

EDITORIAL

The changing landscape of private sector needs in 2026

Following a prolonged business slowdown in 2025, marked by weak investment, sluggish export, high interest rates and persistent inflation, the private sector is looking for a turnaround in 2026. For Bangladesh's business community, the year 2026 is not about political transitions; it is about whether confidence can return to the economy. Over the past few years, businesses have operated in survival mode. Currency volatility, high borrowing costs, weak demand, energy uncertainty, and regulatory unpredictability have forced many firms to postpone expansion, freeze hiring, or divert capital elsewhere. Even profitable companies have become cautious. The result is visible in the data: low private investment, slow job creation, and subdued growth momentum. The new government inherits this reality. What the private sector now needs is not grand promises, but clarity and credibility.

Investment does not respond first to incentives. It responds to confidence. At present, confidence remains fragile. Policy reversals, inconsistent enforcement, and unresolved weaknesses in the banking sector have made businesses defensive. Domestic investors hesitate to reinvest their retained earnings. Foreign investors compare Bangladesh not to its past performance, but to competing destinations in the region.

The most important signal the new government can send is predictability. Stable rules, transparent decision-making, and respect for contracts matter more than short-term concessions. Without these, no tax break or stimulus package will unlock meaningful private investment.

High interest rates and tight credit conditions have become a major constraint, particularly for small and medium enterprises. Access to finance has narrowed just as operating costs have



risen. For many firms, expansion is no longer a question of demand, but of affordability. Businesses understand the need to control inflation and stabilise the macroeconomic condition. However, prolonged financial stress risks turning stabilisation into stagnation. When credit is scarce or expensive, firms delay investment, productivity suffers, and jobs disappear. What the private sector wants is not artificially cheap money, but a credible roadmap for financial sector reform. Cleaning up non-performing loans, improving governance, and restoring trust in banks would lower risk premiums and revive productive lending.



Predictability is the clearest signal the new government can send. Stable rules, transparent decisions and respect for contracts matter far more than short-term concessions. Without them, no tax break or stimulus will unlock real private investment.

Unemployment, especially among young and educated workers, is often treated as a social issue. It is also a core business concern. Companies need skilled and motivated employees. They also need consumers with purchasing power. An economy that fails to create jobs weakens

both supply and demand. Over time, talent leaves, informality rises, and growth potential erodes.

Job creation does not require massive new megaprojects. It requires an environment where small and medium enterprises, light manufacturing, logistics, construction, and services can grow. These sectors are labour-intensive and quick to respond if regulatory bottlenecks are reduced and financing improves.

The expectations are practical but not easy to address. First, both institutional and regulatory reform initiatives, particularly in the financial sectors, must continue and move beyond cosmetic fixes. Transparency, accountability, credible enforcement, and honest communication about constraints and timelines are essential to restore trust and revive productive lending. Second, policy predictability must become a governing principle. Simplified taxation, streamlined licensing, and consistent regulation would do more to unlock investment than any short-term stimulus. Third, growth must be explicitly linked to employment. Supporting small and medium enterprises, light manufacturing, construction, and services can generate jobs faster than capital-intensive projects. Fourth, human capital policy must become market-driven. Education and training systems need closer alignment with labour market demand, particularly for youth and women. Businesses do not expect instant recovery. They expect seriousness.

The new government begins its term under economic strain, but that also creates opportunity. Early, credible signals can restore confidence faster than any stimulus package. Capital is cautious, not absent. It is waiting. If 2026 delivers predictability, discipline, and reform intent, investment will follow and jobs will return. If uncertainty persists, hesitation will deepen.

For the private sector, the message is simple: growth will not come from slogans. It will come from signals.

Ferdaus Ara Begum
CEO, BUILD



Condolences on the passing of Begum Khaleda Zia

Begum Khaleda Zia, the former prime minister and a towering figure in the nation's democratic and economic history, died at Evercare Hospital in the capital's Bashundhara neighbourhood on Tuesday morning, 30 December 2025.

BUILD expresses its profound shock and deepest condolences on her passing.

As the first female prime minister of Bangladesh, Begum Khaleda Zia's leadership marked a pivotal transition in our nation's trajectory. Beyond her role in restoring parliamentary democracy, her administration helped steer Bangladesh toward a more market-oriented and outward-looking economy at a time when the country was emerging from prolonged military rule and had limited productive capacity. Her government introduced important reforms, including early support for export-oriented industries, modernisation of the tax system through the Value Added Tax Act of 1991, and steps to strengthen financial sector regulation. Measures such as current account convertibility further integrated Bangladesh into global markets. These initiatives laid the groundwork for private sector-led growth and created an environment in which entrepreneurship could begin to flourish.

BUILD particularly recognises her visionary focus on rural welfare and job creation. By prioritising the economic empowerment of the grassroots, she helped integrate the rural economy into the national value chain. Her government's efforts in liberalising trade and encouraging industrialisation provided the early impetus for the vibrant private sector we see today.

Begum Khaleda Zia's legacy as a pioneer in the Muslim world, and her restrained yet resolute leadership style, have earned her a definitive place in South Asian history. We honour her unwavering commitment to the sovereignty of Bangladesh and her enduring contributions to its socio-economic fabric.

On behalf of the Board of Trustees and the Secretariat of BUILD, we extend our heartfelt sympathies to her family, associates, and the people of Bangladesh. We pray for the eternal peace of her departed soul. ■

High-level meeting at the MoC on enhancing EU market access and sustainability

The Ministry of Commerce (MoC), in collaboration with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH under the Sustainability in the Textile Sector (STILE-II) project, convened a high-level policy discussion on product traceability on 30 November 2025 at the MoC conference room, chaired by its secretary, Mahbubur Rahman.

BUILD provided thematic and research support for this activity under the STILE-II project of GIZ. In her keynote presentation, Ferdaus Ara Begum, chief executive officer of BUILD, highlighted that strengthening product traceability has become a critical national priority as global markets, particularly the European Union, have introduced new requirements linked to the circular economy, Digital Product Passports (DPP), responsible business conduct, and sustainability disclosures. With 92 per cent of Bangladesh-EU trade concentrated in the RMG sector, Bangladesh must align its policies with EU Green Deal requirements by approximately 2030.

The keynote underscored significant challenges, including data validation, interoperability, institutional coordination, and initial compliance costs. Drawing on international experiences from Vietnam, China, Japan, Korea, and India, she noted that public-private co-investment has been central to building robust traceability ecosystems. She emphasised the need for a national traceability strategy supported by sector-specific measures, adding the requirement for a jhut sector directory, institutional frameworks for traceability, expanded data infrastructure, and the introduction of green financing options to help Bangladesh's industry implement traceability solutions.

Mahbubur Rahman, secretary of the MoC, referring to examples from Germany, emphasised the urgent need to establish a digital platform for data exchange and, in that respect, requested support from development partners. He also initiated the drafting of a national traceability strategy, which can include plans for sector-specific traceability pilots under the leadership of the MoC and with technical

support from GIZ.

Additionally, he inaugurated the activities of a multi-stakeholder dialogue platform, chaired by the export wing of the MoC and comprising members from both the public and private sectors. This platform will convene policy discussions around key sustainability topics, including the proposed traceability policy. He advised the Export Promotion Bureau (EPB) to initiate a project to explore data transparency and governance issues by extending support to exporters in obtaining unique IDs, building on the EPB's experience with implementing REX.

Representatives from the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), and the leather sector shared updates on ongoing sector-specific pilot initiatives.

BGMEA Director Sheikh H. M. Mustafiz stated that RMG entrepreneurs are facing difficulties due to data requirements from various quarters, including brands, buyers, and private consultants. It is challenging for them to meet the requirements of multiple platforms, which do not yet follow a global or uniform standard. Therefore, a unified national standard or guideline would significantly streamline compliance and reduce costs.

First Secretary of the German Embassy in Dhaka, Jannis Hussain, highlighted two major challenges: data availability and generation, as well as the required digital infrastructure, which has significant cost implications for suppliers.

The event brought together senior government officials, industry leaders, private-sector actors, and development partners to advance national-level dialogue on product traceability, an urgent prerequisite for sustaining Bangladesh's export competitiveness in the context of evolving EU market regulations and post-LDC graduation challenges.

The policy discussion reinforced these objectives by examining how improved traceability systems can boost export credibility, promote circularity, and ensure compliance with emerging sustainability and due diligence requirements in global markets.

Abdur Rahim Khan, Additional Secretary and Wing Chief of the Export Wing of the MoC, emphasised the importance of due diligence, citing examples from Thailand and Cambodia, and suggested establishing a national project implementation unit (PIU). Joint Secretary of the Planning Wing, Mostofa Jamal Haider, also highlighted how traceability can help Bangladesh negotiate more effectively in a post-LDC landscape.

Public-sector representatives, including

BSTI, BCSIR, BPC, ERD, and the Planning Commission, were present, along with representatives from various textile and apparel associations, the leather sector, the fisheries sector, and other stakeholders who spoke on the occasion. ■



Australian Government

Department of Foreign Affairs and Trade

BUILD signs DFAT-supported research project to promote SME export competitiveness through BW reform

BUILD formally signed a service contract with the Department of Foreign Affairs and Trade (DFAT) of the Australian High Commission in Bangladesh on 15 December 2025. The agreement marks the launch of a flagship research project aimed at enhancing the export competitiveness of small and medium-sized enterprises (SMEs) in Bangladesh.

The project, titled “Study and National Conference on SME Competitiveness and Export Growth”, seeks to generate robust empirical evidence to inform policy reforms. These reforms aim to expand SME access to bonded warehouse (BW) facilities—one of the most critical trade facilitation tools in the country, which is currently dominated by large, 100% export-oriented firms, particularly within the ready-made garments (RMG) sector.

Although SMEs account for nearly 25 per cent of Bangladesh’s gross domestic product (GDP) and employ millions nationwide, their participation in exports remains limited. A key structural barrier has been restricted access to bonded warehouse facilities, which allow the duty-free import of raw materials for export production. Recent regulatory changes, including the Bonded Warehouse Licensing Rules 2024, have further tightened eligibility criteria. This has disproportionately affected SMEs and partial exporters operating outside economic zones and high-tech parks.

Implemented in core partnership with the SME Foundation, the DFAT-supported study will examine how exclusion from bonded warehouse facilities raises production costs for SMEs, undermines their global competitiveness, and limits export diversification. This is an increasing

ly urgent concern as Bangladesh prepares for its graduation from the status of a least developed country (LDC) in 2026.

The research will also assess the effectiveness of recent fiscal and policy measures, including the financial year (FY) 2025–26 budget proposals regarding central bonded warehouses (CBWH) and free trade zone (FTZ)-based bonded facilities. Furthermore, it will identify practical governance mechanisms—such as risk-based audits, quota systems, and digital monitoring—to ensure SME inclusion while safeguarding government revenue.

Key outputs of the project will include a comprehensive research report, a policy options matrix, stakeholder validation workshops, and a national dissemination conference. This conference will bring together government agencies, private-sector leaders, development partners, and civil society organisations.

By supporting this initiative, DFAT reaffirms Australia’s commitment to inclusive economic growth, trade facilitation, and private-sector development in Bangladesh. The study’s findings are expected to provide policymakers with an evidence-based roadmap for reforming bonded warehouse policies, reducing structural biases, and enabling SMEs to play a more dynamic role in Bangladesh’s export economy in the post-LDC era. ■



Seminar on strengthening public policy for climate action and women-led SME growth

The Women Entrepreneurs’ Association of Bangladesh (WEAB) organised a high-level, day-long seminar titled “Voices for Change: Putting Climate Action, Women Entrepreneurs, and SMEs in Bangladesh’s Public Policy” on 6 December 2025 at the Lakeshore Hotel in Gulshan.

The event brought together key government officials, international development partners, and industry leaders to discuss the critical intersection of gender equality, climate resilience, and economic policy.

Farida Akhter, adviser to the Ministry of Fisheries and Livestock, attended as the chief guest. Other notable speakers included Mir Nasir Hossain, former President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI); Baiba Zarina, Deputy Head of the EU Delegation to Bangladesh; Md Rafiqul Islam, Executive Director of Bangladesh Bank; and Mushfiqur Rahman, Chairperson of the SME Foundation.

A keynote paper was presented by Mahiul Kadir, country director for Better with Water in Bangladesh. Following the presentation, Ferdous Ara Begum, CEO of BUILD, moderated a technical session titled “Turning Climate Challenges into Opportunities: Advancing Women Entrepreneurs in the SME Sector”.

The panel featured prominent figures, including Md Abdur Rahman Khan, chairman of the National Board of Revenue (NBR); Abdul Hai Sarkar, chairman of Dhaka Bank; Farah Kabir, country director of ActionAid Bangladesh; and Hasna Jasimuddin Moudud, International Union for Conservation of Nature (IUCN) councillor for South and East Asia (2022–25).

The dialogue centred on strategies to empower women-led small and medium enterprises (SMEs) to adapt to climate challenges through innovative financing and sustainable business models:

- **Economic Formalisation**
The NBR chairman, Md Abdur Rahman, emphasised that developing women’s entrepreneurship is a social and economic imperative. He argued that formalising informal, women-run micro, small, and medium enterprises (MSMEs) is essential for scaling their businesses and increasing their contribution to the national gross domestic product (GDP).
- **Access to Finance**
Abdul Hai Sarkar of Dhaka Bank provided recommendations to bridge the credit gap for women, highlighting the need for easier access to formal banking channels.
- **Social Barriers**
Farah Kabir addressed the persistent social hurdles facing women entrepreneurs and proposed practical measures to dismantle these barriers.
- **Climate Resilience**
Hasna Jasimuddin Moudud highlighted how climate shocks, such as extreme heat and flooding, disproportionately impact the earning capacity of female-headed rural households.

During the floor discussion, the chief executive officer of BUILD shared critical

statistics regarding the sector's current standing and future goals. While SMEs currently contribute approximately 11.89 per cent to GDP (as per the 2025–26 budget), the SME Policy 2025 has set an ambitious target of 35 per cent by 2030.

Despite the sector employing over 24 million people—with 12.01 million in industrial roles according to the Labour Force Survey (LFS) 2024—only 2.5 per cent of formal SMEs are women-owned. However, when including the informal sector, women-led SMEs account for an estimated 10–12 per cent of enterprises, predominantly in lower-capital service and trading segments.

Begum noted that while loan disbursement is higher for women in the informal sector (averaging BDT 1.39 lakh through platforms such as UBID and DBID), their share of credit falls as their businesses grow. This trend reinforces the urgent need for formalisation to ensure long-term sustainability.

The seminar concluded with a positive assurance from the NBR chairman, who pledged that the government would simplify tax-related issues specifically for women entrepreneurs. This move is expected to foster a more inclusive business environment and support the survival and growth of women-led enterprises in the face of global economic and environmental shifts. ■



Seminar on opportunities for export diversification in Bangladesh's toy industry

Ferdaus Ara Begum, CEO of BUILD, delivered the keynote presentation at the Global Sourcing Expo 2025 at the Bangladesh China Friendship Exhibition Centre (BCFEC) on 3 December 2025. The seminar, titled “Diversifying the Export Basket: Opportunities in the Global Toy Market”, was jointly organised by the Export Promotion Bureau (EPB) and the Bangladesh Plastic Goods Manufacturers and Exporters Association (BPGMEA), bringing together industry leaders, government officials, and exporters.

Begum highlighted the growth potential of

Bangladesh's plastic toy industry in the global market, projected to reach USD 150 billion by 2032, emphasising opportunities in labour-intensive and value-added segments, such as soft and plush toys, educational STEAM toys, and wooden toys. She noted that more than 100 local manufacturers, including Bengal Plastic, RFL, Aman Plastic, and Zihan Plastic, are contributing to domestic and export markets, with exports expanding to countries such as the United States, the European Union, Japan, India, and the Middle East.

She outlined key challenges, including limited local production of precision plastics and electronics, inadequate testing and certification facilities, dependence on imported moulds, and the absence of a sector-specific policy. To address these issues, Begum recommended a comprehensive toy policy, bonded warehouse facilities, technology transfer between export processing zones (EPZs) and non-EPZ industries, the development of toy clusters targeting USD 1 billion in exports by 2030, and the strengthening of testing and research and development (R&D) infrastructure.

Begum also emphasised the employment potential of the sector, particularly for women, and highlighted Bangladesh's strategic opportunity to capture global market share amid rising labour costs in China. The keynote was followed by a panel discussion and special addresses by Baby Rani Karmokar, Director General of the EPB, and Mohammad Hasan Arif, Vice-Chairman of the EPB, who served as the chief guest, emphasising government support and policy facilitation for the toy industry.

The seminar concluded with a call for enhanced collaboration among manufacturers, industry associations, and government agencies to unlock Bangladesh's toy sector potential and boost export diversification. ■



Meeting with MoC Secretary on policy coordination and export reforms

In a strategic move to fortify Bangladesh's primary export sector against shifting global regulations, the MoC and BUILD

have agreed to establish a high-level policy coordination unit (PCU).

The decision was reached during a meeting between Mahbubur Rahman, Secretary of the MoC, and a delegation from BUILD and the GIZ on 4 November 2025. In addition to the textile sector, the meeting addressed several critical policy reforms:

- National CSR Policy**
 The MoC will lead the preparation of a national corporate social responsibility (CSR) policy, with technical support from BUILD.
- Leather Sector Roadmap**
 The ministry will finalise the Leather Sector Export Roadmap, a strategic document previously drafted by BUILD to revitalise the tanning and leather goods industry.
- Trade Facilitation**
 A dedicated committee meeting will be convened to resolve longstanding utilisation declaration/permission (UD/UP) issues specifically for partial exporters, a move aimed at reducing administrative bottlenecks for SMEs.

The dialogue concluded with a commitment to hold the 12th Trade and Investment Working Committee (T&IWC) meeting by December 2025. This meeting will serve as a follow-up to the 15th Private Sector Development Policy Coordination Committee (PSDPCC) decisions and will provide a formal venue to track the progress of these joint initiatives.

The MoC Secretary expressed his appreciation for the technical expertise provided by BUILD and GIZ, noting that such collaborations are vital for ensuring that “Brand Bangladesh” remains a competitive and responsible choice in the international market. ■



Export diversification: The role of women entrepreneurs and SMEs

On the sidelines of the 12th SME Fair held at the Bangladesh–China Friendship Conference Centre, the SME Foundation (SMEF) organised a seminar titled “Export Diversification: Role of Women Entrepreneurs and SMEs”.

neurs and SMEs” on 8 December 2025 at Winyd Town Hall.

The seminar featured a keynote paper by Dr Melita Mehjabeen of the Institute of Business Administration (IBA), University of Dhaka, while Dr Mohammad Ayub Miah, Chairman of Somnilito Bank, attended as the chief guest. Special guests included Anwar Ul Alam Chowdhury Parvez, President of the Bangladesh Chamber of Industries (BCI), and Sohel R. K. Hossain, Managing Director of Bank Asia Public Limited Company. The session was chaired by Md Mushfiqur Rahman, Chairperson of SMEF, and moderated by Farjana Khan, Deputy Managing Director of SMEF.

The keynote paper highlighted the reasons behind the lack of product diversification in Bangladesh, using comparative global data. Key barriers identified for women entrepreneurs (WEs) included:

- weak implementation and enforcement of existing policies
- limited access to formal finance and high interest rates
- gender-unfriendly trade facilitation and social mobility constraints

The paper concluded with a powerful call to action: “Let us not only grow exports, but also let us grow opportunities; let us not only diversify products, but also let us diversify power.”

Ferdaus Ara Begum, CEO of BUILD, emphasised that the requirements for cottage and micro-enterprises differ significantly from those of small and medium-sized businesses. She argued that policies must be framed according to these specific segments.

“The entrepreneurs exhibiting at this fair are mostly from the cottage and micro segments; therefore, the regulatory treatment for them should be distinct from that of larger SMEs,” she noted. She shared critical statistics, stating that out of 11 million SMEs in Bangladesh, only 2.8 million (24.6 per cent) are women-owned. Of these, only 15–16 per cent are involved in export-oriented sectors.

Begum questioned the feasibility of the current government priorities. The Export Policy 2024–27 identifies 40 different sectors across high-priority and special development categories. Similarly, the Industrial Policy 2022 lists 184 different types of sectors. She stated that it is nearly impossible for hundreds of products across 40–184 sectors to be nurtured simultaneously by the Export Promotion Bureau (EPB), and she further recommended that priorities be narrowed and fixed so that proper support can be provided to each sector.

Starting a business in Bangladesh currently requires 23 different licences and takes an average of 477 days, according to various ministries’ citizens’ charters. To

resolve this, the BUILD CEO proposed the introduction of service level agreements (SLAs), which are contracts between a service provider (the government) and a customer (the entrepreneur) that define expected performance, timelines, and responsibilities, and outline how performance is measured and the penalties that apply if service levels are not met.



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—BUILD CEO

The seminar also addressed the heavy fiscal burden on small businesses:

- **Equal Penalties**
A fine of BDT 5,000 for late VAT returns was previously the same for a billion-taka company as it was for a micro-entrepreneur. While this has recently been reduced to BDT 2,000, it remains a burden.
- **Guarantor Requirements**
Women entrepreneurs often require at least three guarantors for loan approval, which presents a significant hurdle for small-scale entrepreneurs.
- **Interest Rates**
Despite refinancing schemes, interest rates for WEs remain as high as 13–16 per cent, which is considered unaffordable.
- **Tax Complexity**
The combination of corporate tax policy and tax deducted at source (TDS) can result in an effective rate of 40–45 per cent, which is unaffordable for small enterprises.

The discussion concluded with a set of priorities for the sector:

- **Policy Operationalisation**
Move beyond announcements to actual implementation.
- **National Single Window**
Fully operationalise digital trade platforms to reduce physical hurdles.
- **Tariff Reform**
Restructure tariffs and incentives to

- support non-RMG exports.
- **Standards and Certification**
Strengthen infrastructure to help SMEs meet international quality standards.
- **Skills Upgrading**
Invest in technology and training to enable higher-value, competitive manufacturing. ■

BUILD proposes roadmap to commercialise Bangladesh’s GI products

In a move to bolster Bangladesh’s export competitiveness and safeguard its cultural heritage, BUILD has prepared a comprehensive policy paper titled “Effective Utilisation of Geographical Indication (GI) for Socio-Economic Benefits and Export Diversification in Bangladesh”. The paper outlines a critical roadmap for transitioning from mere legal registration to the full commercialisation of the nation’s traditional assets.

While Bangladesh has successfully registered 60 products—including iconic items such as jamdani, hilsa fish, and muslin—the report highlights a significant gap between registration and economic realisation. Currently, most registered GIs remain “paper GIs”, with minimal impact on export volumes or the livelihoods of rural artisans.

The study identifies several key bottlenecks:

- **Weak Institutional Coordination**
A lack of a specialised GI unit within the Department of Patents, Designs and Trademarks (DPDT) has hindered monitoring and enforcement
- **Top-Down Approach**
Nearly 90 per cent of GI applications are filed by government bodies rather than producer associations, leading to low community ownership
- **Commercialisation Gaps**
The absence of an official GI tag system and marketing strategies prevents producers from commanding the 20–30 per cent price premium typically associated with GI goods

The paper emphasises that GIs are vital for Bangladesh’s LDC export strategy. As direct cash incentives (CIs) for sectors such as agro-processing and handicrafts face sharp reductions—declining by as much as 50–70 per cent in late 2025—GIs offer a sustainable alternative to maintain market competitiveness through branding and quality assurance.

The report points to recent disputes with India over shared GIs, such as the Tangail saree and Sundarbans honey, as a

“wake-up call” for proactive governance. India’s prior registration of the “Tangail Saree of Bengal” underscores the need for Bangladesh to adopt a more proactive legal stance and engage in bilateral dialogues to protect its heritage.

To transform the GI landscape, BUILD proposes several strategic interventions:

- **National GI Policy**
Establish a comprehensive framework under the Ministry of Industries to integrate trade, agriculture, and SME sectors
- **GI Tag User Policy**
Expedite the pending approval of a national GI tag to allow authentic producers to brand their goods officially
- **Empower Producer Organisations**
Shift away from a government-led model to one that facilitates finance and certification for rural artisan cooperatives
- **International Engagement**
Accede to the Lisbon Agreement and Geneva Act under the World Intellectual Property Organisation (WIPO) to secure cost-effective protection across multiple global markets

“Bangladesh’s journey requires a paradigm shift—from a legalistic focus on registration to a market-driven, community-centred approach,” the report concludes. By operationalising the full lifecycle of GI benefits, the nation can turn its traditional knowledge into a powerful engine for inclusive economic growth. ■



BUILD engages in UN-OHRLLS assessment of Bangladesh’s LDC graduation readiness

BUILD participated in the high-level consultations convened by the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries, and Small Island Developing States (UN-OHRLLS) as part of the independent graduation readiness assessment of

Bangladesh.

BUILD’s CEO, Ferdaus Ara Begum, and Research Director, Dr Wasel Bin Shadat, joined the in-person assessment mission held in Dhaka on 11 November 2025, alongside key national experts and representatives from leading research and policy institutions including the Centre for Policy Dialogue (CPD), the Policy Research Institute (PRI), the South Asia Network on Economic Modelling (SANEM), Policy Exchange Bangladesh, and RAPID.

Participants discussed the evolving macroeconomic and private sector landscape in Bangladesh against the backdrop of the COVID-19 shock, geopolitical tensions, global trade disruptions, domestic inflationary pressures, and banking sector vulnerabilities. In view of the current macroeconomic stress, political uncertainty, and rising unemployment, experts emphasised that Bangladesh’s readiness for graduation from the LDC category requires deeper policy preparedness and institutional strengthening.

The meeting highlighted Bangladesh’s unique scale and structural characteristics among LDCs, its growing trading power, and the irreversibility of graduation once it is completed. Experts expressed concern about the risks of a potential middle-income trap, emphasising that the sustainability of graduation is of paramount importance. While there was unanimous support for deferring the graduation timeline to ensure a smooth and resilient transition, participants called for a strong, target-based implementation of a revised Smooth Transition Strategy (STS) to strengthen export diversification, fiscal stability, and private-sector competitiveness.

BUILD reiterated its commitment to support evidence-based dialogue and policy advocacy to ensure a sustainable and inclusive graduation process for Bangladesh. ■



BUILD CEO joins UNIDO workshop on advancing eco-industrial parks

As Bangladesh prepares for its upcoming graduation from the LDC category, the

transition towards sustainable and green industrial growth has never been more critical. To mark the conclusion of a significant phase in this journey, Ferdaus Ara Begum, CEO of BUILD, attended the closing workshop on eco-industrial park (EIP) light-touch activities in Bangladesh.

Held on 22 December 2025 at the Pan Pacific Sonargaon Hotel in Dhaka, the workshop was organised by the United Nations Industrial Development Organisation (UNIDO) under the Global Eco-Industrial Parks Programme (GEIPP). The event brought together key policymakers, international development partners, and private-sector leaders to review the progress of EIP implementation and discuss strategies for integrating environmental efficiency with industrial competitiveness.

The workshop featured a high-level panel discussion titled “EIP and Industrial Development in Bangladesh”, alongside insights from the Ministry of Industries, the Bangladesh Export Processing Zones Authority (BEPZA), and the Bangladesh Small and Cottage Industries Corporation (BSCIC). As a prominent voice for private-sector policy advocacy, BUILD’s participation underscored the organisation’s commitment to ensuring that Bangladesh’s industrial zones evolve into sustainable ecosystems that attract global investment and minimise their environmental footprint.

During her address, the chief executive officer of BUILD noted that the introduction of EIPs would likely increase factory production and labour productivity. These advancements will significantly contribute to ensuring sustainability and achieving the relevant Sustainable Development Goals (SDGs), specifically SDG 8 (decent work and economic growth), SDG 12 (responsible consumption and production), and SDG 14 (life below water).

Begum highlighted that pilots have been initiated across several BSCIC industrial parks, including Tongi in Gazipur, the hosiery cluster in Narayanganj, Jessore, Shiromoni in Khulna, the light-engineering cluster in Bogura, Rajshahi, Kalurghat, and Gotatikor in Sylhet. She emphasised that the nature and requirements of these diverse industrial estates vary significantly. Each requires specific technology for resource optimisation, extensive capacity building, and tailored infrastructure. While EIPs can foster decent employment and increase productivity, she noted that the size and operational nature of BSCIC estates differ fundamentally from those of BEPZA. Consequently, a “one-size-fits-all” model may not be workable for both organisations.

The CEO concluded by stating that a detailed analysis of the pilot results is essential to identifying the specific needs required to develop successful, scalable EIP models across the country. Through

these efforts, Bangladesh can transform environmental challenges into strategic opportunities for long-term industrial sustainability. ■



Meeting with BGMEA on EU textile sustainability policy

BUILD, and a GIZ team met representatives of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) on 16 November 2026 at its headquarters, as part of the STILE II project implementation.

The session opened with a presentation by the CEO of BUILD, outlining how the project will provide technical and policy support to stakeholders. Unlike traditional factory-level assistance, this project aims to address high-level policy gaps, aligning Bangladesh's national regulations with emerging European Union (EU) mandates, such as the Digital Product Passport (DPP) and the Corporate Sustainability Due Diligence Directive (CSDDD).

Michael Clode, head of STILE II at GIZ Bangladesh, emphasised BUILD's unique position in bridging the gap between the Private Sector Development Policy Coordination Committee (PSDPCC) and relevant ministries. He cited chemical management as a prime example, noting that adhering to Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) guidelines requires a coordinated inter-ministerial effort beyond the capacity of individual factories.

A central theme of the discussion was the structural divide within the industry. Sheikh Hossain Muhammad Mustafiz, director of BGMEA, highlighted that while Tier-1 and Tier-2 factories are primarily compatible with international standards, the situation becomes "difficult and uncomfortable" at Tier-3 and Tier-4 levels.

"Brands will push us, and we will try our best to keep our business running," Mustafiz remarked, "but other tiers often lack the incentive or governance to comply. Managing wastage, sorting, and recycling up to the end of a product's life remains a major concern once materials leave the factory gate."

The meeting also addressed the environmental footprint of the sector. To tackle river pollution caused by dyeing mills lacking individual effluent treatment plants (ETPs), Clode revealed a proposed World Bank and Dhaka WASA project. The initiative explores the establishment of a special purpose vehicle (SPV) to create a centralised ETP for dyeing clusters, a move seen as vital for the industry's "green" credentials.

The dialogue drew a powerful parallel between the textile industry and Bangladesh's recent success in ship recycling. With the ratification of the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships—triggered significantly by Bangladesh and Liberia—the country has demonstrated its ability to meet global environmental benchmarks.

"We must connect the 'low-hanging fruits' of current compliance to create a robust national structure," participants suggested. This includes developing a robust data ecosystem that enables factories to share essential traceability information with global brands while safeguarding proprietary designs and trade secrets.

As international due diligence requirements such as the CSDDD loom, BGMEA and BUILD proposed a strategic "local priority" approach. By developing a national action plan with a robust Bangladeshi interpretation of responsible business conduct, the industry aims to convince global stakeholders that local systems are sufficient.

"We do not need double or triple reporting," the meeting concluded, noting that if global markets acknowledge Bangladesh's domestic infrastructure, international due diligence can be fulfilled through nationally verified systems. This point was reinforced by a call for "good governance" across the textile ecosystem, emphasising that policies must be driven by market compulsions and enforced uniformly across all tiers to maintain Bangladesh's position as a global leader in sustainable apparel. ■

Workshop on WTO fisheries subsidies highlights sustainability priorities for the sector

The Support to Sustainable Graduation Project (SSGP) of the Economic Relations Division (ERD), Ministry of Finance, at the request of the Ministry of Commerce, commissioned a study titled "WTO Agreement on Fisheries Subsidies: Impact and Way Forward for Bangladesh".

The findings were presented on 23 December at the NEC-II Conference Room of the Planning Commission. The study was



conducted by the Centre for Natural Resource Studies (CNRS) and Associates for Innovative Research and Development (AIRD). The CEO of BUILD attended the workshop and contributed to the discussions.

Navigating the WTO Agreement on Fisheries Subsidies (AFS)

To date, 112 out of 166 World Trade Organisation (WTO) members have accepted the AFS, surpassing the two-thirds threshold required for adoption.

As an LDC member approaching graduation, Bangladesh must strategically navigate its transition to fully realise the benefits of this agreement while adhering to new multilateral trading rules.

Export Trends and Market Challenges

Global fisheries exports rose from USD 7.9 billion in 1976 to USD 192 billion in 2022. In contrast, Bangladesh's exports, which stood at USD 647 million in 2010–2011, declined to USD 482.28 million by 2021.

- **Cash Incentives**
The gradual phasing out of cash incentives (currently ranging from 1.5 per cent to 8 per cent) is a primary factor in this decline.
- **Market Concentration**
Shrimp remains the dominant export. While the European Union (EU)—specifically Germany, Belgium, and the Netherlands—is a vital market, rising compliance requirements and lower price realisations have dampened growth.

Production Growth vs Marine Catch

Fish production in Bangladesh has seen a six-fold increase, rising from 7.54 lakh metric tonnes (MT) in 1983–84 to 49.15 lakh MT in 2022–23. However, marine catches have declined from approximately 22 per cent of total production in 2002 to just 14.7 per cent in 2021.

The study highlighted that Bangladesh's marine catch, at approximately 0.7 million MT, is significantly lower than that of its neighbours, with India recording 3.49–3.59 million MT, Myanmar around 2 million MT, and Sri Lanka and the Maldives being highly marine-dependent, at 85 per cent and nearly 100 per cent respectively.

Strategic Roadmap for Post-graduation

The CEO of BUILD noted that while non-marine fish exports are declining globally, seafood consumption is rising. Bangladesh can benefit by diversifying its export basket beyond shrimp to include eel, mud crab, and finfish.

To transition from cash incentives to WTO-compliant support, the study suggests:

- **Infrastructure**
Developing cold chains, increasing the number of landing sites, and modernising vessels
- **Technical Compliance**
Implementing hazard analysis and critical control points (HACCP), sanitary and phytosanitary (SPS) certification, and life-cycle traceability
- **Alternative Support**
Moving towards duty drawbacks, bonded warehouse facilities, and post-harvest processing support

Policy and Data management Priorities

The workshop concluded that Bangladesh needs to update several governing policies, including the National Fisheries Policy of 1998 and the Marine Fisheries Act of 2020.

Ratification of the WTO agreement will impose strict transparency and reporting obligations. With 475 marine species recorded in the Bay of Bengal—100 of which are commercially important—accurate reporting is essential to address illegal, unreported and unregulated (IUU) fishing. Furthermore, with approximately 67,000 artisanal fishers, the government must prioritise digital registration systems and seek extended international technical assistance to ensure the sector remains a viable, export-oriented industry post-graduation. ■

Discussion session on monetary policy statement: Macroeconomic overview and outlook

A high-level consultative meeting on the monetary policy statement (MPS) was held on 28 December at a hotel in Gulshan. The session was attended by Governor Dr Ahsan H. Mansur, Deputy Governor Nurunnahar, and senior officials from Bangladesh Bank (BB). Dr Md Ezazul Islam, Executive Director (Grade-I) of the Monetary Policy Department, delivered the keynote presentation, which was followed by an exchange of views with several reputed economists and industry leaders.

BB sought expert opinions on several



critical areas to inform its monetary stance for the second half of FY2026. The primary challenge identified was striking a balance between controlling inflation and promoting economic growth. Key discussion points requested by BB included:

- Managing exchange-rate volatility and bolstering foreign-exchange reserves
- The effectiveness of policy reforms in managing non-performing loans (NPLs)
- Ensuring good governance and building public confidence in the banking system
- Addressing investment sluggishness and the challenges of the upcoming graduation from the LDC category
- Credit policies for agriculture and CMSMEs to foster inclusive and green growth

During the discussion, Ferdaus Ara Begum, CEO of BUILD, raised concerns regarding the prolonged high policy rates. She noted that while the inflation target is set to decrease to 7.69 per cent by December 2026, the current high-interest-rate environment is significantly hindering investment.



The extended period required to reduce inflation is creating frustration within the investment community, especially as high policy rates continue to hinder private-sector credit growth.

—BUILD CEO

She highlighted a stark disparity in credit growth: while the target for the private sector remains unfulfilled at a low 6.5 per cent, public-sector credit growth has reached 13.5 per cent. “The extended period required to reduce inflation is creating frustration within the investment community,” she remarked.

The CEO also commented on the risks associated with stabilising foreign-exchange reserves. She noted that while buying dollars from the market supports

export competitiveness, doing so during a high-inflation period can lead to “policy-induced inflation”.

With the manufacturing sector at a low point, she attributed the sluggish growth to the slow performance of the RMG sector, which contributes 34 per cent of manufacturing output.

Begum presented a detailed breakdown of the CMSME credit landscape:

- **Cottage Sector**
only 2.04 per cent of total CMSME credit, with an average loan of BDT 3.34 lakh
- **Small Industries**
6.26 per cent of disbursement, with an average loan of 22.64 lakh BDT
- **Medium Enterprises**
receiving the highest credit amounts
- **Sectoral Bias**
banks remain heavily inclined towards the trading sector (59 per cent), followed by services (17 per cent) and manufacturing (24 per cent)

She urged the central bank to revisit the provision that prevents individuals from receiving credit from multiple sources if the total exceeds a specific limit, arguing that a single bank’s credit is often insufficient for an SME. She recommended reinstating the previous BDT 1 crore refinancing limit from multiple banks.

Referring to a BUILD study, the chief executive officer highlighted that starting a business requires 23 licences and takes 477 days according to official citizens’ charters. However, in practice, the time taken is often much longer. She recommended replacing the citizen’s charter with SLAs to ensure accountability and attract more investment.

In her concluding remarks, Begum questioned the “growth sacrifice ratio” under the current disinflation strategy. She suggested that Bangladesh Bank look beyond policy rates to complementary tools that could strengthen monetary transmission. She also enquired about safeguards to prevent the future accumulation of politically influenced NPLs and requested a more precise roadmap for the external sector to face post-LDC graduation challenges. ■

RAPID study highlights tariff risks for Bangladesh’s apparel sector after LDC graduation

A study by Research and Development Integration for Development (RAPID) warns that Bangladeshi apparel exporters

may have to absorb up to 40 per cent of EU tariff costs after 2029. The findings were presented on 29 December 2025 at the University of Dhaka.

The study, titled “Assessing Tariff and Exchange Rate Pass-through in Bangladesh’s Apparel Export Prices in the EU”, highlights that if no free trade agreement (FTA) is secured, the sector could face tariff burdens of approximately 12 per cent. Currently, the weighted price of Bangladesh’s top ten apparel items is already 36 per cent lower than those of China and Vietnam, leaving little room for price reductions.

RAPID recommended strengthening diplomatic engagement, building domestic resilience through backward linkages, and shifting up the value chain.

Participating in the discussion, Pallab Bhattacharjya, Additional Research Director at BUILD, emphasised that non-tariff barriers are equally critical. He noted that non-tariff barriers can often have a greater impact than tariffs, and that to remain competitive, entrepreneurs and policymakers must prioritise environmental, social and governance (ESG) compliance and align with EU Green Deal requirements.

The seminar featured experts from the Ministry of Commerce, the Bangladesh Institute of Development Studies (BIDS), the Bangladesh Tariff and Trade Commission (BTTC), and the Bangladesh Foreign Trade Institute (BFTI), who collectively stressed the need for a strategic transition to sustain market share post-graduation. ■



SME Foundation seminar highlights inclusive procurement reforms

A national dialogue on strengthening the participation of micro, women and new entrepreneurs in government purchasing was held on 26 November 2025 as the SME Foundation organised a seminar titled “Public Procurement Rules 2025” at the conference hall of the Bangladesh Institute of Management (BIM) in Dhaka. Tanjila Marjahan, a research associate at BUILD, participated in the seminar alongside policymakers, development partners, and private-sector stakeholders.

The seminar was convened to raise awareness about the proposed Public Procurement Rules 2025 and to explore how regulatory reforms can promote inclusive access to public procurement opportunities. The event was presided over by Md Mushfiqur Rahman, Chairman of the SME Foundation, while S. M. Moin Uddin Ahmed, CEO of the Bangladesh Public Procurement Authority (BPPA), attended as the chief guest.

A high-level panel discussion featured Mamta Kohli, Regional Head of the United Nations Development Programme (UNDP), and Nashiba Selim, Country Head of the Asian Development Bank (ADB), who shared international perspectives on inclusive procurement systems and SME-friendly policy frameworks. The seminar commenced with a welcome address by Anwar Hossain Chowdhury, Managing Director of the SME Foundation, and was moderated by Mohammad Jahangir Hossain, General Manager. ■



Dialogue stresses need for tannery tripartite council

At a policy dialogue focused on the future of Bangladesh’s leather industry, the government emphasised the importance of establishing a tripartite consultative council (TCC) to enhance social dialogue and promote sustainable development in the tannery sector. The discussion, titled “Status Quo of the Tannery Sector in Bangladesh”, was organised by the Leather Development Forum (LDF) in Dhaka on 11 November 2025.

Tanjila Marjahan, Research Associate at BUILD, participated in the event alongside representatives from government agencies, development partners, employers, workers, and civil society organisations.

Dr Md Sanwar Jahan Bhuiyan, secretary of the Ministry of Labour and Employment, attended the discussion as the chief guest and called for the formulation of a sector development strategic plan to guide the sustainable growth of the tannery sector. He emphasised that such a plan should be developed collectively by all relevant stakeholders and would serve as the basis for future government initiatives.

The dialogue focused on key issues, including environmental compliance, occupational safety and health, workers’ welfare, and long-term sustainability, concluding with a call for stronger collaboration to enhance the tannery sector’s sustainability and global competitiveness. ■



BUILD at PRI roundtable on bank failures and resolution reform

On 11 December 2025, Asif Haider, Research Associate at BUILD, participated in a roundtable discussion titled “Bank Failures and Resolution Regime”, jointly organised by the Policy Research Institute (PRI) and UK International Development at Hotel Amari, Dhaka. Lutfey Siddiqi, the special envoy to the Chief Adviser for International Affairs, attended the event as the chief guest. Bangladesh Bank’s chief economist, Dr Akhtar Hossain, and the executive director for bank resolution, Mohammad Zahir Hossain, were present as special guests. The keynote presentation was delivered by Dr Ashikur Rahman, principal economist at PRI.

In the presentation, the key drivers of bank failures in Bangladesh were identified, with emphasis on the widespread practice of extending long-term credit using short-term deposits. Weak legal enforcement was also highlighted as a significant factor contributing to low recovery rates. Emphasising the importance of a practical bank-resolution framework, the presentation noted that such a mechanism would safeguard financial stability by minimising taxpayer exposure, strengthening market discipline, and enhancing cross-border coordination. The discussion also illustrated how robust banking-resolution frameworks enabled the United States and the United Kingdom to navigate the global financial crisis of 2008–09.

In his remarks, Siddiqi underscored the urgency of comprehensive reforms and stressed the importance of good governance in addressing structural weaknesses. He emphasised the need to bring regulators, chief executives, company secretaries and asset-management professionals under a robust and unified conduct regime to curb the deterioration of trade and business practices. ■

REFORMS

Loan provisioning eased for agro-based CMSMEs

The Bangladesh Bank has eased the loan provisioning requirement for agro-based CMSMEs, aiming to facilitate credit flow to the sector. Through BRPD Circular Letter No. 29, issued on 21 December 2025, the central bank reduced the general provisioning rate from 1.0 per cent to 0.5 per cent for agro-based CMSME loans.

This policy adjustment is expected to lower banks' credit risk costs and encourage greater lending to agro-based CMSME enterprises, which play a vital role in employment generation, rural development and food security.

Earlier, BUILD had recommended a reduction in provisioning requirements for the CMSME sector during the 13th Financial Sector Development Working Committee (FSDWC) meeting, highlighting that higher provisioning obligations were constraining banks' ability to expand credit to the CMSME sector. Commercial banks also echoed this concern, calling for rationalisation of provisioning norms to boost lending to the sector. BUILD welcomes the timely initiative taken by the Bangladesh Bank in easing the provisioning criteria for agro-based CMSMEs and expresses its expectation that similar measures will be gradually extended to the broader CMSME sector to further strengthen inclusive and sustainable economic growth. ●

speed, transparency and accountability in NBR's service delivery process. By mandating CBMS, the government aims to provide easier, time-saving and cost-effective services for bonded institutions. Furthermore, the automated entry of raw material input-output data will ensure transparent record-keeping, eliminate the complexities of manual documentation at bond commissionerates and significantly reduce the frequency of bond-related disputes.

The decision followed a "Meet the Business" discussion hosted by NBR, where top representatives from leading trade organisations—including BGMEA, BKMEA, BGAPMEA, BTMA and LFMEAB—unanimously agreed on the mandatory implementation. Although CBMS was launched on 1 January 2025 with 24 modules, its adoption had not reached desired levels over the subsequent ten months, as many firms continued to utilise manual processes. Based on user feedback, the system has since been upgraded to be more user-friendly to facilitate this transition.

BUILD raised this issue at the 13th Private Sector Development Policy Coordination Committee (PSDPCC) meeting and shared a proposal for FY 2021–22 with the NBR, proposing the digitisation of activities under several modules to automate the overall bonded warehouse system in Bangladesh. BUILD welcomes this proactive digitisation initiative by NBR and expresses its expectation that the gradual transition of all revenue management activities to full automation will continue to foster an investment-friendly environment and strengthen the national economy. ■

costs, undermines their global competitiveness, and significantly hinders the nation's efforts toward export diversification—a matter of growing urgency as Bangladesh prepares for graduation from LDC status in 2026.

To address this overarching challenge, BUILD, in core partnership with the SME Foundation and supported by the DFAT, has launched a flagship initiative to reform the bonded warehouse landscape. The project, titled "Study and National Conference on SME Competitiveness and Export Growth", aims to generate robust empirical evidence to inform policy shifts that favour inclusive trade.

The programme will assess the effectiveness of recent fiscal measures, such as the FY 2025–26 budget proposals on central bonded warehouses, while identifying practical governance mechanisms—including risk-based audits, quota systems, and digital monitoring—to ensure SME inclusion without compromising government revenue.

To facilitate institutional reform, BUILD will develop evidence-based tools, including a comprehensive research report and a policy options matrix, culminating in a national dissemination conference. Through these strategic interventions, BUILD seeks to provide policymakers with a clear roadmap to reduce structural biases, foster inclusive economic growth, and ensure that SMEs can play a dynamic and sustainable role in Bangladesh's post-LDC export economy. ■

ARTICLES

Aligning education with post-LDC national aspirations • *The Business Standard* ■ cutt.ly/buildconnect256-01

How MC14 could recast Bangladesh's role in global commerce • *The Business Standard* ■ cutt.ly/buildconnect256-02

To formalise the informal economy, Bangladesh must simplify business processes • *The Business Standard* ■ cutt.ly/buildconnect256-03

What's holding back toys from becoming Bangladesh's next big export? • *The Business Standard* ■ cutt.ly/buildconnect256-04

National Logistics Policy 2025—a timely move to strengthen export competitiveness • *The Business Standard* ■ cutt.ly/buildconnect256-05

Can BIDA's reform roadmap unlock Bangladesh's investment potential? • *The Business Standard* ■ cutt.ly/buildconnect256-06

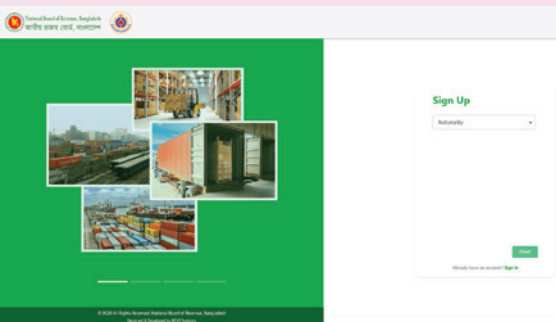
নারী উদ্যোক্তাবান্ধব পরিবেশ গঠনে ইকো-সিস্টেম ও কর সংস্কার প্রসঙ্গ • *The Daily Ittefaq* ■ cutt.ly/buildconnect256-07

SCOPES

Strengthening SME export competitiveness through BW reform

SMEs in Bangladesh face a persistent and systemic structural barrier in accessing international markets: the restricted availability of bonded warehouse (BW) facilities. While these facilities enable the duty-free import of raw materials—a crucial tool for trade facilitation—they are currently dominated by large, 100 per cent export-oriented firms, primarily within the RMG sector.

Despite SMEs accounting for nearly 25 per cent of Bangladesh's GDP and employing millions, their participation in the global export economy remains disproportionately low. The challenge has been further intensified by the Bonded Warehouse Licensing Rules 2024, which tightened eligibility criteria, effectively sidelining SMEs and partial exporters operating outside specialised economic zones and high-tech parks. This exclusion forces SMEs to bear higher production



NBR mandates CBMS for UP issuance to modernise trade facilitation

The NBR has decided to make the use of the Customs Bond Management System (CBMS) mandatory for issuing utilisation permission (UP) to modernise and digitise the country's bond management. Through a decision announced on 16 November 2025, the revenue authority mandated that, from 1 December 2025, all services related to the issuance of UP must be processed exclusively through the automated CBMS software. This policy shift is expected to ensure



BUILD and GIZ plan national traceability framework for EU compliance

As part of the GIZ-supported STILE-II programme, the project team from BUILD and GIZ held two coordination meetings on 9 and 18 December 2025. The discussions focused on the technical steps required to help Bangladesh's textile and garment industry meet new international standards for traceability and sustainability.

In the meeting on 9 December, the team discussed the creation of a national traceability strategy (NTS) and a national traceability platform (NTP). These tools are designed to track product data from the factory level to international brands, ensuring transparency for buyers in the EU and the USA.

Key technical points included:

- **Digital Product Passports (DPP)**
Exploring how to integrate digital records into factory operations.
- **Technology Options**
Discussing the use of blockchain to keep data secure and reviewing existing service providers such as DigiProd and AWARE.
- **Data Privacy**
Ensuring the system follows the National Data Management Ordinance 2025 so that factory secrets and designs remain protected.

During the follow-up meeting on 18 December, the team decided that while the national traceability strategy will be applicable to various sectors, it will focus specifically on the unique needs of the RMG industry.

The team is now moving forward with a needs assessment, which will serve as the foundation for the strategy. Work for the coming weeks includes:

- **Policy Review**
Checking how current IT and trade policies align with global certification needs.
- **Industry Readiness**
Assessing existing systems such as

- REX and ASYCUDA to determine how they can work together.
- **Stakeholder Interviews**
Conducting 10 intensive interviews with brands, suppliers and government agencies such as the NBR to identify gaps in data sharing.

By coordinating these technical details, BUILD and GIZ aim to create a clear roadmap that helps local factories adapt to global transparency requirements while managing the costs of compliance through potential solutions such as green financing. ■

BUILD at ERD FGD: Key policy discussions on post-LDC trade and competitiveness

Asif Haider, Research associate at BUILD, participated in a focus group discussion (FGD) on post-LDC policy supports, organised by the Economic Relations Division (ERD) on 28 December 2025 at the ERD premises. The discussion was chaired by A. H. M. Jahangir, Additional Secretary, ERD.

Nesar Ahmed, international trade expert at the Support to Sustainable Graduation Project (SSGP), ERD, delivered the keynote presentation. He underscored the anticipated loss of trade-related international support measures (ISMs) in the post-LDC period, including duty-free, quota-free (DFQF) market access, flexible rules of origin, export cash incentives, and TRIPS waivers.

The presentation further highlighted that Bangladesh's LDC graduation will necessitate adjustments in tariff structures, import restrictions, and compliance frameworks. To address these challenges, the keynote emphasised the need to enhance competitiveness through business cost reduction, improve productivity via capacity building, create new market access opportunities, and promote export diversification in both products and destinations.

The discussion provided valuable insights into policy priorities and reform pathways to ensure a smooth and competitive transition for Bangladesh in the post-LDC era. ■

UNOHCHR dialogue on budget tagging and social security: BUILD shares key insights

On 30 November 2025, Asif Haider, Research Associate at BUILD, participated in a high-level meeting titled "Budget Tagging and the Realisation of the Right to



Social Security in Bangladesh," organised by the United Nations Office of the High Commissioner for Human Rights (UNOHCHR) Mission in Bangladesh. The event was held at the Six Seasons Hotel, Dhaka, and was graced by Mamtaz Ahmed, ndc, Senior Secretary, Ministry of Women and Children Affairs, as the chief guest.

The keynote presentation summarised the main findings of the budget tagging study based on the Social Security Budget Report for FY 2025–26, illustrating how budget tagging can track government expenditure against nine social risks under ICESCR (International Covenant on Economic, Social and Cultural Rights) General Comment No. 19. It presented in-depth analyses of four lifecycle groups—pregnancy and early childhood, persons with disabilities, households in poverty, and older persons—and concluded with policy recommendations on standardising reporting frameworks, excluding non-social security programmes, strengthening social insurance initiatives, and introducing targeted programmes for underserved risk areas such as employment injury.

In the open-floor discussion, Asif Haider of BUILD stressed that social safety net (SSN) programmes should move beyond nominal implementation. He emphasised the importance of periodically updating programme coverage and financial allocations to ensure their effectiveness and relevance over time. ■



PRI's monthly macroeconomic insights

Dr Wasel Bin Shadat, Research Director at BUILD, participated as a distinguished panellist at the "Monthly Macroeconomic Insights (MMI)" session held on 27 November 2025 at the Policy Research Institute (PRI) of Bangladesh.

The MMI initiative was launched by PRI's Centre for Macroeconomic Analysis (CMEA), with support from the Australian Government's Department of Foreign Affairs and Trade (DFAT). The programme provides timely, data-driven analyses of critical economic indicators—including inflation, gross domestic product (GDP), employment and the external sector—to assist policymakers and businesses in navigating the national economic landscape.

During the discussion, Dr Shadat highlighted the country's fragile macroeconomic situation and the deterioration in law and order. He pointed to persistently high inflation, particularly food inflation, alongside rising unemployment, weak job creation, and declining real wages, all of which continue to erode household purchasing power and real incomes. He also noted that an unusually high volume of non-performing loans, elevated borrowing costs, and structural weaknesses in the banking sector are constraining credit growth and limiting access to finance for businesses. In addition, he emphasised that low investor confidence, coupled with unfair tax policies and inefficiencies in tax administration, is weighing heavily on private sector growth. Recent MMI updates signal gradual stabilisation, though inflation and weak exports persist. PRI analysts stressed that banking-sector stress and low public-investment efficiency remain key economic risks. ■

BUILD-BSTI consultation on plastic waste management licensing

On 2 November 2025, the BUILD team, comprising Pallab Bhattacharjee, Additional Research Director, and Asif Haider, Research Associate, held a consultative meeting with representatives of the Bangladesh Standards and Testing

Institution (BSTI) at the BSTI headquarters to discuss licensing requirements for the plastic waste management sector. The BSTI delegation was led by Md Nozir Ahmad Miah, Deputy Director. This consultation was conducted as part of a joint initiative by BUILD and the International Labour Organisation (ILO) to develop a sector-specific licensing guidebook for plastic waste management. During the meeting, BSTI officials shared detailed insights into the regulatory framework and licensing procedures applicable to products in this sector. ■



On 6 November 2025, BUILD CEO Ferdaus Ara Begum is presented with an award by the Foreign Investors' Chamber of Commerce and Industry (FICCI). The honour was bestowed in recognition of her distinguished role as a member of the jury board for the FICCI Sustainability Awards 2025, where she contributed expertise supporting outstanding achievements and leadership in Bangladesh's business landscape. ■

On 10 November 2025, Ferdaus Ara Begum, CEO of BUILD, participates in a consultative meeting with the external audit team at the BUILD office in Dhaka. The session provided a platform for professional dialogue regarding the organisation's financial governance and adherence to international auditing standards, ensuring continued excellence in its policy advocacy initiatives. ■



On 11 December 2025, Ferdaus Ara Begum, BUILD's CEO, appears as a guest on Boishakhi Television's "Business Bangladesh" programme. During the discussion, she emphasised the crucial role of the SME sector in promoting economic stability, job creation, and export diversification across the country's evolving economic landscape. She further emphasised the need for streamlined licensing processes, improved access to finance, and robust policy support to help local SMEs effectively integrate into global supply chains and strengthen their long-term competitiveness. ■

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