



## EDITORIAL

### Bangladesh's reform agenda: Commissions and committees driving change

Bangladesh stands on the edge of significant transformation. As the nation transitions from its status as a Least Developed Country (LDC), sustaining economic growth and achieving development goals become increasingly complex. Yet, these challenges also bring opportunities for meaningful reform and innovation. The interim government has embraced a forward-thinking agenda to address these multifaceted issues and established several commissions to implement reforms in various sectors focusing on governance, economic diversification, and sustainability.

By learning from past mistakes, embracing innovative solutions, and fostering good governance, Bangladesh can position itself as a resilient and dynamic economy in the coming years. Establishing multiple reform commissions indicates a commitment to transparency, accountability, and the rule of law. These reformative agendas lie in recognising the need to modernise the governance system. By addressing systemic inefficiencies and fostering good governance, these

commissions aim to rebuild trust in public institutions and create a conducive environment for investment and innovation. Such measures are not only essential for political stability but also for attracting foreign and domestic investment.

Below is an elaboration on the objectives and work of some of the reform commissions and Committees:

- **Constitution Reform Commission**  
This commission aims to review and amend the existing constitution to ensure it aligns with the principles of democracy, human rights, and good governance. It will address issues like the separation of powers, checks and balances, and fundamental freedoms.
- **Electoral Reforms Commission**  
The commission is tasked with overhauling the electoral system to enhance transparency, fairness, and credibility. To achieve this, it will focus on key areas, including modernising voter registration, improving election management, and regulating campaign finance to prevent undue influence and ensure a level playing field.
- **Police Reforms Commission**  
This commission aims to reform the police force to make it more

professional, accountable, and responsive to the needs of the people. It will focus on police training, recruitment, and disciplinary procedures.

- **Judicial Reforms Commission**  
This commission seeks to reform the judiciary to make it more efficient, impartial, and accessible. It will focus on judicial delay, case backlog, and corruption.
- **Anti-Corruption Commission Reform Commission**  
This commission aims to strengthen the Anti-Corruption Commission (ACC) to make it more effective in combating corruption. It will focus on issues like investigation, prosecution, and asset recovery.
- **Public Administration Reforms Commission**  
This commission aims to reform the public administration system to make it more efficient, effective, and responsive to the needs of the people. It will focus on issues like recruitment, training, and performance management.
- **Commission of Inquiry into Disappearances**  
This commission aims to investigate the cases of enforced disappearances and bring the perpetrators to justice. It will focus on gathering evidence, interviewing witnesses, and recommending legal action.
- **White Paper Committee**  
The recent establishment of the White Paper Committee, led by renowned economist Dr Debapriya Bhattacharya, marks a significant step towards a comprehensive assessment of Bangladesh's current economic landscape. This initiative aims to illuminate the government's reform pathway and address accumulated economic deviations over the years.

The committees' key priorities and goals

encompass a range of critical objectives:

- **Comprehensive Economic Assessment**  
A thorough evaluation of the current economic state, including identifying challenges and barriers that hinder growth.
- **Policy Review and Reform**  
A critical analysis of past government policies and regulations to identify areas for improvement and reform.
- **Corruption Analysis**  
A focus on understanding the root causes of corruption rather than merely identifying individuals involved.
- **Strategic Recommendations**  
The development of a strategic roadmap to stabilise the economy, achieve the Sustainable Development Goals (SDGs), and facilitate a smooth transition from LDC status.

Reformations in trade and investment policies are also crucial to addressing the realities of a post-LDC era, aligning economic practices with global standards and ensuring long-term competitiveness. Achieving the ambitious vision outlined in the Export Policy 2024-27, which targets USD 110 billion in annual exports, will demand a strategic shift from traditional cash subsidies to more sustainable incentives, including tax breaks, green financing, enhanced infrastructural support, and capacity-building measures, all while ensuring compliance with World Trade Organisation (WTO) regulations.

Small and medium enterprise (SME) growth is a cornerstone of Bangladesh's economic resilience and sustainable development, significantly contributing to GDP and employment. However, SMEs face challenges such as limited access to affordable credit, complex regulations, and slow technology adoption. In response, the interim government has prioritised targeted SME support, emphasising women entrepreneurs to unlock economic potential and integrate marginalised groups, fostering inclusivity and shared growth.

Collaboration between the government, private sector, and development partners is vital for driving this transformation. As Bangladesh transitions from LDC status, it must address emerging challenges through comprehensive reforms. The reform commission will develop proposals for government review, laying the groundwork for future progress. Strategic policies must prioritise creating policy space to address evolving needs, enabling Bangladesh to navigate this transition and advance towards a more inclusive and sustainable economic trajectory. ■

**Ferdaus Ara Begum**  
CEO, BUILD



## BUILD's 11th Trade and Investment Working Committee meeting

The 11th Trade and Investment Working Committee of BUILD, co-chaired by Md Selim Uddin, Secretary, Ministry of Commerce and Kamran T. Rahman, President, Metropolitan Chamber of Commerce and Industry (MCCI), was held on 20 October 2024 at the conference room of MoC to discuss business starting registration and licensing requirements and alternatives of cash incentives to be competitive at the post-graduation regime.

Referring to the proposal of signing the FTA, the Secretary, MOC, and Co-chair of the committee accentuated the initiative to finalise the Free Trade Agreement (FTA) with China, reinforcing the government's commitment to enhancing trade relations. He noted the need to streamline Registrar of Joint Stock Companies and Firms (RJSC) services by reducing discretionary powers to create a more investment-friendly environment. Additionally, he urged the prompt implementation of a five-year trade licence issuance and renewal process by all relevant authorities, particularly the Union Parishad, to facilitate smoother business operations and support local enterprises. In response to the implementation report of the 10th T&I meeting presented by Ferdaus Ara Begum, CEO of BUILD, the MoC Secretary requested that any reform suggestions needed to make RJSC more supportive of business be encouraged.

While presenting the policy paper on "Local Government Act 2009: Rationale of Trade Licence Issuance by the Authorities", Kanis Fatama, Senior Research Associate, BUILD underscored the hurdles faced by entrepreneurs in Bangladesh while obtaining Trade Licences including lengthy and stringent procedures with additional cost. The study reveals that local government agencies can collect taxes from all businesses under the Local Government Act 2009 (City Corporation, Municipality and Union Parishad) rather than issue trade licences for starting a business.

Furthermore, industrial entities must obtain multiple initial registrations, licences, and approvals beyond sector-specific licences, complicating the business environment and affecting investment readiness. To streamline the process, BUILD

recommends the introduction of an online primary business registration for all types of businesses, which can be issued by a single authority, following the example of Singapore.

Anwar Pasha, Joint Secretary and Administrator of the Chittagong Chamber of Commerce and Industry, proposed the establishment of a Working Group that includes all relevant stakeholders, chaired by the Secretary of the Ministry of Commerce (MOC), which would review the proposals from the BUILD study aimed at simplifying the Trade Licence process and introducing a unified system for issuing trade licences through a single authority.

Endorsing this proposal, Md Shamsul Hoque, Joint Secretary, Local Government Division, emphasised the importance of facilitating initial business registration from a single point and establishing a revenue-sharing mechanism among the respective agencies.

BUILD CEO shared insights from a study titled "Export Growth Targets and Supportive Policies for Sustenance at the Post-LDC Regime," where the prospects regarding the alternatives of the cash incentives were raised. After LDC graduation, Bangladesh's trade policy needs to be WTO compliant; thus, giving exporters direct cash incentives will no longer be possible. Bangladesh Bank has already reduced the cash subsidy twice, once in February and another in June 2024, negatively impacting several export items. The presentation highlighted the nature of prohibited subsidies, actionable subsidies, and other subsidies per WTO. She put examples of countervailing measures on different countries, examples of allowable support such as loans and land at cheaper rates, tax benefits, support for items of the green box as per WTO, insurance, Research and Development, environmental protection and the creation of new markets and products. Giving examples of other countries on how they are providing production-linked incentives, the study suggested simplification of duty drawback system, specially bonded warehouse, interest rate subsidy, EDF, back-to-back L/C for all exports, exporters retention quota, infrastructural and compliance related supports as an alternative of cash incentives.

Ibnul Wara, a member of LFMEAB, and Mostofa Monwar Bhuiyan, Director of BKMEA, urged the government to continue cash incentive benefits until LDC graduation as they focus on building capacity for compliance and related challenges.

Kamran T. Rahman, President of MCCI, endorsed the recommendations. He called for a study to suggest policies for increasing the use of green and renewable energy (RE) by industries, particularly



exporters, to ensure that Bangladesh achieves 40% electricity consumption from RE by 2030 and reaches net zero by 2050. He proposed that the Corporate Purchase framework could be a viable option to provide factories RE through the National Grid.

Dr Mostafa Abid Khan, CM-1, SSGP, ERD, highlighted fees and tax; he enquired how tax is imposed on licence fees. At the same time, registration should not be renewed yearly.

Md Anwar Hossain, Vice Chairman of the Export Promotion Bureau (EPB), informed that the export policy for 2024-27 has already been gazette, allowing businesses to take advantage of its benefits.

Additionally, Nurul Islam, CEO of BTA, highlighted the importance of adopting technology to enhance compliance, suggesting that the Green Transformation Fund could be used for this purpose.

Secretary General of DCCI Afsarul Arifeen emphasised the coordination among all concerned government agencies and stakeholders. Ariful Haque, Joint Secretary and Director General of BIDA, informed the audience that BIDA is working to provide all support services for the investors through an effective OSS.

Mohammad Navid Safiullah, Additional Secretary of the Export Wing of the Ministry of Commerce, concluded the session by thanking BUILD for presenting two important policy papers. He suggested introducing a suitable app-based system to provide all services through a single authority to facilitate the private sector while advocating measures to reduce business costs to be competitive in the post-LDC graduation stage.

Anwar Hossain Chowdhury, MD of SMEF, Al Mamun Mridha, Secretary General of BCCCI and other representatives from MOC, RJSC, CBC, NBR, BTTC, BFTI, BGMEA, BSBA, LFMEAB, BAPA, BTMA, among others, spoke in the meeting. ■

## **BUILD's 9th SME Development Working Committee meeting**

The importance of tannery solid waste management (TSWM) issues was discussed in the 9th SME Development Working Committee (SMEDWC) Meeting, organised jointly by the Ministry of Industries (Mol) and BUILD on 23 October 2024, in the Mol conference room, chaired by Zakia Sultana, Senior Secretary of the Mol, where the presentation of two critical policy papers: "Tannery Solid Waste Management: Bi-Products Development and Opportunities for SMEs" and "Revisiting the Potentials of Logistics Sub-Sectors in the IP 2022 were presented to gather



feedbacks from the public and private sector.

While informing the implementation of the last meeting CEO, BUILD informed that Bangladesh Bank had introduced a refinancing scheme for environment-friendly products/projects/initiatives for environmentally-supported projects in the critical sectors, including light engineering, amount of which has been increased from BDT 400 crore to 1,000 crore and about 650 projects of 12 industries for about 70 products have been implemented. Taking cue about the implementation of the last meeting, M. Salimullah, Additional Secretary, Mol, informed that through Bangladesh Industrial Technical Assistance Centre (BITAC), some skill development programmes for the light engineering (LE) sector have been initiated. The Bangladesh Engineering Industry Owners Association (BEIOA) president requested the sub-contracting act.

The Senior Secretary of Mol informed the audience about several steps to take to support the LE sector. Regarding the Common Facility Centre (CFC), she said that six more BITAC centres will be established in several parts of the country, and CFC support will be strengthened. Regarding the study for SMEs to cope with the new situation arising out of LDC Graduation, the Senior Secretary said that BIDS has already conducted research under SSGP through ERD.

In the presentation on tannery solid waste management, the CEO of BUILD briefed about the impacts of tannery relocations to Tannery Industrial Estate in Dhaka (TIED) without ensuring compliance with specially CETP, created export losses and increased unemployment. She outlined the types of solid waste generated and proposed management strategies to foster socio-economic benefits for SMEs in TIED. She stressed the importance of integrating tannery solid waste management (TSWM) into policy and financing frameworks, highlighting various regulatory challenges. The policy paper recommended formal recognition of by-products of TSW in the industrial and SME policies and provided financial and tax incentives to encourage businesses in these fields. It also proposed a modern and scientific TSW Dumping Yard with a strong demarcation of waste to be dumped in the yard, expediting LWG certification. Business cases for environment-friendly production of TSW by-products such as gelatine, glue, cloth

and paint, shoe sole making, cement ash, mosquito coil, split leather-based products, safety items, poultry feed, fish feed, Rexene, plastic and leather shoes, cobbler, washer, cloth label masks etc. can be established maintaining compliance.

Md Golam Shahnewaz, MD of Dhaka Tannery Industrial Waste Treatment Plant Company Ltd., informed that 80% of the TSW is non-chrome, so the waste is primarily composed of fleshing, raw trimming, split leather, shavings and buffing dust, crust and finished trimming can be used for producing several by-products. However, all SMEs would need to fall under a single umbrella. Recalling the 3R issue, he mentioned that entrepreneurs should take the recycling initiative in their premises to minimise waste. He also informed that despite significant opportunities in tannery solid waste management, foreign companies, including those from China, are increasingly involved in the sector and making glue, Gelatine, Capsule foil, animal fat, biogas, animal feed, tallow, protein, particle board and some other leather products etc.

Representatives from The Asia Foundation reported that achieving Leather Working Group (LWG) certification requires an investment period of 2.5 years; during this time, they can generate value for money they invested as a compliant industry and can export a product three times higher value. However, challenges such as needing 300 marks on the Central Effluent Treatment Plant (CETP) and solid waste management pose significant obstacles to obtaining LWG certification. The foundation suggests considering individual Effluent Treatment Plants (ETPs) to facilitate compliance and enhance certification prospects.

Taslina Miji from LFMEAB urged the BSCIC to prioritise plot allocations for women entrepreneurs. Nurul Islam, Secretary of BTA, suggested that allocating business among different ministries and divisions would need some reforms. Several new activities are now required for accomplishment, such as recycling instead of direct disposal, proper solid waste management, etc.

Senior Secretary, Mol informed us that individual ETP has already been agreed upon and that entrepreneurs can benefit from it. She further confirmed that the second phase of TIED will prioritise plots for those overlooked in the first phase. She underlined the segregation of chrome and non-chrome-based wastage so that the environment and animal feed can be free from chromium. She also informed us that for the improvement of CETP operation in the Savar Tannery estate, they are having weekly meetings now and expecting development in this area. Meanwhile, other social audits can support exporters.

The second presentation addressed the logistics sub-sectors under the Industrial Policy 2022, identifying policy gaps and key considerations. Recommended actions include the development of a temperature control policy, truck fare policy, driver recruitment policy, simplified freight forwarding licensing rules, and enhanced human resource development.

Taking a cue from the presentation of BUILD, the Customs and Regulatory Affairs Manager at DHL pointed out the lack of specific regulations governing Air Express in Bangladesh. He noted that the local model is not aligned with global standards.

GM of SMEF, President of BEIOA and representatives from DCCI, CCCI, BTA, LFMEAB, BTMA, Cold Storage Association, and SME By-Products Producing Association representatives, among others, spoke in the meeting. ■

## WHITE PAPER COMMITTEE MEETINGS



### 2nd meeting of the Economic White Paper Committee

The second meeting of the Economic White Paper Committee took place on 3 September 2024 at the Planning Commission. During the meeting, committee members were assigned responsibilities for the various chapters of the paper. The CEO of BUILD is overseeing the chapter on private sector development, investment, FDI, and SME development. ●

### White Paper Committee meets with civil society and development partners

On 7 October 2024, the Economic White Paper Committee held a consultation meeting with the Planning Commission's Civil Society Organisation (CSO)

representatives. In the meeting, the NGO representatives complained about their work limitations and hassles faced by the NGO Affairs Bureau under the PMO. They also expressed concern that the NGOs are not allowed to participate in government projects.

They demanded government recognition. Apart from this, they pressed for a legal framework for social business as it is absent in the existing Company Act of Bangladesh. Other CSO representatives spoke about the discrimination faced by disabled people, the digital divide, lack of governance, urban healthcare, and training facilities for entrepreneurs and shared valuable recommendations. The committee chairperson, Dr Debapriya Bhattacharya, advised the NGO representatives to ensure governance in the NGOs.

The Economic White Paper Committee convened a consultation with International Development Partners (IDPs) at the Planning Commission, joined virtually by BUILD representatives, including CEO Ferdaus Ara Begum. IDPs criticised the previous government for obstructing data access, ignoring concerns about data manipulation, and altering project designs to serve political interests, such as redirecting infrastructure to benefit party leaders. Despite objections, policies like reducing the minimum marriage age were implemented unilaterally. IDPs also highlighted internal challenges, admitting some members pursued personal agendas aligned with the previous government and noted inadequate cooperation from bureaucrats between 2014 and 2021. Capacity building among development partners was also underscored as a priority. ●



### Consultation meeting on public expenditure and debt management

A meeting was held in the Ministry of Planning on 29 October 2024 under the leadership of Dr Debapriya Bhattacharya to get input from concerned stakeholders, including government officials, academia, and development partners, to express the actual situation. The meeting discussed project cost enhancement, a burning issue for the government where misuse of the

budget occurs frequently. From the feasibility study to the project execution stage, a lot of money is drained.

Bangladesh's public sector faces significant challenges in managing project expenditures and public debt, plagued by corruption, inefficiency, and a lack of transparency. Issues such as resource misallocation, fraud, and weak financial oversight undermine infrastructure projects and inflate costs. Experts, including Towfiqul Islam Khan, Dr Kazi Iqbal, Professor Selim Raihan, and Professor Sharmind Neelormi, recommended strengthening project management, diversifying financing sources, enhancing governance and transparency, and implementing robust financial and debt management strategies to align public spending with sustainable fiscal and developmental goals. ●



### Meeting with SME stakeholders to discuss industry challenges

On 30 September 2024, in response to a request from the White Paper Committee 2024, The SME Foundation commenced an enormous meeting with small and medium enterprise (SME) stakeholders. The White Paper Committee members attended the meeting in person and virtually at 3 pm in the conference room of Shoilopropat, Parjatan Bhaban. The Managing Director of the SME Foundation, officials from the Ministry of Industries, and many men and women entrepreneurs from all over the nation also attended the event.

With a focus on setting transparency standards and improving operational procedures, the meeting provided an essential forum for discussing the different issues that SMEs face. Entrepreneurs were urged to express their thoughts freely and give details on their challenges and problems. The purpose of the session was to raise awareness of the realities of SME operations and encourage solutions that support the committee's goals of bolstering the industry.

Md Nazeem Hasan Sattar, General Manager of SME Foundation, highlighted the critical challenges SMEs face, including limited resources, lack of access



to capital, and insufficient training. He called for a national SME action plan, an updated CMSME definition, and the establishment of incubation centres and an Entrepreneurship Development Institute.

Bangladesh Federation of Women Entrepreneurs or BFEW's Gender Specialist, Nilufar A. Karim, advocated for integrating entrepreneurship education into schools and colleges and equipping university students with business planning and management skills. Habibur Rahman of the Bangladesh Engineer Association emphasised implementing the SME Development Policy 2019, integrating cottage and micro industries into the SME framework, and executing the Light Engineering Industry Development Policy to enhance economic contributions.

International Labour Organisation (ILO) representative Rahnuma Salam Khan brought attention to the particular difficulties faced by returning migrants, especially when trying to obtain loans, and suggested creating a different credit programme or policy tailored to the needs of vulnerable populations. A cottage division, a micro and small division (with an upgrade to SMEF), and a medium and large division would be the three main divisions of the Ministry of Enterprise, which she suggested being created by reorganising the Ministry of Industry. Khan proposed that this reorganisation would guarantee that companies of all sizes, including micro-enterprises and SMEs, get the assistance they need to prosper and support the nation's economic development.

Another issue was the urgent need to close the funding gap for underserved groups in the SME sector, especially in IT. It was observed that e-commerce platforms require return policies and contemporary technologies, while the local IT sector needs improved branding strategies. Due to difficulties obtaining promised special loans, attendees demanded increased support for women-owned enterprises or WOE. Particular policy reforms were called for, including introducing an incubator system at the university level, handicrafts under structured support with incentives, and resolving tax and licensing transparency issues.

The unique needs of WOE and disabled entrepreneurs were emphasised, with calls for increased R&D funding, streamlined customs procedures, and improved financing access. To enhance SME transparency, suggestions included digital financial tracking systems and integrating entrepreneurial education into university curricula. Stakeholders also urged the creation of mentorship programmes and networking platforms to support entrepreneurs and encourage collaboration.

This meeting represents a critical step in

uniting diverse perspectives within the SME sector, boosting collaboration to address shared challenges and create a more robust and encouraging environment for Bangladesh's SMEs, ultimately driving sustainable economic growth. ■

## ITC and BUILD support enhancing SPP policy monitoring

The International Trade Centre (ITC) and BUILD collaborated to hold a training session on questionnaire methodology on 21 October 2024 as part of the project supporting the implementation, monitoring, and evaluation of Bangladesh's Sustainable Public Procurement (SPP) Policy. ITC trainers Vanika Sharma and Ma Diyina Gem Arbo led the session, which included three BUILD representatives. This customised strategy guarantees thorough data collection from critical stakeholder groups, facilitating efficient monitoring and assessment of the SPP policy's effects. ■



## Discussion with Planning Commission on BUILD's landmark publication

BUILD met with Jahangir Alam, Additional Secretary, Planning Commission, on 30 September 2024. They discussed *Business Start-Up Licences: A Regulatory Guide*, which BUILD will publish soon. ■

## BUILD-ITC meeting on women's participation in public procurement

On 14 October 2024, BUILD held its inaugural meeting with the International Trade Centre (ITC) to review progress on their joint initiative to boost women-owned enterprises' (WOEs) participation in public procurement in Bangladesh. Discussions centred on challenges and successes in implementing the Sustainable Public Procurement (SPP) policy and evaluating the government's monitoring and evaluation (M&E) plans to measure its gender impacts. BUILD also updated the

SPP policy and the M&E framework at BPPA. The partnership seeks to enhance gender inclusivity in public procurement by equipping WOE with the necessary support and training. ■



## CARE Bangladesh hosts RMG roundtable

CARE Bangladesh held a roundtable titled "Building a Sustainable Future for Women in the Ready-made Garment (RMG) Sector" at Hotel Radisson Blu Dhaka on 28 October 2024. The BUILD CEO emphasised the importance of a circular economy, eco-design, and digital passport production, citing the EU's Green Deal and zero-emission target by 2050. Bangladesh's RMG sector must adapt to sustainable practices to remain competitive and contribute to national development. ■



## BUILD CEO, BSEC Director discuss share market regulation

On 8 September 2024, BUILD CEO Ferdous Ara Begum and Research Associate Asif Haider engaged in a consultation with Sheikh Mahbub Ur Rahman, Director of the Bangladesh Securities and Exchange Commission (BSEC). During the discussion, the BSEC Director emphasised that while the floor price mechanism in the share market serves to protect investors, it is not sustainable for prolonged periods. He highlighted the importance of balancing market stability with the need for free market dynamics to encourage fair trading practices and long-term investor confidence. ■

## REFORMS

### Bangladesh Bank expands green refinance scheme

Bangladesh Bank has launched a BDT 400 crore refinancing scheme to promote green financing for environment-friendly products, projects, and initiatives across Bangladesh, aiming to support sustainable economic growth, encourage eco-friendly practices, and back environmentally responsible projects, thereby creating new business opportunities for environmentally conscious entrepreneurs and organisations. This initiative reflects a broader commitment to fostering a green economy while aligning financial resources with long-term sustainability goals.

This refinancing facility is now available for some specific projects in the light engineering sector, including the establishment of a lithium battery manufacturing plant, solar power-related products/projects/initiatives, and the creation of a battery (solar/lead acid/lithium-ion) recycling plant (SFD Circular No. 02: Refinance Scheme for Environment-Friendly Products/Projects/Initiatives). The refinancing amount of the fund has increased from BDT 400 crore to BDT 1,000 crore for about 70 products across 12 sectors. Around 660 projects have been implemented under this scheme, showcasing its growing and meaningful impact on Bangladesh's green transition.

As per the circular, only term loans/investments qualify for refinance facilities. Consultancy costs, repair/maintenance expenses, and working capital for green projects are excluded. BUILD proposed this recommendation in its study "An Analysis of Light Engineering Industry Development Policy 2022," at the 8th SME Development Working Committee (SMEDWC) Meeting on 16 January 2023. Co-chaired by the Secretary of the Ministry of Industries and the President of the CCCI, the meeting underscored collaborative efforts to foster sustainable industrial growth. ■

## SCOPES

### Breaking the inflation cycle: BUILD's research initiative

Bangladesh's inflation has persisted at over 9% for almost two years, creating significant economic challenges. This prolonged period of high inflation has steadily eroded people's purchasing power, with those living in poverty feeling the most significant impact. When the new government assumed office, there was

widespread hope that inflationary pressures would ease, but this has yet to materialise. In response, the Bangladesh Bank has raised the policy rate three times since the new administration took charge, bringing it to 10%. Also, import duties on certain essential goods have been reduced or removed, and supply-side measures have been implemented to curb runaway inflation. However, despite these efforts, there are no clear indications that inflation is waning.

In light of this pressing issue, BUILD has initiated a comprehensive study to analyse the underlying causes of persistently high inflation. This research will explore supply- and demand-side factors, assess potential gaps in the coordination mechanisms for inflation control, and offer actionable policy recommendations to address the problem effectively. The findings are expected to provide critical insights and will likely be presented at the upcoming Financial Sector Development Working Committee (FSDWC) meeting to foster informed dialogue and strategic action. ■

## ARTICLES

Reforms in export policy must to turn around economy • *The Daily Observer* ■ [cutt.ly/buildconnect245-01](https://cutt.ly/buildconnect245-01)

Challenges for our exports in post-graduation regime • *The Daily Observer* ■ [cutt.ly/buildconnect245-02](https://cutt.ly/buildconnect245-02)

Unlocking global e-commerce opportunities for Bangladeshi women at the WTO • *The Business Standard* ■ [cutt.ly/buildconnect245-03](https://cutt.ly/buildconnect245-03)

ব্যাংকের নীতিমালা সহজীকরণ করা প্রয়োজন • *The Daily Ittefaq* ■ [cutt.ly/buildconnect245-04](https://cutt.ly/buildconnect245-04)

Interview: Healthy banking sector key to ensure sustainable economic development • *Views Bangladesh* ■ [cutt.ly/buildconnect245-05](https://cutt.ly/buildconnect245-05)

Enhanced logistics support for business to sustain competition in future • *The Daily Observer* ■ [cutt.ly/buildconnect245-06](https://cutt.ly/buildconnect245-06)

উদ্যোক্তা ভাবনা : ওয়ারহাউজ লাইসেন্সিং পলিসি ২০২৪ এবং ক্ষুদ্র উদ্যোক্তার জন্য বন্ড ব্যবস্থা • *Bonik Barta* ■ [cutt.ly/buildconnect245-07](https://cutt.ly/buildconnect245-07)

Reforms in sustainable public procurement policy needed to ensure transparency • *The Business Standard* ■ [cutt.ly/buildconnect245-08](https://cutt.ly/buildconnect245-08)

The importance of policy support to attract foreign investors • *The Business Standard* ■ [cutt.ly/buildconnect245-09](https://cutt.ly/buildconnect245-09)

মূল্যস্ফীতি নিয়ন্ত্রণই সবচেয়ে বড় চ্যালেঞ্জ • *Jugantor* ■ [cutt.ly/buildconnect245-10](https://cutt.ly/buildconnect245-10)

LDC graduation: Boosting industrial productivity is key • *The Business Standard* ■ [cutt.ly/buildconnect245-11](https://cutt.ly/buildconnect245-11)



### BUILD CEO meets DCCI President to discuss economic growth

BUILD CEO Ferdaus Ara Begum paid a courtesy call with the Dhaka Chambers of Commerce and Industries (DCCI) President Ashraf Ahmed on 22 October 2024. The DCCI President congratulated the BUILD CEO for being nominated as a member of the Economic White Paper Committee and acknowledged her contribution to improving the private sector of Bangladesh to enable a business-friendly environment in Bangladesh.

For investment calculation, he urged it to be done based on a mathematical model and testing it empirically. He also raised the point of unaccounted investment during the expansion of industries. He figured out proxy variables like sulfuric acid, energy usage, and new connections that can help calculate the investment amount. ■



### Climate Promise Workshop: BUILD CEO meets MOEFCC Secretary

On the sidelines of the national consultation workshop titled "From Pledge to Impact," part of the United Nations Development Programme's (UNDP) Climate Promise initiative and jointly organised by the Ministry of Environment, Forest, and Climate Change (MOEFCC) and UNDP on 29 October 2024, BUILD's CEO held discussions with the MOEFCC Secretary. They extensively reviewed plans for the upcoming Sustainable and Green Growth (SGG) meeting, which is scheduled to be hosted at the MOEFCC, emphasising deeper collaboration to advance climate-conscious and sustainable economic development strategies. ■





## BUILD and BIDA collaborate on investment promotion

BUILD CEO Ferdaus Ara Begum paid a courtesy call with the acting Executive Chairman of BIDA, Dr Khandoker Azizul Islam, on 8 September 2024. Director General Md Muzib-Ul-Ferdous and Director General Quazi Mohammad Hasan joined from BIDA. BUILD CEO was assigned chapters on the investment and FDI scenario and its improvement in Bangladesh. The BIDA Acting Chairman vowed to extend his support in providing the data associated with investment and FDI, work together with BUILD to identify the problems hindering FDI inflow and hope for a successful implementation of the Economic White Paper. ■



## BUILD consults with FEID on foreign currency repatriation

On 25 September 2024, BUILD CEO Ferdaus Ara Begum, accompanied by Senior Research Associate Md Nooruzzaman and Research Associate Asif Haider, held a consultation meeting with Foreign Exchange Investment Department (FEID) Director Abu Saleh Md Sahabuddin to discuss the foreign currency repatriation process in Bangladesh.

In the discussion, he complained about the unwillingness of foreign investors to open bank accounts in Bangladesh despite getting a chance to open both foreign and local currency accounts. These bank accounts are required for taxation and transparency purposes. In the case of dividend repatriation, he pointed out a lack of awareness among the stakeholders as the main problem. He added that Bangladesh Bank is developing a web

portal for foreign investment and financing, which is expected to be launched by this December. ■



## BUILD attends roundtable on women entrepreneurs' access to credit

Research Associate Asif Haider and Research Associate Zannatul Romana Hashi from BUILD participated as delegates in the Bankers' Roundtable titled "Bridging the Gap Between Regulation and Practices for Better Credit Access to Women Entrepreneurs" organised by MicroSave Consulting (MSC) on the 20th of October 2024 held at The Westin Dhaka.

At the event, MSC presented their study on Bank's Credit to Women, which found that the banks are falling short of meeting the 15% loan disbursement target for the WMSMEs set by Bangladesh Bank. To this end, as a test case, MSC provided diaries to the women entrepreneurs to maintain their daily financial accounts, improving the economic knowledge of the WEs. The study also found that the WEs are reluctant to pursue bank loans due to different social stigmas and harassment by the bankers. Moreover, the WEs find MFI and cooperative financing easier than bank loans. The study revealed that WEs can manage credit prudently. ■

## BUILD holds the 35th Trustee Board meeting

BUILD organised its 35th Trustee Board (TB) meeting on 15 September 2024. BUILD Chairperson and former FBCCI President Mahbul Alam chaired the meeting. Other participants included Kamran T. Rahman, TB member and President of MCCI; Md Saiful Islam, TB member and former MCCI President; Farooq Ahmed, TB member and Secretary General of MCCI; Ashraf Ahmed, TB member and President of DCCI; A K Khan, former BUILD Chairperson and DCCI-nominated TB member; Md Afsarul Arifeen, TB member and Secretary General of DCCI; Ferdaus Ara Begum, CEO of BUILD and Member Secretary of TB; and Pallab Biswas, Senior Admin Associate at BUILD. During the meeting,

CEO Ferdaus Ara Begum provided an update on BUILD's activities since the last Trustee Board meeting and sought guidance from the board members on the next steps for further progress. ■



## BUILD receives MoI Additional Secretary

On 23 September 2024, Md Salimullah, Additional Secretary, Ministry of Industries (MoI), visited the BUILD Office at Motijheel. BUILD gave him a reception. During his visit, he shared his valuable insights on industrial policy reformation, thanked BUILD for its policy research activities, and discussed the upcoming SME Development Working Committee meeting. ■



## EARN project workshop: Empowering NEET youth

The Department of Youth Development (DYD) organised an "Inception Report Workshop on Preparation of Communication Strategy Paper for the Economic Acceleration and Resilience for NEET (EARN) Project" on Wednesday, 16 October 2024. The workshop, held at DYD's conference room, aimed to introduce and discuss the communication strategy for the EARN Project, a critical initiative supported by the World Bank. The project is designed to help Not in Education, Employment, or Training (NEET) youth in Bangladesh, specifically focusing on gender inclusivity and rural youth empowerment.

The workshop was graced by Dr Gazi Md Saifuzzaman, Director General of DYD, who served as the Chief Guest, and Lynn

Hu, Economist from the World Bank, who participated as the Special Guest. Project Director Md Khorshed Alam chaired the programme, steering discussions on creating an inclusive communication strategy to enhance awareness and participation among targeted beneficiaries.

The agenda included technical presentations, group discussions on youth policy support, media and communications, gender and cultural aspects, and administrative elements. The workshop encouraged collaboration and gathered valuable participant feedback, including representatives from Business Initiative Leading Development (BUILD). Ahmed Julker Nine, Research Associate, and Mahira Gazi Turna, Research Intern from BUILD, contributed insights on developing gender-responsive frameworks to ensure inclusivity within the project. ■



## BUILD and NBR discuss income tax policy reforms

A meeting was held on 30 October 2024 at the NBR office to discuss key income tax policy issues affecting private sector development in Bangladesh. The meeting was attended by A. K. M. Badiul Alam, Member (Tax Policy), NBR; Kazi Rukaiya Sultana, Second Secretary (Tax Policy), NBR; Ferdaus Ara Begum, CEO of BUILD;

Nasib Ul Amin, Senior Research Associate, BUILD; and Md Nooruzzaman, Senior Research Associate, BUILD.

During the discussion, the BUILD CEO raised concerns about several policy anomalies, including the minimum tax provisions outlined in Section 163 of the Income Tax Act 2023. She highlighted the non-refundable and non-adjustable nature of turnover taxes and the increase in tax incidence, particularly for industries like beverages, where the turnover tax rate was raised from 0.6% to 3%. She also accentuated that the total tax incidence in some sectors has surpassed the corporate income tax (CIT) rate of 27.5%. In response, Alam explained that TDS measures are implemented due to non-compliance with accounting standards and assured that automation efforts would help resolve these challenges.

The BUILD CEO proposed that turnover taxes, particularly within sectors such as sugary beverages, could be reclassified as "sin taxes" and placed in a separate tax band for greater adaptability, similar to the framework applied to tobacco taxes. The discussion also covered the varying CIT rates for publicly and privately traded companies, emphasising the banking, insurance, and telecommunications sectors, where significantly higher rates were observed. Regarding automation, participants acknowledged progress through initiatives like Bitax and e-TDS but agreed further efforts were needed to automate all facets of income tax compliance, especially for the diverse range of tax heads. ■

## BUILD engages with BPPA on women's participation in procurement

BUILD CEO Ferdaus Ara Begum and Jannatul Romana Hashi, Research Associate, participated in an in-depth

group discussion with key officials at the Bangladesh Public Procurement Authority's (BPPA) office on 4 September 2024. The group discussion focused on the challenges and the measures taken by BPPA to increase the participation of women entrepreneurs in public procurement. Important individuals of BPPA, including Md Shakhawat Hossain, Deputy Director at CPTU, and Mirza Ashfaqur Rahman, CEO of IMED at BPPA, discussed the ways to make the procurement process more sustainable, transparent, and accessible for women entrepreneurs. ■



## BUILD CEO meets with Japanese Ambassador

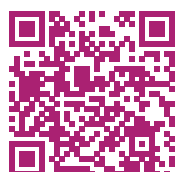
On 7 October 2024, a high-level dinner meeting hosted by HE Iwama Kiminori, Japan's Ambassador to Bangladesh, brought together BUILD CEO and Dr Selim Raihan at the Ambassador's Residence. Discussions centred on Bangladesh's economic white paper, addressing challenges and opportunities for growth, focusing on Japanese FDI, including the Matarbari project. Atsushi Kato, Economic Researcher and Advisor at the embassy, extended greetings, reinforcing Japan-Bangladesh ties. The meeting fostered strategic dialogue and paved the way for enhanced collaboration and knowledge-sharing to drive mutually beneficial growth. ■

## Founding Organisations



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