual trade fair. High registration fees, poor buyer-seller linkage within and beyond the country, raw material availability, and branding of non-traditional products produced by women-owned businesses were also identified as challenges.

Sharifa Khan, Member (Secretary), Planning Commission, was present at the workshop as Chief Guest. Md Zaker Hossain, Director (SMESPD), Bangladesh Bank; Dr Nadia Binte Amin, Director, FBCCI; Barrister Sherin Salam Oishee, Director, BGMEA; Sharnalata Roy, President, Sylhet Women Chamber of Commerce and Industry; Kumkum Sultana, Director, Export Promotion Bureau; Momotaj Begum, Senior Assistant Secretary, LGD, GoB and Waresa Khanam Prity, President, Her Etrade; spoke at the event as the panellists. Nusrat Nahid Babi, Task Team Leader for Trade Competitiveness for Export Diversification project, IFC; Mashque Ibne Akbar, Private Sector Development Adviser, FCDO; and Ferdaus Ara Begum, CEO, BUILD, among others, also spoke at the event.







BUILD Seminar on Capacity Building of Women Tenderers

A seminar titled "Public Procurement and the e-GP System" was held on 26 May 2022 to make aware the details of tender participation procedures for women entrepreneurs and how to be a successful tenderer with an intention to increase participation of women-owned businesses (WoB) in public procurement. Government procures a huge amount of goods, works, and services every year through public tenders, but participation in WoB in that respect is very insignificant. A presentation on public procurement and e-GP system issues was made by Md Farugue Hossain, Former Secretary and Procurement Policy Consultant, World Bank. He majorly covered public procurement procedures, e-GP system, tenderer criteria, tender security and validity, tender submission, brief on standard document requirements, responsive document preparation etc. In Bangladesh, about 45% of the budget is spent on public procurement, and the participation of MSMEs is very insignificant. BUILD is working closely with CPTU to bring in some reforms in the Public Procurement Act and Rules so that the participation of women entrepreneurs increases in future. It is worth mentioning that the Ministry of Industries is going to enact a Subcontracting Act 2022, which will ensure open tender and an earmarked amount from the CMSME.

Ferdaus Ara Begum, CEO of BUILD, moderated the session and informed the audience that in some countries, they simplified PPR policies to increase WE participation. Citing an example of Chile, she mentioned that women's participation had increased by 36.5% with the simplification of policies. She added that WoB could be hired directly for procurement under USD 600. A similar threshold can also be announced in Bangladesh, she added.

Referring to SDG5, she mentioned that we need to adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and empowerment of all women and girls at all levels. In total, 54 participants attended the seminar, including representatives from concerned government officials such as MOI, MOWCA, CPTU, etc., with women tenderers and representatives from regional women's chambers.



Seminar on New Policies/Procedures to Enhance Cross-Border Business and Bangladesh Trade Portal Overview

A virtual awareness workshop titled "New Policies/Procedures to Increase Tradina Across Borders; Brief Overview and Demonstration of Bangladesh Trade Portal" was organised by BUILD on 29 May 2022 at 11 am. The workshop was held under the 'Support to Organise Stakeholder Outreach and Consultation Programs (SOSOCP)' Project supported by International Finance Corporation (IFC), World Bank Group. Ferdaus Ara Begum, CEO, BUILD, welcomed and thanked all for joining the outreach workshop on behalf of BUILD, Bangladesh Regional Connectivity Project (BRCP) of the Ministry of Commerce, IFC, World Bank. She mentioned that as an upshot of various steps taken by the government for ease of trading across borders, small and marginal entrepreneurs are getting various government facilities from home at affordable prices. Considering the issue that updated information is a number one requirement for a business, the National Trade Portal of Bangladesh, administered by the Ministry of Commerce, has been established to serve the purpose. She informed the audience that the Bangladesh Regional Connectivity Project (BRCP), initiated by the Ministry of Commerce, is working to bring dynamism to the trade portal to meet the

required need of business. Md Makshudul A. M. Mondal, Focal Person Coordinator, Bangladesh Regional Connectivity Project, MoC, presented his keynote titled "Brief Overview and Demonstration of Bangladesh Trade Portal (BTP)". Taking a cue from Mondal, Munir Chowdhury, National Trade Expert, BRCP-1, MoC, gave a brief on BTP. He said that to enhance cross-border trade, the MoC has initiated the Bangladesh Regional Connectivity Project and Bangladesh Trade Portal is part of that project.

The portal is enriched with many businesses related information such as Import and Export Policies, Guide to Import and Export, Customs regular tari schedule, and Market Access information. Around 77 public and private organisations are identified as key players in the trade. To create a digital inquiry point, BTP signed MOU with 36 organisations in order to share updated information and real-time data. He declared that two dedicated sections would be added to the portal; one is dedicated to women entrepreneurs.

Tipu Sultan, Data Management Consultant, Bangladesh Regional Connectivity Project, MOC, gave a detailed demonstration of the Bangladesh Trade Portal in the outreach program. Participants found this live demonstration very effective and useful, creating greater awareness about the huge storage of information. Ismat Jerin Khan, President, Poutakhali Women Chamber of Commerce & Industry, raised some points as an exporter of ecofriendly home decor products. She suggested including an updated list of exporters' list of women chambers in the trade portal. She opined that well dissemination of BTP and its features would greatly support women entrepreneurs. She also requested BUILD to organise individual programs with all women's chambers to inform about new policies/procedures adopted by the government so that WEs may expand their business in future. Monoroma Parvin exports a wide range of jute products. However, since she has a variety of goods, she runs into issues with the HS Code. She urged the Bangladesh Bank and other regulatory bodies to take action.

Borhan Uddin Shohag, Assistant Secretary (Fire), Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), praised BUILD for organising a terrific event. He recommended making a video tutorial for businesses on operating the portal. Narayan Chandra Dey, Secretary General, BPGMEA, appreciated for demonstrating such an informative presentation on Trade Portal. He queried about the process of inclusion of new information into the trade portal so that they could provide company profiles of BKMEA members.

Mita Bose, a women entrepreneur, found this program very informative and effective. She opined that more workshops could be organised on this topic for the best outcome. She said though all regional agreements are available in the trade portal, it is very tough for buyers as well as sellers to understand the core of those agreements. A summary of those agreements may deliver more value to the users. Md Sultanul Islam Tarea, Managing Director, Nixon Box Industries Limited and deemed exporter, said that in most cases, portals and websites are not updated as required. Sometimes massive traffic on the internet hampers accessing sites, especially in the case of customs procedures. He expects that BUILD will address those issues and reach out to the proper authority in close collaboration with BRCP and have an understanding with them.



Production Transformation Policy Review Meeting at MoC

A meeting on Production Transformation Policy Review (PTPR) was held at the Ministry of Commerce chaired by Senior Secretary Tapan Kanti Ghosh on 23 May 2022. A four-member OECD team was present in the meeting to discuss on successful graduation of Bangladesh from LDC to a Developing country. Dr Annalisa Primi, Head, Economic Transformation and Development; Daniel Gay, Economist/ Senior Policy Analyst, Economic Transformation and Development Division, Development Centre, OECD; and Dr Manuel Toselli, Economist, Economic Transformation and

Development Division, Development Centre, OECD; among others, were present in the meeting.

PTPR is a tool developed by OECD to help graduating countries transform towards the right path. The speakers explained the different pillars of the tool in the meeting. The project commenced in November 2021 and will continue for eighteen months. The program's key goals are to create and execute better policies to encourage participation and upgrade the global value chain through facilitating dialogues, as well as to improve assessing global trade and production dynamics to support evidence-based policymaking. BUILD CEO attended the meeting and contributed on behalf of the private sector.



Experts Call for an Amendment of Patent Law

The Bangladesh Patent Law 2022 should be amended in line with the changing scenario for the local pharmaceutical industry after the country's LDC graduation, experts said at a seminar on 10 August 2022. Simultaneously, they called for close collaboration between the concerned government agencies and the private sector in the amendment process. The observation came during a seminar titled "Preparedness of Pharmaceutical Sector for LDC Graduation", jointly organised by the Economic Relations Division (ERD) and Business Initiative Leading Development (BUILD) on 10 August 2022. Hon'ble Adviser to the Prime Minister on Private Industry and Investment Salman F. Rahman was the chief guest of the seminar. Secretary of the Ministry of Industries Zakia Sultana, Chairperson of BUILD Nihad Kabir and the President of Dhaka Chamber of Commerce and Industry (DCCI) Rizwan Rahman, attended the event as special guests. ERD Secretary Sharifa Khan chaired the seminar.

The burgeoning pharmaceutical sector of Bangladesh has witnessed exponential growth over the last few decades. The TRIPS waiver for least developed countries (LDCs) under the WTO-TRIPS agreement is one of the key drivers of such impressive growth. The industry has strong potential to accelerate its growth and create a bold footprint in the global market. Appropriate measures following an action-oriented roadmap are critical to tapping these opportunities and shielding against the erosion of waivers under the TRIPS agreement in the wake of the LDC graduation of Bangladesh in November 2026. In this context, the seminar was organised to take stock of the initiatives and preparedness that are already underway to address the challenges of the loss of TRIPS waivers.

Salman F. Rahman spoke about engaging lobbyist firms in the World Trade Organisation (WTO) for the continuation of the TRIPS waiver for Bangladesh after graduation. He also emphasised the quick operationalisation of API (Active Pharmaceutical Ingredients) parks. He called for closure of the mailbox system, created back in 2008 for submitting patent applications, as the system has lost its relevance in the present context.

ERD Secretary Sharifa Khan, in her speech, called for a strengthened partnership between the public and private sectors to prepare the pharmaceutical industry for the post-graduation phase. Secretary of the Ministry of Industries Zakia Sultana, in her speech, assured that the government would work in close collaboration with the private sector in amending the current patent law of the country.

Speaking during the event, the President of BAPI, Nazmul Hassan MP, said that the issues of affordability and public health should be considered while granting patents under the country's patent law. Nihad Kabir, in her speech, emphasised enhancing the country's legal expertise for the effective formulation and implementation of intellectual property rights-related provisions. "A strong partnership among the public and private sectors and industry actors focusing on preparing the pharma sector to sustain post-graduation is a must. As BUILD remains heavily engaged with public and private sector engagements, we can identify the challenges of this sector for helping the government consider policy reforms to create a more enabling environment," she said.

President of DCCI Rizwan Rahman said that the government should set up "Biotech Park" and "Genome Valley" to facilitate biotechnological research. He also called for incentives for the pharmaceutical sector, like the RMG sector. Senior Vice President of Bangladesh Association of Pharmaceutical Industries (BAPI) and Managing Director of Incepta Pharmaceuticals Ltd. Abdul Muktadir, in his presentation, called for negotiating with WTO to extend the TRIPS transition period relating to pharmaceutical products for Bangladesh until 1 January 2033, even if the country graduates from the LDC status. In his presentation, Prof. Dr. Mohammad Towhidul Islam from the Department of Law, University of Dhaka, said that Bangladesh might request the WTO for a country-specific TRIPS waiver for Bangladesh. Farid Aziz, Additional Secretary of ERD and Project Director of SSGP, welcomed the participants, while Ferdaus Ara Begum, CEO of BUILD, gave the vote of thanks.

Having underscored vital research and the need for skilled human resources, BUILD CEO Ferdaus Ara Begum expressed, "We need to strengthen this sector before LDC graduation. The government may look into the challenges and consider policy interventions in patent laws and relevant areas. From BUILD, we are very much open to assisting the sector in attaining sustainability." Representatives from BAPI, high-level officials of leading pharmaceutical companies, as well as key stakeholders across the government, private sector, and think-tank, participated in the event.



Stakeholder Consultations With MSMEs on Food Processing and Agro Machinery

Food and Agricultural Organisation (FAO) has undertaken a project titled "Background Paper and National Stakeholder Dialogue on Private Sector

Engagement in Climate Actions: Focus on Private Sector Investment in AFOLU Sector" to prepare a background paper to focus on private sector MSMEs' engagement in climate actions and investments in Bangladesh and organise a National Stakeholder Dialogue to catalyse private sector investments in the AFOLU, specifically Food Processing, Agro-machineries, Livestock, and Fisheries sector. As an implementing partner of this project, Business Initiative Leading Development (BUILD), in collaboration with the Centre for Climate Change and Environmental Research (C3ER), BRAC University, and Bangladesh Centre for Advanced Studies (BCAS), organised two stakeholder consultation workshops with the MSMEs of Food Processing and Agro Machineries Sector during August 2022 (11 and 22 August 2022) at NEC-2 Conference Room, Economic Relations Division (ERD) under the title "Stakeholder Consultation (Food Processing) on Private Sector Engagement in Climate Actions: Focus on Private Sector Investment in AFOLU Sector". The chief guest of the workshops was Kabir Ahamed, Joint Secretary, Wing Chief (UN), ERD.

The workshop's purpose was to understand better how MSMEs in the food processing and agro machinery sector were involved and their knowledge about climate change adaptation, climate finance, and climate change policy. Thus, it would help to prepare a background paper to focus on private sector MSMEs' engagement in climate actions and investments in Bangladesh and organise a national stakeholder dialogue to catalyse private sector investments in the AFOLU sector. Crispus Njeru, International Climate Change Specialist, FAO Bangladesh, spoke about the activities taken by FAO in his speech. He said FAO supports the government of Bangladesh in serving the citizens. FAO work through partners, and right now, they are working with a consortium of C3ER, BRAC University, BUILD, and BCAS to ensure that the private sectors are a part of the food and aggregated agenda. He also conveyed on behalf of Robert Simpson, country representative, FAO Bangladesh, that FAO is currently engaged in supporting private sector investment. FAO feels proud to associate with C3ER, BRAC University, and the consortium partners, he added. Ferdaus Ara Begum, CEO of BUILD, discussed the impact of climate change on the private sector. She discussed the role of private sectors, i.e., how they can adopt the green pathways to mitigate the effects of climate change and how we can take adaptive measures to reduce the loss





and damage. Ferdaus also outlined the project objectives and methodological framework, and the results of some study team exercises like stakeholder mapping, policy analysis, etc.



Meeting Between Bangladesh Bank and BUILD

A meeting with Khondkar Morshed Millat, Director (Sustainable Finance Department), Bangladesh Bank, was held on 21 July 2022 at Bangladesh Bank premises. Ferdaus Ara Begum, CEO, BUILD; Md Mehedi Hasan, Sr. Research Associate, BUILD; and Ahmed Julker Nine, Research Associate, BUILD, were present at the meeting.

The purpose of the meeting was to discuss the recommendations that were brought up in the dialogues and discussions that were undertaken under the Textile Sustainability Platform with the RMG stakeholders and relevant government organisations (TSP). During the years 2021 and 2022, these dialogues and conversations were organised by BUILD and the Policy Research Institute. Within the context of the Partnership for Cleaner Textile (PaCT) initiative, the IFC-WBG provides funding for the TSP. The purpose of the TSP is to encourage environmentally sustainable practices and efficient use of resources in the business sector. In response to the question about green finance attainment of Banks and Fls, Khondkar Morshed Millat said that 5% of all Term Loan Disbursement must be green financing. 20% of Total loan disbursement must be sustainable finance. He informed that Bangladesh Bank would recognise top-performing banks and FIs based on sustainability rating. Besides, Bangladesh Bank will consider other incentives for top-performing banks and FIs in due course of time. In the years 2020 and 2021, the Bangladesh Bank conferred its awards on

the top five financial institutions based on the following considerations: A total of 100 marks (sustainable finance 40%, core banking issues 45%, banking service 10%, CSR and refinance 5%). A minimum of BDT 50 thousand green finance is required for any bank to be selected. He told the audience that the industry average of green financing is now 3.55%. The industry average of sustainable finance is 9.96%. Training and awareness programmes pertaining to operations involving sustainable finance have been organised by 33 banks and five FIs.

New Challenges in the Economy of Bangladesh

State Minister for Planning Dr Shamsul Alam said that there is no crisis in the country's economy as Bangladesh is moving ahead in a planned way while there is no weakness in the planning process. "Bangladesh is under discomfort to some extent due to the global situation, but the country is under no crisis," he said. The state minister was speaking at a discussion titled "New Challenges in the economy of Bangladesh" as the chief guest organised by the Economic Reporters' Forum (ERF) held on 21 August 2022.

Chief Economist of Bangladesh Bank Dr Md
Habibur Rahman, Executive Director of Policy
Research Institute (PRI) Dr. Ahsan H Mansur,
Executive President of Bangladesh Knitwear
Manufacturers and Exporters Association (BKMEA)
Mohammad Hatem, Chairperson of Business
Initiative Leading Development (BUILD) Nihad Kabir
and BUILD Trustee Abul Kashem Khan attended the
programme as panellists.

BUILD Chairperson Barrister Nihad Kabir said there is sufficient stock of coal in the country, and there is a need to ensure maximum utilisation of the country's natural resources. "Staying competitive is the first challenge. Besides, various obstacles are being created in doing business owing to policies and regulations and thus raising the business cost. This is also a challenge," she added. Nihad said that the common people are now feeling the heat as the price of essentials like rice, fish, and chicken has increased in the market, which needs to be adjusted in line with the declining trend of fuel oil prices in the global market.

Former Chairperson of BUILD Abul Kashem Khan noted that energy security is critical while there has

been a discernible revolution in the country's energy over the years. "Energy has a crucial role in the dynamism that has been infused in the country's economy. But the country is now import-dependent on energy, and there is a need to categorically rethink the issue. There should be a primary plan to ensure optimum use of coal and gas in the country so that it could become self-reliant on energy within the next 10 to 15 years," he mentioned.



Stakeholder Consultation on Private Sector Engagement in Climate Actions

Food and Agriculture Organisation (FAO) has undertaken a project titled "Background Paper and National Stakeholder Dialogue on Private Sector Engagement in Climate Actions: Focus on Private Sector Investment in AFOLU Sector" to prepare a background paper to focus on private sector MSMEs engagement in climate actions and investments in Bangladesh and organise a National Stakeholder Dialogue to catalyse private sector investments in the AFOLU, specifically food processing, agromachineries, Livestock, and Fisheries sector.

In line with this, the Centre for Climate Change and Environmental Research (C3ER), BRAC University, Business Initiative Leading Development (BUILD), and Bangladesh Centre for Advanced Studies (BCAS) organised a Stakeholder Consultation Workshop titled "Stakeholder Consultation (Livestock and Fisheries) on Private Sector Engagement in Climate Actions: Focus on Private Sector Investment in AFOLU Sector" on 4 September 2022 from 9 am to 1 pm at NEC-2 Conference Room, Economic Relations Division (ERD), Sher-e Bangla Nagar, Dhaka.

The chief guest of the workshop was Kabir Ahamed, Joint Secretary, Wing Chief (UN), ERD, and the chair was Dr Ainun Nishat, Professor Emeritus and Advisor of C3ER, Brac University.

The objective of the workshop was to get a greater understanding of the ways in which MSMEs in the livestock and fisheries sectors were getting involved, as well as their expertise or know-how in climate change adaptation, climate financing, and climate change policy. As a result, it would be beneficial to develop a background paper that focuses on the participation of private sector MSMEs in climate actions and investments in Bangladesh, as well as host a national stakeholder conversation in order to accelerate private sector investments in the AFOLU sector.

S. M. Mahbub Alam, deputy secretary of ERD, said that the people involved in the livestock industry, small-scale businesses, and SMEs are unaware of the impacts of climate change on their businesses. He requested the businessperson to understand climate change and its implications because, though the negative consequences cannot be noticed immediately, they will face the effects soon. He gave an example of the vast carbon dioxide emission in meat production because of the food chain of cows and what initiatives should be taken for that. The alternative approaches can create a different business sector, such as producing seaweed to use as a substitute meal for livestock and fisheries.

Dr Dwijen L. Mallick, Senior Fellow and Director, BCAS, presented the introductory presentation explaining the project objectives on behalf of Dr Ainun Nishat. He added that if climate change vulnerability is measured correctly, Bangladesh would be in a much worse rank. Because of climate change, seasons, rainfall characteristics, and temperatures have changed – these negatively impact fi-sheries and livestock.

Ferdaus Ara Begum, CEO of BUILD, discussed the impact of climate change on the private sector. She discussed the role of the private sector, how they could adopt the green pathways to mitigate the effects of climate change and how we can take adaptive measures to reduce the loss and damage. She also briefly outlined the project objectives, methodological framework, and several -financing schemes available to adapt to climate change stakes. She gave a brief on the policy mapping exercise and a software-based exercise to know if the participants had issues getting results.







Discussion on Textile Competitiveness Platform

A meeting between Faruque Hassan, President, BGMEA, and BUILD representatives was held on 6 October 2022 at the Office Premise of Urmi Group at Gulshan. Ferdaus Ara Begum, CEO, BUILD, Md Mehedi Hasan, Sr. Research Associate, BUILD, and Md Shafat Hossain, Research Associate, BUILD, attended the meeting.

The purpose of the meeting was to engage in a thorough discussion regarding the establishment of the Textile Competitiveness Platform (TCP). This multistakeholder platform aims to bring together various stakeholders with diverse interests in the textile industry, with the primary goal of promoting innovative strategies for the readymade garments (RMG) sector to maintain its competitiveness in the ever-changing global apparel market. This objective is especially crucial in the aftermath of the COVID-19 pandemic as the industry navigates through the challenges and opportunities presented by the post-pandemic era.

Faruque Hassan shared the story of the formation of the Partnership for Cleaner Textile (PaCT) programme and his extensive involvement with this programme. He said, in general, at a knit factory, they would use 300 litres of water for dying 1 kg previously; now, it has been reduced to 100 litres. Some of the factories used 120 litres in the past. Now, their water use has been reduced to 80 litres. The central fact is that we are not helping the factories that use 400 litres of water because they are not working for the big brands.

Ferdaus Ara Begum said that under the PaCT programme of IFC-WBG, we founded the Textile Sustainability Platform (TSP) as a public-private

dialogue platform. It was an effective platform which worked closely with the government for policy simplification. BGMEA as the co-chair of TSP, was incredibly supportive of the TSP and PaCT agenda. In the second phase of TSP, three studies on textile sustainability, foreign direct investment (FDI), and financing. Responding to BUILD CEO's concern, Farugue Hassan said textile has the potential to attract FDI. He said that Bangladesh has no factory that produces elastic yarn. There are many spinning mills, but there is no elastic yarning factory. Taiwan and Korea are pioneers in producing elastic yarn. They have the technology to produce elastic yarn. We are consuming a considerable amount of elastic yarn. We are now importing this elastic yarn from Vietnam, China, Taiwan and Korea. Korean companies have invested in the Vietnamese elastic yarn sector. We are going to Korea on 22 October 2022 to discuss manufactured fibre and elastic yarn. Elastic yarn can be a good sector where we can attract foreign investors.

Ferdaus Ara Begum urged for identifying FDI potential sectors. According to her, these key sectors should be covered in Bangladesh Bank's industrial policy and associated policies. Otherwise, they will not get supportive funds. BUILD CEO sought support from the BGMEA research team for identifying the potential sectors. Faruque Hassan agreed with the BUILD CEO. He said he would connect the BUILD researchers with the BGMEA researchers to work together to prepare policy recommendations for the RMG stakeholders. As a neutral organisation, he noted that BUILD could raise policy issues with the relevant government authorities.

In response to the suggestion made by the BUILD CEO for the establishment of the Connect formation of TCP, Faruque Hassan gave his assent. In addition to this, he said that BGMEA would provide essential assistance to TCP. BUILD has handed over a report with the following title: "Implementation Status of the Recommendations Put Forward by the Series of Dialogues by IFC and Key Challenges to Implementation for Textile Competitiveness and a Consolidated Report on the Dialogues and Discussions Held Under the Textile Sustainability Platform (TSP) Project."

Faruque Hassan asked for a summary of today's meeting and said he would try to discuss it with the BGMEA researchers. He expressed his hope to fix a focal point for TCP after the discussion with them. At one point in his discussion, the BGMEA president

said, I hope TCP's activities will not contradict with others' programmes.

At the time of presenting the Business Licensing Guidebook published by BUILD, Ferdaus Ara Begum said that her team wanted to prepare the same licensing guidebook for RMG. In response to the BUILD CEO's proposal, Faruque Hassan asked for a concept note and formal proposal from BUILD.



Workshop on the Formulation of National Logistics Industry Development Policy for Bangladesh: Experience From Good Global Practices

To gather inputs from national and international experts, government officials and private investors to develop an integrated and efficient Logistics Industry Development Policy and to frame a holistic system both in terms of infrastructure and service development, a workshop on "Formulation of National Logistics Industry Development Policy for Bangladesh: Experience from Global Good Practices" was organised by the Ministry of Industries (MoI), Business Initiative Leading Development (BUILD), and the World Bank Group (WBG) at the InterContinental on 16-17 November 2022 in Dhaka. The Prime Minister's Office (PMO) and Business Initiative Leading Development (BUILD) developed the first public-private interaction forum termed "Logistics Infrastructure Development Working Committee (LIDWC)" in 2020 to overcome the logistics barrier to the economic development of the country. With the request of PMO, LIDWC, under the leadership of the Ministry of Industries (MoI), prepared a draft National Logistics Development Policy Framework this year. The inaugural session titled 'Importance of Logistics — Philosophy' set the tone of the two-day workshop and the need for an effective logistic development policy. Dr Shomik Raj

Mehndiratta, Practice Manager, Transport, World Bank South Asia, Md Jashim Uddin, President, FBCCI, Zakia Sultana, Secretary, Ministry of Industries, Md Tofazzel Hossain Miah, Senior Secretary, Prime Minister's Office; Kamal Ahmed Mojumder MP, Hon'ble State Minister, Ministry of Industries, were the special guests at the inaugural session. Nurul Majid Mahmud Humayun MP, Hon'ble Minister of the Ministry of Industries, graced the session as the Chief Guest. The session was chaired by Nihad Kabir, Chairperson, BUILD.

Nihad Kabir, Chairperson, BUILD, emphasised that NLIDP would be one of the key instruments to attain the national socio-economic targets for the years 2026 2030, 2031, and 2041. Most importantly, formulating the policy will be a step forward to making Bangladesh a regional multimodal integrated logistics and transport hub at a global height. Dr Shomik Raj Mehndiratta, Practice Manager, Transport, South Asia, World Bank, assured that WBG, in collaboration with PMO, BUILD, and other relevant stakeholders from the public and private sectors, will work closely to formulate the NLIDP of Bangladesh by considering the good policy initiatives practised by the developing countries. Md Jashim Uddin, President of FBCCI, urged that policymakers should focus on minimising coordination gaps among government agencies, digitalisation of the logistics system, modernisation of port management system, and smoothening the intermediate trade activities to improve the overall logistics support system.

Zakia Sultana, Secretary, Ministry of Industries, stated that MoI had included logistics as an exportdiversified and priority sector in the NIP 2022, and the rest of the policy formulation process will be facilitated by her ministry with utmost care. Md Tofazzel Hossain Miah, Senior Secretary, Prime Minister's Office, assured the participants that the PMO, as the centre of excellence, would take the lead to ensure coordination and harmonisation among the relevant ministries and agencies to make a comprehensive NLIDP for Bangladesh to attain the targets set by HPM. Kamal Ahmed Mojumder MP, Hon'ble State Minister, Ministry of Industries, suggested that to reduce the national logistics cost, logistic policy should be designed in such an inclusive manner that all tangible and intangible movement of goods or services can be ensured effectively on time under a structured policy framework. Nurul Majid Mahmud Humayun MP, Hon'ble Minister of the Ministry of Industries,

emphasised ensuring trade competitiveness and export earnings, as well as the domestic and FDI flow in the economy, for a balanced multimodal logistics management system, adding that it has been treated as one of the key decision-making factors for investment.



Day 1 — Session 2 Balancing Logistics Development for Accelerated Growth Through Export Diversi-cation

The session was moderated by Sharifa Khan, Secretary, Economic Relations Division, Ministry of Finance, while Dr M. Masrur Reaz, Chairman, Policy Exchange of Bangladesh; and Syed Nasim Manzur, President, LFMEAB, presented the keynotes. Dr Reaz recommended that land port development, inland water transport sector, and rail freight modernisation be adequately addressed to ensure a holistic approach in formulating the NILDP. Effective governance, efficient board clearance, ease of financing and hinterland connectivity should get the highest priority while developing the policy. To have a multimodal logistics management system, it is necessary to focus on an integrated network, One-Stop Service, modernisation of customs, bonded facility, etc. Nasim Manzur underscored the importance of considering inventory costs, road congestion, warehouse, lead time, etc., in preparing the national logistics policy in Bangladesh. President of FICCI Naser Ezaz Bijoy urged to modernise the air transport management system to global height and facilitate sustainable growth of the agriculture industry, including live and chilled fish and food processing. Selma Rasavac, Manager of South Asia-IFC, assured that IFC, as the development partner of Bangladesh, is committed to improving the businessenabling logistics scenario. The World Bank estimated that Bangladesh needed approximately \$100bn investment in the logistics sector by 2026 to achieve the target growth by 2030 and 2041,

respectively. WTO provisions need to be addressed while formulating policy to cope with the post-LDC graduation era, as mentioned by Md Hafizur Rahman, Additional Secretary of the Ministry of Commerce. "Two government projects are under process (located in Shyambajar and Purbachal) to improve the post-production management and export scenario of agribusiness in Bangladesh. SPS and other compliance issues will be completed in these stations", added the ERD Secretary.



Day 1 — Session 3 Formulating Logistics Policy — Learnings from Global Experience

Segment 1: Formulating and Implementing Logistics Policy and Improving Logistics Performance Nihad Kabir, Chairperson, BUILD as the session moderator, proposed the establishment of a regulatory authority to ensure the proper formulation and implementation of the NLIDP. Connect In his keynote speech, Dr Charles Kunaka, Lead Transport Specialist, World Bank Group, presented ten messages to the audience that create room to think while formulating the NILDP by considering these as the priority issues. Angshuman Mitra Mustafi, Country Manager of Maersk Bangladesh Ltd., requested policy enablers to consider good global experience to ensure logistics cost efficiency through responsive service. A multimodal transport system should be developed by coordinating road, rail, air, sea, and inland waterways. "Parameters should be set to evaluate the performance of these modes", suggested Ziaur Rahman, Regional Country Manager, H&M Bangladesh. Sheikh Faezul Amin, Additional Secretary of the Ministry of Industries, informed the audience at the workshop that the Industry Ministry is committed to extending policy assistance to have a balanced development of the logistics sector.



Segment 2: Formulating and Implementing Logistics Policy — Learning from Good Practice

Several South and South Asian countries have already prepared their logistics policy/act/strategy/masterplan, etc., to ensure harmonised development of the logistics industry to facilitate holistic economic development. To reach the global benchmark and competitiveness, logistics is one of the key enablers, pointed out by Asif Ibrahim, Chairman, Chittagong Stock Exchange. Dr Surendra Kumar Ahirwar, Joint Secretary, Ministry of Commerce and Industry, Government of India, said that India had formulated National Logistics Policy aimed at boosting economic growth, providing employment opportunities, and making Indian products more competitive in the global market. The strategy for the modal shift from road to rail and waterways should address the climate resilience logistics perspective. Moreover, as recommended by Shamim ul Haque, Country Director, DP World Bangladesh, upskilling and reskilling of the workforce needs to be addressed. Md Miarul Haque, Managing Director, DHL Express Bangladesh, urged to establish regulatory reform and development strategy for the air express transport system to create momentum in export growth. Facilitating the freight forwarding sector as the economic backbone would lead to the ultimate development of the logistics industry, emphasised Kabir Ahmed, President of BAFFA. Muhammad Safiur Rahaman, First Secretary of NBR, stated that modernisation and automation of NBR and Customs procedure is the key to expediting the shipment clearance and risk management system. Concentrating on holistic and comprehensive logistics philosophy is the demand to facilitate the logistics sector to reach socio-economic targets set in perspective plan 2041, emphasised by Nafiul Hasan, DG-1, Prime Minister's Offi-ce.



Day 2 — Session 1 Balancing Multimodal Transport System for Logistics Competitiveness

NBR and Customs should be considered the fifth pillar of success to ensure a multimodal logistics management system in Bangladesh. Harmonised coordination among the public, private, and development partners is the single key to reaching the multimodal logistics management system to a global height, addressed by the session chair Md Mostafa Kamal, Secretary, Ministry of Shipping. A B M Amin Ullah Nuri, Secretary of Road Transport and Highways Division, in his keynote address, informed of Road Transport and Highways Division's decision to update the National Integrated Multimodal Transport Policy 2013 in line with SDGs, 8th Five Year Plan, Perspective Plan, Delta Plan, etc. Martha B. Lawrence, Global Lead of the Regional Connectivity and Logistics Knowledge Group at the World Bank, in her presentation, hoped that the harmonisation of the road transport mechanism by reducing road congestion and trucking system modernisation in Bangladesh would reduce the logistics cost that will ultimately ensure price and production cost competitiveness. Abul Kasem Khan, Chairperson (Former), BUILD and Co-chair, LIDWC, urged the policy enablers to remove inconstancy between Customs Rules and ICD Policy along with other regulatory issues to ensure business and regulatory confidence among entrepreneurs. Captain Kamrul Islam Mazumder, Director, BICDA, requested the government to focus on the development of inland waterways transportation.

To reduce the congestion and the over-dependency on the DHK-CTG highways, he added that southern river routes should be utilised with the utmost care. Md Ariful Hoque, Director of BIDA, highlighted the government's target to reach \$300 bn of export earnings and to attract FDI inflow worth at least 3% of GDP by 2041. To facilitate the targets,





Bangladesh needs an efficient logistics management system. BIWTA Chairman Commodore Golam Sadeg pointed out that navigation, upgradation, and utilising waterways are crucial ways to have a modal shift and balanced multimodality. Port logistics, hinterland connectivity, port community system, port greening, and maritime tourism would promote subregional waterborne trade. Sukesh Kumar Sarker, Additional Secretary of the Ministry of Civil Aviation and Tourism, mentioned that the freight modernisation system is highly prioritised to boost the export growth of agro, fisheries, and pharmaceutical industries in Bangladesh. Rail freight and passenger transportation get the highest priority from Bangladesh Railways to ensure Trans-Asia Rail connectivity, expressed by Dhirendra Nath Mazumder, DG, Bangladesh Railways. In the first session of the closing day on 17 November 2022, titled "Balancing Multimodal Transport System for Logistics Competitiveness", two keynotes were presented by A. B. M. Amin Ullah Nuri, Secretary of Road Transport and Highways Division, and Martha B Lawrence, Global Lead of the Regional Connectivity and Logistics Knowledge Group at the World Bank while Md Mostafa Kamal, Secretary of the Ministry of Shipping, graced the session as chair.

The Secretary of RTHD reiterated the need for updating and implementing the National Integrated Multimodal Transport Policy 2013 by portraying dedicated development strategies for different modes of transportation addressing. The government has taken several mega projects by considering improving the logistics scenario as one of the most priority issues. But, without the complete automation of the Customs and NBR procedures, all the initiatives will fail. Harmonised coordination among the public, private, and development partners is the single key to reaching the multimodal logistics management system to a global height, pointed out by Md Mostafa Kamal, Secretary, Ministry of Shipping. The government of India has invested 99,000 crore rupees through the Sagarmala PPD Model Project to ensure port-led economic growth by considering the potentials of coastal areas, informed by Abul Kasem Khan, Co-chair of LIDWC, BUILD.

Closing Session

Md Nurul Islam Sujan MP, Hon'ble Minister, Ministry of Railways, graced the workshop's closing session as chief guest. There is no alternative to ensure transport cost efficiency without the modern railway system. Ongoing projects of the Ministry of Railways



will connect Bangladesh to Trans-Asian Railway Network, leading to exploring new export markets with diversified products. To make Bangladesh a multimodal logistics hub of the South Asian region, the Ministry of Railways will extend all possible assistance in a coordinated manner, assured by the Hon'ble Railways Minister.

Chair of the closing session, Nihad Kabir, BUILD Chairperson, highly appreciated the initiatives of the Ministry of Railways for taking several policy reforms and projects to improve the freight and passenger transportation management system in Bangladesh.

Dr Shomik Raj Mehndiratta, Practice Manager, Transport, South Asia, World Bank, informed the audience that as the development partner of Bangladesh Government, they have been assisting in the infrastructure development of rail, road, waterways, bay terminal, land port modernisation, etc. Martin Holtmann, Country Manager (Bangladesh, Bhutan, and Nepal), IFC, highly appreciated the improvement of the logistics environment of Bangladesh in the last few years by implementing policy reforms and infrastructure projects that will ultimately put tremendous momentum in GDP and economic growth of the nation by reducing the logistic cost. IFC will be glad to provide all sorts of assistance to formulate a national logistics industry development policy, he added.

An outcome report of the workshop will be prepared and presented by BUILD at the upcoming meeting of the Logistics Infrastructure Development Working Committee at the Prime Minister's Office very soon when all the speakers of the two-day workshop will be invited to validate the placed recommendations and way forward to formulate a visionary National Logistics Industry Development Policy of Bangladesh,

addressed by Ferdaus Ara Begum, CEO of BUILD as the wrap-up remarks of the workshop. ■



National Dialogue on Private Sector Engagement in Climate Action Held

Business Initiative Leading Development (BUILD), in association with the Centre for Climate Change and Environmental Research (C3ER), BRAC University and Bangladesh Centre for Advanced Studies (BCAS) with support from the Food and Agriculture Organisation (FAO) and Economic Relations Division (ERD) organised a National Dialogue on 'Private Sector Engagement in Climate Action' focusing on the MSMEs of AFOLU sector on 24 November 2022 at NEC Auditorium, Planning Commission. The chief guest of the workshop was Sharifa Khan, Secretary, Economic Relations Division (ERD).

Sharifa Khan, Secretary of the Economic Relations Division, said that we are the victim of climate change. However, our contribution to Green House Gas (GHG) emissions is meagre. Climate change has started impacting our lives and livelihood as well. She emphasised taking the initiative immediately to fight against climate change. Dr Ainun Nishat, Advisor, Professor Emeritus and Advisor of the Centre for Climate Change and Environmental Research (C3ER), BRAC University, highlighted the impacts of climate change on agriculture, food production and the private sector. Dr Kristopher Johnson, Team Head and Environment, Forestry and Climate Change Consultant of FAO Bangladesh, expressed his happiness for the partnership with C3ER, BCAS and BUILD. He said the topic of engaging the private sector in climate action is not a straightforward thing. Ferdaus Ara Begum, CEO, BUILD, in her presentation titled 'Private Sector Engagement in

Climate Actions: Focus on Private Sector Investment in AFOLU sector', said that public resources would not be enough to meet climate adaptation needs, private sector investment will be critical to closing the adaptation funding gap. She informed that some of the policies and plans taken by the Bangladesh Government, such as SME Policy 2019, Light Engineering Policy 2022, Import Policy Order 2021-24, Plan of Action (2008-15) and Bangladesh Investment Handbook, etc. lack specific directives for MSMEs of AFOLU sector for tackling climate change. She said that MSMEs' hazard-specific climate change vulnerability needs to be explored.



BUILD Trustee Board and World Bank to Reach the NLIDP Next Level

A meeting between BUILD and World Bank was held on 13 December 2022, entitled "Designing Future Course of Action and Way Forward to Formulating National Logistics Industry Development Policy (NLIDP)". The meeting was chaired by Nihad Kabir, Chairperson, BUILD, while Ferdaus Ara Begum, CEO of BUILD, in her presentation, elaborated on the initiatives BUILD took in collaboration with the World Bank Group to formulate the NLIDP as well as portrayed the way forward in that respect.

Nusrat Nahid Babi, Transport Specialist, World Bank, expressed cordial gratitude to the BUILD Trustee Board and the BUILD Team for their valuable leadership and enormous effort to do the workshop entitled "Formulating National Logistics Industry Development Policy for Bangladesh: Experience from Global Good Practices" a great success.

As BUILD has taken the initiative to design the NLIDP, Abul Kasem Khan, Co-chair of the LIDWC at BUILD, suggested that BUILD, with the backing of

DCCI, MCCI, and CCCI, should be in the lead to aid the government in that regard.

BUILD Chairperson pointed out to consider macro issues like inland port development and modernisation of container handling issues while formulating the policy. Besides, the supply chain of significant, potential, and promising sectors like RMG, agriculture, etc., should be portrayed. BUILD's CEO informed that the workshop's outcomes would be presented in the next meeting of LIDWC and the 14th meeting of PSDPCC at Prime Minister's Office by early 2023.



Promoting Blended Financing

A workshop on blended finance to promote green growth was held at the NEC Conference Room, Bangladesh Planning Commission, on 23 November. It was jointly organised by General Economic Division (GED), and United Nations Development Programme (UNDP) and British High Commission.

M. A. Mannan MP, Hon'ble Minister, Ministry of Planning, GoB, and Dr Shamsul Alam, Hon'ble Minister for State, Ministry of Planning, GoB, were present as Chief Guest and Special Guest, respectively. Dr Fahmida Khatun, Executive Director, CPD, presented the keynote paper. During the workshop, participants examined difficulties related to the institutional set-up needed to mobilise green development in areas where public and private financing may help advance green growth.

BUILD CEO Ferdaus Ara Begum participated in the discussion and highlighted the regulatory gaps to see if there is any potential for crowd financing to work for blended finance, she added. She enquired about de-risking private finance and creating an enabling environment for private sector support. She

said that Bangladesh's tax-to-GDP ratio is low and that there is a need to investigate how tax waiver for green development may work. She also proposed boosting green growth employment, resolving governance concerns, climate migration, and developing sub-sectoral strategies.



BUILD for Full Implementation of Trade Facilitation Provision Before Graduation

Bangladesh will graduate as a developing country by 2026; it is transitioning from a least-developed country (LDC) to an upper-tier economy determined by the United Nations (UN). As LDC, it was availing some economic advantage based on priority (trade quota, GSP, availing international soft loans or grants and aid) since it joined the UN after its independence.

It is also enjoying the trade-related advantage as LDC under the General Agreement on Trade and Tari (GATT) 1994 and the trade facilitation Agreement (TFA) protocol of the World Trade Organisation (WTO) such as subsidy, bound tari, other duties at import level was under a soft binding by rules-based trading system of WTO.

As a private sector stakeholder and think tank BUILD attended the sixth consultation meeting of the Tari Rationalisation study group on 24 October 2022 at the National Board of Revenue conference room, where BIDS, BTTC, PRI, and FBCCI representatives were present.

BUILD opined on some specific points regarding the issue as follows. Existing tari s or minimum value possess the same policy status that is strictly followed in case of customs valuation apart from abiding by Customs valuation rule 2000. Phasing out of Minimum Value and customs valuation process need

to be well consulted with the export-import related stakeholders. BUILD CEO Ferdaus Ara Begum, and World Bank Group representatives joined the meeting.



Dev Partners Should Strongly Support Climate Change-Related Actions of LDCs

"Development partners should strongly and decisively support the climate change-related action and ambitions of the world's Least Developed Countries (LDCs)", experts said at a workshop entitled "UNCTAD LDC Report 2022: Implications for Bangladesh", organised by Support to Sustainable Graduation Project of Economic Relations Division (ERD) on 19 December 2022.

BUILD CEO Ferdaus Ara Begum attended the meeting as a speaker. The Hon'ble State Minister of the Ministry of Planning, Shamsul Alam, who was there as the chief guest, stated that Bangladesh is attempting to have international climate financing split evenly between adaptation and mitigation.

BUILD CEO said that although LDCs had set ambitious emission-reduction targets for themselves, international support for adaptation and sustainable development of LDCs had so far fallen remarkably short of what is needed.

Workshop on Internal Resource Mobilisation and Tariff Rationalisation

BUILD Chairperson Nihad Kabir attended the national workshop titled "Internal Resources Mobilisation and Tariff Rationalisation in Bangladesh" on 3 September 2022. The Ministry of Finance organised the event. Principal Secretary to the Prime Minister, Dr Ahmad Kaikaus spoke at the workshop as the chief guest, presided over by Senior Secretary of the Finance Division Fatima Yasmin.



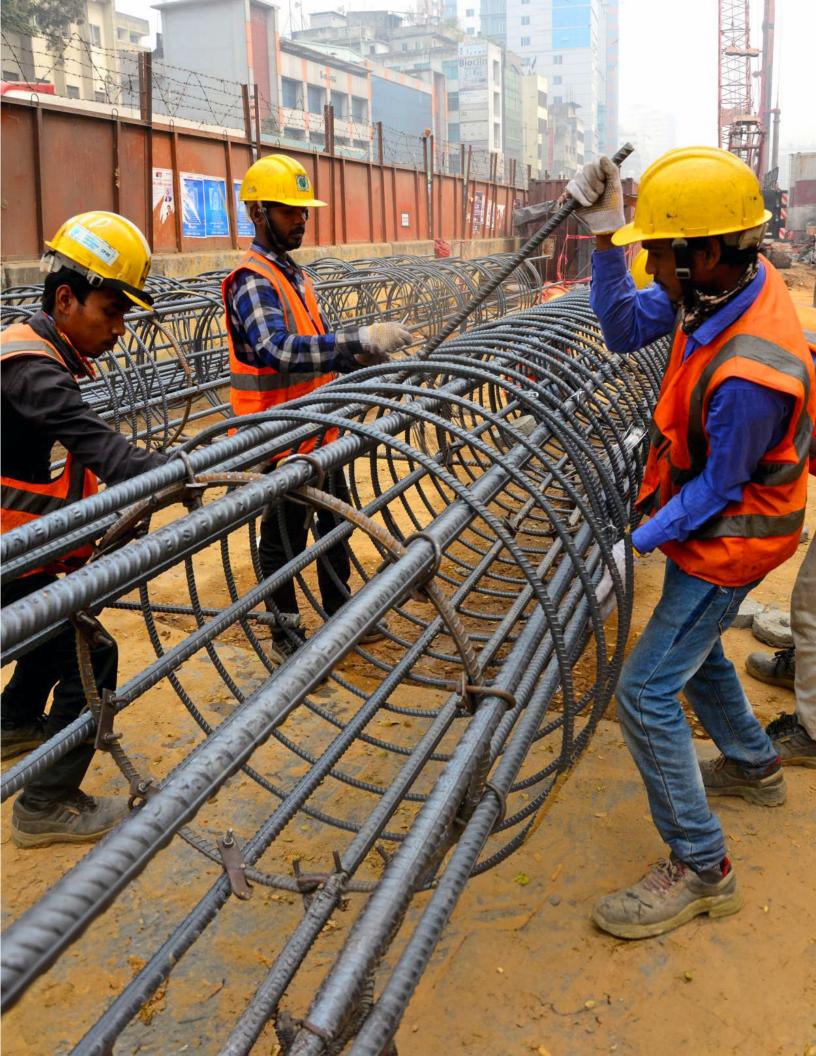
FBCCI President Md Jashim Uddin, BGMEA
President Faruque Hassan, BIDS Director General Dr
Binayek Sen, and PRI Chairman Dr Zaidi Sattar
spoke. BUILD Chairperson and BUILD CEO Ferdaus
Ara Begum raised several pertinent issues for tariff
rationalisation to face LDC graduation challenges.
Bangladesh Bank Governor Abdur Rouf Talukder,
National Board of Revenue (NBR) Chairman Abu
Hena Md Rahmatul Muneem, and Senior Secretary
of the Ministry of Commerce Tapan Kanti Ghosh
spoke as panellists.



Sixth Meeting of Tariff Rationalisation at NBR

BUILD CEO attended the sixth meeting by the study group on Internal Resource Mobilisation and Tariff Rationalisation Committee of the LDC Graduation Core Committee. The committee has specific terms of reference to address the challenges of tariff rationalisation, reduce SD and RD, keep local industries' interest intact and propose a Tariff Rationalisation Policy.

The meeting discussed specific issues of tax rationalisation to make the policy WTO compliant, keeping the private sector's interest as it is. ■







Workshop Discussing Sylhet's Economic Growth

Speakers at a workshop in Sylhet have called for reaping the full potential of local agriculture, tourism, and geographic location to enhance the region's economic growth. Simultaneously, they have called for creating a business-friendly environment for the non-resident Bangladeshis to attract investment from the NRBs. Support to Sustainable Graduation Project (SSGP) of the Economic Relations Division (ERD) organised the workshop styled "Local Level Stakeholders Consultation on Inclusive, Smooth and Sustainable LDC Graduation" in collaboration with the district administration of Sylhet as well as the Sylhet Chamber of Commerce and Industry.

ERD Secretary Sharifa Khan graced the occasion as chief guest. At the same time, the President of the Sylhet Chamber of Commerce and Industry, Mr Tahmin Ahmed, attended the event as a special guest. Deputy Commissioner of Sylhet, Md Mozibor Rahman, chaired the workshop. Notably, Bangladesh met all the criteria for graduation from the LDC status during the triennial review of the Committee for Development Policy (CDP) of the United Nations in 2018 and 2021.

Consequently, CDP recommended Bangladesh for LDC graduation with a five-year-long preparatory period. The United Nations Economic and Social Council (ECOSOC) has duly endorsed the recommendation. Subsequently, United Nations General Assembly (UNGA) has taken note of Bangladesh's graduation recommendation during its 76th session held in November 2021. The country is set to leave the list of LDCs by 2026 after enjoying a preparatory period of five years.

The Government of Bangladesh is attaching the highest priority on ensuring smooth and sustainable graduation with momentum. It has formed a National Committee on LDC Graduation (NCG), headed by the Principal Secretary to the Honourable Prime Minister, involving all the relevant Ministries and organisations from both public and private sectors. Seven thematic subcommittees have been formed under the guidance of the NCG to address various core issues related to graduation. The United Nations recommend that a graduating LDC prepare a national smooth transition strategy (STS) during the preparatory period in cooperation with the relevant stakeholders. The 9-member Subcommittee on STS, led by the Secretary ERD and co-led by the Secretary of the Prime Minister's Office, is tasked with formulating the STS. ERD has undertaken a project called "Support to Sustainable Graduation Project (SSGP)" to identify the impacts of graduation, to provide necessary capacitybuilding supports and other necessary supports to the relevant ministries as well as to promulgate this historic achievement at home and abroad by producing various research papers and publications related to graduation.

In this context, ERD, with support from SSGP, has been organising a series of workshops at the local level to sensitise the grassroots level stakeholders regarding the process and opportunities of LDC graduation as well as to discuss how the local level stakeholders can be involved in the process of ensuring smooth and sustainable LDC graduation.

ERD Secretary Sharifa Khan termed LDC graduation a matter of pride for the country. Recalling that Bangladesh had been able to tackle various global challenges in the past successfully — she hoped that Bangladesh would similarly be able to maintain the development momentum even after the LDC graduation.

In his speech, the Deputy Commissioner of Sylhet, Md Mozibor Rahman, said that awareness building and sensitisation about LDC graduation at the grassroots level would help make the country's development process more inclusive and sustainable.

President of the Sylhet Chamber of Commerce and Industry, Tahmin Ahmed, emphasised on necessary training and skill enhancement of the local population to prepare the country for LDC graduation. Additional Secretary of ERD and the Project Director of SSGP, Farid Aziz, delivered the welcome remarks of the event. In his welcome remarks, Aziz emphasised sensitising the local private sector representatives, especially the exportoriented industries, about the opportunities to be created by LDC graduation in the country. Component Manager of SSGP, Md Anwar Hossain, delivered a presentation titled "Inclusive, Smooth and Sustainable LDC Graduation: Challenges and Way Forward" during the workshop.

Chief Executive Officer of BUILD, Ferdaus Ara Begum, delivered a presentation titled "Participation of Private Sector and other Stakeholders at Sub-National Levels for Graduation with Momentum: Strategy Going Forward". Speakers at the workshop highlighted the process of LDC graduation and its impacts on Bangladesh. They emphasised productivity enhancement and diversification of local industries (e.g., agriculture) and export sectors in the context of LDC graduation. The workshop also discussed the effective role that all stakeholders can play in creating a more business-friendly environment for women entrepreneurs as well as small and medium enterprises.

Upazila Chairman of Sylhet Sadar, Alhaj Ashfaque Ahmed, Managing Director of Baraka Power Ltd., Fahim Ahmed Chowdhury and Associate Professor of the Department of Architecture of Shahjalal Science and Technology University, Subrata Das, also spoke during the workshop. Officials from ERD and SSGP, officials from the district administration, as well as representatives from the private sector and civil society, participated in the workshop. BUILD CEO presented a paper titled "Sub-national Level Stakeholders' Participation in LDC Graduation Strategy for Going Forward". The paper highlighted the potential sectors of Sylhet for new business development and how to prepare the private sector to face the challenges of LDC graduation.

5th Business Confidence Survey Launched

Business Initiative Leading Development (BUILD) first proposed the idea of carrying out a Business Confidence Survey (BCS) in 2013, with the goal of gaining a deeper comprehension of the perspectives held by various business companies on the current condition of the business environment. Since 2013, BUILD has conducted four BCSs in 2013, 2014, 2015 and 2019. The previous BCSs conducted by BUILD collected qualitative information, which helped



monitor the country's current business situation and predicted short-term development. This regular reading of the pulse of the private sector provided indicators about turning points in the business cycle and deeper problems and guided businesses for contraction or expansion.

In 2022, BUILD started conducting the 5th BCS. USAID Feed the Future Bangladesh Trade Activity provides technical assistance for the 5th BCS. The objective of the 5th BCS is to anticipate turning points in economic activities so businesses can get an early signal to take preparation and plan accordingly for expansion or contraction of their business plans.

The survey will gather enterprises' perceptions about general business conditions in the past six months and their expectations in the upcoming six months. In addition, the BCS will collect information from companies on their current operating capacity, cost of doing business, and factors limiting business activity and investment.

The primary purposes of the BCS are to:

- obtain qualitative information for use in monitoring the current business situation and forecasting short-term developments
- determine the challenges faced by entrepreneurs
- provide necessary guidance in developing macro and micro-economic policies

The data collection was launched on 11 September 2022 in presence of BUILD CEO Ferdaus Ara Begum; Igor Gutan, Deputy Team Leader, USAID Trade Activity, and enumerators.







The Toy Industry in Bangladesh — Experiences From Visits to Some Local Industries in Keranigonj

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

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

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

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

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



Focus Group Discussion on Reforms in Trade License Obtaining and Renewal Procedure

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

So, BUILD, and the Trade Activity jointly arranged an exclusive online FGD session with micro and small entrepreneurs of Dhaka South-North and Gazipur City Corporations on 12 May 2022. Trade license is the primary and mandatory requirement for every form of business entity in Bangladesh, whether a small shopkeeper or a large business entrepreneur. It is issued by the local government of the respective areas. Every business entity must obtain Trade License from each local government where it operates. If a business entity has more than one place of business, it must obtain Trade License from each local government. It is issued for one year and has to be renewed annually.

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

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

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

Digitalise the trade licensing system throughout the whole country is highly recommended to reduce time, cost and hassle. Besides, digital payment or mobile banking systems also need to be introduced for easy and hassle-free payment. Moreover, rationalised fees (issuance and renewal) for micro/cottage entrepreneurs, increasing renewal

frequency of trade license, resolving address of the entity issue for obtaining trade license in case of ecommerce, f-commerce or any type of online business were also highlighted in the FGD.



Bangladesh Trade Portal "Agro-Trade Section" Workshop

Bangladesh Regional Connectivity Project-1 and Bangladesh Trade Facilitation (BTF) project jointly organised a workshop to finalise the proposed "Agro-Trade Section" for Bangladesh Trade Portal on 31 May 2022, at the CIRDAP Auditorium, Dhaka. Ferdaus Ara Begum, CEO of BUILD, gave the keynote presentation titled 'Broad Outline of Proposed Agro-Trade Section' at the workshop.

In the keynote presentation, Ferdaus Ara Begum informed that the Ministry of Commerce (MoC) operates Bangladesh National Trade Portal (BTP) in compliance with Article 1 of the Trade Facilitation Agreement of WTO. BTF Project supported by USDA has prepared an outline for the Agro Trade Section of Bangladesh Trade Portal. The design and content of the portal will be strictly based on the needs and demands of the potential beneficiaries. A transparent and complete information hub will be constructed by BTF.

She said that BUILD helped BTF to validate the outline of the agro-trade section through the "Developing Agro-Trade and Agricultural Goods Clearance Section" project. BUILD conducted detailed one-to-one and group interviews and focus group discussions (FGD) on soliciting stakeholders' views on the proposed agro-trade section of BTP. Besides, BUILD consulted secondary materials and government publications.

Four group discussions were held to discuss the proposed agro-trade section. These discussions were moderated by the subject matter experts and facilitated by BUILD and BTF officials. Also, four separate presentations were given by BTF Officials, BUILD officials, and audiences.

The workshop was chaired by Md. Mijanur Rahman, Project Director, BRCP-1, Ministry of Commerce. Mahbubur Rahman, Director General (Additional Secretary), Export Promotion Bureau (EPB), MoC, was the chief guest at the workshop. Michael J Parr, Project Director, Bangladesh Trade Facilitation Project, was present at the workshop.



Trade Licence Discussion with WEND

On 16 June 2022, during a WEND (Women Entrepreneurs Network for Development Association) seminar, Ferdaus Ara Begum, the CEO of BUILD, had the privilege of being the special guest. Her presence at the event brought significant insights and expertise to the topic of trade licenses, a crucial aspect for women entrepreneurs (WEs) seeking to establish and operate their businesses.

During her speech, Ferdaus Ara Begum shed light on the process of obtaining trade licenses and emphasized the importance of acquiring them efficiently and expeditiously. Recognizing the challenges faced by WEs in navigating the complexities of trade licensing procedures, she provided valuable guidance and practical advice on how to streamline the process.

Drawing from her extensive experience in business development and advocacy, Ferdaus Ara Begum highlighted various strategies and best practices that can help WEs secure trade licenses promptly. She discussed the importance of understanding the

specific requirements and documentation needed for licence applications while also emphasizing the significance of timely submission and adherence to regulations.



BUILD CEO in Roundtable

A roundtable on the outcome of the 12th WTO Ministerial Conference was held at the ICAB for a global impact analysis of the proper functioning of the World Trade Organisation (WTO). Sharifa Khan, Secretary, ERD, was present as Chief Guest. Md Shahadat Hossain FCA, President, Md Humayun Kabir FCA, Past President and Council Member, N. K. A. Mubin, Vice President, and Shubhashish Bose, CEO, ICAB were present.

Referring to a World Bank study, BUILD CEO Ferdaus Ara Begum, speaking as the panellist, said if cargo loading and unloading time at the country's ports can be reduced by one day, exports will increase by more than 7%. Similarly, she added that if logistics costs were 17% less and traffic speed on the highways at 40 km, the country's overall export would have increased by 19%.

Seminar on Nation Branding

BUILD CEO Ferdaus Ara Begum attended the "Nation Branding: Attracting New Talent and Investment Worldwide" seminar on 25 July 2022. The Bangladesh Securities and Exchange Commission (BSEC) organised the seminar in collaboration with Bloomberg LP. The programme's chief guest was Prime Minister's Private Industry and Investment Adviser Salman F. Rahman. "From a branding standpoint, you clearly have to speak about good aspects and how we can manage risks," he remarked. Exploring choices and coordinating efforts, among other things, said Senior Foreign



Secretary Masud Bin Momen, were essential for country branding. Nation branding strategy is not the same as corporate or different types of advertising or public relations initiatives. "Bangladesh has become a development role model in the eyes of foreign institutions, and our consistent increase in economic and social indices is a miracle," BSEC chairman Prof. Shibli Rubayat Ul Islam remarked.



Seminar on WTO MC-12

BUILD CEO Ferdaus Ara Begum attended the seminar entitled "WTO MC-12: Implications for Graduating LDCs" held on 26 July 2022 at the BIAM Foundation in the capital. Support for Sustainable Graduation Project (SSGP) under Economic Relations Division (ERD) organised the seminar.

As the speaker, she emphasised internal capacity building, export diversification, foreign direct investment and skill enhancement for preparing the country for the post-graduation scenario.

Former Member of Bangladesh Trade and Tariff Commission (BTTC) Dr Mostafa Abid Khan, CEO of International Trade Expert of SSGP, ERD Nesar Ahmed were the panellists of the session. ERD Secretary Sharifa Khan moderated the session.

The seminar also examined the MC-13's future steps in light of Bangladesh's projected graduation from LDC status in November 2026. A number of participants from different trade organisations, the business sector, the government, and think tanks took part in the debate, emphasising the need to simplify trade facilitation concerns and strengthen the ability to stay competitive in the post-graduation scenario.



Visit to the API Park

BUILD CEO accompanied the Secretary, Ministry of Industries and others concerned for a visit to the API (Activated Pharmaceutical Ingredients) Park in Munshiganj on 8 August 2022 to get an idea about the present situation and development of the API Park. After the visit, a meeting discussed building new enterprises there. BAPI members and pharma representatives were present to interact with the concerned government officials. BSCIC Chairman was also present at the meeting. BUILD CEO was requested to raise the importance and changing role of the pharma sector when intellectual property rights (IPR) for the pharma products will be effective after LDC graduation by November 2026.

BUILD CEO Attended CPD's Web Portal Launching Event

BUILD CEO attended as a panel speaker at the event titled "Launching Web Portal on Setting Up Factories: Licencing, Certificate and Registration" by Centre for Policy Dialogue (CPD) on 2 October 2022 at the Hotel Westin.



BUILD has been publishing the Business Start-Up Licences: A Regulatory Guide since 2012 to provide a critical source of information regarding licence, permit, approval, certificate, registration etc. It is working on the sixth edition of the licence book now and aspires to gradually incorporate all other possible licencing requirements in its subsequent editions.

In her remarks, BUILD CEO said, "it would be a brilliant addition if a step-by-step method and a time frame could be supplied. Also, the desk-to-desk journey needs to be mentioned. The flowchart could include the responsible authorities for issuing the licence or certificates for the factories and establishments and the inspection and re-inspection process of the responsible authorities".

"In the process map, business process reengineering is another critical area. The flow chart of CPD has given the requirements of the documents nicely. However, the order of the document can be given some importance; a synchronisation system could be there, but the web portal only shows the required documents for availing licences".

"The procedure of obtaining licences is complicated by the fact that there are a number of undocumented conditions that must be met. Since this online portal is solely concerned with the development of factories for specific industries, its scope is limited. As a result, it is possible that this may not be beneficial to all of the stakeholders. She suggested that the inspection tab be made more specific for the various stakeholders in order to make it more user-friendly for business owners and entrepreneurs".

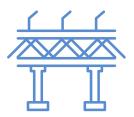
"In addition to the registration for environmental and social responsibilities, opening a factory in any of the targeted industries (including RMG, leather, food processing, and pharmaceuticals) necessitates the completion of a substantial number of business-related forms and paperwork and obtaining of additional licences and certifications".

"Last but not least, in order to get licences and certifications, businesses almost always need assistance from intermediaries. It is possible that some of this information may come in handy. If the applicable acts, regulations, or laws in the editorials may be of use to the reader, licences are often granted under such provisions".



International Events

in 2022



BUILD has made significant contributions on the international stage by organising and participating in various global events, reinforcing its commitment to sustainable economic growth and inclusive development.



Consultation Session on Harmonising Terminology of Women's Entrepreneurship in Bangladesh

Business Initiative Leading Development (BUILD) and International Trade Centre (ITC) SheTrades
Programme, in collaboration with Bangladesh
Standards and Testing Institution (BSTI), decided to work together to develop and adopt the globally recognised ISO standard definition of Women
Entrepreneurship (ISO IWA 34:2021) in Bangladesh. In this context, a virtual discussion programme was

arranged on 19 April 2022 to discuss a clear and universally agreed-upon definition of women-owned and women-led businesses in the country — different institutions are using multiple terminologies. Along with Selima Ahmad MP and BWCCI President, Representatives of the Ministry of Industries, several Chamber Presidents, and women entrepreneurs joined the virtual programme to share their views on the subject issue.

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

to public procurement. She also shared examples of several countries accepting ISO definitions and what benefits they have received.

In his speech, Edison Yap, Associate Economic Affairs Officer, SheTrades Initiative, International Trade Centre, informed that the sector has been suffering from policy support because of the non-existence of harmonised global definition of women entrepreneurs. ITC, ISO and others have prepared four WE definitions to ensure institutional recognition of their economic activities. Adopting and integrating the ISO IWA 34:2021 standard of WEs definition in Bangladesh will make the segmented entrepreneurs eligible for a policy and monetary assistance. Countries should set the definition by considering the nation's business environment and the demand of the women entrepreneurs' community.

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

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

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

Rezwana Khan, Secretary-General, BWIT, informed that the tech industry has been suffering valuation constraints while availing bank loans. A strong Monitoring Evaluation Accountability and Learning (MEAL) system should be adopted by the Ministry of Finance and Bangladesh to ensure accountability of the AD Banks on loan disbursement to the service

sector. Banks are not interested in providing loans to the tech industry in Bangladesh.

Dr Nadia Binte Amin, President, WEND and Director, FBCCI, said that harmonisation between ownership, management control, and leadership should be considered to design the definition. There should be a provision to redesign the definition of CMSMEs by considering men and women-owned businesses. According to Sharnalata Roy, President of the Sylhet Women Chamber of Commerce and Industries, an initiative should be taken to raise awareness among trade leaders and WEs in the CMSMEs sector. The government has launched a number of business-friendly programmes to support WEs, but the industry is mostly unaware of them. In this sense, information gaps should be discovered and addressed. Bangladesh Bank should step forward to ensure the accountability of AD banks to facilitate WEs wholeheartedly.

Md Salim Ullah, Senior Assistant Secretary, Ministry of Industries, informed that the Ministry of Industries includes a dedicated chapter regarding women entrepreneurs in the draft of the National Industrial Policy 2022. He requested to send the outcomes of today's session to Mol so that they would be able to accommodate the remarks in the draft policy, which is going to be finalised very soon. Anahita Vasudevan, Associate Economic Affairs Officer, Policy, ITC SheTrades Initiative, informed that the governments of Gambia and Zambia include the definition of WEs in the national policy. They also facilitate the WEs to participate in the national public procurement mechanism through harmonised policy assistance.

Ismat Jerin Khan, President, PWCCI, suggested that the government may provide policy and fiscal assistance and incentives to provide certifications like compliance issues to enter the export market with a potential export basket. Government may introduce International Certification Policy for Women Entrepreneurs to simplify processes and win tenders.

Chief Representative of JICA Bangladesh Paid a Visit to BUILD

The chief representative of JICA Bangladesh, Hayakawa Yuho, paid a courtesy visit to the BUILD office on 30 May 2021. The CEO of BUILD, Ferdaus Ara Begum, provided a rundown on how two organisations might begin working together on







projects and explore opportunities with the private sector.

Yuho informed that JICA will implement a new phase of the technical cooperation project to support BEZA's development and further enhance OSS for specific SEZs. The Chief representative of JICA Bangladesh emphasized the country's potential and assured full support for the development. JICA expressed interest in receiving support from BUILD to connect with the private sector and understand its needs.

BUILD and JICA will collaborate to highlight investment and the business climate of Bangladesh. The meeting was attended by representatives from JICA, MIDI Economic Zone Development, Port and Private Sector Development, and BUILD team members.



BUILD and JETRO for Signing FTA

Yuzi Ando, Country Representative, JETRO Dhaka, called on BUILD CEO Ferdaus Ara Begum at BUILD to discuss joint collaborative activities and explore opportunities with the private sector and BUILD.

BUILD and JETRO will make a joint seminar in August to share the findings of the survey titled "2021 JETRO Survey on Business Conditions of Japanese Companies Operating Overseas (Asia and Oceania) with a Focus on Bangladesh". The significant tax and investment obstacles that Japanese companies encountered in Bangladesh were a primary topic of discussion at the meeting, among other topics. In the coming days, both will be concentrating their efforts on facilitating the signing of agreements between Bangladesh and Japan. BUILD Consultant Azim Syed was among those present during the meeting.



Meeting Between IDG and BUILD

A meeting between IDG and BUILD was held on 20 June 2022 at BUILD premises. The discussion was focused on the ongoing activities of the two organisations and the potentiality of joint activities for a business-enabling environment in Bangladesh.

Marc Shiman, Chief of Party, USAID Feed the Future Bangladesh Trade Activity, IDG, led the IDG team. Ferdaus Ara Begum, CEO of BUILD, welcomed the Chief of Party, IDG and the IDG team. At the beginning of the meeting, Ferdaus Ara Begum, CEO of BUILD, briey introduced BUILD and explained how BUILD works to help private sector development.

Based on BUILD's expert assessment, she highlighted areas for joint initiatives to improve the business environment. They aim to simplify the process of starting a manufacturing company in Bangladesh, reducing the number of required licenses/registrations/certificates to about 15. Process simplifications include RJSC registration, trade license, safety license, factory layout approval, site clearance, and environment clearance from DOE, aiding private sector development.

Marc Shiman, Chief of Party, USAID Feed the Future Bangladesh Trade Activity, IDG, also underlined the necessity for process and manufacturing scale-up activities so the business climate may see momentum.

BUILD and IDG agreed to work together on some of the area, such as trade licence, Business Confidence Survey, the 6th edition of Business Start-Up Licences: A Regulatory Guide, logistic sector, Authorised Economic Operator (AEO), advance ruling, Customs (De Minimis) Rules 2019, customs procedures and bonded warehouse, and women summit.

The BUILD and IDG team will work closely for the next few months to make the Business Confidence Survey report. IDG will share draft De Minimis rules and transit rules with BUILD. Some more joint initiatives are identified and will be planned to develop a business-enabling environment in Bangladesh. Furthermore, a discussion took place on the possibility of signing an MOU between BUILD and IDG. IDG will send a draft understanding in this regard.

The meeting ended by handing over a set of essential BUILD publications to Marc Shiman and exchanging thanks to each other. ■



Meeting With UNIDO

A discussion on Resource Efficiency and Cleaner Production (RECP) between Business Initiative Leading Development and UNIDO Bangladesh was held on 7 August 2022 at the BUILD Conference room. UNIDO Bangladesh country director Zaki Uz Zaman and National Project Coordinator Syed Anwar Hossain joined the meeting. BUILD CEO Ferdaus Ara Begum conducted the discussion. Participants of the meeting discussed the use of RECP in the RMG and Plastic sector to maximise

efficient use of resources, minimise the generation of all wastes and improve the well-being of workers and communities for competitive advantage and reduced environmental footprint.



Programme at the Japanese Embassy

HE Ito Naoki, Ambassador of Japan, organised a programme to congratulate Md Abul Kalam Azad, Former Principal Secretary to the Hon'ble Prime Minister, for receiving the award, "The Order of the Rising Sun, Gold and Silver Star", from the Emperor of Japan on 7 September 2022 at 7 pm at ambassador's residence at Baridhara.

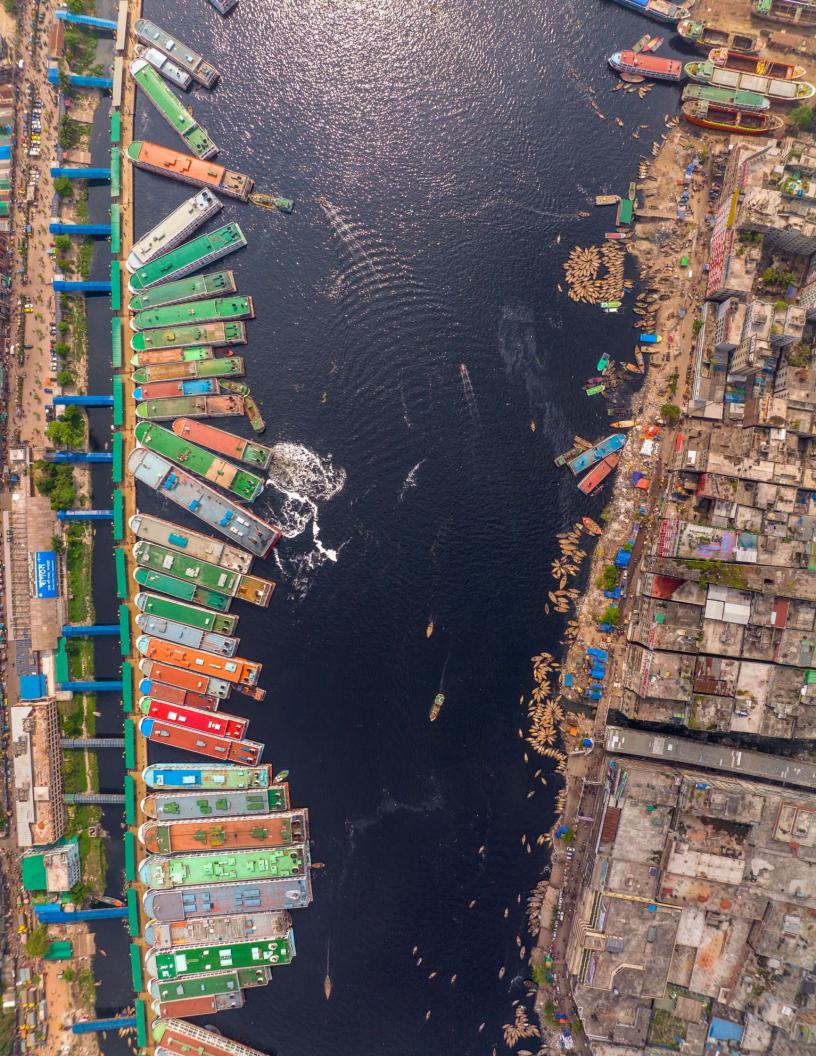
BUILD CEO Ferdaus Ara Begum attended the programme. Md Abul Kalam Azad acknowledged the contribution of BUILD in supporting the business activities of Bangladesh and Japan during his tenure as Principal Secretary at PMO.



Austrian Business Delegation Reception

The Austrian business delegation was headed by Austrian Ambassador HE Katharina Wieser, and Hans-Jörg Hörtnagl, the Austrian Commercial Counsellor for Bangladesh, who visited Bangladesh





from 13 to 16 November 2022. The delegation kicked off the programme with a networking dinner at the Pan Pacific Sonargaon Hotel.

HE Katharina Wieser stated that The Republic of Austria and the People's Republic of Bangladesh had maintained friendly relations since the beginning of Bangladesh's independence in 1971. The launch of economic talks in April 1997 led to the first official visit by an Austrian delegation since Bangladesh's independence. The following years saw continuous efforts to strengthen the economic relations between the two countries.

Having welcomed the guests, Hans-Jörg Hörtnagl, Austrian Commercial Counsellor for Bangladesh, said that Austria is an export-oriented country as more than 50 per cent of the gross domestic product (GDP) is contributed by exports. This high rate of exports could not have been achieved had the Austrian companies not been the world-class partners they are today. This is why they termed their companies surprisingly ingenious.

BUILD CEO Ferdaus Ara Begum said that the difference between Bangladesh and Austria's export and import data is enormous. As per the Bangladesh trade statistics, the import value from Austria is higher than the export to the country. But as per Austria's trade statistics, the scenario is entirely the opposite. The reason is Bangladesh calculates country-wise export — not the re-export data.

The Austrian company representatives who visited Bangladesh are from various elds like railways, health, education, energy, banking and machine building. A good number of B2B (business-to-business) and B2G (business-to-government) meetings were arranged during the visit.

The delegation also had meetings with several ministries, including Economic Resource Divisions, the Ministry of Health, the Ministry of Youth and Sports, the Ministry of Food, the Ministry of Railways, the Ministry of Industries, the Bangladesh Food Safety Authority, Bangladesh Standards and Testing Institute and donor organisations such as Asian Development Bank and International Finance Corporation etc. for getting economic overviews. The Austrian Companies are Vamed, Odelga, Christof, MUT, Red Bull and Alpla. Some companies are planning to invest in Bangladesh.



Meeting with the Austrian Ambassador

A reception dinner held on 29 June 2022 in Dhaka brought together distinguished guests and notable figures to strengthen the ties between Austria and Bangladesh. Among the attendees were prominent individuals, including HE Katharina Wieser, the newly appointed Austrian Ambassador to Bangladesh; Tasvirul Islam, the Honorary Consul General of Austria to Bangladesh; and Ferdaus Ara Begum, the CEO of BUILD.

The event served as a platform for fostering bilateral relations and promoting cooperation between Austria and Bangladesh in various sectors. With BUILD representing the Austrian Embassy Commercial Section in Bangladesh, the presence of Ferdaus Ara Begum at the reception dinner underscored the organization's commitment to facilitating economic collaboration and development between the two countries.

The reception dinner provided an opportunity for the attendees to engage in meaningful conversations, exchange ideas, and explore potential avenues for mutually beneficial partnerships. The presence of HE Katharina Wieser, as the Austrian Ambassador, signified Austria's keen interest in strengthening its diplomatic and economic presence in Bangladesh. The evening served as a testament to the shared commitment of Austria and Bangladesh to fostering collaboration, enhancing trade relations, and promoting mutual understanding.

Meeting with the British High Commissioner

A momentous occasion took place on 25 May 2022 at the Le Méridien Dhaka, as the British High Commission in Bangladesh organised a grand



celebration in honour of the Queen's Birthday Party. The event served as a platform to commemorate the birthday of Queen Elizabeth II while also highlighting a noble cause — boosting girls' life chances. Among the esteemed guests in attendance were HE Robert Chatterton Dickson, the British High Commissioner to Bangladesh, and BUILD CEO Ferdaus Ara Begum.

The guests came together to celebrate and show support for girls' empowerment. The British High Commission's initiative to centre the celebration around this crucial cause highlighted the importance of providing opportunities and equal rights for girls to thrive and succeed in their lives.



International Women Entrepreneurs'
Summit (IWES) 2022

International Women Entrepreneur's Summit (IWES) 2022 was held on 23-24 November 2022 at the

Radisson Blu hotel. It was jointly organised by the Bangladesh Investment Development Authority (BIDA), Bangladesh India Business Council (BIBC) and the Association of Fashion Designers of Bangladesh (AFDB). Business Initiative Leading Development (BUILD) was one of the strategic partners in charge of facilitating the summit successfully.

Hon'ble Speaker of the Parliament Shirin Sharmin Chaudhury inaugurated the event, while a number of women entrepreneurs, professionals, and experts from different countries participated in the summit. This IWES-2022 showcased the success of womenled businesses to further drive their growth by sharing knowledge of new opportunities and best practices.

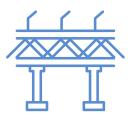
Barrister Nihad Kabir, Chairperson, BUILD, delivered the keynote on the 'Graduation of SMEs' in the summit's first session. This session aimed to inspire entrepreneurs and establish full access to financial support and other services from the government so that they can scale their businesses in sustainable ways.

Md Sirajul Islam, Former Executive Chairman, BIDA was the Chief Guest in the session, while Syed Nasim Manzur, MD, and Co-founder of Apex Footwear Ltd; Tamara Hasan Abed, Managing Director, Aarong; Dr Mafizur Rahman, Managing Director of SME Foundation and, Dato Tom Abang Saufi, Chairman of the National Art Gallery, Malaysia were present as the guest speakers. HE Robert Chatterton Dickson, British High Commissioner for Bangladesh, was the Guest of Honour of the session. Farzanah Chowdhury, Managing Director of Green Delta Insurance Ltd, moderated the session.

Nihad Kabir, Chairperson of BUILD, emphasised regulatory and documentation compliance and financial constraints of SMEs as two major issues in her keynote presentation. WCMSMEs present scenario in Bangladesh and South Asia, Policy and financial benefits offered by the government of Bangladesh, Best Practices-WE-CMSMEs, Challenges SMEs and WEs faced in terms of growth and development etc., were also highlighted in the paper.

Publications

by BUILD



BUILD has established itself as a prominent source of important publications that contribute to promoting private-sector development and upliffing the country's business and investment climate. These publications play a vital role in shaping policies, disseminating knowledge, and fostering informed discussions among stakeholders.



Connect — The BUILD Newsletter

Stay connected and informed with the pulse of private sector development by subscribing to our bi-monthly newsletter, *Connect*. This newsletter serves as a comprehensive source of insights, strategies, case studies, and news related to the private sector, ensuring that you are always up to date with the latest trends and developments in the business landscape. *Connect* is available for free here: buildbd.org/newsletter.

Meticulously crafted, drawing upon extensive research and analysis conducted by BUILD, editorials in *Connect* serve as a platform for BUILD to present its well-reasoned and substantiated opinions and justifications on ongoing economic issues.

Editorials for Connect in 2022

Connect, Volume XI, Issue 1, January–February 2022

Inflationary pressure on marginal people and businesses is considered a growth constraint

Connect, Volume XI, Issue 2, March-April 2022

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

Connect, Volume XI, Issue 3, May–June 2022

Monetary Policy Statement (MPS) could focus more on private investment-friendly policies

Connect, Volume XI, Issue 4, July-August 2022

National Logistics Development Policy — a priority for the country

Connect, Volume XI, Issue 5, September-October 2022

National Industrial Policy emphasised logistics as an important sector

Connect, Volume XI, Issue 6, November-December 2022

Balancing logistics development for accelerated growth



Regulatory Guidebooks

BUILD's commitment to providing valuable resources extends to the publication of industry-leading, one-of-a-kind regulatory guides. These guides serve as comprehensive references that navigate the intricate regulatory frameworks governing various sectors of the economy. Some of these guides are:

- Rusiness Start-Up Licences: A Regulatory Guide
- 📅 Fish and Fisheries: Business Start-Up Licences: A Regulatory Guide
- 🏋 Leather and Leather Goods: Business Start-Up Licences: A Regulatory Guide
- 📅 Pharmaceuticals: Business Start-Up Licences: A Regulatory Guide

Other Publications

Additionally, BUILD produces a diverse range of publications, covering a wide range of policy areas and industry-specific issues, providing valuable insights, recommendations, and analysis to support economic development, trade facilitation, and the growth of various sectors in Bangladesh.

- Plastic Sector Export Roadmap
- 📅 Leather Sector Export Roadmap
- 📅 Light Engineering Sector Export Roadmap
- A Consolidated Report Based on Virtual Workshops With Regional WOBs in Collaboration With Regional Chambers Supported by the IFC-WBG Project TraCED
- Consolidated Report on the Dialogues and Discussions Held Under the Textile Sustainability Platform (TSP) Project
- Providing Policy Advocacy Support to Identify, Pursue and Access International Markets for the Locally Produced MPPE Products
- Policy Recommendations to Make Trading Across Borders for Women-Owned Businesses (WOB)
- Report on the Implementation Status of the Recommendations That Were Put Forward by the Series of Dialogues by IFC and Key Challenges to Implementation for Textile Competitiveness
- An Analysis of Light Engineering Industry
 Development Policy 2022
- Constraints of Availing Financial Support of Women Entrepreneurs
- Framework for National Logistics Development Policy of Bangladesh
- Post Workshop Outcome and Way Forward Report on Formulating National Logistics Industry Development Policy for Bangladesh: Experience From Global Good Practices

- Trade Licence (TL) Needs Rationalisation and Simplification
- Improved Business Environment and Simplification of Company Registration Process
- TOTAL DESIGNATION OF THE PROPERTY OF THE PR
- Critical Analysis of the Draft Income Tax Act 2022
- Rudget Proposal 2022–23
- Tax Deducted at Source and Its Refund Policy and Procedure in Bangladesh Policy Simplification Needs
- VAT Deducted at Source (VDS or Withholding VAT) Policies and Its Implication on Business
- Tritical Analysis on LDC Graduation, Internal Revenue Mobilisation and Tariff Rationalisation
- Policy Review on Draft National Trade Policy 2023
- TACTION Plan for the 4IR and ICT

Articles

In addition to its other publications, BUILD actively contributes to the public discourse through the regular publication of articles in various English and Bangla dailies. These news articles, the content of which is prominently shaped by the CEO of BUILD, Ferdaus Ara Begum, along with the BUILD research team, allow BUILD to reach a broader audience with thought-provoking perspectives on critical issues, policy recommendations, and strategies for economic growth and trade expansion.

Some of the articles are as follows:

Rooflop solar power and regulatory issues • The Financial Express Equit.ly/buildconnect221-01

এসএমই মেলা ও ক্ষুদ্র উদ্যোক্তা উন্নয়ন [SME fairs and small entrepreneur development] • Bonik Barta

cutt.ly/buildconnect221-02

Integrated approach needed for sustainable use of Gas price hike should be gradual • The Daily Star 🔼 plastic • The Business Post 🔼 cutt.ly/buildconnect221-03 cutt.ly/buildconnect224-01 অর্থনৈতিক প্রবৃদ্ধি ও বাস্তবতা — বিজ সংলাপ [Economic Geneva Package giving a new life to WTO • The growth and realities — Biz dialogue] • News24 TV Daily Star <a> cutt.ly/buildconnect224-02 cutt.ly/buildconnect221-04 Import Policy Order 2021-2024: An analysis • The Business Post a cutt.ly/buildconnect224-03 The private sector needs to invest in skills, research and innovation • The Business Standard cutt.ly/buildconnect221-05 Inflation control and backup priorities • The Business Post cutt.ly/buildconnect224-04 Paving the way for female entrepreneurs to win government tenders • The Business Standard 🗷 খরার ঝুঁকি মোকাবেলায় আমাদের প্রস্তুতি [Our readiness to cutt.ly/buildconnect221-06 deal with drought] • Bonik Barta 🔼 cutt.ly/buildconnect224-05 'Bangladesh's biggest focus should be getting into ASEAN' • The Business Standard 🔼 MPS needs to encourage private sector investment cutt.ly/buildconnect222-01 along with containing inflation • The Business Standard <a> cutt.ly/buildconnect224-06 Recycling policy needed for used cooking oil • The Business Post <a> cutt.ly/buildconnect222-02 অভিঘাত মোকাবেলায় সরকারি বেসরকারি উদ্যোগ দরকার [Government and private initiatives are needed to deal with the crisis] • Bonik Barta Tariff rationalisation and trade competitiveness of Bangladesh • The Business Standard cutt.lv/buildconnect225-01 cutt.ly/buildconnect222-03 Keeping the Bangladeshi pharma industry robust নারী উদ্যোক্তা উন্নয়ন ও বৈশ্বিক সংজ্ঞায়নের প্রয়োজনীয়তা [The post-LDC graduation • The Business Standard 🔼 cutt.ly/buildconnect225-02 need for women entrepreneur development and a global definition] • Bonik Barta 🔼 cutt.ly/buildconnect222-04 Pharma sector preparation in upcoming IP regime • The Daily Observer <a> cutt.ly/buildconnect225-03 Overseas Equity Investment Rules 2022: An analysis The Business Post <a> cutt.ly/buildconnect222-05 With great growth, comes a great need for a national logistics development policy • The Business Standard <a> cutt.ly/buildconnect225-04 National Adaptation Plan for Bangladesh: An analysis • The Business Post 🔼 cutt.ly/buildconnect223-01 লোডশেডিং: আমাদের বিদ্যুৎ ব্যবস্থা [Load-shedding: Our electricity system] • Bonik Barta 🔼 cutt.ly/buildconnect225-05 Prioritising policy implementation gaps for investment in FY23 budget • The Financial Express 2 cutt.ly/buildconnect223-02 Abolition of minimum value and graduation from LDC • The Daily Observer cutt.ly/buildconnect225-06 Budget for FY23: Promise and reality for SMEs • The Business Post <a> cutt.ly/buildconnect223-03 Sustainability after graduation • The Business Post cutt.ly/buildconnect225-07 Policy support for MPPE for international market access • The Business Post PTPR for advanced digitalisation in Bangladesh • cutt.ly/buildconnect223-04 The Daily Observer 🗷 cutt.ly/buildconnect225-08 मुप्रानीजित व्यवस्थापना ३ मुलास्कीजि नियञ्जप [Management of

National logistics policy for Bangladesh • The Financial Express Financial Express Logistics Cutt.ly/buildconnect225-09

monetary policy and control of inflation] • Bonik

Barta cutt.ly/buildconnect223-05

PTPR for advanced digitalisation and FDI for Bangladesh • The Business Post cutt.ly/buildconnect225-10

PTPR for advanced digitalisation in Bangladesh • The Daily Observer 2 cutt.ly/buildconnect226-01

PTPR for advanced digitalisation and FDI for Bangladesh • The Business Post cutt.ly/buildconnect226-02

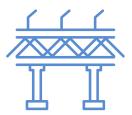
Increasing the tax net in Bangladesh • The Business Standard cutt.ly/buildconnect226-03

Can Bangladesh benefit from MC12? • The Business Post <a> cutt.ly/buildconnect226-04

Capitalising on the duty-free, quota-free market access to China • The Business Standard cutt.ly/buildconnect226-05

Financial Report

for the Financial Year



The following are the independent auditor's report and audited financial statements.

Business Initiative Leading Development (BUILD)

Independent Auditor's Report and Audited Financial Statements
As at and for the period of six months ended 30 June 2022



Chartered Accountants

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

Opinion

We have audited the Financial Statements of Business Initiative Leading Development (BUILD) ("the Trust"), which comprise the Statement of Financial Position as at 30 June 2022, Statement of Income & Expenditure, Statement of Cash Flow and Statement of Changes in Fund for the period of six months then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the Statement of Financial Position as at 30 June 2022, Statement of Income & Expenditure, Statement of Cash Flow and Statement of Changes in Fund for the period of six months then ended in accordance and a summary of significant accounting policies and other explanatory notes.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the organization in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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



Branch Office: Jahan Building No.7 (1st Floor, North Side), 59 Agrabad Commercial Area, Chattogram-4100, Bangladesh. Tel: (+88-031) 333317352, Fax: (+88-031) 333317353, E-mail: <acnabin.ctg@acnabin-bd.com>, Web: www.acnabin.com



In preparing the financial statements, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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





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

Dhaka, Bangladesh

Dated, 3 0 JAN 2024

ACNABIN Chartered Accountants

Firm's Enlistment Number: CAF-001-012

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Md. Rokonuzzaman FCA

Partner Enrollment No: 0739

DVC:2401300739A0138069







BUSINESS INITIATIVE LEADING DEVELOPMENT (BUILD) STATEMENT OF FINANCIAL POSITION As at 30 June 2022

B. Carley	Notes	Amount in Taka		
Particulars	Notes	30.06.2022	31.12.2021	
Assets:				
Non-Current Assets:				
Property, Plant & Equipment	03.00	5,238,366	913,634	
Total Non-Current Assets		5,238,366	913,634	
Current Assets:				
Accounts Receivable	04.00	100,000	120,000	
Fixed Deposit	05.00	82,538,815	83,861,752	
Interest Receivable	06.00	2,266,012	859,207	
Cash & Cash Equivalent	07.00	12,425,951	4,049,728	
Total Current Assets		97,330,778	88,890,687	
Current Liabilities:				
Accounts Payable	8.00	1,391,110	438,039	
Total Current Liability		1,391,110	438,039	
Net Current Assets		95,939,668	88,452,647	
Net Assets		101,178,035	89,366,282	
Fund & Liabilities:				
Endowment Fund	9.00	72,537,043	72,455,530	
Excess of Income over Expenditure	10.00	28,640,992	16,910,752	
Total Fund & Liabilities		101,178,035	89,366,282	

The annexed notes form an integral part of Financial Statements.

Chairperson, BUILD As per our report of the same date

Dhaka, Bangladesh Dated, 3 0 JAN 2024

ACNABIN Chartered Accountants

Firm's Enlishment Number: CAF-001-012

Md. Rokonuzzaman FCA

Partner

Enrollment No.: 0739

DVC:2401300739A0138069

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BUSINESS INITIATIVE LEADING DEVELOPMENT (BUILD) STATEMENT OF INCOME & EXPENDITURE For the period of six months ended 30 June 2022

Particulars	Notes	Amount in Taka		
Particulars	Notes	30.06.2022	31.12.2021	
Income:				
Contribution Income	11.00	16,831,096	10,534,516	
Interest Income	12.00	2,503,564	3,904,222	
Other income	13.00	32,196	13,001	
Total Income		19,366,856	14,451,739	
Expenses:				
Salaries & Allowances	14.00	5,594,489	10,206,665	
Administrative Expenses	15.00	2,042,015	6,050,705	
Total Expenses		7,636,504	16,257,370	
Excess of Income over Expenditure (Transferred to statement of Financial Position)		11,730,352	(1,805,630)	

The annexed notes form an integral part of Financial Statements.

Chief Executive Officer, BUILD

As per our report of the same date

Dhaka, Bangladesh Dated, 3 0 JAN 2024

ACNABIN Chartered Accountants Firm's Enlishment Number: CAF-001-012

Chairperson, BUILD

Md. Rokonuzzaman FCA

Partner

Enrollment No.: 0739

DVC:2401300739A0138069







BUSINESS INITIATIVE LEADING DEVELOPMENT (BUILD) STATEMENT OF CASH FLOWS

For the period of six months ended 30 June 2022

Particulars	30.06.2022 (Taka)	31.12.2021 (Taka)
A. Cash flows from operating activities:		
Net Income	11,730,352	(1,805,630)
Adjustment to Reconcile Net Income to Net Cash Flow from		
Operating Activities:		
Depreciation on Fixed Asset	204,289	179,266
Decrease in Account Receivable	20,000	2,266,691
Less: Increase in Inventories	-	-
Decrease in Prepaid Expenses	-	-
Add: Increase in Account Payable	952,960	(354,455)
Less: Decrease in Income Tax Payable	-	-
Gain on Sale of Asset	(4,798)	-
Loss on Sale of Asset	33,366	_
Net Cash Provided by Operating Activities	12,936,168	285,872
B. Cash flows from investing activities:		
Purchase of Assets	(4,557,589)	(247,633)
Addition Interest Receivable	(1,406,806)	5,607,716
Sale of Asset		-
Addition of FDR	1,322,937	(3,034,870)
Net cash used by investing activities	(4,641,457)	2,325,214
C. Cash flows from financing activities:		
Loan Received	-	-
Endowment Fund Received	81,512	875,397
Net cash provided by financing activities:	81,512	875,397
Net Increase/Decrease in Cash & Cash Equivalents (A+B+C)	8,376,224	3,486,483
Cash and cash equivalents at beginning	4,049,728	563,245
Cash and cash equivalents at closing	12,425,951	4,049,728

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

Chief Executive Officer, BUILD

Dhaka, Bangladesh

Dated, 3 0 JAN 2024



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BUSINESS INITIATIVE LEADING DEVELOPMENT (BUILD) Statement of Changes in Fund

For the period of 1st January to 30th June 2022

1	Amo	unt i	n Ta	ka)

Particulars	Endowment Fund	Retained Earning	Total Fund
A. Balance as at 1st January 2022	72,455,530	16,910,752	89,366,282
Addition during the period:			
Endowment Fund	81,512	-	81,512
Excess of Income over Expenditure	-	11,730,240	11,730,240
B. Total Income	72,537,043	28,640,992	101,178,035

Chief Executive Officer, BUILD

Chairperson, BUILD

Dhaka, Bangladesh

Dated, 3 0 JAN 2024





BUSINESS INITIATIVE LEADING DEVELOPMENT (BUILD) NOTES ON THE FINANCIAL STATEMENTS For the period of six months ended 30 June 2022

01.00 Background:

Business Initiative Leading Development (BUILD) is a Public Private Dialogue (PPD) platform to advocate research-backed business reforms to unlock investment constraints for the private sector as well as for social and economic development in Bangladesh. BUILD became an independent organization and registered under Trust Act 1882. DCCI, MCCI and CCCI are the authors of the Trust. In July, 2013 BUILD opened the Current Account at IFIC Bank Ltd. (A/C 1001-532376-001) maintained by BUILD. On 07th January 2016 BUILD opened a separate Account in the name of Investment & Policy Summit 2016, Account No.of which is 1001-034060-031.BUILD also opened a Current Account on June 16, 2022 in the name of Business Initiative Leading Development (BUILD) at Sonali Bank Ltd. NCTB Branch, Dhaka, Account No.of which is 1601-402000-682.

Our scope of audit was BUILD's financial activities handled through 2 Current Bank Accounts & 1 Savings Bank Account at IFIC Bank Ltd. & Sonali Bank Ltd. from January-June' 2022. This audited accounts will be meant for 6 months starting from January 2022 - June 2022.

Change of fiancial year for BUILD: As per decision of the 32nd Trustee Board Meeting of BUILD held on August 07, 2023 (virtually),BUILD will opt for July-June financial year for Audited accounts starting from the fiscal year 2022-2023 (July, 2022 - June, 2023).

A separate accounts for the year 2022-2023 will be prepared to comply with the decision of 32nd Trustee Board Meeting for bringing in financial accounts (Article-5 BUILD Deed of Trustee of BUILD as per financial year).

01.01 Objectives

The main objectives of BUILD are as follows:

- **A.** To provide and operate as a forum for public private dialogue and to advocate and promote business environment reforms in Bangladesh, under the name of BUILD;
- **B.** To act as the key private sector partner with the government of Bangladesh for the development of the business in the country;
- **C.** To conduct in-depth research and analysis on issues and constraints relating to the business environment in specific bottlenecks and solution;
- **D.** To assist in the implementation of regulatory and other related reforms, and channel advocacy to the most appropriate stake holders;
- E. To promote economic and social development in Bangladesh;
- **F.** To undertake all activities for furtherance of any one or more of the objective of the organization as mentioned above.

02.00 Significance of accounting policies:

The Deed of Trust (Artical-10) of BUILD specifies as follows. The Management of The Trust Fund will be carried out in such a manner as decided and approved by the Board of Trustees and as a non profit organization. Operating surpluses, if any, will be used solely for the purposes of fulfilling the objectives of the Trust. The Trust shall maintain correct, up to date and complete books of account at its registered office. The Books of account shall always be open to inspection by any Trustee or other person authorized by the Board of Trustees at all time during regular office hour of the Trust.



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02.01 Basis of accounting:

These financial statements have been prepared in accordance with the generally accepted accounting principles for not-for profit organization following historical cost convention. The significant accounting policies are mentioned in following paragraphs:

02.02 Property, plant and equipment:

Property , plant and equipment are stated at historical cost less accumulated depreciation in the Financial Statements.

02.03 Depreciation:

Depreciation on Fixed Asset is charged on reducing balance method at the rates ranging from 10% to 20% per annum depending on the estimated life of assets. Full years deprecation is charged on the addition to fixed asset irrespective of the date of acquisition thereof.

02.04 Revenue recognition:

All Grants and expenditure are accounted for on accrual basis and received $\,$ related to the period subsequent to the year ended 30 June 2022.

02.05 Reporting currency:

BUILD maintains its Book of Accounts in Bangladeshi Taka (BDT) and all figures represented in the financial statement are in BDT.

02.06 Reporting period:

The audit report covers financial transactions from 01 January 2022 to 30 June 2022.



Business Initiative Leading Development (BUILD)

Independent Auditor's Report and Audited Financial Statements As at and for the year ended 30 June 2023



Chartered Accountants

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

Opinion

We have audited the Financial Statements of Business Initiative Leading Development (BUILD) ("the Trust"), which comprise the Statement of Financial Position as at 30 June 2023, Statement of Income & Expenditure, Statement of Cash Flow and Statement of Changes in Fund for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the Statement of Financial Position as at 30 June 2023, Statement of Income & Expenditure, Statement of Cash Flow and Statement of Changes in Fund for the year then ended in accordance and a summary of significant accounting policies and other explanatory notes.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the organization in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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





In preparing the financial statements, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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





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

Dhaka, Bangladesh

Dated, 3 0 JAN 2024

ACNABIN Chartered Accountants

Firm's Enlistment Number: CAF-001-012

Md. Rokonuzzaman FCA

Partner

Enrollment No: 0739

DVC:2401300739A0214527







STATEMENT OF FINANCIAL POSITION
As at 30 June 2023

Dantiantona		Amount in Taka		
Particulars	Notes	30.06.2023	30.06.2022	
Assets				
Non-Current Assets	1 1			
Property, Plant & Equipment	03.00	4,377,024	5,238,366	
Total Non-Current Assets		4,377,024	5,238,366	
Current Assets				
Accounts Receivable	04.00	1,254,000	100,000	
Advance	05.00	30,000	-	
Fixed Deposit	06.00	87,819,363	82,538,815	
Interest Receivable	07.00	2,514,481	2,266,012	
Cash & Cash Equivalent	09.00	1,449,556	12,425,951	
Total Current Assets		93,067,400	97,330,778	
Current Liabilities				
Accounts Payable	10.00	120,269	1,391,110	
Provision for Income Tax	11.00	1,000,872	-	
Total Current Liability		1,121,141	1,391,110	
Net Current Assets		91,946,259	95,939,668	
Net Assets		96,323,282	101,178,035	
Fund & Liabilities				
Endowment Fund	12.00	72,950,183	72,537,043	
Excess of Income over	12.00			
Expenditure/Expenditure over Income	13.00	23,373,099	28,640,992	
Total Fund & Liabilities		96,323,282	101,178,035	

The annexed notes form an integral part of Financial Statements.

Chief Executive Officer, BUILD

Chairperson, BUILD

As per our report of the same date

Dhaka, Bangladesh

Dated, 3 0 JAN 2024

ACNABIN Chartered Accountants

Firm's Enlishment Number: CAF-001-012

Md. Rokonuzzaman FCA

Partner

Enrollment No.: 0739

DVC:2401300739A0214527

(C) Dhaka

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STATEMENT OF INCOME & EXPENDITURE For the year ended 30 June 2023

Particulars	Notes	Amount in Taka	
raiuculars	Notes	30.06.2023	30.06.2022
Income			
Contribution Income	14.00	10,096,572	16,831,096
Interest Income	15.00	5,613,934	2,503,564
Other income	16.00	8,331	32,196
Total Income		15,718,838	19,366,856
Expenses			
Salaries & Allowances	17.00	12,185,394	5,594,489
Administrative Expenses	18.00	7,060,366	2,042,015
Total Expense		19,245,760	7,636,504
Income/(Loss) before tax		(3,526,922)	11,730,352
Income Tax Expense	19.00	1,740,971	-
Excess of Income/(Loss) over Expenditure (Transferred to statement of Financial Position)		(5,267,893)	11,730,352

The annexed notes form an integral part of Financial Statements.

Chief Executive Officer, BUILD

Chairperson,BUILD

As per our report of the same date

Dhaka, Bangladesh

Dated, 3 0 JAN 2024

ACNABIN Chartered Accountants

Firm's Enlishment Number: CAF-001-012

Md. Rokonuzzaman FCA

Partner.

Enrollment No.: 0739

DVC:2401300739A0214527



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STATEMENT OF CASH FLOWS For the year ended 30 June 2023

Particulars	30.06.2023 (Taka)	30.06.2022 (Taka)
A. Cash flows from operating activities:	,	
Net Income	(5,267,893)	11,730,352
Adjustment to Reconcile Net Income to Net Cash Flow from		
Operating Activities:		
Depreciation on Fixed Asset	985,214	204,289
Decrease in Account Receivable	(1,154,000)	20,000
Decrease in Advance	(30,000)	-
Decrease in Prepaid Expenses	-	-
Less: Decrease in Account Payable	(1,270,841)	952,960
Add: Increase in Income Tax Payable	1,000,872	-
Gain on Sale of Asset	-	(4,798
Loss on Sale of Asset	12,502	33,366
Net Cash Provided by Operating Activities	(5,724,145)	12,936,168
B. Cash flows from investing activities:		
Purchase of Assets	(137,337)	(4,557,589)
Addition Interest Receivable	(248,468)	(1,406,806
Sale of Asset	963	-
Addition of FDR	(5,280,548)	1,322,937
Net cash used by investing activities	(5,665,390)	(4,641,457)
C. Cash flows from financing activities:		
Loan Received	-	-
Endowment Fund Received	413,141	81,512
Net cash provided by financing activities:	413,141	81,512
Net Increase/Decrease in Cash & Cash Equivalents (A+B+C)	(10,976,395)	8,376,224
Cash and cash equivalents at beginning	12,425,951	4,049,728
Cash and cash equivalents at closing	1,449,556	12,425,951

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

Chief Executive Officer, BUILD

Chairperson.BUILD

Dhaka, Bangladesh

Dated, 3 0 JAN 2024



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Statement of Changes in Fund For the period of 01 July 2022 to 30 June 2023

(Amount in Taka)

Particulars	Endowment Fund	Retained Earning	Total Fund
A. Balance as at 1st January 2022 Addition during the period:	72,537,043	28,640,992	101,178,035
Endowment Fund	413,141	-	413,141
Excess of Income over Expenditure	-	(5,267,893)	(5,267,893)
B. Total Income	72,950,183	23,373,099	96,323,282

Chief Executive Officer, BUILD

Chairperson, BUILD

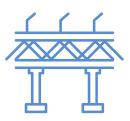
Dhaka, Bangladesh

Dated, 3 0 JAN 2024



Partners and Affiliations

of BUILD



Partners







Affiliations



















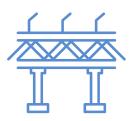






Secretariat

of BUILD



Ferdaus Ara Begum

Chief Executive Officer

Moshaddek Alam

Additional Director: Communication and Advocacy

Kanis Fatama

Senior Research Associate
Trade and Investment Working Committee

Md Mehedi Hasan

Senior Research Associate
Sustainability and Green Growth Working
Committee
4IR and ICT Working Committee

Nasib Ul Amin

Research Associate Taxation Working Committee

Md Nooruzzaman

Research Associate Taxation Working Committee

Shahriar Rawshon

Research Associate
Financial Sector Development Working Committee

Md Mahmud Hussain

IT Consultant

Mohammad Nazimuddin

Research Associate
Trade and Investment Working Committee
Logistics and Infrastructure Development Working
Committee

Ahmed Julker Nine

Research Associate
Financial Sector Development Working Committee

Md Shafat Islam

Research Associate SME Development Working Committee

Pallab Biswas

Admin Associate

Mohammad Nurunnabi

Office Assistant

Md Sumon Hossain

Office Assistant

Short-Term Consultants

Md Tahmid Zami, Consultant, Sustainability, Green Growth and Climate Change Nusrat Jahan Tania, Business Confidence Survey, Business Licensing Guidebook Dr Syed Humayun Kabir, Standards and Certifications
Shaquib Quoreshi, Logistics Sector Development
Azim Syed, Logistics Development
Shegufta Ahmed, Women Entrepreneurship Development
Roknuzzaman, Tax Consultant, ACNABIN
Rehana Akter Ruma, HR Consultant



Acknowledgements

The Annual Report 2022, which covers the period from 1 January to 31 December 2022, has been prepared by the Communications Department of BUILD. This report incorporates a focused snapshot of the organisation's overall performance over 2021. Its purpose is to help BUILD partners, stakeholders, and beneficiaries evaluate BUILD's progress and pinpoint programmes and initiatives that require improvement or attention.

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

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

Published in 2023

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