

## EDITORIAL

### Strengthening CMSME finance under new Bangladesh Bank guidelines

In a landmark policy move, the Bangladesh Bank has unveiled the CMSME Master Circular 2025 (SMESPD Circular No. 01), a comprehensive and forward-looking directive designed to rejuvenate the country's cottage, micro, small, and medium enterprise (CMSME) sector. Replacing 15 previous circulars, including the 2019 master circular, this singular document sets out an ambitious roadmap that merges inclusivity with innovation, signalling a stronger institutional commitment towards grassroots economic empowerment.

According to the Bangladesh Bureau of Statistics (BBS) Economic Survey 2024, there are 11.8 million economic establishments, of which SMEs are 11 million. Manufacturing contributes 8.77% while services contribute 91.23%. Alone, SMEs contribute about 11.89% of the Gross Domestic Product (GDP) (Budget 2025–26). CMSMEs need proper financial support to grow further.

At its core, the circular embraces financial inclusion, gender equity, and digital adaptation—three pillars crucial for transforming Bangladesh's CMSME landscape. It proposes a bold vision: raising CMSME credit disbursement to 27% of total banking sector lending by 2029. This will require robust financial instruments and coordinated policy action to support small businesses, especially women-led and informal enterprises across the country.

One of the most groundbreaking features of this circular is the formal recognition of informal businesses, allowing collateral-free financing of up to BDT 500,000 using digital identifiers—Unique Business Identification (UBID), Digital Business Identification (DBID), or a Personal Retail Account (PRA)—in the absence of a trade licence. This opens the

door for thousands of unregistered enterprises to integrate into the formal financial system, marking a critical shift in how economic contribution is defined and supported.

Further, the circular sharply enhances credit ceilings across sectors, with a specific push for manufacturing, digital

eligible for BDT 2.5 million in collateral-free loans and BDT 5 million under the refinancing scheme, with interest rates as low as 5%. A 1% incentive will reward high-performing women borrowers. New entrepreneurs can access refinancing up to BDT 3 million at 7% interest, including collateral-free credit of BDT 1 million. Notably, the circular also mandates training programmes for women entrepreneurs, reinforcing the skill-finance nexus for sustainability.

Despite its transformative potential, the CMSME Master Circular 2025 presents several critical challenges that must be addressed for effective implementation. A recent increase in loan provisioning for CMSME credit from 0.25% to 1% risks disincentivising banks. Unless harmonised with the Banking Regulations and Policy Department (BRPD), this policy may contradict the circular's expansion goals. The standing target to increase CMSME loans from 25% to 27% by 2029 also seems ambitious. According to bankers, the credit ceiling and total loan disbursement remained stagnant despite the annual increment rate of credit distribution being reduced (from 1% in 2019 to 0.5% in 2025). They informed that with the market average at 13–16%, increasing it to 27% by 2029 would be difficult.

Furthermore, although UBID, DBID, or a PRA can substitute for trade licences, their practical utility remains contingent on formal acceptance by banks. Without such recognition, lending institutions may be reluctant to act on this provision. The Ministry of Commerce needs to send a letter to the Bangladesh Bank in that respect. The absence of a centralised, updated CMSME database continues to hamper evidence-based planning and



**CMSME Master Circular 2025:  
Key Highlights**

- ✓ Aiming for 27% CMSME credit coverage by 2029
- ✓ Formal recognition of informal businesses
- ✓ Enhanced credit ceilings
- ✓ Special provisions for WEs and support for new entrepreneurs

commerce (including e-commerce and f-commerce), and cluster-based financing models. New provisions also include group loans, agent banking, Micro Financing Institution (MFI) linkages, and peer mechanisms, designed to widen the credit delivery network and make banking more accessible, especially in rural and underserved areas.

The circular introduces significant incentives for specific groups. For women entrepreneurs, the refinancing window has been substantially widened; they are now

monitoring. Joint institutional efforts involving the SME Foundation, Bangladesh Small and Cottage Industries Corporation (BSCIC), the Microcredit Regulatory Authority (MRA), and the Palli Karma-Sahayak Foundation (PKSF) are essential to build this digital backbone.

The current licensing process is costly and fragmented. Simplifying the cost structure and longer licence tenures would significantly ease business operations and compliance for CMSMEs. While MFI linkages, agent banking, and peer mechanisms are introduced to expand outreach, refinancing schemes are excluded under these channels. This limits their practical utility, especially in rural credit markets.

To unlock the circular's full potential, several strategic actions are needed. Identifying strategic sectors such as agro-processing, jute, and light engineering for a fixed five-year focus could amplify resource allocation and targeted development. Bangladesh Bank and relevant stakeholders should consider realigning the Credit Guarantee Scheme (CGS) with the new CMSME provisions to de-risk lending. Broader capital market access through SME boards or bond instruments could offer long-term financing alternatives beyond bank credit. Introducing a mandatory procurement quota from CMSMEs across ministries can directly link policy with market access. Although the new definition has been welcomed, aligning it with International Organisation for Standardisation (ISO) standards, as suggested by BUILD, will enhance global compatibility and investor confidence.

Finally, entrepreneurs should receive financing strictly for business operations, while the government must shoulder infrastructural responsibilities, avoiding burdening enterprises with capital expenditure (capex) beyond their scale.

The CMSME Master Circular 2025 is undoubtedly one of the most ambitious and inclusive policy instruments ever introduced for the small business ecosystem in Bangladesh. It combines innovation with intent, access with accountability, and scale with sensitivity.

Yet, policies are only as good as their implementation. The success of this circular will rest on sustained cooperation among regulatory bodies, financial institutions, and development agencies, backed by data, infrastructure, and adaptive reforms. With thoughtful execution and timely mid-course corrections, the CMSME sector can evolve into a resilient engine of employment, innovation, and inclusive development—truly transforming the rural and urban economic fabric of Bangladesh.

**Ferdaus Ara Begum**  
CEO, BUILD



## BUILD discusses policy reforms and logistics development

BUILD recently met with Lutfey Siddiqi, the Chief Advisor's Envoy for International Affairs, to discuss key policy reforms to boost Bangladesh's private sector and logistics infrastructure. Abul Kasem Khan, chairperson of BUILD, highlighted the organisation's role as a leading public-private dialogue (PPD) platform. He emphasised the success of the Private Sector Development Policy Coordination Committee (PSDPCC), which has already facilitated 471 policy reforms and procedural simplifications. Khan also drew attention to the newly formed National Logistics Development Coordination Committee (NLDDCC), a key outcome of the 2022 national workshop on logistics. He stressed the urgent need for a dedicated logistics authority or ministry to streamline efforts across 19 ministries.

Lutfey Siddiqi praised BUILD's initiatives, urging the immediate submission of a time-bound work plan for the PSDPCC. He also underscored the importance of a 20% reduction in logistics costs to improve competitiveness and offset recent United States tariff impacts. Following the discussion, BUILD agreed to submit a detailed work plan for the PSDPCC and conduct a feasibility study on creating a logistics authority or ministry. Ferdaus Ara Begum, BUILD's CEO, also presented the latest edition of the business licensing guidebook to Siddiqi, who confirmed that he would review all discussed agenda items with the Bangladesh Investment Development Authority (BIDA) chair and principal secretary. This collaborative effort signifies a significant step towards enhancing Bangladesh's business environment and improving its global competitiveness. ■

## BUILD discusses tax policy reforms with NBR chair

Ferdaus Ara Begum, CEO of BUILD, met with Abdur Rahman Khan, FCMA, chairman of the National Board of Revenue (NBR). The BUILD taxation research team also attended the meeting.

During the discussion, the CEO highlighted the challenges CMSMEs face in sustaining themselves in a competitive market due to the high total tax incidence

(TTI), which ranges between 45% and 55%, while the corporate income tax rate for most private sector businesses is 27.5%. Non-adjustable tax deducted at source (TDS) and the absence of a clear and effective refund mechanism were identified as major issues. She also pointed out that private sector credit growth has dropped to 6.4%, the lowest in 22 years, thereby increasing the risk of business closures, ultimately affecting government revenue collection.

The NBR chairman acknowledged that due to various structural challenges, compliant taxpayers often face more difficulties than non-compliant ones. While refund provisions exist under the Income Tax Act, their implementation remains weak. He informed the meeting that the NBR is planning to develop a profitability index using data from compliant taxpayers, which would allow for refund amounts and help establish an automated and transparent refund system. He stressed that the country's low tax-to-GDP ratio and narrow tax base need to be addressed to improve revenue mobilisation.

The BUILD CEO also shared information on BUILD's ongoing study titled "Policy Reform Requirements for Non-adjustable TDS on Direct Tax". A policy dialogue to present the findings and engage both policymakers and private sector stakeholders is scheduled for 17 September 2025. The NBR chairman kindly consented to attend the dialogue as the chief guest. ■



## Policy dialogue held on CMSME Master Circular 2025

BUILD, in collaboration with BB, organised a high-level policy dialogue titled "Bangladesh Bank Master Circular on CMSME Financing" on 10 July 2025 at the BUILD conference room. The event brought



together key stakeholders from the public and private sectors, including policymakers, bankers, women entrepreneurs, and industry representatives, fostering an inclusive discussion on the future of CMSME financing in Bangladesh.

Nawshad Mustafa, director of SMESPD, Bangladesh Bank, graced the occasion as the guest of honour. The session was moderated by Ferdous Ara Begum, CEO of BUILD, who emphasised the importance of policy-level engagement for effective implementation of the CMSME Master circular. The keynote presentations were delivered by Asif Haider, Research Associate, BUILD, and Pallab Bhattacharja, Additional Research Director, BUILD. Their presentation provided a comparative analysis between the 2025 Master Circular and its predecessor, highlighting its progressive features.

The circular broadens collateral options, recognising personal and social collateral, and introduces 1% incentives for well-performing women entrepreneurs under the women entrepreneurs refinancing scheme, with an attractive interest rate of 5%. Furthermore, new entrepreneurs are now eligible for refinancing of up to BDT 3 million at 7% interest, while the financing scope has been extended to e-commerce, f-commerce, third-gender entrepreneurs, and underprivileged groups. Findings from a BUILD survey of various banks, along with their feedback on the circular, were also shared during the presentation.

During the open floor discussion, women entrepreneurs stressed the need for awareness campaigns to publicise the Master Circular and tailored training programmes to enhance their capacity. They also called for identifying thrust sectors within the CMSME framework to guide targeted financing. Bank representatives welcomed the updated circular, noting its success in addressing gaps from the previous version.

From the institutional side, Suman Chandra Saha, deputy general manager, SME Foundation, highlighted the importance of a comprehensive CMSME database, while acknowledging funding limitations. Mansurul Karim, director of BSCIC, announced that BSCIC lands could serve as mortgage security and noted the organisation's special funding initiative for women entrepreneurs at a concessional 5% interest rate. Md Helal Uddin, assistant secretary, Ministry of Industries, stressed the need to prioritise national interests in policy formulation and promised greater collaboration between BSCIC and SME Foundation.

Nawshad Mustafa cautioned that while the CMSME Master Circular 2025 is a significant step forward, it is not a cure-all for the sector's challenges. He assured that Bangladesh Bank would remain open to rational recommendations for amendments and reaffirmed the central bank's

commitment to a continued partnership with BUILD to ensure the circular's effective implementation.

This policy dialogue served as an important platform for knowledge exchange, stakeholder engagement, and consensus-building, paving the way for stronger and more inclusive growth of Bangladesh's CMSME sector. ■



## Meeting on facilitating the transition to formality in Bangladesh

An initial discussion meeting for the project "Facilitating the Transition to Formality: Enhancing Business Information, Development Services, and Policy Inputs in Bangladesh" (Agreement No. 40520985/0) was held online on 2 July 2025. Discussions covered both financial and technical matters.

On the technical front, BUILD will prepare and submit a draft inception report and revised work plan for the International Labour Organization's (ILO) review. It was agreed that the BUILD and ILO logos will be used on all documents, while sectoral guidebooks will additionally feature the Team Europe logo. BUILD must notify ILO in advance of any activity, and it was requested that the cover design of the summary and sectoral guidebooks be initiated early to avoid delays.

As part of the agreed actions, BUILD will share the table of contents, proposed summary content, and the full version of the sixth Business Licensing Guidebook with ILO. In addition, BUILD will submit the draft inception report, revised work plan, and expenditure forecast in line with the contract requirements. ILO, in turn, will provide the final work plan format if different and confirm logo, colour code, and International Standard Book Number (ISBN) requirements by 3 July 2025.

The second team meeting of the project was held on 16 July 2025 at the BUILD conference room with representatives from both BUILD and ILO. BUILD presented the project inception report and work plan, followed by a detailed presentation on project objectives, activities, outcomes, and timelines.

Key decisions included finalising a revised work plan, with the summarised version of the sixth business licensing guidebook (BLG) and two sectoral guidebooks on light engineering and plastic waste management to be completed by December 2025. The cover design and proposed licences for the summary version were approved, with ILO requesting the addition of the BSTI licence, bringing the total to 17.

BUILD will also engage with the ILO's other partners to conduct sectoral studies and participate in validation workshops to exchange insights. Policy briefs will focus on licensing and formalisation issues, while discussions will also explore collaboration on sustainability and green growth, with BUILD sharing relevant reports. The ILO's finance team will follow up on financial matters, and alignment on the definition of informal enterprises will also be discussed.

The third team meeting was held virtually on 6 August 2025 with participation from both BUILD and ILO. BUILD presented the draft activity plan up to November 2025, the initial draft of the summary version of the sixth BLG with cover design and draft covers and contents of the sectoral guidebooks on light engineering and plastic waste management. ILO endorsed the proposed timelines to meet the December 2025 deadline and approved the design layout for the summary licences, recommending the inclusion of issuing agency names. BUILD showcased a demo version of the summarised BLG with 20 selected licences and will conduct validation meetings with NBR, BIDA, Registrar of Joint Stock Companies and Firms (RJSC), Chief Controller of Imports and Exports (CCI&E), and Bangladesh Standards and Testing Institution (BSTI) before submitting the complete draft by 20 August 2025.

For the sectoral guidebooks, draft covers and content will be shared with ILO for review, with the ILO communications team supporting final logo placement and design. Additionally, BUILD will seek ILO's messages, profiles, and logos for inclusion in both the summary and sectoral publications. ■

## BUILD and ITC discuss collaboration for sustainable public procurement

BUILD recently engaged in a productive virtual meeting with the International Trade Centre (ITC) on 9 July 2025. The discussion focused on crucial ongoing and future collaborations to advance sustainable public procurement and encourage economic development in Bangladesh. A key area of discussion involved planning a policy dialogue with potential topics including gender-responsive public procurement (GRPP), defining women

entrepreneurs, institutional capacity building, and global best practices in sustainable public procurement.

During the meeting, an important update was provided regarding the Bangladesh Public Procurement Authority (BPPA). It was confirmed that the BPPA is currently in a transitional phase, focusing solely on making the e-GP system mandatory for all government procuring agencies. This push for mandatory e-GP aims to increase transparency, efficiency, and accountability in public procurement.

Looking ahead, ITC expressed its willingness to inform BUILD of any other potential collaboration opportunities in Bangladesh, indicating a desire for a continuing partnership. ITC is also committed to sharing specific ideas for future activities to be implemented by BUILD between July and December 2025. The meeting concluded with mutual appreciation and a shared commitment to further collaboration on public procurement reform and exploring new areas of cooperation. ■



## White Paper committee meeting with the education adviser on skill gaps in the private sector

White Paper committee members held a meeting with the adviser to the Ministry of Education, Prof. Chowdhury Rafiqul Abrar, on 20 July 2025 at his office at the secretariat. Siddique Zobair, senior secretary of the Secondary and Higher Education Division, Ministry of Education; Dr K. M. Kabirul Islam, secretary of the Technical and Madrasah Education Division; divisional heads of various educational institutions; and additional secretaries were present at the meeting. Dr Debapriya Bhattacharjya, the White Paper committee lead, moderated the discussion session.

As a White Paper committee member, the CEO of BUILD contributed to the discussion and raised the issue of skill gaps in the private sector. These gaps arise from the mismatch between employers' demands for skilled workers and the skills available in the workforce, a situation worsened by rapid technological advance-

ments and evolving job markets. The private sector, therefore, has to outsource a skilled workforce, incurring significant costs.

The CEO stated that the expansion of education has come at the expense of its quality. There are so many subjects within the education system that specialisation has not been properly developed. She stressed the need for a cost-benefit appraisal to estimate skill gaps, address challenges in aligning skills with market demands, and support the development of sustainable livelihoods. She also highlighted the importance of education focused on innovation and intellectual property rights, citing several examples of local patents. As these patents are not commercialised, researchers do not reap the benefits of their extensive work. She added that as Bangladesh progresses towards becoming a developing country, improving the quality of education and human resource development is essential. Despite much experimentation in education, quality remains lacking. There are substantial disparities between private and public institutions, and education has increasingly become a commercial enterprise. Bangladesh must prioritise improving education quality at all costs. ■



## Key stakeholders agree on export data harmonisation

In a significant step towards enhancing the accuracy of Bangladesh's export statistics, BUILD participated in a high-level meeting on 28 July 2025 with the Export Promotion Bureau (EPB), Bangladesh Bank (BB), and the National Board of Revenue (NBR). Represented by research associate Ahmed Julker Nine, the meeting aimed to create a unified framework for reporting trade data and improving its reliability for informed policymaking and business decisions.

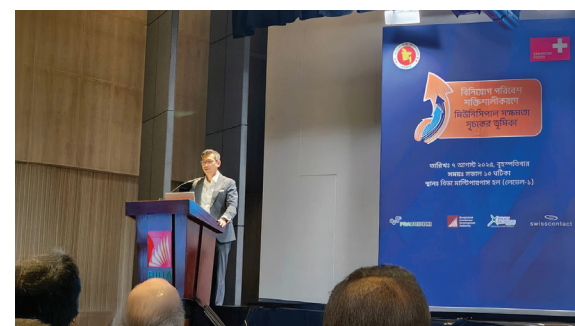
The discussions focused on resolving discrepancies arising from different data sources and methodologies. A key outcome was the agreement to adopt the IMF's Balance of Payments Manual (BPM6) methodology for compiling and reporting export data. This international standard is expected to bring greater uniformity and comparability to the

published statistics.

The meeting identified several areas for improvement. While Bangladesh Bank noted a significant reduction in discrepancies with EPB data due to the use of common Customs Procedure Codes (CPC), delays in assigning dedicated codes for specific export categories, such as Cut-Make-Trim (CMT) invoices and export samples, were highlighted as priorities to address. A committee has been formed to create these specific CPC codes, which will help streamline data analysis.

To enhance transparency, the EPB will now explicitly mention the date of the exchange rate used in its publications and add explanatory footnotes. These footnotes will clarify that the published figures include exports destined for consumption within Bangladesh (for example, in export processing zones), as well as export samples and CMT-based exports. The EPB will also note the date and time its data was downloaded from the NBR's BI platform. The NBR representative clarified that while both EPB and NBR primarily use free on board (FOB) value, Bangladesh Bank often uses realised value in foreign currency, which can cause minor differences due to timing and exchange rate fluctuations.

This collaborative effort is a positive signal for improving Bangladesh's trade data ecosystem. BUILD commends the EPB, BB, and NBR for their commitment to data harmonisation and will continue to support this vital initiative. Implementing these measures will provide businesses, researchers, and policymakers with more consistent and reliable data, which is fundamental for effective strategic planning and decision-making. ■



## BUILD attends workshop on the municipal competitiveness index

The Bangladesh Investment Development Authority (BIDA) and Swisscontact-Prabridhi jointly organised a day-long workshop at BIDA on 7 August 2025 to disseminate the findings of the municipality competitiveness index (MCI), which covered seven municipalities and examined various industry sectors and business sizes. Kanis Fatama, senior



research associate of BUILD, attended the workshop as BUILD is a member of the working group of the Bangladesh Investment Climate Improvement Programme (BICIP) under BIDA and actively participated in the discussions. Chowdhury Ashik Mahmud Bin Harun, executive chairman of BIDA, attended as the chief guest. Officials from different municipalities, government agencies, and representatives from the private sector also attended the event.

A total of 452 respondents were interviewed across Bogura, Bhairab, Dinajpur, Shibganj, Kushtia, Jashore, and Cox's Bazar municipalities between 30 June and 15 July 2024. The MCI, measured across five pillars, recorded an overall score of 55.86 out of 100, reflecting a moderately challenging business environment in these municipalities. This finding highlights the urgent need for regulatory simplification and modernisation, despite some existing strengths. The MCI study proposed 79 recommendations addressing strategic reform areas in business licensing and regulatory access, tax and finance access, infrastructure and service delivery, and governance and institutional capacity. As BUILD's core activities focus on research and policy advocacy in these areas, it also played a facilitative role in this initiative. ■

## Bangladesh Bank's consultation meeting on the monetary policy

On 16 July 2025, BB organised a consultation meeting on the Monetary Policy Statement (MPS) for HIFY26 at Hotel Lakeshore, Gulshan. Attended by stakeholders from think tanks, banks, regulatory bodies, and private sector associations, the session featured a keynote by Dr Md. Ezazul Islam, executive director, highlighting recent macroeconomic trends. Inflation declined to 8.48% from 11.66% in July 2024, aided by global price easing and monetary reforms. Though rice prices remain high and wage growth lags behind inflation, exchange rate stability has improved. Foreign reserves are strengthening, thanks to BB's USD purchase initiatives. BB projects inflation to fall to around 6.5% by June 2026. However, private sector credit growth slowed.

Key challenges discussed included high non-performing loans (NPLs), sluggish private investment, and potential revenue shortfalls. The impact of United States tariffs on exports, especially in the readymade garments (RMG) sector, was highlighted, with calls for stronger trade negotiation strategies and tariff reform. Speakers urged enhanced coordination between fiscal and monetary policy, improved governance in the banking sector, and better alignment of statistics and planning.

BB governor Dr Ahsan H. Monsur emphasised the central bank's commitment to inflation control, financial sector stability, and governance reform. BB is working on major initiatives, including bank mergers, implementing International Financial Reporting Standard (IFRS) 9 from January 2026, strengthening the Export Development Fund (EDF) facility, and a shift towards digital and inclusive finance. The upcoming "Bangladesh Bank Order 2025" aims to transform BB into a constitutional body, ensuring its independence and credibility.

Ferdaus Ara Begum, CEO of BUILD, emphasised that high interest rates are a significant constraint for CMSMEs. She welcomed policy innovations such as credit risk pricing and noted the inclusion of informal industries in BB's CMSME Master Circular circulated in March 2025. However, she recommended revisiting the credit ceiling for the manufacturing sector to ensure adequate support. She stressed the importance of private sector involvement in international tariff negotiations. Regarding inflation measurement, she suggested rotating items in the Consumer Price Index (CPI) basket to reflect rural consumption patterns better, as 70% of the population resides in rural areas. She also pointed out that exporters are not fully utilising the new Export Facilitation Pre-Financing Scheme and called for a more practical alternative to the reduced EDF fund. ■



## BUILD and The Asia Foundation's collaboration on the leather sector and SME development

On 7 July 2025, representatives from BUILD and The Asia Foundation (TAF) convened a strategic meeting at TAF's conference room to explore collaborative initiatives focused on SME development, leather sector growth, and policy advocacy in Bangladesh.

The agenda covered four core areas: a review of BUILD's activities and follow-up on the 9th SME Development Working Committee (SMEDWC) meeting decisions, progress on leather sector policy advocacy, potential joint activities, and prepara-

tions for the upcoming 10th SMEDWC meeting.

During the discussions, BUILD reiterated its recommendation to conduct a comprehensive study on SME investment opportunities in leather by-product industries, such as gelatin, shoe soles, and plastic leather. Both organisations agreed to work together to develop business cases to promote SME engagement in these high-potential areas.

The meeting also explored opportunities for collaboration on a joint study addressing the challenges faced by leather-sector SMEs. TAF proposed involving other development partners and engaging with embassies to enhance support for the initiative.

As part of the agreed action points, BUILD and TAF will jointly draft an initial outline for a study on tannery solid waste (TSW) management and the leather SME ecosystem, prepare detailed business cases for leather by-product industries, and share a previously prepared policy note on TSW management for further alignment. ■



## The Asia Foundation and BUILD discuss public financial management project

On 3 August 2025, senior representatives from TAF visited BUILD to engage in an in-depth discussion on the design of a new project to strengthen public financial management (PFM) in Bangladesh. The meeting at BUILD's office brought together key officials from both organisations to explore collaboration opportunities that could enhance transparency, accountability, and efficiency in national fiscal governance.

The TAF delegation included Kim McQuay, chief strategy and legal advisor, Office of the President; Sara Taylor, country representative, Mongolia; and Nafeed Maharuf Shafakat, research manager. From BUILD, attendees were Ferdaus Ara Begum, CEO; Wasel Bin Shadat, research director; and Tanjila Marjahan, research associate.

During the discussion, TAF shared that the initiative is currently in its conceptual stage, with a strong focus on reform advocacy and institutional engagement. To ensure the project is evidence-driven, TAF is conducting consultations with diverse public, private, and civil society stakeholders. BUILD's CEO, Ferdaus Ara Begum, outlined BUILD's role in fostering public-private dialogue and emphasised that impactful projects should be integrated into the Annual Development Programme (ADP) to ensure policy alignment and sustainability.

Participants also discussed the importance of improving data accessibility and coordination. While ministries should continue maintaining sector-specific databases, a centralised national database accessible to relevant stakeholders was proposed as a critical step to support coordinated policymaking and evidence-based decisions. Both BUILD and TAF expressed strong interest in continuing dialogue to refine the project's design and identify practical pathways for effective implementation. ■

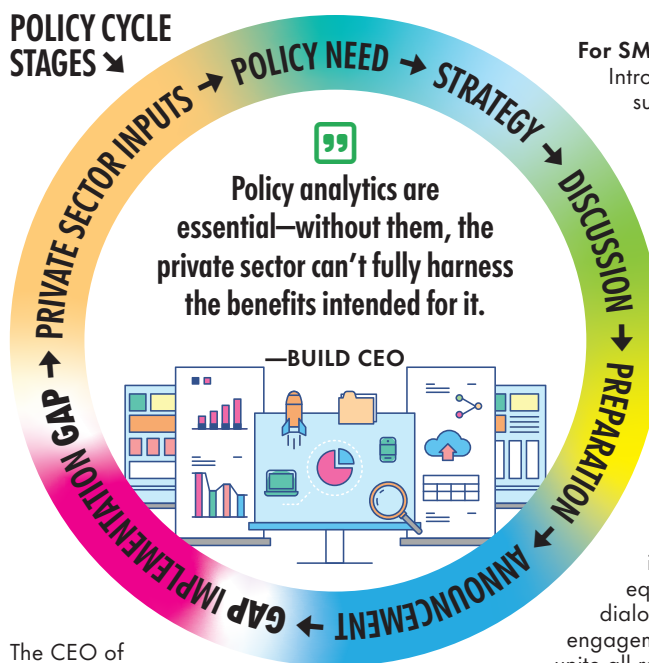


## Orientation workshop builds capacity for trade negotiators

The United Nations Development Programme (UNDP), in collaboration with the Ministry of Commerce and supported by the Foreign, Commonwealth and Development Office (FCDO), organised the orientation workshop at Rajendrapur, Gazipur. The objectives were to enhance the capacity of Bangladesh's trade negotiators to excel in future trade negotiations post-graduation, to provide a foundational understanding of trade policy and trade agreements, to develop knowledge on multilateral, regional, and bilateral trade frameworks, to build negotiation skills, and to strengthen participants' ability to integrate theoretical knowledge and the socio-economic and cultural context into negotiation strategies.

The inaugural session was chaired by Md Abdur Rahim, additional secretary, Ministry of Commerce (MoC), and additional secretary, Ministry of Foreign Affairs. Among the panel, Ferdaus Ara Begum, CEO, BUILD, was present along with other panellists.

## POLICY CYCLE STAGES



The CEO of BUILD noted that the language of trade agreements is often complex and that contextual information about the country plays a significant role. She emphasised that developing and retaining a specialised workforce with continuity is essential. She further stressed the importance of communication skills and strong interministerial coordination for successful negotiation.



**Developing and retaining a specialised workforce with continuity is absolutely essential.**

—BUILD CEO

She highlighted the need for policy analytics, as the private sector must fully utilise policy benefits. The policy cycle passes through different stages: private sector inputs → identification of policy need → policy strategy → discussion → policy preparation → announcement → implementation (institutional gaps). She emphasised that gaps before and after implementation need to be addressed.

**For the Ministry of Commerce (MoC), Ministry of Industries (Mol), and Ministry of Finance (MoF)**

Design non-sector-specific support schemes that are World Trade Organization (WTO)-compliant (such as export credit guarantees, export insurance, and infrastructure support).

**For the Export Policy 2024-27**

Incorporate value-chain-based interventions and conditional performance-linked incentives.

**For Tariff Policy**

Ensure alignment with WTO-bound rates while continuing to support domestic inputs.

**For SME Strategy**

Introduce innovation and sustainability-linked venture capital support.

**For Trade Negotiations**

Build negotiating capacity for Special and Differential Treatment (SDT) extension under Subsidies and Countervailing Measures (SCM) Article 27.

**Institutional Challenges**

The private sector is often a recipient of policy and information rather than an equal partner. Public-private dialogue (PPD) is a structured engagement mechanism that aims to unite all relevant stakeholders in a balanced and inclusive manner to assess, prioritise, and achieve sustainable results.

She provided the example of PEMUDAH (<https://www.pemudah.gov.my>), which has driven Malaysia's regulatory reform agenda. Public-private collaborations are transforming with the growing complexity and diversity of socio-economic challenges. Both sides have recognised business problems are now government problems and vice versa, intensifying new approaches to partnership at the highest levels. As institutional arrangements, public-private dialogues (PPD) have been pivotal in stimulating reform and improving a country's investment climate. They ensure political leadership, and their protection gives them authority to bypass bureaucratic hurdles and coordinate actions across government departments effectively. ■



## BIDA and BUILD collaborate to simplify business regulations

On 13 August 2025, BIDA and BUILD held a strategic meeting to advance joint initiatives addressing regulatory barriers for businesses. A key focus was launching the sixth edition of Business Start-Up Licences—A Regulatory Guidebook,



scheduled for early September at the BIDA office. The event brought together public and private stakeholders to discuss challenges and opportunities in business licensing. BUILD also presented its plan to digitise the Guidebook. The proposed version will be accessible through the BIDA and BUILD websites, supported by a secure payment gateway and a chatbot-enabled search system to improve user experience. To ensure accessibility and responsiveness, the digital platform will be optimised for both desktop and mobile devices. Discussions also explored a rolling update model to maintain a dynamic, real-time licensing database. As an interim solution, periodic PDF updates will be offered.

On trade licences, BUILD emphasised the need for consistent implementation of the five-year validity period, which remains uneven nationwide. BIDA pledged to raise this issue at the high-powered interministerial committee to ensure uniform adoption. This collaboration reflects BIDA and BUILD's shared commitment to regulatory simplification and creating a more enabling environment for businesses and investors in Bangladesh. ■



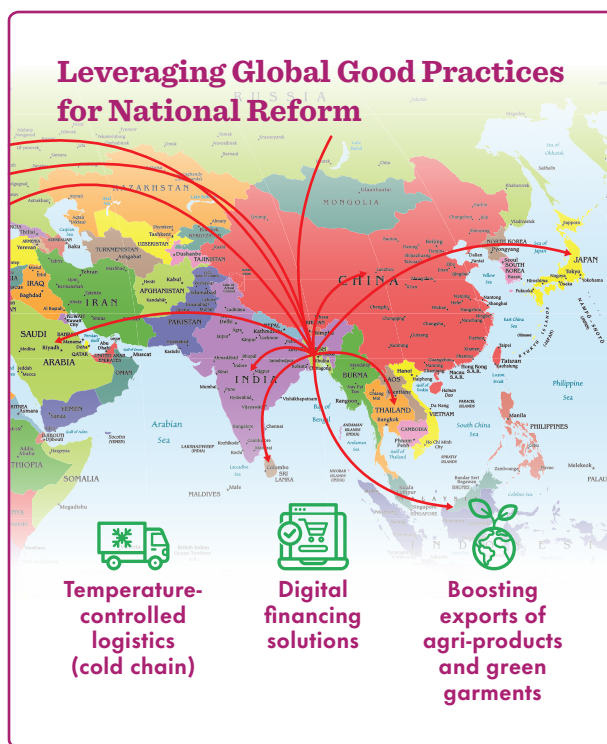
## BUILD and IFC strengthen collaboration for Bangladesh's logistics sector

BUILD had a productive meeting with Samanta Farahnaz, associate operations officer at the International Finance Corporation (IFC), to discuss the ongoing development of Bangladesh's logistics sector and avenues for future collaboration on 20 August 2025.

The meeting, chaired by BUILD CEO Ferdaus Ara Begum, included detailed discussions on the transformative journey of the logistics industry. Dr Wasel Bin Shadat, research director, and Ahmed Julker Nine, research associate, were also present.

### Reviewing a Strategic Partnership for Sector Development

Samanta Farahnaz sought a comprehensive overview of BUILD's extensive engagement in the logistics sector, particularly during the formulation and implementation phases of the National Logistics Policy 2024, where IFC has been



a key partner.

In a presentation, Ferdaus Ara Begum, CEO of BUILD, detailed this transformative journey, highlighting the pivotal role of the Logistics Infrastructure Development Working Committee (LIDWC), established in 2020 under BUILD's advocacy. She emphasised that the formal recognition of logistics as a 'high priority sector' in the National Industrial Policy 2022, along with the identification of its 21 distinct sub-sectors, was a landmark achievement stemming from LIDWC agendas.

"This recognition was crucial," the CEO of BUILD stated, "as it enables the sector to access a wide array of government incentives and policy support essential for growth. BUILD was instrumental in making this a reality."

### Acknowledging IFC and World Bank Support

BUILD's CEO extended gratitude for the sustained support from IFC and the World Bank throughout this process. This collaboration has been fundamental to several critical initiatives, including:

- A comprehensive review of logistics policies from 13 countries.
- The identification and definition of the 21 logistics sub-sectors.
- A two-day international workshop titled "Formulation of National Logistics Industry Development Policy for Bangladesh: Experience from Global Good Practices" was held on 16–17 November 2022.
- Support for over 50 workshops, dialogues, and research initiatives related to key performance indicator (KPI) identification and policy formulation throughout 2023.

- Technical assistance to the National Logistics Development and Coordination Committee project supported by the World Bank Group.

Farahnaz requested copies of the reports generated from these collaborative studies, which BUILD has agreed to share.

### Charting the Future Course of Collaboration

Farahnaz outlined IFC's evolving focus areas within policy advisory, which now include:

- Temperature-controlled logistics (cold chain)
- Digital financing solutions
- Promoting exports of agricultural products and green garments

In a significant step forward, all parties agreed on the

potential for developing a comprehensive master plan for the logistics sector development of Bangladesh. This initiative aims to create a unified, long-term roadmap to enhance the sector's efficiency, sustainability, and global competitiveness.

This meeting marks a renewed commitment between BUILD and IFC to deepen their partnership, leveraging global expertise to drive strategic reforms and investments in Bangladesh's vital logistics landscape. ■



## Meeting on formalising informal businesses and employment

BUILD met with Dr Melita Mehjabeen, professor at the Institute of Business Administration (IBA), University of Dhaka, at the BUILD conference room to discuss strategies for formalising informal businesses and employment in Bangladesh. From BUILD, the CEO, Ferdaus Ara Begum; additional research director Pallab Bhattacharjya; and senior research associate Nasib-Ul-Amin were present at

the discussion.

The meeting highlighted the urgency of transitioning Bangladesh's vast informal sector into the formal economy to ensure sustainable business growth, decent employment, and broader access to finance and social protection.

Key discussion points include:

- Obstacles to formalisation: lengthy and complex regulatory procedures, high compliance costs, lack of awareness among entrepreneurs, and insufficient incentives to encourage formal registration.
- Employment concerns: informal workers face precarious job conditions, limited rights, and a lack of social safety nets, which hinder long-term workforce development.
- Policy imperatives: streamlining registration and licensing processes, ensuring affordable compliance, promoting access to finance, and creating incentive frameworks for small enterprises to formalise.

The meeting concluded with a commitment to continue knowledge exchange and policy dialogues to advance the formalisation agenda, contributing to inclusive and sustainable economic growth in Bangladesh. ■



## Plastic recycling licensing guide initiative

In collaboration with ILO, BUILD has undertaken an initiative to prepare a comprehensive licensing guidebook for Bangladesh's plastic waste recycling sector. The guidebook aims to simplify regulatory requirements while unlocking new growth opportunities for the industry. As part of this effort, BUILD has begun consultations with key stakeholders to document necessary licensing procedures and explore prospects for the sector. On 20 August 2025, BUILD team members Pallab Bhattacharja, additional research director, and Asif Haider, research associate, conducted a key informant interview (KII) with Shamim Ahmed, president of the Bangladesh Plastic Goods Manufacturers and Exporters Association (BPGMEA).

Ahmed praised the initiative and shared valuable insights on the sector. He highlighted that Bangladesh currently recycles over 36 per cent of plastic waste, of which about 90 per cent is PET. Though major types of plastic waste remain uncollected due to low commercial viability, he emphasised that collecting such waste at the primary source could make recycling economically feasible. Ahmed also noted that, due to environmental risks and international compliance obligations, Bangladeshi plastic manufacturers are reluctant to import plastic waste or scraps. He further stressed the importance of achieving self-sufficiency and enhancing competitiveness in the global market through efficient recycling practices. ■



## BUILD engages with BGMEA University on EU green deal readiness

On 24 August 2025, BUILD organised a meeting with Prof. Dr Engr Ayub Nabi Khan, vice chancellor of the BGMEA University of Fashion and Technology (BUFT), at his office to discuss Bangladesh's readiness to address future challenges in the EU market under the Green Deal and circular economy transition. The meeting, attended by Pallab Bhattacharja, additional research director, and Jannatul Romana, research associate of BUILD, along with Md Rafiquzzaman, registrar, and Malick Shamim Akhtar, senior research officer of BUFT, was a follow-up to BUILD's earlier discussion with experts from Circle Economy on 30 July 2025.

Prof. Khan highlighted BUFT's wide range of academic and training programmes and shared insights on the preparedness of about 258 LEED-certified factories already aligning with EU requirements, though he stressed the need for further research and diversification beyond the basic readymade garments (RMG) and textile sector.

He emphasised that Tier-2s, small and medium enterprises (SMEs), and subcontractors require government-led training, long-term strategies, and research-based support to comply with new EU regulations such as the Digital Product Passport (DPP), Eco-design for Sustainable Products

Regulation (ESPR), and the Corporate Sustainability Due Diligence Directive (CSDDD).



**EU compliance requires long-term strategies, government-led training, and research-based support for SMEs and subcontractors.**

—Prof. Dr Engr Ayub Nabi Khan

Citing the Rana Plaza experience, he noted that compliance pressures have not damaged long-term buyer-supplier relationships between buyers, brands, buying houses, and producers, while also pointing out the importance of shared responsibility between buyers and producers regarding imported raw materials and compliance costs. Stressing the urgency of synchronised reforms across ministries, frequent surveys, and evidence-based policymaking, he underscored the need for policy alignment across trade, industry, labour, environment, and governance to adopt a green branding strategy.

While BUFT does not yet offer direct courses on ESPR, DPP, and CSDDD, Prof. Khan expressed keen interest in developing proposals in these areas, alongside initiatives on artificial intelligence (AI), the fourth industrial revolution (4IR), 3D fashion, and textile waste management. He reaffirmed BUFT's willingness to collaborate with BUILD on capacity-building initiatives to enhance Bangladesh's competitiveness in the EU market under the evolving sustainability agenda. ■



## Expert group meeting on trade negotiation capacity development

On 25 August 2025, a significant expert group meeting on capacity development for trade negotiation (TNP) was convened at Hotel Sheraton in Dhaka. The event was a collaborative effort by UNDP Bangladesh, the Ministry of Commerce (MoC), and the United Kingdom's Foreign, Commonwealth and Development Office (FCDO), as part of the Transformative Economic Policy Programme (TEPP-II). The



primary objective of the meeting was to bolster Bangladesh's Trade Negotiators' Pool (TNP) and enhance the nation's trade negotiation capabilities, which are crucial for a smooth transition from least developed country (LDC) status. The meeting brought together a diverse group of experts, including prominent figures like Prof. Mustafizur Rahman, Centre for Policy Dialogue; Dr Mostafa Abid Khan; Prof. Dr Selim Raihan, South Asia Network on Economic Modelling; and Prof. Dr Henry Gao, Singapore Management University.

A keynote presentation by Prof. Gao highlighted key global trade issues, such as World Trade Organization reform challenges and the growing importance of digital trade, sustainability, and climate change. He stressed that Bangladesh's negotiators need a combination of technical expertise and strategic foresight to protect national interests effectively. Discussions focused on the priorities and challenges of developing trade negotiation capacity, with a consensus on the importance of simulation-based training, real-world exposure, mentorship, and stronger institutional coordination among government bodies, academia, think tanks, and the private sector.

**Strengthening Bangladesh's trade negotiation capacity demands simulation-based training, strategic foresight, and deeper collaboration between government, academia, and the private sector.**

A key outcome of the meeting was formulating a roadmap for the TNP. The roadmap includes recommendations for designing specialised training modules, conducting sector-specific research, organising regular policy dialogues, and integrating emerging global trade issues into Bangladesh's long-term economic strategy. The event concluded with an agreement to refine this roadmap, develop specific training modules, organise follow-up workshops, and establish a mechanism for regular expert consultations. Participants underscored that closer collaboration between the Ministry of Commerce, research institutions, and the private sector will be vital for improving the quality and effectiveness of Bangladesh's trade negotiations. ■

## Key challenges and opportunities for Bangladesh post-TRIPS

BIDA recently conducted a comprehensive study to identify key challenges and opportunities for the pharmaceutical sector in the post-TRIPS era. Prof. Dr Sitesh



Chandra Bachar led the research team from the Department of Pharmacy, University of Dhaka. The study was presented at an event attended by industry experts, academia, and Ashik Mahmud Bin Harun, executive chairman (state minister) of BIDA, who was the chief guest. The CEO of BUILD, Ferdous Ara Begum, speaking at the event, highlighted the crucial flexibilities within the TRIPS agreement and emphasised that Bangladesh can realise benefits in the post-TRIPS era only by effectively utilising the TRIPS

Regarding API (active pharmaceutical ingredient) production, she stressed the importance of increasing domestic capacity. This will require support for the import of raw materials and reliable utilities within the API industrial park to ensure uninterrupted production. ■



## BUILD joins PRI meeting

On 28 August 2025, Asif Haider, research associate at BUILD, participated in the dissemination meeting of the Monthly Macroeconomic Insights (MMI) for July, organised by the Policy Research Institute (PRI) in its conference room. Dr Akhtar Hossain, chief economist of BB, graced the session as the chief guest.

The presentation highlighted that while Bangladesh's external sector shows resilience with rising export earnings and remittance inflows, persistent inflation and banking challenges remain concerns. Concern was raised over declining private sector credit growth, which hampers investment and slows employment generation. The discussion also underscored the importance

of mobilising revenue to improve the tax-to-GDP ratio. Speakers observed that the elevated policy rate is shrinking private sector activity, with many micro, cottage, and small businesses forced to shut down. Declining factory sales were also noted as a threat to investment. Calls were made for automation at NBR and measures to reduce logistics costs. Dr Hossain affirmed that BB's tight monetary policy aims to curb inflation, addressing Bangladesh's macroeconomic challenges in a forum of public and private sector representatives.

Representing BUILD, Asif Haider emphasised the need for stronger governance in project selection to ensure efficient use of public funds. He suggested institutional mechanisms such as the ombudsperson office or parliamentary committees to oversee this process. ■

### Post-TRIPS Key Challenges



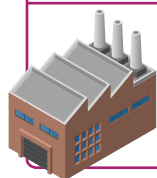
**Delay in registering 600 medicines and 15 biologic drugs**



**Limited specialised workforce; progress largely driven by private sector**



**Absence of standardised laboratory facilities for testing and certification**



**Need for domestic capacity, raw material import support, and reliable utilities in API industrial park**

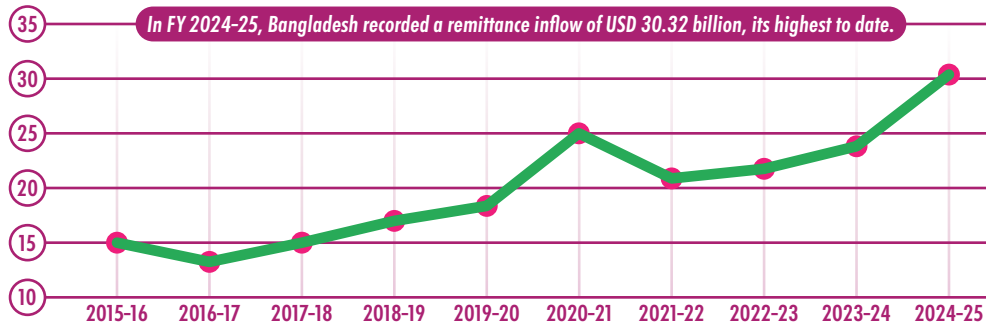
rules and the TRIPS Act 2023. She pointed to two significant challenges: regulatory barriers and skill development, noting that the private sector's own efforts have driven most progress in the pharmaceutical sector.

She also discussed the significant delay in registering 600 new medicines and 15 high-value biologic drugs, urging that regulatory issues be addressed promptly. Reflecting on the study's findings, she agreed that the Drug Control Committee and Drug Administration Authority require revisiting to enhance regulatory effectiveness.

Further, she underscored the need for government provision of specialised and standard laboratory facilities to support quality assurance within the sector.

## Annual Remittance Inflows (USD bn), FY 2015–2025

In FY 2024–25, Bangladesh recorded a remittance inflow of USD 30.32 billion, its highest to date.



↑ The graph above, sourced from BB, shows an overall upward trend in remittance inflows over the past ten years, despite occasional declines in certain fiscal years. BB should sustain momentum and optimise foreign exchange utilisation to strengthen the economy.

### BLOG

#### Remittance flows power forex stability: BUILD stresses migrant worker incentives

Bangladesh reached USD 30.32 billion in remittance earnings in FY2025–26, the highest ever in the country's history. Following the assumption of office by the interim government, a notable surge in remittance inflows has been observed, which has contributed significantly to stabilising foreign exchange reserves and allowed the government to clear long-pending foreign payment obligations successfully.

In light of this achievement, BUILD's 11th Financial Sector Development Working Committee (FSDWC) meeting emphasised the need to introduce non-cash incentives for expatriate workers to sustain the momentum. Responding to this call, the interim government has already inaugurated a dedicated lounge for expatriates at Dhaka airport and is preparing to extend voting rights to migrant workers in the national parliament election—a groundbreaking initiative in the country's governance landscape.

Beyond these steps, BUILD has suggested that additional measures could further enhance the welfare of migrant workers and encourage remittance inflows. Proposed incentives include specialised housing loan schemes, access to quality education for their children, exclusive credit cards offering discounts, and dual-currency transaction facilities.

These initiatives, which combine recognition with tangible support, are expected to strengthen the bond between migrant workers and the nation, while ensuring a steady flow of remittances that bolsters economic stability.

**Asif Haider**  
Research Associate, BUILD

### REFORMS

#### BB waives CIB fees for small entrepreneurs

As per BUILD's recommendation to waive the Credit Information Bureau (CIB) fees for small entrepreneurs, BB, through the CMSME Master Circular 2025, has waived CIB fees for credits up to BDT 10 lakh. This move will provide relief to the CMSME sector, as some banks previously overcharged these fees. The waiver enhances financial inclusion by lowering entry barriers for grassroots entrepreneurs. It also supports efforts to streamline credit access and encourage equitable CMSME growth. ■

### SCOPES

#### Impact of the third round of US reciprocal tariffs on Bangladesh's exports

The reciprocal tariffs (RT) framework imposed by the United States on 2 April 2025 has emerged as a significant challenge to the global economy and international trade, creating widespread uncertainty, including for Bangladesh. Following the third round of negotiations between Bangladesh and the United States, imposing reciprocal tariffs on 31 July 2025 will have a substantial economic impact, although negotiations have reduced the initial rate. The tariff was initially set at 37 per cent but was lowered to 20 per cent after discussions. This 20 per cent duty is in addition to the existing most favoured nation (MFN) tariff of 16.5 per cent, bringing the total effective tariff on Bangla goods to approximately 36.5 per cent.

The ready-made garment (RMG) sector, the backbone of Bangladesh's economy, is expected to be the most affected, accounting for roughly 85 per cent of the country's export earnings. The increased tariff threatens Bangladesh's price

competitiveness in its largest export market, potentially leading to order cancellations, factory closures, and job losses. However, the United States has included a provision that waives the 20 per cent reciprocal tariff if at least 20 per cent of the raw materials used in a product are sourced from the United States, offering a potential pathway for duty-free access.

The full impact of RT on Bangladesh is yet to be assessed, as it depends on multiple factors such as how RT has affected competitor countries and how the government and private sector of Bangladesh respond to the current challenges. BUILD has already shared its initial comments and potential ways forward with the Ministry of Commerce based on the earlier RT imposed on Bangladesh. Given that this is one of the most pressing issues for Bangladesh's export sector, with wider implications for the overall economy, BUILD is actively working to identify the potential impacts of RT in the coming days.

BUILD will present its findings and recommendations at the 12th Trade and Investment Working Committee meeting at the Ministry of Commerce. These recommendations support strategies for enhancing export competitiveness under the prevailing circumstances. ■

### ARTICLES

Bangladesh's export data challenges: Towards transparency and harmonisation  
• *The Business Standard* ■  
[cutt.ly/buildconnect254-01](https://cutt.ly/buildconnect254-01)

Reciprocal tariff by USA — its impact on Bangladesh economy • *Views Bangladesh*  
■ [cutt.ly/buildconnect254-02](https://cutt.ly/buildconnect254-02)

Lamentation over Milestone tragedy and next course of action • *Views Bangladesh*  
■ [cutt.ly/buildconnect254-03](https://cutt.ly/buildconnect254-03)

Beyond tariffs: The complex reality of US demands • *The Business Standard* ■  
[cutt.ly/buildconnect254-04](https://cutt.ly/buildconnect254-04)

Upcoming reforms for financial discipline and MPS HIFY26 • *Views Bangladesh* ■  
[cutt.ly/buildconnect254-05](https://cutt.ly/buildconnect254-05)

From policy to practice: The missing link in Bangladesh's industrial transformation • *The Business Standard* ■  
[cutt.ly/buildconnect254-06](https://cutt.ly/buildconnect254-06)

বাংলাদেশের ওপর শুল্ক এবং লাভক্ষতির হিসাব • *The Daily Ittefaq* ■  
[cutt.ly/buildconnect254-07](https://cutt.ly/buildconnect254-07)

রফতানি নিয়ন্ত্রণ ভূরাজনৈতিক বিরোধ নিরসনের বড় হাতিয়ার • *Bonik Barta* ■  
[cutt.ly/buildconnect254-08](https://cutt.ly/buildconnect254-08)

The fragmented future of global trade • *The Business Standard* ■  
[cutt.ly/buildconnect254-09](https://cutt.ly/buildconnect254-09)





## BUILD mourns Milestone College jet crash and calls for accountability

BUILD is profoundly shocked and deeply saddened by the fatal jet crash at Milestone School and College, which claimed the lives of innocent children, dedicated educators, and a courageous flight lieutenant, while leaving many others injured, traumatised, and grieving. This is not merely a local tragedy; it is a national calamity that has shaken the conscience of the country. The organisation mourns this devastating loss with a heavy heart.

On behalf of the entire BUILD team, heartfelt condolences are extended to the bereaved families, the survivors, and all those whose lives have been irreversibly altered by this tragedy. BUILD shares in their grief and stands beside them in this moment of profound sorrow.

This incident is a stark and painful reminder of the urgent need for systemic reform and institutional accountability. Whether the crash stemmed from structural failure, regulatory negligence, or lapses in enforcement, the conditions that enabled such a catastrophe must be rigorously examined. BUILD calls for an independent and transparent investigation to identify the root causes and to ensure that those responsible are held to account. The organisation further urges the implementation of a robust regulatory framework—one that mandates safety compliance, enforces regular structural audits, and prioritises risk assessment, especially in densely populated or industrial zones where the stakes are highest.

While words cannot fully express the depth of this loss, BUILD remains committed to honouring the memory of those who perished and to supporting those who survived. The organisation also extends its sincere gratitude to the first responders, medical teams, and volunteers who acted with courage and compassion in the face of unimaginable horror. Their swift and selfless service reflects the best of our shared humanity.

BUILD's thoughts remain with the victims, their families, and the wider community affected by this tragedy. May the departed rest in peace, and may the injured find strength and solace in their recovery. Let this moment of mourning also be a moment of reckoning, and a catalyst for lasting change. ■



## BUILD launches internal initiative for tech-enabled transformation

BUILD organised an in-house capacity-building session on 17 August 2025 at its conference room as part of a new initiative to enhance staff skills and institutional efficiency. The session was moderated by Dr Wasel Bin Shadat, research director, with all employees in attendance.

The agenda centred on identifying institutional gaps, advancing technology-driven planning, refining task allocation processes, and exploring the strategic integration of artificial intelligence (AI) into BUILD's operational and research workflows. These themes reflect a broader commitment to enhancing organisational agility, data-informed decision-making, and future-ready capacity across all departments.

Dr Shadat introduced core concepts of artificial intelligence and emphasised its integration into research activities. He highlighted the need for BUILD to transition into a more technology-enabled organisation and encouraged staff to draw on existing BUILD publications, specialise in their respective areas, and increase the institution's visibility.

Several organisational actions were agreed, including fortnightly research meetings, regular reporting to the research director, appointment of a communication officer for dissemination and institutional memory, blog and newsletter contributions from employees, development of institutional guidelines on AI use and procurement of AI accounts, creation of a central database and standardised documentation formats, introduction of personal development plans for all staff, stronger and more practical policy recommendations, and the use of unused research for policy briefs.

The second session focused on ongoing projects, research methods, literature review, and analytical frameworks. Employees were assigned responsibilities across various working committees and studies, including FSDWC, LDC graduation, GI policy, logistics, plastic recycling, TDS, and website upgrading.

Shahriar Rawshan presented upcoming priorities for the 4IR and ICT Working Committee. Key focus areas include

electric vehicles, e-waste management, AI readiness, skills development, academia–industry collaboration, and funding for digital research. Preparations are ongoing for the fifth committee meeting in coordination with the ICT Division, BHTPA, BASIS, and BUILD.

This session marks the beginning of a structured transformation phase aimed at institutional strengthening, improved research output, and effective technology adoption across BUILD's operations. It reflects BUILD's commitment to cultivating a future-ready workforce, embedding innovation into its core functions, and positioning the organisation as a proactive contributor to Bangladesh's digital and policy landscape. ■



## BUILD and TRACE to collaborate on electronic trade reform

On 31 August 2025, BUILD and TRACE Consulting Limited, a newly established Bangladeshi firm specialising in international trade, policy reform, and technology-driven solutions, held a strategic discussion to explore joint initiatives in trade facilitation.

A key focus of the meeting was how BUILD could engage in trade facilitation initiatives and collaborate in government-supported projects, including the development and implementation of an electronic Trade Facilitation Act. TRACE officials stated that five government agencies have already formed risk management units, and BUILD can lead awareness initiatives among government and private sector stakeholders to accelerate the implementation of risk management. Remaining work includes the rollout of the automated Risk Management System (ARMS).

Both parties agreed to organise a series of targeted dialogues: a half-day session on the risk management study, a consultation on electronic phytosanitary systems, and a national dialogue on the electronic trade facilitation agenda. The partnership aims to jointly mobilise research, policy advocacy, and technology-based interventions for smoother, faster, and more transparent cross-border trade in Bangladesh. ■



## Dr Wasel Bin Shadat joins BUILD as research director

BUILD is pleased to announce Dr Wasel Bin Shadat as its new research director.

Dr Shadat is an economist with over twenty years of experience in academia, policy research, and international consultancy. He is currently an assistant professor at the Institute of Business Administration (IBA), University of Dhaka. Previously, he lectured in econometrics and economics at the University of Manchester, UK, and served as a postdoctoral fellow at the Bangladesh Institute of Development Studies (BIDS). He was also executive director of the Institute of Policy and Social Sciences (IPSS) from 2015 to 2018.

Holding a PhD and MSc in econometrics from the University of Manchester, Dr Shadat specialises in applied econometrics, macro-micro integrated modelling, development economics, industrial policy, labour markets, and digital inclusion. He has led research and consultancy projects for the World Bank, International Labour Organisation, BRAC Institute of Governance and Development, Centre for Policy Dialogue, the UN, Commonwealth Foundation, and others. His work combines theoretical rigour with empirical analysis to inform inclusive development strategies in Bangladesh, recently focusing on urbanisation, evolving labour markets, industrial transformation, and robust,

evidence-based policy.

BUILD looks forward to Dr Shadat's leadership and is confident his expertise will significantly enhance the organisation's work and contribute to its continued progress. ■



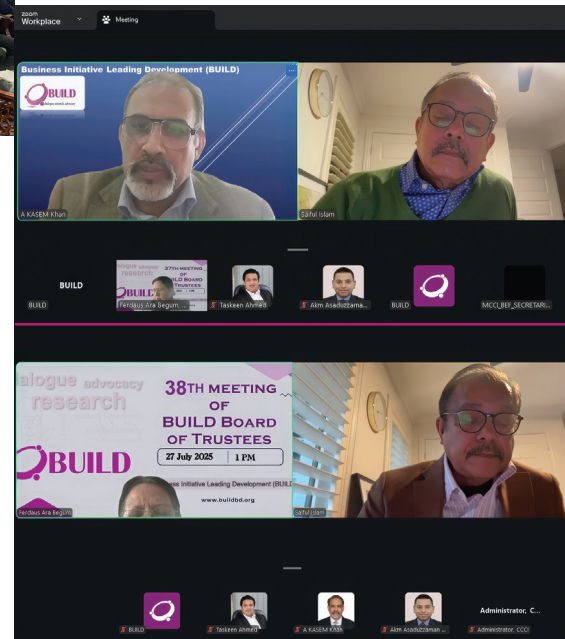
## Strengthening inter-ministerial synergies and collaboration

ILO organised a technical workshop on 28 August 2025 at the Pan Pacific Sonargaon Hotel. Md Obaidur Rahman, secretary of the Ministry of Industries, was the chief guest. A presentation from the ILO highlighted that in Bangladesh, about 84.9 per cent of the total labour force is informal, while more than 50 per cent of the enterprises are also informal. Of the total informal labour force, about 96.6 per cent are women. Formalising employment and enterprises is very important in this situation, as informality entails high social costs and risks.

The CEO of BUILD raised the point that the definition of informality is unclear in the Industrial Policy 2022 and that there is no definition of informal labour in the Labour Act. Therefore, a proper definition of formality is needed. She also highlighted that the benefits of formality must be understood by all so that they personally

feel motivated to formalise. A coordination committee has been formed to start work immediately under the Ministry of Industries, supported by the Ministry of Labour and Employment, with representatives from various other ministries and the private sector. The committee's task is to prepare a paper for submission to the government so that a task force can be established to advance this work. ■

## Trustee board meetings of BUILD



■ BUILD's trustee board maintained a strong and proactive pace of governance, holding two virtual meetings in rapid succession: the 37th trustee board meeting on 3 July 2025 and the 38th on 27 July 2025. Members convened to discuss key institutional matters, including a specific agenda item.

## Founding Organisations



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 ✉ [info@buildbd.org](mailto:info@buildbd.org) ☎ +880 222 33 81388, +880 222 33 89961

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