Press Release

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

**Title: Dialogue Put Emphasis for Business Process Simplification to Sustain Post-Graduation Competition**

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 October 20 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 FTA, Secretary, MOC, Co-chair of the committee, put emphasis on the initiative to finalize the Free Trade Agreement (FTA) with China, reinforcing the government's commitment to enhancing trade relations. He emphasized the need to streamline RJSC services by reducing discretionary powers to create a more investment-friendly environment. Additionally, he urged the prompt implementation of a five-year trade license 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, MoC Secretary requested for any reform suggestions needed to make RJSC more supporting to business.

While presenting the policy paper on “Local Government Act-2009- Rationale of Trade License Issuance by the Authorities”, Kanis Fatama, Senior Research Associate of BUILD underscored the hurdles faced by entrepreneurs in Bangladesh while obtaining Trade Licenses including lengthy and stringent procedures with additional cost. The study reveals that the Local Government agencies have the authority to **collect tax** from all businesses under the Local Government Act-2009, (City Corporation, Municipality, & Union Porishad rather issuing Trade License for starting a business.

Furthermore, industrial entities are required to obtain multiple initial registrations, licenses, and approvals beyond sector-specific licenses, 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 to be issued by a single authority following example of Singapore.

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

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

BUILD CEO Ferdaus Ara Begum shared insights from a study on the “Export Growth Targets & Supportive Policies for Sustenance at the Post-LDC Regime” where the prospects regarding the alternatives of the cash incentives were raised. After LDC graduation, the trade policy of Bangladesh needs to be WTO compliant and thus giving direct cash incentives to the exporters will no longer be possible. Bangladesh Bank has already reduced the cash subsidy twice, once on February and another one on June of 2024 creating negative impact on several export items. The presentation highlighted the nature of prohibited subsidies, actionable subsidies and other subsidies as per WTO. Putting examples of countervailing measures on different countries, she put examples of allowable supports such as; loans and land at cheaper rates, tax benefits, support for items of green box as per WTO, insurance, Research and Development, environmental protection and creation of new markets and products. Giving example of other countries on how they are providing production linked incentives, the study suggested simplification of duty draw back system, special bonded warehouse, interest rate subsidy, EDF, back-to-back L/C for all exports, exporters retention quota, infrastructural and compliance related supports as an alternatives 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, MCCI endorsed the recommendations and called for a study to suggest policies for increasing the use of green and renewable energy(RE) by the industries, particularly exporters, to ensure that Bangladesh achieves 40% electricity consumption from RE by 2030 and reaches net zero by 2050. He proposed that Corporate Purchase framework could be a viable option to provide factories RE through national Grid.

Dr Mostafa Abid Khan, CM-1, SSGP, ERD put emphasis on the issue of fees and tax, he enquired on how tax is imposed on license 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 gazetted, 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 utilized for this purpose.

Secretary General of DCCI Afsarul Arifeen put emphasis on the coordination among all concerned government agencies & stakeholders. Ariful Haque, Joint Secretary and Director General of BIDA informed that BIDA is working for providing 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 to introduce a suitable app-based system to provide all services through a single authority to facilitate private sector, while advocating measures to reduce the cost of doing businesses 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.

Sincerely,



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