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First, we must shift from binary export requirements to a partial exporter licence. Current rules force an all-or-nothing approach that is commercially infeasible for most SMEs. A licensing system based on export intensity (e.g., a 25% threshold) would instantly unlock a massive segment of latent supply.

Second, the government's focus on establishing industrial hubs and "creative hubs" should prioritise the development of common facility centres (CFCs). As our findings show, fixed compliance costs are the primary killer of SME competitiveness. Bundling shared bonded warehousing, quality testing, and digital printing under one roof is the most effective way to lower these costs and scale our reach.

Finally, the budget's commitment to "financial stability" must translate into cluster-based credit scoring. By using utility bills and association membership as proxies for creditworthiness, we can bypass the collateral-based exclusion that currently cripples our SMEs.

The FY 2026-27 budget offers a historic opportunity to move from RMG-centric growth to a diversified export base. However, awareness alone is not enough; 48.4% of non-exporters are ready to enter international markets, but only if institutional architecture is reformed.

By adopting the evidence-based recommendations from our study—specifically targeting the "institutionalised exclusion" layer—the government can ensure this budget truly delivers on its promise of an inclusive, competitive, and export-oriented SME sector.

By transforming the current "institutionalised exclusion" into an "institutionalised access," we can ensure that our SME sector becomes the sustainable backbone of Bangladesh's post-LDC economic journey.

Ferdaus Ara Begum
CEO, BUILD

EDITORIAL

Moving from ambition to inclusion: realising the SME export potential in Budget 2026–27

The National Budget 2026–27 signals a transformative shift toward a "democratic, humane, and inclusive economy". Honourable Finance Minister Amir Khasru Mahmud Chowdhury has explicitly prioritised an "investment-dependent, employment-generating, and production-oriented economy". With a focus on deregulation, transparency, and a transition to a trillion-dollar economy by 2034, the budget lays out a clear ambition to reduce inflation to 7.5% and boost growth to 6.5%. Crucially for our stakeholders, the government has committed to a "deregulation agenda" to simplify business environments, including a directive to process new proposals within seven days.

While the budget recognises the need for export diversification, our recent study, "Institutionalised Exclusion: Bonded Warehouse Policy and SME Export Competitiveness in Bangladesh," reveals a stubborn structural barrier: the "export paradox". Although SMEs comprise 90% of industrial establishments and 7.8 million jobs, their contribution to exports remains marginal. The current Bonded Warehouse (BW) regime, designed decades ago for the RMG sector, acts as a structural filter that excludes non-RMG manufacturing SMEs. Our survey found that none of the 107 firms had ever used a BW, and 82.2% suffered from "double non-awareness" of available facilities such as SRO-384.

The FY 2026-27 budget's emphasis on "deregulation" and "innovative communication strategies" provides a timely opportunity to address these systemic gaps. To align budgetary ambition with the ground reality of our SMEs, we propose three critical areas for government action:

Call on with the Commerce Minister: "Ease of business entry is the priority of the government"

In a call-on meeting with a BUILD delegation today, on 12 May 2026, Khandaker Abdul Muktadir, Honourable Minister of Commerce, informed that a series of sweeping regulatory reforms is aimed at reducing the cost of doing business, easing the business environment, and accelerating the transition toward a trillion-dollar economy.

Honourable Minister of Commerce said, "The government is committed to simplifying the start-up process for entrepreneurs, including company formation processes to be faster and easier. For major licences, including Fire and DIFE, the government is considering making it easier by issuing a provisional licence valid for 12 months until the final licence process is completed. This would allow businesses to implement without unnecessary delays." Regarding the expansion of Bonded Warehouse facilities, any sector that presents a viable proposal is invited to come forward. He said that the government is also eager to work with BUILD to develop the jute sector, and, in that regard, Jute Pulp from green jute could be an option. Furthermore, he informed that plans are progressing to create an investment-friendly business climate by bringing investment agencies under a single entity to streamline the investment ecosystem. The concern regarding private-sector representation in Public-Private Partnerships (PPPs) has also been noted for further review.

Abul Kasem Khan, Chairperson, BUILD, said, "Deregulation is the most effective tool for controlling the grey economy and bringing more businesses into the formal sector. The current trade licence system remains a major barrier for new entrepreneurs, and a transition toward a 'One Licence' system is necessary to foster innovation." To further support youth-led ventures, he proposed a five-year tax exemption for young entrepreneurs. Additionally, he informed that BUILD is in active conversation with the PMO regarding critical logistics reforms and will present these ideas to the Prime Minister shortly. He noted that BUILD is planning to hold a "policy summit" at the end of this year to define the private sector's requirements for the next decade to achieve a trillion-dollar economy.

Kamran T. Rahman, Trustee, BUILD, and President, Metropolitan Chamber of Commerce and Industry (MCCI), said that "the jute sector remains a pillar of the national economy but requires urgent modernisation. Modern technology must be integrated into the jute sector to improve efficiency and value addition, ensuring it remains a profitable and sustainable industry in the years ahead."

Ferdaus Ara Begum, CEO of BUILD, emphasised the importance of product traceability. According to her, ensuring product traceability is no longer optional in the global market; it is now mandatory for maintaining access to international supply chains, particularly in the EU. A robust National Traceability Strategy is essential to ensure transparency and compliance with evolving global sustainability standards, which directly impacts the competitiveness of our exports. Furthermore, she stated that, to support local industries, Geographical Indication (GI) products should be leveraged to promote the "One Village, One Product" initiative. She raised the concern that the manufacturing industry currently requires up to 23 different licences to operate. This burden on the business community must be minimised to maintain a competitive industrial edge. ■

High-level delegation from BUILD meets Principal Secretary to the Prime Minister

On 7 May 2026, a high-level delegation of BUILD, led by its Chairperson, Abul Kasem Khan, met with A. B. M. Abdus Sattar, Principal Secretary to the Honourable Prime Minister, at the Bangladesh Secretariat to discuss the strengthening of public-private policy coordination.

A. B. M. Abdus Sattar, Principal Secretary to the Prime Minister, acknowledged the need to reduce the cost of doing business and simplify services provided by various government agencies. He expressed that while the country has experienced significant bureaucratic disruptions over the past two years, the government remains committed to improving the economy through structural reforms. Highlighting the effectiveness of the Private Sector Development Policy Coordination Committee (PSDPCC), he confirmed his willingness to convene the next meeting in July 2026 to address coordination gaps. He also expressed his sincere appreciation for BUILD's continued partnership and contributions to policy reforms.

Abul Kasem Khan, Chairperson of BUILD, highlighted the organisation's significant contributions to advancing private-sector development, noting that 725 of its 1,194 policy reform proposals have received official approval, with 476 already implemented. He emphasised that the PSDPCC remains the principal institutional mechanism for public-private collaboration. He further stressed the need to simplify trade licence procedures, particularly for SMEs, which are currently discouraged by excessive fees and compliance burdens. Additionally, he handed over a draft Concept Note on the proposed National Logistics Development Authority (NLDA) to strengthen export competitiveness. He expressed BUILD's interest in organising a high-level Policy Summit at the end of the year to mark its 15th anniversary.

Kamran T. Rahman, Trustee Board Member of BUILD and President of MCCI, urged reforms to land policies to create opportunities to establish commercial solar power projects on unused land, such as in tea estates, to contribute to energy security and reduce import dependency.

Ferdaus Ara Begum, CEO of BUILD, elaborated on BUILD's pioneering role in private sector development and logistics infrastructure. She highlighted that despite prolonged advocacy efforts, the provision for a five-year renewal of trade licences is still not being effectively implemented at the municipality and union parishad levels.

Alamgir Kabir, Director-6 of the Prime Minister's Office (PMO), reaffirmed the role of the Policy Coordination Unit (PCU) in facilitating PSDPCC activities and assured full support for organising the next committee meeting.

The meeting concluded with a decision to organise the next PSDPCC meeting in July 2026 and to share the Concept Note on the proposed NLDA with the PMO following the second meeting of the National Logistics Development Coordination Committee. ■

National Conference: Institutionalised exclusion—the main barrier to unlocking SME export potential

BUILD, in partnership with the Department of Foreign Affairs and Trade (DFAT), Australia, organised a National Conference on Small and Medium Enterprises

(SME) Competitiveness and Export Growth in Bangladesh at the CIRDAP International Conference Centre on 13 June 2026. The event focused on study findings titled "Institutionalised Exclusion: Bonded Warehouse Policy and SME Export Competitiveness in Bangladesh," which aims to address the structural barriers limiting the integration of non-RMG SMEs into the global export market. Md Shahriar Kader Siddiky, Secretary, Economic Relations Division (ERD), graced the event as the chief guest.

Md Shahriar Kader Siddiky assured participants that the conference recommendations would receive serious consideration, as the government remains strongly committed to SME growth. He announced that the government is set to secure an Asian Development Bank (ADB) project to enhance economic facilities, thereby streamlining approval processes. He also informed attendees that a Creative Hub is to be established on 150 acres of land in Purbachal. Furthermore, the government is exploring alternative financing and prioritising policy implementation, which a dedicated commission will carefully monitor. Siddiky noted that Bangladesh is working towards a fully digitalised economy to facilitate proposed reforms. Addressing a concern highlighted in the BUILD presentation, he acknowledged that many SMEs remain unaware of available policies and support mechanisms. He emphasised the importance of renewable energy, noting plans to reduce taxes on such initiatives and establish a dashboard for public awareness. Additionally, he stated that the government intends to prepare a checklist and a set of Standard Practices to support all enterprise types, rather than viewing them through an oligarchic lens.

Dr Mustafizur Rahman, Distinguished Fellow at the Centre for Policy Dialogue (CPD), commended BUILD for conducting a timely and insightful study. He noted that while SMEs have a significant presence in the RMG sector—where their success is well-established due to structured support—similar measures have not been extended to other promising sectors. Dr Rahman argued that providing comparable facilities to industries such as home textiles, light engineering, and agro-processed foods could substantially enhance their performance. Citing examples from India, he recommended exploring partial-exporter support mechanisms. He concluded by emphasising the need for reforms in skills development, infrastructure, technology adoption, and awareness-building to enable Bangladeshi SMEs to compete effectively in global markets.

Abul Kasem Khan, Chairperson of BUILD, opened the conference by highlighting the sector's untapped potential: "SMEs contribute significantly to the economy; about 90% of our industrial establishments, a quarter of GDP, and about 8 million jobs are created by SMEs. However, their contribution to exports is not significant due to insufficient support. They pay high costs for imported raw materials as they lack bonded warehouse facilities, utility access, and infrastructural support." He further emphasised the urgency of these reforms, stating, "As Bangladesh prepares for LDC graduation, export diversification is no longer optional—it is imperative. Together, let us build an inclusive, competitive, and export-oriented SME sector that drives Bangladesh's next phase of economic growth."

In the keynote presentation, Dr Wasel Bin Shadat, Research Director at BUILD and Assistant Professor at the Institute of Business Administration (IBA), University of Dhaka, revealed a profound structural paradox: while SMEs account for over 90% of industrial establishments, a quarter of GDP, and 7.8 million jobs, their contribution to the export economy remains marginal. This marginalisation is institutionally produced, as the bonded warehouse regime, originally designed for the RMG sector, has become a structural filter that excludes non-RMG manufacturing SMEs.

He reported that none of the 107 firms surveyed has ever used a bonded warehouse, and awareness of the partial-exporter notification (SRO-384) stands at a mere 1.87%. Administrative complexity, limited financial resources, and high raw material tariffs are the main obstacles, with exporters reporting significantly higher regulatory burdens than non-exporters. The study identifies a "home textile paradox," where firms face the highest export rates alongside the most significant obstacle burdens, largely due to yarn duties that can reach 40%, effectively exceeding annual net profits. Furthermore, as 100% of importing firms rely on commercial traders, duties are permanently embedded in input prices. Despite these challenges, there is strong latent demand: 48.4% of non-exporters indicated they would attempt to export if provided with duty-free access and simplified compliance.

The proposed reform roadmap, presented by Dr Shadat, is built on three pillars: Institutional-Legal Reform, including a Partial Exporter Licence; Shared Infrastructure and Capacity, through a phased rollout of Common Facility Centres (CFCs); and Governance, Finance, and Metrics, incorporating compliance tiering and revised performance metrics. He called for coordinated action from the National Board of Revenue, Ministry of Commerce, Bangladesh Bank, Ministry of Industries, and development partners to ensure that the post-LDC era is defined by the diversification of Bangladesh's export basket.

Dr Ahmed Ullah FCMA, Director General-2 (Additional Secretary) at the Prime Minister's Office, emphasised the government's commitment to improving the ease of doing business. He stated that policymakers remain receptive to reform initiatives and expressed optimism that the recommendations emerging from the conference would be carefully considered and gradually implemented to create a more enabling environment for SMEs.

Mohammad Naziur Rahman Miah, First Secretary, NBR, highlighted that the national budget reflects the government's commitment to SME growth. Referring to the 2026-27 Budget, he informed the audience that changes to SRO-384 mean the input-output coefficient is no longer mandatory; instead, assessments will be based on raw material imports and actual export volumes. The 30% value-addition ratio requirement has been withdrawn and replaced by a simplified condition: exported goods must be of higher value. In addition to the existing eight sectors, nine more have been added for the duty-free import of raw materials, subject to a 100% bank guarantee.

Nawshad Mustafa, Director, SMESPD, Bangladesh Bank, informed participants that a segregated fund of BDT 5,000 crore, with an interest rate of 9%, would be introduced to support SMEs. He further highlighted the need to reform existing securities and stock exchange regulations to make capital markets more accessible to small enterprises, enabling them to raise funds and expand through stock market listings.

Nazeem Hassan Sattar, Deputy Managing Director, SME Foundation, stressed the importance of strengthening linkages between suppliers and producers, particularly by developing robust backwards-linkage industries. Referring to the BUILD study, he noted that 48.4% of surveyed enterprises possess latent export potential. He urged policymakers to take this finding seriously and to develop targeted support mechanisms to help transform potential exporters into actual exporters.

Billal Hossain, Chief Executive Officer, Bangladesh Agro-Processors' Association (BAPA), observed that despite sourcing 80–90% of raw materials domestically, the agro-processing sector continues to struggle to realise its full export potential due to a lack of cold-storage facilities, inadequate branding strategies, and shortages of raw materials during off-seasons. He emphasised the urgent need to establish robust cold-chain infrastructure and strengthen branding initiatives to enhance international market access.

Sarwar Hossain, General Manager, Extension Division, BSCIC, noted that 4,882 industrial units are operating under BSCIC, 870 of which are export-oriented. Among these, 31 large enterprises and 527 SMEs are currently unable to utilise bonded warehouse facilities for export. SMEs struggle to avail these facilities because they require specific, independent premises. He proposed utilising the BSCIC Common Facility Centre premises as centralised bonded warehouses to mitigate this problem. However, this would require new rules to establish customised bonded warehouse operations within BSCIC industrial estates.

Ferdaus Ara Begum, CEO of BUILD, moderated the working session. She stated that BUILD will follow up on the useful recommendations that emerged from the conference. Referencing the study's finding that 48.4% of enterprises in the five studied sectors have latent export potential, she noted that even if 10% were successful, it would significantly contribute to the export economy. She concluded the session by inviting responses from clusters working in home textiles, footwear, and light engineering.

The conference concluded with an exchange of thanks between the business entrepreneurs, academia, think tanks, government representatives, and other participants. ■

BUILD's initial reaction to Budget 2026–27: A progressive blueprint with hurdles, can execution match the budget's ambition?

The proposed budget appears both creative and innovative, signalling a major departure from traditional fiscal thinking. It is a business-friendly budget that reflects genuine efforts to cut red tape, lower taxes, and stimulate growth through extensive automation of government services. The budget demonstrates strong positive intent, particularly in ease of doing business, job creation, and investment. By proposing measures such as extended tax exemptions and reduced rates across various sectors, the government aims to boost the national economy. The significant focus on improving the ease of doing business suggests a shift towards a more private-sector-friendly climate. Overall, we welcome the government's strong deregulation agenda.

However, the success of this budget hinges entirely on timely and effective execution. While the budget offers strong pro-business features, serious headwinds—including a high deficit, weak banking health, low revenue collection, and global uncertainties—remain. These fiscal and banking vulnerabilities are severe and require strong monitoring to ensure economic stability.

The budget targets GDP growth at 6.5% (up from 3.49% in 2024–25) and aims to reduce inflation to 7.5% (from the current 9.2%). We believe these targets are challenging, given the fragile macroeconomic situation and current geopolitical shocks. With a total outlay of BDT 9.38 lakh crore—equivalent to 13.7% of GDP—the budget emphasises investment, employment, social protection, and fiscal discipline.

While the revenue target is an ambitious BDT 6.95 lakh crore, achieving it by simply increasing the number of TIN holders is insufficient. Unless there is transparency in TDS (Tax Deducted at Source) collection and the refund mechanism announced in the Finance Bill 2026–27 is fully implemented, simply increasing the tax base will not yield the desired results. Furthermore, introducing a 0.2 per cent advance income tax at the retail stage may be regressive; it risks burdening marginalised populations and fuelling inflation.

Regarding the Social Safety Network Programme (SSNP), the BDT 1.45 lakh crore allocation represents a 25% increase. However, within this, the BDT 0.39 trillion allocated for pensions accounts for 27% of the total; we question whether pension holders should be categorised under the SSNP.

Total development spending is proposed at BDT 3.16 lakh crore, with an Annual Development Programme (ADP) of BDT 3 lakh crore. Development expenditure now comprises 33.7% of total spending, reflecting a growth-oriented shift. However, since line ministries' implementation capacity has been under scrutiny for years, the budget lacks clear directives to address these systemic inefficiencies.

The budget deficit is projected at BDT 2.43 lakh crore (3.6% of GDP). The government plans to mobilise BDT 1.27 lakh crore from domestic sources and BDT 1.16 lakh crore from external sources. Notably, the bank borrowing target has been reduced to BDT 1.12 lakh crore—BDT 6,000 crore lower than the revised estimate for FY 2025–26—indicating an effort to ease pressure on the banking system and support private-sector credit.

Regarding revenue, while the target is 17% higher than the current year, achieving it is unlikely without significant improvements in NBR institutional efficiency. Projects initiated to date—such as e-filing, VAT automation, customs modernisation, and the Bangladesh Single Window—have yet to deliver the expected benefits. Given the uncertainty of foreign loans amid the current global energy and conflict crises, the government may become overly dependent on domestic borrowing. Furthermore, the recently announced stimulus packages for CMSMEs require effective management to be successful.

We acknowledge the reduction of TDS on export cash incentives from 10% to 5%, the lowering of withholding tax on freight forwarding from 1.5% to 1%, and the reduction of tax on electricity from captive power producers from 4% to 3%. However, as cash incentives must be withdrawn gradually in the post-LDC regime, these export benefits must be planned to remain WTO-compliant.

Regarding VAT, the framework has expanded by bringing all imported services under the standard 15% regime. While this may strengthen VAT collection from the digital economy, it could lead to a cascading cost effect if not properly addressed. The amendment to Section 58 empowers the NBR to determine taxable value; while this may reduce revenue leakage, businesses require clearer valuation guidelines to avoid discretionary assessments.

Conversely, the amendment to Section 63—replacing the 4% turnover tax with a maximum fixed payment of BDT 2 lakh—will benefit small businesses. However, the scope of eligible "economic activities" requires further clarification. Furthermore, extending VAT return deadlines from 45 to 105 days under Section 64 will significantly reduce compliance pressure. Reducing the mandatory deposit for VAT appeals from 10% to 1% is a major reform; however, stakeholders recommend extending similar relief to Alternative Dispute Resolution (ADR) cases, where a 50% deposit requirement persists.

Finally, while the VAT exemption for content creators and freelancers is a boost for the digital economy, the introduction and enforcement of IP rights will be the primary criterion for accruing these benefits. The new Free Trade Zone framework is also a positive move that aligns Bangladesh with international logistics practices.

Lastly, regarding the extension of duty-free raw material imports for small exporters against a 100% bank guarantee (extending coverage to two additional sectors), we propose opening this to all potential export sectors with a short "negative list." Furthermore, the language in paragraph 68 regarding bonded warehouse facilities for agro, light engineering, pharmaceuticals, electronics, gold, and diamond sectors requires clarification, as these sectors are not always 100% export-oriented, and the conditions regarding bank guarantees remain ambiguous.

To promote a greener economy, the

budget significantly reduces import taxes on electric vehicles—from 93% to 64% for electric bikes, and from 93% to 80% for electric cars. Additionally, import duties on EV chargers and charging stations have been reduced from 39.75% to zero, and an import duty exemption has been granted for battery raw materials. Solar power generation remains tax-free. While these are all positive initiatives, tax exemptions and rebates alone are not enough. Transitioning to green energy requires new market actors, extensive policy support, and dedicated financing to encourage entrepreneurs. ■

Focus group discussion: Turning tannery waste into wealth, stakeholders push for circular economy solutions in Bangladesh

On 19 May 2026, BUILD, with support from The Asia Foundation (TAF), organised a focus group discussion (FGD) titled "Tannery Solid Waste Management and Resource Recovery in Bangladesh" at the FARS Hotel and Resorts, Dhaka. The event was held under the project "Waste into Resource: TSW Byproduct Entrepreneurship Model."

The event brought together representatives from government agencies, industry associations, SMEs, financial institutions, development partners, academia, and environmental experts to discuss the challenges and opportunities in tannery solid waste (TSW) management and resource recovery in Bangladesh's leather sector.

During the discussion, speakers highlighted that the relocation of tanneries from Hazaribagh to Savar has not yet yielded the desired benefits due to environmental non-compliance, which prevents exporters from securing premium global prices. Despite the Central Effluent Treatment Plant (CETP) at the Savar Tannery Estate being the largest in South Asia, estate management remains a critical concern. Entrepreneurs noted that while there is tremendous potential to manufacture valuable byproducts from TSW—including poultry feed, animal feed, and other industrial items—Bangladesh continues to import these products due to infrastructure and coordination gaps.

In the opening session, Ferdaus Ara Begum, CEO of BUILD, highlighted that effective tannery solid waste management and resource recovery are essential for transforming the leather sector into a more circular and environmentally responsible industry. "Improved compliance with environmental standards, proper treatment and utilisation of waste, and stronger collaboration among government agencies, industry stakeholders, and development partners are critical to reducing environmental risks whilst unlocking new economic opportunities," she said. She added that roughly 50% of TSW is disposed of untreated, with fleshings and toggle trimmings accounting for the predominant share of this waste.

In the technical sessions, Md Shaheen Ahamed, Chairman of the Bangladesh Tanners Association (BTA), noted that achieving Leather Working Group (LWG) certification requires the effective management of both liquid and solid waste. Commenting on recent administrative shifts, he mentioned that the management of the Tannery Industrial Estate, Dhaka (TIED), is being transferred to the Bangladesh Economic Zones Authority (BEZA). The BTA believes it would have been preferable to keep management under the Bangladesh Small and Cottage Industries Corporation (BSCIC), as it traditionally looks after the interests of SMEs. This new arrangement may require new lease deeds, further compounding the challenges faced by estate entrepreneurs. He also informed attendees that an EU-supported initiative has expressed willingness to establish an advanced CETP on the estate. He reiterated the urgent need for land for small TSW industries, referencing the second phase of the Development Project Proforma (DPP), which has remained stalled for several years. He suggested that a centralised company should manage TSW materials to bring structural discipline to the supply chain.

A. M. Sajjad Hossain Khan, Senior Project Manager at The Asia Foundation, highlighted the need for inclusive and innovation-driven approaches to advance circular economy development in the tannery sector. He emphasised that effective circular solutions require integrating SMEs and informal actors, alongside enhanced collaboration among government, industry, and development partners. Innovation in waste management, resource recovery, and byproduct utilisation is key to reducing environmental pressure whilst creating scalable, sustainable economic opportunities to make the industrial system more competitive.

A detailed technical presentation was delivered by Tanjila Marjahan, Research Associate at BUILD, who noted that Bangladesh generates approximately 73,000–90,000 tonnes of TSW annually. A significant share is still directly disposed of without scientific treatment, posing serious environmental hazards. The presentation highlighted key waste streams—such as fleshings, raw trimmings, split leather waste, and shaving dust—all of which carry strong potential for value addition. It showcased emerging byproduct industries in Bangladesh, currently producing gloves, gelatin, glue, leatherboard, shoe soles, soap, and small leather goods. However, these activities remain largely informal and fragmented due to weak supply chain systems, limited infrastructure, and a lack of policy recognition. The study identified key structural constraints, including weak enforcement of environmental regulations, poor institutional coordination, and the limited integration of SMEs into formal circular economy frameworks.

Responding to the findings, Md Khairuzzaman, Deputy Secretary, Ministry of Industries, stated that BSCIC plays a pivotal role in promoting SME and entrepreneurship development through training, infrastructure support, credit facilitation, and advisory services. He informed the session that plot allocation for TSW entrepreneurs in the Savar Tannery Industrial Estate is currently underway, supported by an ongoing feasibility study. He also mentioned that preparatory work is in progress to implement the second phase of the CETP soon.

Dr Md Razzaqul Islam, Deputy Secretary, Ministry of Commerce, emphasised that the leather sector possesses 100% potential for value addition. He highlighted that a comprehensive gap analysis has been conducted through the Business Promotion Council (BPC) to identify specific sectoral constraints and map out opportunities for future development.

Dr Mohammed Mizanur Rahman, Professor at the University of Dhaka, shared insights from his patented research on converting TSW into biodiesel. He highlighted the challenges innovators face in securing funding for pilot commercialisation. He emphasised the significant potential to produce biogas and organic fertiliser from leather waste, calling for dedicated land allocation and investment support to scale these green innovations.

Participating TSW entrepreneurs highlighted critical operational challenges, particularly the scarcity of raw materials. They explained that they face inflated costs due to the absence of formalised collection procedures and the dominance of middlemen/brokers in gathering raw materials. They also pointed out the lack of dedicated industrial plots in BSCIC estates and the absence of formal regulatory recognition for their sector, stressing the need for policy-level backing to ensure smooth, continuous operations.

Stakeholders at the workshop reiterated

the immense economic potential of converting TSW into value-added products such as gelatin, glue, soap, leatherboard, and fertiliser, which can directly contribute to Bangladesh's export diversification strategy.

The FGD concluded with remarks from Md Waheed Alam, COO of BUILD, who reiterated the importance of evidence-based policy reform and collaborative action to transform tannery solid waste into sustainable economic opportunities successfully. The insights and recommendations from this discussion are expected to inform upcoming policy frameworks and pilot initiatives to promote a circular, inclusive, and environmentally sustainable leather-byproduct industry in Bangladesh. ■

BUILD validation workshop highlights coordinated SME policy and export reforms

On 17 May 2026, BUILD organised a validation workshop titled "Study and National Conference on SME Competitiveness and Export Growth," bringing together representatives from the Ministry of Industries, Bangladesh Bank, the Export Promotion Bureau (EPB), the SME Foundation, sector associations, entrepreneurs, and development partners to discuss necessary reforms to strengthen the SME export competitiveness of Bangladesh. The workshop presented the findings of a BUILD survey on SMEs operating in the home textile, footwear, light engineering, furniture, agro-processed food, and plastic packaging sectors. The study revealed that SME export participation remains very limited due to institutional barriers, a lack of awareness regarding bonded warehouse facilities and SRO-384, complex customs procedures, financing constraints, and inadequate compliance support.

In her opening remarks, Ferdaus Ara Begum, CEO of BUILD, stressed the importance of institutional coordination and targeted policy support to help SMEs integrate into export markets. She emphasised that many SMEs possess export potential but remain excluded due to procedural complexities and limited access to facilities.

BUILD's presentation highlighted that Bangladesh's non-RMG SMEs continue to face structural and institutional barriers that severely limit their export competitiveness and access to export-facilitation mechanisms. The study, conducted among 107 SMEs across six non-RMG sectors, found that only 13.1% of firms were involved in exports, whilst none of the surveyed firms had ever utilised bonded warehouse (BW) facilities. The presentation revealed that only 1.87% of SMEs were aware of SRO-384, and 82.2% were unaware of both bonded warehouse facilities and SRO-384, making these policy instruments largely inaccessible to the intended beneficiaries. The study further identified administrative complexity, high compliance costs, geographic restrictions, and barriers to collateral-based financing as major constraints to SME export participation. BUILD also found that nearly 48.4% of non-exporting SMEs expressed a willingness to enter export markets if duty-free access to raw materials and simplified compliance mechanisms were introduced, indicating significant untapped export potential within the SME sector.

During the discussion, entrepreneurs from different SME clusters highlighted sector-specific challenges. Representatives from the multi-century-old Kumarkhali Home Textile Cluster requested a reduction in import duties on raw cotton and the provision of long-term export-oriented training programmes. Footwear entrepreneurs from the Bhairab cluster emphasised an urgent need for workforce skills development and the establishment of a Common Facility Centre (CFC). Representatives from the agro-processed food and light engineering sectors raised concerns about high VAT rates, compliance costs, high lending rates, electricity shortages, and limited access to export facilitation measures. Representatives from relevant ministries acknowledged these challenges and emphasised the need for stronger institutional coordination. Sultana Yusmin, Joint Secretary at the Ministry of Industries, highlighted the importance of coordinated implementation of SME policies and stressed the need to develop a comprehensive SME database and an SME Index.

Baby Rani Karmakar, Director General-1 at the EPB, emphasised the importance of promoting unique and value-added SME products in international markets. She stated that the EPB remains highly supportive of SMEs and women entrepreneurs, having facilitated their participation in international trade fairs through training, visa assistance, and travel support. She further noted that, in exceptional cases, SMEs and women entrepreneurs with innovative and distinctive products have been given opportunities to participate in international fairs even without formal trade licences. She also stressed the importance of establishing one-stop, integrated support services and strengthening institutional coordination so that policy benefits reach SMEs effectively. In addition, she highlighted the EPB's ongoing initiatives to enhance SME export competitiveness and increase women entrepreneurs' participation in global trade platforms.

Representatives from the SME Foundation informed participants that a revised SME Policy is currently under preparation. They assured attendees that the concerns and recommendations raised by sector representatives would be duly considered in the policy reform process.

Hosne Ara Shikha, Executive Director of Bangladesh Bank, stated that their institution will continue to provide refinance facilities for SMEs, women entrepreneurs, startups, and industrial clusters. She also informed participants that awareness of bonded warehouse facilities and SRO-384 would be incorporated into Bangladesh Bank's ongoing SME training programmes immediately. She further noted that the Bangladesh Bank has directed banks and other financial institutions to allocate 25% of their outstanding loan portfolios to cottage, micro, small, and medium enterprises (CMSMEs). However, despite this directive, SMEs have not been able to utilise this window fully. According to her statement, SME loan disbursements accounted for only 18% of total lending last year, and the ratio has declined further this year. She also emphasised Bangladesh Bank's commitment to supporting women entrepreneurs through dedicated refinance schemes. Bangladesh Bank currently provides CMSME refinancing facilities at an interest rate of 7%, whilst women entrepreneurs are eligible for financing at a preferential rate of 5%. She mentioned that the total refinancing allocation across sectors amounts to BDT 679 billion, of which 15% is targeted for women entrepreneurs. However, only 6.7% of the target was achieved last year, indicating the need for greater participation and accessibility for women-led enterprises.

The workshop concluded with a collective call to simplify export procedures, reform bonded warehouse facilities, improve access to finance, strengthen compliance support, and ensure coordinated institutional action to enhance SME competitiveness and export growth in Bangladesh. ■

BUILD and the ILO launch business licensing guidebooks to support MSME formalisation

The SME Foundation and the International Labour Organisation (ILO) Bangladesh jointly organised the observance of

International MSME Day 2026 on 28 June 2026, under the global theme "Human-Centred Entrepreneurship in an AI-Driven Future". A key highlight of the event was the launch of a series of Business Licensing Guidebooks by BUILD, in partnership with the ILO, to simplify regulatory compliance and promote the formalisation of micro, small, and medium enterprises (MSMEs) in Bangladesh. The programme convened policymakers, development partners, private sector representatives, and entrepreneurs to discuss ways to create a more enabling environment for MSMEs.

The event was attended by the Honourable Minister of Commerce, Industries, Textiles, and Jute, Khandaker Abdul Muktadir, as the Chief Guest. Chowdhury Ashik Mahmud Bin Harun, Chairman of the Bangladesh Investment Development Authority (BIDA), and Nasreen Fatema Awal, President of the Women Entrepreneurs Association of Bangladesh (WEAB), joined as Special Guests. The session was chaired by Abdun Naser Khan, Secretary of the Ministry of Industries, whilst Max Tunon, Country Director of ILO Bangladesh, attended as the Guest of Honour. Md Najim Sattar, Deputy Managing Director of the SME Foundation, delivered the keynote presentation.

Speaking at the event, BUILD CEO Ferdaus Ara Begum emphasised that MSMEs account for nearly 98% of industrial enterprises and generate about 87% of total employment in Bangladesh. She noted that complex licensing procedures, lengthy administrative processes, and high compliance costs continue to discourage business formalisation.

To address these challenges, BUILD and the ILO jointly developed three Business Licensing Guidebooks covering a Summary of General Business Licensing, Plastic Waste Management, and Light Engineering. These guidebooks provide practical information on licensing requirements, procedures, documentation, timelines, fees, and the responsible government agencies. Developed through consultations with twenty-two government agencies and five private-sector organisations, the guidebooks also identify key regulatory bottlenecks, including repetitive documentation, limited inter-agency data sharing, and approval processes that can take up to 650 days.

The BUILD CEO also welcomed the government's FY2026–27 budget initiatives to simplify business regulations and expand digital public services. She informed the audience that the guidebooks will be published in both Bangla and English and made available on the websites of BUILD and the ILO, as well as on the BDS Platform, enabling entrepreneurs across the country to access reliable, user-friendly regulatory information easily.

Concluding her remarks, Ferdaus Ara Begum thanked ILO Bangladesh, BIDA, the Ministry of Industries, and the SME Foundation for their collaboration. She reaffirmed BUILD's commitment to promoting a transparent, efficient, and business-friendly regulatory environment that supports MSME growth and sustainable economic development. ■

LDF members meet to shape the future of Bangladesh's leather sector

The Leather Development Forum (LDF) held its members' meeting on 30 June 2026 at Hotel Six Seasons, Dhaka, bringing together representatives from member organisations to review strategic priorities for Bangladesh's leather sector and strengthen the Forum's institutional direction. The day-long meeting provided a platform for members to deliberate on policy recommendations, institutional sustainability, and collaborative actions to support the sector's long-term growth and competitiveness.

Representing BUILD, Ferdaus Ara Begum, Chief Executive Officer (CEO), and Tanjila Marjahan, Research Associate, attended the meeting and actively participated in discussions on policy priorities and institutional strengthening for Bangladesh's leather sector.

The meeting commenced with a welcome session outlining the objectives and agenda for the day. Members then engaged in comprehensive discussions on formulating recommendations for the Government of Bangladesh to address key challenges facing the leather industry. The deliberations focused on policy support, industrial competitiveness, environmental compliance, investment promotion, and measures to create an enabling business environment that would enhance the sector's contribution to the national economy.

Participants reviewed and provided feedback on the draft recommendations, emphasising the importance of evidence-based policy advocacy and coordinated stakeholder engagement. Members highlighted the need for stronger collaboration among government agencies, industry associations, development partners, and the private sector to accelerate the implementation of priority reforms and promote sustainable sectoral development.

A dedicated session focused on strengthening the institutional sustainability of the Leather Development Forum. Members discussed strategies to enhance governance, increase member engagement, expand the Forum's network through new memberships, and reinforce LDF's role as a collaborative platform for policy dialogue and advocacy.

The meeting also reviewed the National Plan of Action (NPA) for the leather sector, with participants underscoring the importance of maintaining momentum in policy dialogue and ensuring that sustainability, environmental compliance, value addition, and export competitiveness remain central to future sector development initiatives.

The meeting concluded with renewed commitment from LDF members to work collectively towards a more competitive, sustainable, and resilient leather sector. The recommendations and action points generated during the meeting will support the Forum's ongoing engagement with government and industry stakeholders to advance policy reforms and strengthen Bangladesh's leather industry. ■

Trade remedy measures: Their importance after graduation

The Bangladesh Trade and Tariff Commission organised a seminar on the above topic on 14 May 2026 at a hotel in Dhaka, where the CEO of BUILD participated as a panellist to present her viewpoints. The keynote paper was delivered by Dr Mostafa Abid Khan, a former member of the Bangladesh Trade and Tariff Commis sion (BTTC). Dr Moinul Khan, Chairman of the BTTC, and Md Enamul Haque, a member of the BTTC, were also in attendance. The CEO of BUILD highlighted the following points.

Bangladesh is gradually moving towards the end of the era of International Support Measures (ISMs), including Duty-Free Quota-Free (DFQF) market access, export subsidies, and several flexibilities under the WTO TRIPS Agreement. At present, nearly 90% of Bangladesh's exports to the European Union enjoy DFQF access, whilst around 70% of total exports globally benefit from preferential market access arrangements.

To date, Bangladesh has not initiated any anti-dumping, countervailing, or safeguard investigations. Yet, several domestic sectors—including jute products (yarn, hessian, and sacking), fishing nets, PET films, glass, and hydrogen peroxide—have long alleged injury from low-priced imports originating mainly from India and Pakistan.

A study conducted by the Bangladesh Foreign Trade Institute identified 172 imported products entering Bangladesh at prices below global levels. After industry consultations, this list was narrowed to 15 HS-6 level products considered suitable for anti-dumping investigations. These products include cotton yarn, sewing thread, prefabricated buildings, electric lamps, ceramic tiles, tyres, camping goods, chilled onions, billets, electronic integrated circuits, lithium batteries, and photovoltaic solar panels.

The Customs Act 2023, under Sections 19–22, outlines relevant procedures, whilst the Anti-Dumping Rules 1995 designate the Bangladesh Trade and Tariff Commission as the authority responsible for investigating dumping allegations. Importantly, Article 18(8) and Article 20(7) correctly state that countervailing duty investigations generally require written requests from domestic industries. However, the Commission may also initiate investigations on its own if imports are causing injury to local industries.

As Bangladesh signs more FTAs, PTAs, and EPAs after graduation, tariff protection alone will no longer be sufficient. Transparent pricing systems, proper accounting standards, and reliable trade data will become increasingly important for effectively utilising trade remedies.

Effective trade remedy measures require close coordination among government agencies, private industries, legal experts, customs authorities, academic institutions, and enforcement agencies. For Bangladesh, a strong, technically sound trade remedy regime will become increasingly vital after LDC graduation, particularly as the country enters more FTAs and faces stronger global competition. ■

Traceability to transparency: A roadmap to the Digital Product Passport

The Footwear and Leathergoods Accessories Exporters Association (FLAXA) and the Business Promotion Council (BPC) jointly organised a seminar titled "Traceability to Transparency: Roadmap to the Digital Product Passport" on 20 June 2026 at the Hotel Renaissance.

Abdur Rahim Khan, Additional Secretary at the Ministry of Commerce (MoC); Syed Nasim Manzur, President of FLAXA; and numerous economists and academics, along with numerous FLAXA members, were in attendance. Ferdaus Ara Begum, CEO of BUILD, presented the keynote address on "Traceability to Transparency: The Digital Product Passport and the Future of Bangladesh's Leather and Footwear Industry."

For decades, the global trade of leather goods and footwear was governed by a simple formula: competitive pricing, acceptable quality, and reliable delivery. The question of how a product was made—the environmental cost, the treatment of workers, and the origin of raw materials—was secondary, often hidden behind the final price tag.

That era is coming to a decisive end. A seismic shift is underway in the European Union, Bangladesh's largest leather and footwear export market. Trade is no longer just about price; it is increasingly about proof. The rise of the Digital Product Passport (DPP) and the Ecodesign for Sustainable Products Regulation (ESPR) represent a fundamental restructuring of market access. For Bangladeshi exporters, understanding and preparing for this new reality is not optional; it is essential for survival and future growth.

The DPP: Your Product's New Digital Identity

The ESPR is a groundbreaking EU regulation that will mandate a Digital Product Passport for a wide range of goods placed on the EU market. This is not just a simple label or a QR code linking to a marketing page. The DPP is a sophisticated, machine-readable, and potentially tamper-proof digital record that will follow a product throughout its entire lifecycle.

For a leather shoe or bag, a valid DPP will contain a wealth of detailed information, such as:

- **Product Identity:** A unique ID linking to the manufacturer, model, batch, and origin.
- **Materials and Components:** A breakdown of all inputs, from the hide to the tanning chemicals and finishing agents, complete with their CAS numbers.
- **Environmental Performance:** Verifiable data on water and energy consumption, carbon footprint, and, crucially, wastewater treatment records, including chemical load and chrome discharge.
- **Traceability:** The journey of the product from the source, including species, country of origin of the hide, and the slaughterhouse of origin. It will also identify all facilities involved in its production, from the tannery to the finishing unit.
- **Compliance:** Certification of REACH compliance and restricted substance declarations.
- **End-of-Life:** Instructions for disassembly, recycling, and waste treatment.

It's Not the Law, But It Is the Law of the Market

The presentation explained that the ESPR is a regulation that applies to products entering the EU market. It does not directly legislate Bangladeshi factories, and there is no direct legal obligation on exporters. However, to sell their products to the EU, they must provide the data that EU importers need to comply with the law.

In practice, this functional obligation is identical to a direct mandate. Without this data, a product will lack a valid DPP and will be blocked at EU customs. The era of a simple bill of lading is over; it is being replaced by a digital record of a product's life story.

The Leather Sector's Three Structural Challenges

While the ESPR will affect all physical goods, the leather and footwear sector faces unique and significant hurdles. The industry is being targeted by two key EU regulations: the ESPR and the EU Deforestation Regulation (EUDR), which aims to ensure that products are not linked to deforestation. While leather is currently under discussion for removal from the EUDR's scope, the momentum for full traceability is undeniable. To meet these new demands, Bangladesh's leather sector must overcome three critical structural challenges:

The CETP Disconnection: A Chemical Traceability Blocker: More than 60% of the tanneries in Savar Leather Industrial City lack a functional connection to the Central Effluent Treatment Plant (CETP) or proper effluent data recording. The DPP will require batch-level wastewater treatment records, including chrome load, BOD, and COD. Without CETP linkage, a tannery cannot generate the legally valid chemical discharge data required for a DPP. Chrome VI contamination remains the primary cause of EU import rejections for Bangladeshi leather. The solution lies in mandatory digital meter installation and real-time data feeds to government portals, turning compliance into a competitive asset.

Hide Sourcing Opacity: No Farm-to-Tannery Chain: A valid DPP will require proof of hide provenance: the species, country of origin, and even the specific slaughterhouse. Currently, 91% of Bangladeshi tanneries cannot identify the slaughterhouse from which their hides originated, and none have a digital hide intake record linked to a GS1 lot number. Hides are largely sourced through informal brokers with no digital trail. A mandatory, digital hide intake register at the tannery gate is necessary, linking each batch to a unique identifier that traces its journey backwards.

The Digital Infrastructure Gap: DPP data must be generated at the tannery and factory levels. However, 85% of Bangladesh's tanneries are SMEs with no Enterprise Resource Planning (ERP) systems, no digital batch records, and no trained staff for GS1 data management. Many also lack reliable electricity and internet connectivity, adding a physical infrastructure layer to the digital challenge. A simplified, mobile-first digital toolkit and shared DPP service hubs are essential to bridge this gap and ensure SME inclusion.

A Path Forward: Turning Challenges into Opportunity

The situation is urgent, but the opportunity is immense. By proactively preparing, Bangladesh can position itself not as a supplier struggling to meet minimum standards, but as a strategic, Tier-1 partner for premium EU brands.

The proposed "Leather DPP Pilot" offers a practical roadmap. By 2026, a group of 20–30 pioneer tanneries and exporters will begin implementing GS1 unique identifiers on all leather batches, generating DPP data, and submitting it to a national registry. The ultimate goal is to have over 150 leather SMEs DPP-ready by 2028, enabling them to command a 3–8% pricing premium in EU markets.

To support this transition, key initiatives like the Traceability Adoption Fund and Shared DPP Service Hubs are being developed. These will provide matching grants for digital equipment, subsidised testing, and physical centres where SMEs can access data entry support, QR printing, and expert guidance.

Furthermore, the push for a circular economy presents a unique DPP asset. Bangladesh's leather sector generates roughly 50,000 tonnes of hide trimmings annually. By formalising the leather waste sector, digitalising waste manifests, and issuing recycled content certificates, this waste can be transformed into a valuable resource. This creates a new stream of "recycled leather" exports that are fully verifiable for the EU market.

In conclusion, the CEO stated in her presentation that the Digital Product Passport is not a distant regulatory wave; it is the new architecture of market access. For Bangladesh's USD 1.2 billion leather and footwear export industry, the choice is clear: embrace digital transformation and become a global benchmark for sustainable, traceable production, or risk being left behind.

The coming years are critical. The product-specific rules for leather and footwear are still being drafted, giving Bangladesh a short window to provide evidence-based inputs and advocate for transition timelines. By establishing the necessary infrastructure, supporting its SME base, and building a national traceability registry, the country can transform compliance into a competitive advantage, securing its position in the future of global trade. ■

BUILD explores strategic partnership with the Civic Engagement Fund

On 2 June 2026, a delegation from BUILD, led by CEO Ferdaus Ara Begum, met with Dr Adi Walker, Director and Team Leader of the Civic Engagement Fund (CEF), at the GFA office in Gulshan to discuss potential avenues for collaboration.

During the meeting, Dr Walker outlined the CEF's transition to an intensive, five-year operational lifecycle designed to secure rapid institutional and policy changes. He emphasised that the CEF operates through a "co-creational" approach, moving beyond traditional donor models to foster partnerships that maximise social impact. With the European Union showing strong interest as the primary custodian, the CEF aims to integrate private sector engagement into mainstream economic governance. A core strategic focus of the fund remains youth empowerment, particularly through large-scale Technical and Vocational Education and Training (TVET) initiatives intended to connect marginalised populations with formal employment.

In response, Ferdaus Ara Begum noted that bridging civic gaps will increasingly depend on robust systems for technology adaptation within domestic industries. She highlighted that as Bangladesh enters a critical window to leverage its demographic dividend, national policies must be better aligned to upskill the workforce and de-risk micro-investments. Begum proposed a follow-up technical session to map how BUILD's national policy advocacy structures can align with the CEF's five-year strategic funding lifecycle.

Waheed Alam, COO of BUILD, outlined several potential areas for collaboration, including strengthening women's economic agency through targeted licensing frameworks and promoting participation in public procurement. He also proposed forging a dialogue on the Digital Product Passport (DPP) framework to protect the rights of small-tier exporters and establishing a dual platform to close the industry skill gap for youth. Alam further highlighted that a partnership with BUILD offers a "Local-to-National Pipeline," ensuring that CEF-funded grassroots insights are systematically translated into national-level reforms.

Dr Walker expressed a strong interest in the proposed areas of collaboration, and both parties agreed to convene a follow-up technical meeting to define the specific areas of overlap in their work. ■

BUILD meets ERD Secretary to discuss SME development

Md Shahriar Kader Siddiky, Secretary of the Economic Relations Division (ERD), met with CEO Ferdaus Ara Begum at his office on 23 June 2026. The meeting discussed follow-up activities regarding the BUILD study presented at the National Confer ence on "Small and Medium Enterprises Competitiveness and Export Growth in Bangladesh," held on 13 June 2026. During the meeting, BUILD formally handed over its policy recommendations and an actionable roadmap to the ERD Secretary.

The discussion focused on facilitating the ease of doing business for SMEs, with a particular emphasis on regional clusters such as the Bhairab footwear sector and the Kumarkhali home textile sector. The ERD Secretary shared that the government is actively working to finalise an SME Support Policy. As part of this initiative, the ERD plans to consult with relevant stakeholders, including the Bangladesh Infrastructure Finance Fund Limited (BIFFL) and the Infrastructure Development Company Limited (IDCOL). He noted that IDCOL already implements a segregated policy for SMEs and added that the government provides interest-free funds to these institutions with instructions to cap end-user SME loans at 5%. Furthermore, the ERD plans to arrange a stakeholder meeting to identify pressing grassroots needs, such as the establishment of Common Facility Centres (CFCs).

Ferdaus Ara Begum assured the ERD of BUILD's full technical support regarding SME facilitation and export diversification, offering to develop a detailed concept note to drive these initiatives forward. She specifically suggested that, since the Ministry of Industries has granted Geographical Indication (GI) registration to 60 local products, the next logical step is to create a unified "GI Tag for Bangladesh" to effectively brand and market these goods globally.

Welcoming the proposal, the ERD Secretary requested that BUILD formally share a concept note on the strategy to facilitate further collaboration. ■

BUILD discusses sustainability and green growth initiatives with MoEFCC

On 3 June 2026, a delegation from BUILD, led by CEO Ferdaus Ara Begum, met with Dr Fahmida Khanom, Additional Secretary (Environmental Wing) of the Ministry of Environment, Forest and Climate Change (MoEFCC), to review the status of the Sustainability and Green Growth Working Committee (SGGWC). The SGGWC was established in 2016 to facilitate collaboration between government agencies, development partners, and the private sector on issues such as climate change, pollution control, and sustainable policy development.

The meeting reviewed decisions from the 4th Working Committee Meeting, with the Additional Secretary noting that progress has already been made on several initiatives, including sludge-based industries and certification for PET flakes. To ensure continued momentum, the MoEFCC will monitor the implementation of previous decisions and follow up with the Department of Environment (DoE) and the Ministry of Industries throughout the month. BUILD has also committed to providing an update on the progress of recommendations adopted during the previous meeting.

Discussions also covered the Renewable Energy Policy 2025, domestic policy dynamics regarding plastic and textiles, and the development of a Business Licensing Guidebook for Plastic Waste Management. Regarding the Renewable Energy Policy, the MoEFCC will coordinate with the Secretary of the Power Division to ensure BUILD is included in the consultation process, and BUILD will share its formal reviews and recommendations for further discussion.

To facilitate preparations for the 5th SGGWC Meeting—tentatively scheduled for the second or third week of July 2026—the MoEFCC will nominate a focal point to work directly with BUILD. BUILD is also tasked with sharing the committee's Terms of Reference, proposed agenda, and concept notes by June 2026 to ensure the upcoming meeting is well-prepared. The session concluded with both parties reaffirming their commitment to collaborative action on national sustainability and environmental goals. ■

BUILD discusses regulatory reform and BLG progress with the MoI

On 2 June 2026, a delegation from BUILD, led by CEO Ferdaus Ara Begum, met with A. K. M. Benjamin Riazi, Additional Secretary at the Ministry of Industries (MoI), to discuss ongoing regulatory reform initiatives.

The CEO of BUILD provided an overview of the organisation's mandate and its ongoing efforts to improve the business environment and facilitate private sector development in Bangladesh. Riazi expressed interest in BUILD's work and acknowledged existing challenges in government service delivery, specifically citing coordination gaps among agencies and procedural inefficiencies. He

emphasised that enhancing inter-agency coordination and automating government processes are essential steps to improve service delivery.

The discussion addressed the progress of draft Regulatory Guidebooks for Light Engineering Business Start-up Licences and Plastic Waste Management Business Start-up Licences. While the MoI and BUILD have actively followed up with relevant organisations to request feedback on these drafts, the Ministry is currently unable to provide final printing approval in the absence of formal endorsements from the concerned agencies. Riazi confirmed he would consult with Yesmin Sultana, Joint Secretary of the Ministry of Industries, regarding the feedback process, and the Ministry will communicate its official position and provide an update to BUILD shortly.

The meeting concluded with both parties reaffirming their commitment to maintaining close communication and identifying further opportunities for collaboration. ■

BUILD meets BSCIC to explore sustainable tannery solid waste management and resource recovery

BUILD held a consultation meeting with the Chairman and senior officials of the Bangladesh Small and Cottage Industries Corporation (BSCIC) on 24 June 2026, as part of the project titled "Waste into Resource: Tannery Solid Waste By-product Entrepreneurship Model." The meeting focused on exploring sustainable approaches to tannery solid waste (TSW) management and on identifying opportunities to transform industrial waste into value-added products through entrepreneurship and circular economy practices.

During the meeting, the Chairman and BSCIC officials shared an overview of the current status of solid waste management in the Leather Industrial City, Savar. It was noted that approximately 142 operational tanneries generate approximately 64,000 metric tonnes of solid waste annually, including fleshings, chrome-shaving dust, raw trimmings, and CETP sludge. Officials highlighted that significant progress has been made in reducing the disposal of commercially valuable waste into dumping yards, with many waste streams now collected and utilised by private-sector operators. However, they also noted that a substantial volume of historical waste remains accumulated in the dumping yard, underscoring the need for long-term resource recovery solutions.

The discussion emphasised the growing potential of tannery by-products as valuable industrial resources. Participants explored opportunities to produce gelatin, glue, collagen, tallow, protein hydrolysates, organic fertiliser, leather board, and other industrial products from various waste streams. Particular attention was given to the utilisation of fleshings, identified as the largest underutilised waste stream with significant commercial potential. The meeting also highlighted the importance of investment, technology transfer, and environmentally compliant processing facilities to unlock value from tannery solid waste and promote circular economy practices.

BSCIC representatives informed the meeting that several domestic and international companies have expressed interest in tannery waste utilisation and resource recovery initiatives. Discussions are ongoing with foreign investors on advanced processing technologies and the establishment of large-scale waste-processing facilities that could help make the leather industry in Bangladesh more sustainable and competitive.

The consultation further identified several challenges affecting waste-based entrepreneurship, including limited processing infrastructure, technological constraints, historical accumulation of waste, financing barriers, and the need for stronger institutional coordination. Participants stressed the importance of integrating small and medium enterprises (SMEs) into formal waste value chains, attracting private investment, and developing commercially viable business models that support environmental compliance whilst creating new economic opportunities.

The meeting also underscored the importance of strengthening collaboration among BSCIC, industry stakeholders, private-sector investors, and development partners to facilitate the transition from conventional waste-disposal practices to a resource-efficient circular-economy model. Participants agreed that effective policy support, improved infrastructure, and investment-friendly business environments will be critical for scaling up waste-to-resource initiatives in Bangladesh's leather sector.

As part of the project, BUILD will use insights from BSCIC and subsequent stakeholder consultations to develop policy recommendations and entrepreneurship models to strengthen Bangladesh's circular economy in the leather sector. The initiative seeks to demonstrate how tannery solid waste can be transformed into valuable resources, thereby contributing to environmental sustainability, industrial competitiveness, private-sector development, and green employment.

The consultation forms part of a broader series of engagements with government agencies, industry associations, entrepreneurs, and development partners to support evidence-based policy reforms and promote sustainable tannery solid waste management and resource recovery in Bangladesh. ■

Discussion at Bangladesh Bank on the July–December 2026 Monetary Policy Statement

Bangladesh Bank organised a stakeholder consultation session at its conference room on 4 June 2026 to gather inputs on the July–December 2026 Monetary Policy Statement (MPS). Md Mostaqur Rahman, Governor of Bangladesh Bank; Dr Md Habibur Rahman, Chief Economist; and other senior officials of the central bank were in attendance. Mahmud Salahuddin Naser, Executive Director of the Monetary Policy Department, delivered the keynote address. Ferdaus Ara Begum, CEO of BUILD, participated in the meeting to share perspectives on the upcoming MPS, alongside several economists, bankers, and private sector representatives.

Bangladesh Bank sought insights on several critical areas: how monetary policy should balance inflation control with growth recovery; what complementary measures can support durable disinflation; how productive credit can be expanded without increasing financial risk; which exchange rate strategy best supports stability and competitiveness; and what reforms are most critical for strengthening the financial sector and restoring investment confidence.

The discussion highlighted a significant policy dilemma. Inflation remains persistent, yet economic activity has slowed considerably. Whilst a tight monetary policy may help contain inflationary pressures, prolonged tightening risks deepening the economic slowdown, discouraging investment, and delaying employment recovery. Bangladesh Bank also sought views on complementary policy measures that could improve supply conditions and support a sustainable reduction in inflation beyond monetary tightening alone.

Many economists at the meeting expressed scepticism regarding the effectiveness of monetary policy alone in controlling current inflationary pressures. Given continuing global uncertainties, geopolitical tensions, supply chain disruptions, and commodity price volatility, inflation may remain elevated and could even rise further. Under such circumstances, achieving the MPS's employment recovery objectives may prove challenging.

The CEO of BUILD noted that Bangladesh is currently facing a unique policy situation, wherein the government is pursuing a relatively expansionary fiscal policy through a large budget, whilst the central bank maintains a contractionary monetary stance to control inflation.

A large budget generally involves higher public expenditure, increased development spending, expanded social safety net programmes, infrastructure investment, subsidies, and support for public services. These expenditures are essential for stimulating growth, creating employment, and improving living standards. In contrast, a contractionary monetary policy seeks to reduce inflation by raising policy interest rates, restraining money supply growth, tightening credit conditions, and, where necessary, raising reserve requirements. Its primary objective is to moderate aggregate demand and stabilise prices.

When these two policies operate simultaneously, they may work in opposite directions. Fiscal policy stimulates demand, encourages investment, and supports growth, whilst monetary policy restricts liquidity, raises borrowing costs, and dampens demand to control inflation.

The BDT 60,000 crore refinancing scheme is expected to support entrepreneurship and employment generation through institutions such as PKSF, Probashi Kallyan Bank, Ansar-VDP, and other innovative channels, aiming to create approximately 2.5 million jobs. The government's "One Village, One Product" (OVOP) initiative and similar localised development programmes may also contribute to employment creation and export diversification.

This scheme could yield significant benefits if implemented in a targeted and transparent manner, whilst preventing the misuse of funds. On the fiscal side, a balanced approach would involve reducing unproductive expenditure, prioritising export-oriented and employment-generating sectors, improving tax collection, reducing unnecessary tax exemptions, and enhancing the efficiency of development projects.

Strong coordination between the government and the Bangladesh Bank is essential. Fiscal expansion should focus on increasing productive capacity rather than merely stimulating consumption. A large budget combined with a contractionary monetary policy is not necessarily inconsistent, particularly when inflation remains high. However, if government borrowing expands excessively whilst monetary policy remains tight, private investment may be squeezed, and economic growth could suffer. ■

Stakeholder consultation on aligning investment, trade and decent work for resilient, inclusive supply chains

The ILO, in collaboration with the Ministry of Commerce (MoC) and the Bangladesh Investment Development Authority (BIDA), organised a consultation session on 22 June 2026 at the Hotel InterContinental. The purpose of the session was to discuss and share key insights and recommendations that emerged from a residential workshop held on 7–8 June 2026, titled “Aligning the Investment, Trade, and Decent Work Agenda for Resilient and Inclusive Supply Chains”. The recommendations were formally presented during the session.

The Chief Guest was Khandakar Abdul Muktadir, Honourable Minister, Ministry of Commerce, Industry and Textile and Jute. The consultation was also attended by Dr Md Nazrul Islam, Secretary (Bilateral—East and West), Ministry of Foreign Affairs; Carol Flore Smereczniak, UN Resident Coordinator; Md Humayun Kabir, Executive Member, BIDA; and HE Michael William Miller, the EU Ambassador to Bangladesh.

The workshop recommendations highlighted specific areas, including the enabling environment, the licensing process, traceability for transparency, responsible business conduct, and skills development. It was also noted that the MoC has established a Responsible Business Conduct (RBC) Cell to operationalise a national strategy for the decent work agenda within resilient and inclusive supply chains.

Ferdaus Ara Begum, CEO of BUILD, informed the attendees that the ILO is supporting BUILD in preparing a series of Business Start-up Regulatory Guidebooks. These are designed to disseminate information on business licensing processes, helping entrepreneurs—particularly those in the SME sector—to better understand registration procedures and thereby reduce business informality. She further shared that BUILD, with support from GIZ, is preparing a National Traceability Strategy for the Ministry of Commerce, which will provide a pathway towards transparency across the entire business supply chain.

Stakeholders and development partners expressed their keenness to continue supporting these activities. ■

BUILD and Bangladesh Bank discuss SME financing and export competitiveness

On 5 May 2026, a delegation from BUILD met with officials from the SME and Special Programmes Department (SMESPD) of Bangladesh Bank to discuss critical financing mechanisms and policy reforms needed to boost SME competitiveness and export growth in Bangladesh.

During the discussion, representatives from Bangladesh Bank highlighted the existing three-pillar policy framework, which includes industrial policy-based financing, target-based credit disbursement—requiring banks to allocate 25% of overall credit to SMEs—and various refinancing and pre-financing schemes. Despite these measures, participants identified significant structural challenges. A primary concern is the lack of a comprehensive, reliable database for micro, small, and cottage enterprises, which complicates credit assessment and targeted support.

The meeting addressed why credit disbursement to SMEs by commercial banks remains low. Banks often perceive SMEs as high-risk due to their informal nature, lack of formal financial records, and heavy reliance on collateral-based lending, which many small businesses cannot satisfy. Furthermore, compliance barriers—such as the requirement for trade licences, Business Identification Numbers (BINs), and tax documentation—further exclude informal enterprises from accessing formal finance.

Regarding cluster-based financing, it was noted that while the current circular requires 10% of SME financing to be disbursed in clusters, the lack of product-specific export prioritisation in the National Industrial Policy 2022 limits its effectiveness. The discussion also touched upon export financing facilities, which remain underutilised due to complex processing procedures, limited institutional support, and a lack of awareness among entrepreneurs.

To address these gaps, the participants emphasised the need for greater financial literacy, improved digitalisation, and better coordination with agencies such as the National Board of Revenue. Bangladesh Bank has initiated a target-based financial literacy programme for women and marginal entrepreneurs, supported by an online portal. The session concluded that policy reform, enhanced data collection, and a shift away from strictly collateral-based lending are vital to improving SME integration into the global export market. ■

BUILD and BTA discuss circular economy opportunities in tannery solid waste management

BUILD, with support from The Asia Foundation and in collaboration with the Bangladesh Tanners Association (BTA), organised a stakeholder discussion titled “Discussion on Tannery Solid Waste Management and Circular Economy Opportunities in Bangladesh” on 28 June 2026 at the BTA Conference Room, Savar Tannery Industrial Estate.

The meeting brought together members of the BTA to validate preliminary findings from the project “Waste into Resource: TSW Byproduct Entrepreneurship Model” and to discuss practical strategies for improving tannery solid waste (TSW) management through circular economy approaches.

The discussion commenced with welcome remarks by Md Shaheen Ahamed, Chairman of the BTA, who emphasised the importance of collaborative action to address the environmental and economic challenges associated with tannery solid waste whilst enhancing the global competitiveness of Bangladesh's leather sector.

Opening remarks were delivered by Ferdaus Ara Begum, CEO of BUILD, who highlighted the project's objective of transforming tannery solid waste into valuable resources through policy reforms, private sector engagement, and entrepreneurship development. She noted that sustainable waste management is not only an environmental necessity but also an opportunity to create new businesses, employment, and export-oriented industries.

BUILD presented the preliminary findings from the desk review, Key Informant Interviews (KIIs), and the first Focus Group Discussion (FGD). The presentation highlighted current waste generation and management practices, existing resource recovery initiatives, key bottlenecks affecting SMEs, and opportunities to develop value-added products such as gelatin, glue, collagen, leatherboard, fertiliser, biodiesel, and other circular-economy products.

During the open discussion, BTA members shared their experiences with waste segregation, collection, and disposal practices, as well as challenges related to chrome-containing waste, infrastructure limitations, regulatory compliance, and access to finance. Participants also discussed the importance of establishing a reliable supply chain for tannery solid waste, strengthening institutional coordination, improving access to green finance, and promoting investment in waste-to-resource technologies.

Participants emphasised that sustainable tannery solid waste management will play a critical role in improving environmental compliance, facilitating Leather Working Group (LWG) certification, enhancing export competitiveness, and supporting the long-term development of Bangladesh's leather industry. They also stressed the need to integrate SMEs into the formal leather value chain and to create an enabling policy environment for circular-economy enterprises.

The meeting concluded with a consensus that stronger collaboration among government agencies, industry associations, private-sector enterprises, SMEs, research institutions, and development partners is essential to transforming tannery solid waste into valuable economic resources. The recommendations and feedback gathered during the discussion will inform the development of policy recommendations and pilot interventions under BUILD–The Asia Foundation project, aimed at advancing sustainable tannery solid waste management and circular economy practices in Bangladesh. ■

BUILD participates in workshop on alternatives to cash incentives

On 14 June 2026, the Support to Sustainable Graduation Project (SSGP) of the Economic Relations Division (ERD) hosted a workshop titled "Exploring Support Alternative to Cash Incentive" at the NEC-II Conference Room in Dhaka. The event was chaired by A. H. M. Jahangir, Additional Secretary and Project Director of the SSGP, and moderated by Abdul Baki, Adviser to the SSGP. During the session, the Chairman of the Policy Research Institute (PRI), Dr Zaidi Sattar, presented a study on potential post-LDC graduation strategies, with the CEO of BUILD participating as a panellist.

Findings on Export Incentives

The report indicated that Bangladesh's existing system of export cash incentives has not provided a reliable foundation for broad-based export growth, diversification beyond ready-made garments, or durable export competitiveness. Empirically, the study found that these incentives have contributed negligibly to the country's export growth over the years.

However, the CEO of BUILD noted that many successful developing nations, such as China and Vietnam, utilised subsidies and incentives during their early stages of industrialisation.

Proposed Policy Solutions

To offset the withdrawal of cash incentives following LDC graduation, the report proposed eight policy solutions:

- Duty and tax neutralisation
- Export credit and risk mitigation
- Trade facilitation and customs reform
- Infrastructure and logistics support
- Development of industrial clusters and Special Economic Zones (SEZs)
- Technology and skills upgrading
- Market access and export promotion.
- Environmental management and climate change mitigation, including resource mobilisation through circular economy practices

As the WTO-supported multilateral trading system weakens, the BUILD CEO suggested that Bangladesh should accelerate the implementation of Free Trade Agreements (FTAs) and the Comprehensive Economic Partnership Agreement (CEPA) to maintain competitiveness.

Sectoral Challenges: Plastics and Agro-processing

The study highlighted that the plastics sector faces a strong anti-export bias (AEB), with export earnings of only USD 210 million against a domestic market of USD 3 billion. Currently, 87% of import duties are imposed on packaging materials and ingredients. The CEO argued that while duty structures contribute to this bias, product diversification into toys, PET, and high-value-added packaging is essential for growth. Similarly, the agro-processing sector, despite being a major employer with a domestic market of USD 8 billion, only generates USD 1 billion in exports. Since 80% of raw materials in this sector are sourced domestically, the CEO emphasised that improvements in infrastructure, tax policies, and laboratory testing facilities are critical.

Simplifying Trade and Supporting Exporters

The CEO of BUILD recommended that the government align trade and industrial policies to target priority sectors. She advocated for treating 70% export-oriented industries as 100% export-oriented to broaden access to facilities. Other suggested WTO-compliant alternatives to direct cash subsidies include:

- Duty drawbacks and interest rate subsidies.
- Special Bonded Warehouse facilities for all exporters, including partial exporters.
- Back-to-back Letter of Credit (L/C) benefits for all export sectors.

Finally, the CEO underscored the urgent need to simplify business licensing to improve the ease of doing business. She noted that establishing a new business in the Plastic Waste Management sector requires over 650 days and the submission of 235+ documents, nearly 60% of which are repetitive. A similar situation persists in the light engineering sector, where businesses face approximately 200+ document submissions and a timeline of over 600 days. Streamlining these processes is essential to ensure that small exporters can remain competitive in a post-LDC landscape. ■

Reviewing the National Industrial Policy 2022 in a changing economic landscape

On 11 June 2026, the CEO of BUILD attended a programme jointly organised by the International Labour Organisation (ILO) and the Ministry of Industries (MoI) at the Hotel Six Seasons. MoI officials and representatives from various donor organisations, such as the UNDP, the World Bank, and the EU, were present. The CEO of BUILD raised several key points regarding Bangladesh's current industrial landscape and the effectiveness of the existing National Industrial Policy (NIP) 2022.

Bangladesh aspires to become a trillion-dollar economy by 2034. The current government's manifesto highlights the need for investment-friendly policies, massive employment generation, the reactivation of closed industries, export diversification, and an emphasis on handicrafts, the creative economy, and rural development (the "One Village, One Product" initiative).

The target of the NIP 2022 was to increase productivity and employment by 40%. Its vision is centred on the Fourth Industrial Revolution (4IR) and technology-oriented light engineering. Currently, out of a labour force of 72 million, only 21% are engaged in the industrial sector, and industry's contribution to GDP remains at 35–37%; consequently, the target remains unfulfilled, and the light engineering sector has not been upgraded. In view of these issues, the Ministry of Industries could conduct an assessment of the Industrial Policy in collaboration with BUILD.

The NIP 2022 comprises 20 chapters, including a chapter on monitoring and evaluation. One chapter focuses on the informal sector (Chapter 5). It proposes the creation of an Informal Sector Industry Skills Council (ISISC), a national informal sector database, a government-initiated fund, the issuance of MSME certificates, and prioritised refinancing from Bangladesh Bank. Additionally, the policy promotes cluster-based SME development and collateral-based loans; however, most of these significant proposals remain unattended. While various organisations look into specific areas such as startups, women's entrepreneurship, investment, renewable energy, the environment, taxation, 4IR, and ICT, the NIP should independently address: definitions and classification of industries; SMEs and informal industries; industries in less developed areas; state-owned industries and their reforms; productivity; incentives for import-substitute industries; IP-related issues; diversification of industrial products and exports; and skill development and R&D.

To better understand these challenges, one can look at the industrial evolution of other nations:

South Korea

The industry share of South Korea is 36–39%, with employment at 24–26%. They have built internationally competitive industries through strategic government support, technological upgrading, and export orientation. From 1960, they shifted from import substitution to export-oriented industrialisation. The tools they used included directed credit through state-controlled banks, export incentives linked to performance, protection of infant industries, and the development of large business groups (Chaebols). Furthermore, they focused on heavy investment in technical education and R&D, alongside the development of industrial estates and export-processing zones.

Malaysia

The share of industry in Malaysia is 37–39% of GDP, with employment at 27–29%. Their industrial policy has evolved from import substitution in the 1960s to export-oriented, technology-driven, and innovation-led industrialisation. Today, the focus is on moving the economy up the value chain, enhancing productivity, promoting sustainability, and strengthening domestic industrial capabilities. Their policies have included tax holidays, investment incentives, Free Trade Zones, industrial parks, export promotion programmes, vendor development programmes linking SMEs with multinational corporations, skills and technical training, and technology and automation grants.

India

India's industrial share is 27–29% of GDP, with employment at 27–29%. The Indian industrial sector has undergone a significant transformation over the past seven decades—from a state-led, import-substituting model to a more market-oriented, globally integrated, and technology-driven industrial strategy. Today, the focus is on manufacturing competitiveness, self-reliance in strategic sectors, export promotion, and integration into global value chains. Tools used include Production-Linked Incentive (PLI) schemes, industrial corridors, SEZs, industrial parks, FDI liberalisation, tariff support for strategic sectors, public procurement preferences, and startup and innovation support.

China

China's industrial share of GDP is 37–39%, and its employment rate is 28–30%. China's industrial policy is often considered one of the most ambitious and comprehensive industrial transformation strategies in modern economic history. Over four decades, it has transformed China from a low-income agrarian economy into the world's largest manufacturing nation, accounting for nearly one-third of global manufacturing output. Their approach involves Five-Year Plans and sectoral roadmaps, Special Economic Zones (SEZs), massive infrastructure investment, subsidised finance through state banks, strategic FDI attraction with technology transfer, and government procurement and industrial subsidies that also support state-owned enterprises in strategic sectors.

Sri Lanka

Sri Lanka's industrial GDP share is 26–29%, with employment at 25–27%. The sector has evolved through periods of import substitution, trade liberalisation, export promotion, and, more recently, efforts to develop knowledge-based and export-oriented industries. Unlike China, South Korea, or Malaysia, Sri Lanka's industrial transformation has been constrained by political instability, fiscal challenges, civil conflict, and limited policy continuity. Nevertheless, its experience offers valuable lessons for countries such as Bangladesh.

While comparing the industrial policies of these five countries, it is evident that since 1960, all of them have moved from import substitution to export diversification. As per policy tools, they have opted for EPZs and FTAs and have announced and implemented several performance-based and production-linked incentives, while technology adoption is a primary concern.

Bangladesh has initiated a mixed policy: on the one hand, it is encouraging import-substituting industries and providing support in that regard, while, on the other hand, supporting state-owned industries and promoting export diversification. While all three objectives are important, pursuing them without a clear hierarchy can lead to policy contradictions, resource misallocation, and reduced competitiveness. Therefore, Bangladesh needs a strategic industrial policy based on competitiveness, productivity, and export orientation rather than protection alone.

Several policies included in the NIP 2022 have not been implemented, despite clear action plans, due to insufficient funding and institutional support. Furthermore, the policy does not clearly define implementation tools. There are about 160 sectors covered by the policy, which the Ministry finds difficult to implement. The sectors would need to be divided into three specific areas: primary sectors, which mostly supply raw materials; tertiary sectors, which produce products for consumers using these raw materials; and high-value-added products, which foster exports and generate income.

Finally, the status of the NIP could be upgraded from a mere policy to an act that gives immediate attention to industry's needs. The NIP should include policies to reduce infrastructure costs and a development plan; it should also include manufacturing-based policies and serve as a parent policy, distinct from others. ■

BUILD conducts key informant interview with BAPA to assess agro-food SME competitiveness

On 27 April 2026, a delegation from BUILD met with Md Billal Hossain, CEO of the Bangladesh Agro-Processors' Association (BAPA), to discuss the challenges and growth potential for SMEs in the agro-food processing sector. This interview formed part of an initiative to generate policy insights to strengthen SME export readiness and competitiveness.

Sectoral Overview and Structural Challenges

The agro-food processing sector is a vital component of Bangladesh's economy, contributing significantly to GDP and export earnings. However, the sector lacks reliable, comprehensive data, which complicates effective policy formulation and sectoral planning. A significant portion of the industry remains informal, with many SMEs lacking essential trade licences, BSTI certifications, and other formal documentation. This informality restricts their ability to integrate into formal value chains and access institutional support.

Key Barriers to Export Competitiveness: While the sector leverages domestic raw materials—which account for 80% to 90% of inputs—SMEs face persistent regulatory and policy-related hurdles:

- **Restrictive Export Regulations:** Exporters are currently prohibited from exporting certain products as combined packages; for example, aromatic rice cannot be included in packages containing items such as pickles or jam, which limits product diversification compared to regional competitors.
- **Fiscal Burdens:** The cost of doing business is elevated by supplementary duties, advance income tax, and a 1% tax on total export earnings.
- **Institutional Gaps:** Current export promotion initiatives and capacity-building programmes are infrequent and often insufficient for the specific needs of SMEs. Government engagement from agencies such as the SME Foundation, the National Board of Revenue (NBR), and the Export Promotion Bureau (EPB) remains limited.

Recommended Policy Interventions

To enhance SME competitiveness over the next five years, the discussion highlighted the necessity of several strategic reforms:

- **Regulatory Reform:** Simplifying export regulations to allow for greater flexibility in product packaging and bundle exports.
- **Fiscal Rationalisation:** Adjusting tax and duty structures to alleviate the financial burden on SMEs.
- **Formalisation Incentives:** Encouraging formalisation through simplified registration processes and targeted incentives.
- **Capacity Building:** Increasing the frequency of training and trade promotion activities to support market diversification.

The session concluded that while the agro-food processing sector has a strong foundation due to local resource availability, achieving sustained SME-led export growth requires a more enabling business environment and more robust institutional support. ■

Government leaders unveil ambitious roadmap for economic growth and investment at Dhaka conference

On 13 June 2026, the Ministry of Foreign Affairs (MoFA) and the Bangladesh Investment Development Authority (BIDA) hosted a high-level conference titled "Roadmap for Trade, Growth and Economic Diplomacy: Navigating Risks, Leveraging Resilience" at the Hotel Sonargaon in Dhaka. The event convened diplomats, development partners, business leaders, and government officials to discuss strategies for achieving a trillion-dollar economy. Waheed Alam, COO of BUILD, joined the conference.

Dr Khalilur Rahman, Foreign Minister, opened the conference by stating that the government's primary focus is to restore trust among local and international partners by ensuring stability and policy predictability. He outlined the Prime Minister's three core objectives: to stabilise, reform, and elevate. Mirza Fakhrul Islam Alamgir, Minister for Local Government, Rural Development and Cooperatives, reinforced this, asserting that the government is committed to transforming Bangladesh into a safe, resilient, and industrialised nation within its first 100 days of governance.

Chowdhury Ashik Mahmud Bin Harun, Chairman of BIDA, presented a clear vision to create 10 million jobs by accelerating investment-led development. To improve the business climate, he highlighted plans to privatise or pursue public-private partnerships for roughly 20 underperforming state-owned enterprises, and to reduce factory permit approval times to 14 days.

Building on this, Finance Minister Amir Khosru Mahmud Chowdhury announced the introduction of a "time-bound" approval system, under which business permits will be deemed automatically granted if authorities fail to respond within 7 days. The finance minister also pledged to end political appointments in financial institutions and to channel large-scale investments into the capital market to ease pressure on the banking sector.

Strategic Foreign and Domestic Policy

Several other key figures highlighted the government's strategic priorities:

- **Foreign Affairs:** Humaiun Kobir, Adviser to the Prime Minister on Foreign Affairs, noted that foreign policy is now strictly centred on national interests, prioritising regional connectivity that yields economic returns. State Minister for Foreign Affairs, Shama Obaed Islam, added that the government is actively pursuing bilateral trade agreements and Free Trade Agreements (FTAs) to diversify exports beyond readymade garments.
- **Technology and Education:** Rehan Asif Asad, State Minister for Post, Telecommunications and ICT, emphasised bridging the digital divide and upskilling youth for LDC graduation, while Mahdi Amin, Adviser to the Prime Minister on Education and Labour, stated that the government intends to leverage the professional expertise and investments of the Bangladeshi diaspora rather than relying solely on remittances.
- **Fiscal Efficiency:** Md Abdur Rahman Khan, Chairman of the National Board of Revenue (NBR), stated that the NBR is shifting its focus toward simplifying procedures and reducing compliance costs. He highlighted the expansion of digital platforms, including the National Single Window and eVAT systems, to improve transparency and support exporters. ■

BGMEA, BUILD, and GIZ discuss compliance strategies for the EU's ecodesign regulation

On 5 May 2026, representatives from BUILD, the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), and GIZ convened at the BGMEA headquarters in Dhaka to discuss the implications of the European Union's proposed Ecodesign for Sustainable Products Regulation (ESPR).

ESPR Compliance and RMG Sector Challenges

During the meeting, Dr Wasel Bin Shadat, Research Director at BUILD, presented findings from their ongoing research, which suggest that failure to comply with the ESPR could lead to a 12–15% reduction in Bangladesh's ready-made garment (RMG) exports to the European Union over the next five years. Key compliance requirements under the ESPR include mandatory disclosure of environmental footprints for each product batch, implementation of Digital Product Passports (DPPs), and financial provisioning for end-of-life waste management.

The BGMEA representatives highlighted several critical structural challenges facing the industry, most notably "data fatigue". Many factories currently manage data across multiple, fragmented brand-specific platforms, a process that is both costly and duplicative.

Furthermore, the sector faces a significant number of informal, non-registered subcontractors operating outside regulatory oversight, complicating efforts to ensure full supply chain traceability. BGMEA also cited political interference and a lack of reliable, centralised infrastructure as major barriers to formalisation and compliance.

Strategic Pathways for Traceability: GIZ proposed that Bangladesh move beyond reactive responses to EU regulations by developing a unique, nationally governed digital infrastructure. They argued that instead of fragmented platforms, the country should pursue a single, interoperable "National Traceability Platform" hosted at the National Data Centre under the Bangladesh Computer Council. This approach would ensure data sovereignty, reduce costs for SMEs, and provide a competitive "first-mover" advantage against other textile-producing nations.

The parties agreed on a sequential roadmap: first, to introduce legal reform by enacting legislation inspired by the National Traceability Strategy to mandate traceability and data sharing; next, to engage international buyers to secure acceptance of the national traceability framework; and finally, to lobby the European Commission collectively for recognition of the Bangladeshi platform as compliant with ESPR requirements.

Next Steps and Pilot Initiatives: The meeting concluded with a clear commitment to explore practical formalisation mechanisms for unregistered subcontractors and to develop detailed position papers for submission to the European Commission. GIZ is currently preparing a tender for a pilot initiative, in collaboration with the Export Promotion Bureau (EPB), to test a minimal viable DPP system under real-industry conditions. BUILD and BGMEA will continue to work closely on research, consultation, and policy advocacy to support the sector's transition towards more sustainable, transparent, and traceable production practices. ■

Policymakers and researchers enhance tariff policy analysis Skills at World Bank TRIST workshop

From 22 to 24 June 2026, the World Bank hosted a three-day workshop on the Tariff Reform Impact Simulation Tool (TRIST) at the Hotel InterContinental, Dhaka, to strengthen institutional capacity for evidence-based tariff analysis. The event brought together policymakers, revenue officials, researchers and private-sector representatives to assess the fiscal and economic implications of trade reforms.

Focusing on Evidence-Based Policymaking

The workshop provided technical training on the TRIST model, enabling participants to simulate changes in customs duties and para-tariffs. Through practical exercises, they assessed how tariff adjustments affect revenue, import demand, trade flows, consumer welfare and domestic competitiveness, underscoring the value of data-driven analysis for transparent policy. Participants also worked through concepts such as import-demand elasticity and trade diversion while examining the practical challenges of tariff rationalisation and customs modernisation in Bangladesh.

Preparing for LDC Graduation

A central theme of the workshop was Bangladesh's preparation for graduation from Least Developed Country status, with discussions stressing the need to balance support for domestic industries with stronger global competitiveness and stable revenue. Insights from the Revenue Authority of Bhutan enriched the exchange, particularly on tariff management and customs administration. The workshop closed with consensus on strengthening institutional capacity by embedding analytical tools such as TRIST within the agencies responsible for trade and fiscal policy, improving access to high-quality customs and trade data, building analytical capability across relevant institutions, and fostering deeper collaboration among government bodies, research organisations, and private-sector stakeholders.

World Bank trade technical expert and economist Mike Nyawo facilitated the training. Attendees included representatives from the Bangladesh Trade and Tariff Commission (BTTC), the National Board of Revenue (NBR), MoI, the Policy Research Institute (PRI), Policy Exchange Bangladesh, and BUILD, with Senior Research Associate Md Nooruzzaman representing BUILD at the event. ■

BUILD–BPPA meeting on strengthening public procurement collaboration

A meeting was held on 23 June 2026 between Ferdaus Ara Begum, CEO of BUILD, and Moin Uddin Ahmed, CEO of the Bangladesh Public Procurement Authority (BPPA). The purpose of the meeting was to reinforce BUILD's role as a technical partner to BPPA, share grassroots feedback from BUILD's recent National Conference, and discuss collaborative areas to successfully implement the newly enacted PPR-2025 and Public Procurement (Amendment) Act, 2026.

Ferdaus Ara Begum highlighted that despite the policy provision reserving a 25% procurement quota for SMEs and women entrepreneurs, they face severe technical disconnects within the e-GP system. She also conveyed private-sector frustration regarding the opaque lottery-based allocation in the Limited

Tendering Method (LTM). To address these issues, BUILD provided technical assistance to optimise the e-GP dashboard for quota tracking, review LTM/OTM frameworks for fair market access, and develop an Action Plan for Sustainable Public Procurement (SPP) based on its 2024 joint study with the International Trade Centre (ITC).

In response, the CEO of BPPA, Moin Uddin Ahmed, expressed great enthusiasm for working together. He requested that BUILD coordinate with the SME Foundation (SMEF) to design a joint tripartite training proposal for women entrepreneurs and to support BPPA in providing e-GP software skills training for small businesses. Additionally, he suggested that BUILD use its advocacy platforms to examine necessary changes to the ministerial Rules of Business to better support women entrepreneurs. He welcomed further collaboration with international partners such as the ITC. ■

BUILD and US-Based ACDI/VOCA finalise partnership for USDA Food for Progress trade facilitation proposal

BUILD held a series of consultations with ACDI/VOCA, a US-based development organisation, throughout May and June 2026 on a potential collaboration under the USDA's Food for Progress programme. ACDI/VOCA was preparing a proposal in response to the USDA's FY2026 Food for Progress Notice of Funding Opportunity and was seeking a Bangladeshi partner organisation to lead the local policy-facilitation component of the programme.

The proposed program is designed to support implementation of the Agreement on Reciprocal Trade (ART) between the United States and Bangladesh, aiming to improve the enabling environment for U.S. agricultural exports—particularly soy, wheat, corn, dried distillers grains (DDGS), and cotton—while strengthening Bangladesh's domestic industries and export competitiveness.

Early discussions centred on three broad questions: how public-private dialogue and reform advocacy would be structured under the programme; how a Bangladeshi partner's role would be integrated into the wider program architecture; and what technical and operational resources such a role would require. Specific trade-policy issues were also tabled for discussion, spanning wheat procurement practices, soybean oil pricing and import duties, market strategies linking aquaculture growth to demand for US feed inputs, standardisation of trade-finance instruments such as Letters of Credit, and reforms to national trade logistics infrastructure, including single-window integration, risk-based container scanning, and cold-chain collaboration.

Following these consultations, the two organisations signed a teaming agreement under which the Bangladeshi partner would, if the proposal succeeds, lead structured public-private dialogue on trade-facilitation reform and provide applied research and economic analysis to support it. Planned activities include guiding reform prioritisation and gap analysis with government trade bodies, convening sector-specific working sessions through existing thematic committees, and maintaining a reform-tracking system to monitor implementation with government counterparts.

In a follow-up session held shortly before the submission deadline, the organisations reviewed budget and staffing alignment, confirming that the local component would focus on implementation and coordination—stakeholder facilitation, government liaison and reform tracking—rather than a research-heavy structure. Both sides agreed to adjust personnel allocations accordingly, emphasising dedicated coordination staff supported by shorter-term technical inputs, with a revised work plan to be finalised after submission. ■

BUILD consults with Export Promotion Bureau to address SME export competitiveness

On 7 May 2026, BUILD conducted a Key Informant Interview (KII) with Baby Rani Karmakar, Director General-1 (Joint Secretary) of the Export Promotion Bureau (EPB), to explore strategies to strengthen export growth for Small and Medium Enterprises (SMEs). This interview was a core component of BUILD's project titled "Study and National Conference on SME Competitiveness and Export Growth".

Bridging the Policy-Execution Gap

During the discussions, Karmakar identified a significant discrepancy between policy planning and actual implementation. She noted that while stakeholder consultations are frequently held during the policy formulation stage, inter-agency coordination often falters during the execution phase. This leads to a fragmented landscape of initiatives across various ministries, many of which fail to address SMEs' practical challenges effectively or respond to evolving market conditions.

To improve the export environment, Karmakar emphasised the necessity for:

- **Integrated Support:** The establishment of comprehensive, one-stop service centres to streamline SME operations and provide coordinated guidance across regulatory, financial, and compliance processes.
- **Quality and Protection:** A stronger focus on ensuring strict quality compliance and robust intellectual property protections, including patents and copyrights, to help SMEs compete globally and safeguard their innovations.

Empowering Women Entrepreneurs

A significant focus of the interview was the EPB's proactive support for women-led businesses. Karmakar detailed several initiatives designed to lower entry barriers for female entrepreneurs, including:

- **Financial Assistance:** The EPB annually waives international trade fair booth fees for 105–155 women entrepreneurs. Notably, this support has now been extended to digital-first businesses operating via social media or websites, even when they do not yet possess formal trade licences, encouraging early-stage participation in export-oriented activities.
- **Operational Support:** Beyond fee waivers, the bureau facilitates specialised training, visa processing, and logistics support to assist grass-roots entrepreneurs in accessing international markets.

Representing BUILD at the session were Senior Research Associate Md Nooruzzaman and Research Associate Jannatul Romana Hashi, who guided the dialogue towards identifying current limitations and future support mechanisms needed to bolster SME export readiness and enhance women-led enterprises' competitiveness. ■

REFORMS

Government implements landmark tax reforms: Abolishes minimum tax and digitalises residency certificates

The Finance Act 2026 and the FY2026–27 National Budget have introduced significant tax reforms to improve the ease of doing business and foster an investment-friendly environment in Bangladesh. These measures, which align with BUILD's long-standing advocacy, are set to reduce the tax burden on compliant businesses and streamline administrative processes for foreign investors.

Abolition of the Minimum Tax Provision

A major highlight of the Finance Act 2026 is the repeal of the Minimum Tax provision under Section 163. Previously, this section categorised 41 out of 111 Tax Deducted at Source (TDS) heads as "non-adjustable," meaning businesses were required to treat these deductions as their final tax liability, regardless of whether they were profitable or incurring losses.

The repeal of this provision is expected to:

- Ensure that taxes deducted at source are adjusted against actual tax liabilities, fostering a more equitable tax system.
- Improve business cash flow and alleviate unnecessary financial burdens on firms.
- Strengthen taxpayer confidence and encourage voluntary compliance by eliminating final settlement practices for withholding taxes.

BUILD had consistently championed this reform, with the recommendation being formally endorsed during its Taxation Working Committee meetings and subsequently included in its national budget proposals.

Digitalisation of Tax Residency Certificates (TRCs)

In a further move to facilitate foreign investment, the FY2026–27 National Budget has announced the transition from manual processing to the online issuance of Tax Residency Certificates (TRCs) through the National Single Window (NSW). This reform, outlined in Paragraph 293 of the Budget Speech, is designed to simplify access to benefits under Bangladesh's Double Taxation Avoidance Agreements (DTAAs).

BUILD, which first proposed an automated TRC system in its FY2021–22 budget recommendations, has welcomed the decision. By digitising this process, the government aims to:

- Significantly reduce processing times, administrative overheads, and compliance costs for foreign investors.
- Increase transparency and predictability in tax services.
- Enhance Bangladesh's overall competitiveness and commitment to investment-friendly governance.

BUILD has urged the government to expedite the immediate implementation of the online TRC system to ensure that investors can promptly utilise these digital services. ■

SCOPES

Reviewing Bangladesh Bank's Green Factory Financing Framework

BUILD is set to conduct a comprehensive review of the BDT 1,000 crore refinance facility introduced by the Sustainable Finance Department (SFD) of Bangladesh Bank, which aims to promote investment in green factory buildings and sustainable industrial infrastructure. The scope of this initiative is to enhance the implementation, clarity, and effectiveness of the existing framework to support export-oriented manufacturing better.

- **Policy Definition and Scope:** BUILD will advocate for a precise definition of "Green Industry" and seek clarity on whether the green retrofit and modernisation of existing factories are eligible for funding alongside new construction projects.
- **Financial Structuring and Flexibility:** The review will examine the suitability of the uniform 70:30 debt-equity ratio, assessing whether it inadvertently limits financing access for SMEs and capital-intensive industries. BUILD will also explore mechanisms for reviewing the 5% lending cap in response to potential future fluctuations in market interest rates.
- **Operational and Procedural Guidance:** BUILD aims to address current procedural ambiguities by outlining a clear process for handling incomplete refinance applications, including the issuance of deficiency notices. Furthermore, the review will seek to create a consolidated list of mandatory versus conditional regulatory approvals to improve transparency and ensure uniform interpretation across participating financial institutions.
- **Transparency in Charges:** The project will work to clarify permissible fees, such as processing charges, technical consultancy fees, and certification costs, to prevent issues related to hidden charges and enhance transparency for both financial institutions and borrowers.
- **Environmental Impact Monitoring:** BUILD will propose the integration of concrete environmental performance indicators—including energy savings, carbon emission reductions, water conservation, and resource efficiency—into the reporting requirements to better measure the scheme's sustainability objectives.
- **Implementation Consistency:** Through these interventions, BUILD aims to provide the necessary procedural guidance and policy recommendations to ensure the framework maximises its long-term impact on mainstreaming green finance within Bangladesh's industrial sector. ●

Critical analysis of deregulation and private-sector growth (FY2026–27 National Budget)

BUILD has initiated a comprehensive critical analysis of Chapter VIII of the FY2026–27 National Budget, titled "Improving the Ease of Doing Business through Deregulation". This research scope focuses on evaluating the transition from policy announcements to measurable economic outcomes across eight key reform pillars: business start-up, tax administration, customs and bonded warehousing, VAT compliance, capital repatriation, capital markets, construction approvals, and implementation governance.

- **Institutional and Structural Analysis:** The scope includes a rigorous examination of the "execution gap," specifically analysing the institutional capacity, legal enforceability, and accountability mechanisms—such as the proposed high-level task force—required to convert policy commitments into felt changes for entrepreneurs.
- **Reform Delivery Chain Mapping:** The research will map the sequence from announcement to economic outcome, identifying where specific reforms (e.g., deemed approvals, automated tax refunds) face bottlenecks in legislative backing, institutional coordination, and administrative behaviour.

- **Cross-Cutting Implementation Constraints:** The study scope encompasses the analysis of structural barriers, including the revenue–deregulation tension within the National Board of Revenue (NBR), the digital divide affecting SME inclusion, and the impact of informal institutional practices on formal regulatory changes.

- **Sector-Specific Impact Assessment:** The analysis provides a tailored assessment of reform implications for ready-made garments (RMG), non-RMG export sectors, and small and medium enterprises (SMEs), with a focus on reconciling procedural deregulation with broader industrial policy needs like LDC graduation and value-chain integration.

- **Benchmarking and International Experience:** The research evaluates the transferability of international reform models—such as Vietnam's regulatory stock-reduction programme and India's BHAVYA scheme—to identify actionable delivery frameworks for Bangladesh.

- **Monitoring and Evaluation Framework:** The scope establishes a set of observable benchmarks for the next budget session, including time-bound indicators for company registration, VAT e-filing, bonded warehouse uptake, and the operational performance of the newly established commercial courts under the Commercial Court Ordinance 2026. ■

ARTICLES

Renewable Energy Policy 2025: Powering Bangladesh's clean energy transition • *The Business Standard* cutt.ly/buildconnect263-01

Bangladesh's FDI problem is not one of quantity—it is one of quality • *The Business Standard* cutt.ly/buildconnect263-02

দেশের নবায়নযোগ্য জ্বালানি কাঠামো এখনো অনেকাংশে খণ্ডিত ও প্রতিক্রিয়াশীল • *Bonik Barta* cutt.ly/buildconnect263-03

একক ভ্যাট হার ও দ্রুত ক্রেডিট ব্যবস্থার জন্য উপযুক্ত অবকাঠামো জরুরি • *Bonik Barta* cutt.ly/buildconnect263-04

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বাজেট : রাজস্ব আদায়ে আরো বড় পদক্ষেপ দরকার • *Bonik Barta* cutt.ly/buildconnect263-06

Budget FY27: Growth aspirations outpace implementation readiness • *The Business Standard* cutt.ly/buildconnect263-07

Backing Bangladesh's next wave: SBL's 49th board meeting

Startup Bangladesh Limited (SBL) convened its 49th board meeting at the ICT Tower, chaired by Mohammad Mamunur Rashid Bhuyan, Secretary-in-Charge and SBL Chairman. Ferdaus Ara Begum, CEO of BUILD, attended as a Board Member. The agenda focused on investment proposals from four Bangladeshi startups—Shomvob Technologies, Inovace Technologies (Tipsoi), Chamak Solutions and Truck Lagbe—each advancing a key frontier of the country's digital economy: workforce fintech, HR SaaS, SME trade finance and logistics technology. The session gave the Board a clear view of how homegrown ventures are digitising sectors long dependent on informal or paper-based systems—from factory attendance to interstate trucking to SME working capital—while building data-driven infrastructure that strengthens both investor confidence and market readiness.

Shomvob Technologies Limited—Formalising Bangladesh's Frontline Workforce

Founded in 2022, Shomvob runs a B2B HRTech–fintech platform integrating hiring, payroll, financing and overseas placement for blue- and silver-collar workers and the SMEs employing them. By linking verified worker profiles to payroll data, it enables faster, more transparent hiring and expands access to formal credit for long-underserved workers and businesses.

Shomvob now hosts one of Bangladesh's largest digital frontline-workforce ecosystems, with 2.4 million registered users and over 3 million app downloads. It records an annualised revenue run rate of USD 3.6 million, growing 2.5x in 12 months, and reports zero non-performing loans across its payroll and SME-financing portfolios. Enterprise clients include Uber, Foodpanda, Daraz and Burger King. Its performance has earned recognition in Forbes Asia's Top 100 Startups for 2025, alongside backing from the Bill & Melinda Gates Foundation and Cocoon Capital.

Inovace Technologies Limited (Tipsoi)—Biometric Attendance Meets Cloud HR

Tipsoi, developed by Inovace Technologies (founded 2021), is a workforce-management SaaS platform combining biometric IoT hardware—fingerprint, face and RFID devices—with a cloud-based attendance, payroll and HR system. Its hardware-agnostic setup and lack of on-site computing make digitisation accessible for factories, schools, hospitals and government agencies.

The platform serves over 1,255 active B2B clients and more than 500,000 paid users, supported by a partner network of 55-plus corporate partners across 11 countries. Enterprise deal value totals USD 485,000. Tipsoi supports more than 500,000 workers across manufacturing, education and healthcare, delivering measurable gains—including reported 20% reductions in absenteeism and operational losses within two months. Proudly "Made in Bangladesh," its hardware now anchors a growing international footprint.

Chamak Solutions Limited—AI-Powered Trade Finance for SMEs

Chamak Solutions (founded 2023) targets a core SME constraint: the 45–60-day working-capital cycle of traditional trade finance. Its AI-enabled platform provides supplier-led BNPL financing and buyer-led invoice discounting, converting a weeks-long process into an on-demand, pay-as-you-go service for distributors and suppliers working with FMCG and other manufacturers.

By 2025, Chamak has processed BDT 31 crore in loans across 1,740 invoices, serving 172 SMEs in retail, distribution, agro and supply-chain sectors, with a default rate under 0.02% through its manufacturer-anchored underwriting model. It has built a network of 23 lenders and holds credit facilities with BRAC Bank and City Bank. Its role in SME financial inclusion has earned grants from Cornell University's accelerator and Orange Corners Bangladesh, alongside backing from Accelerating Asia Ventures.

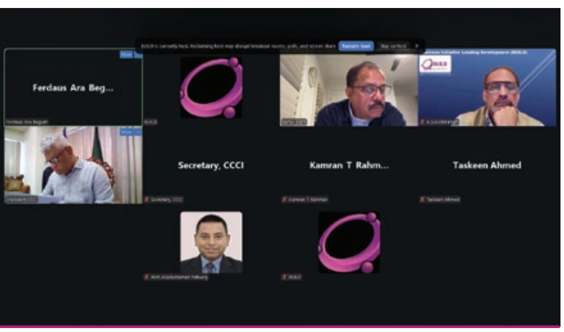
Truck Lagbe Limited—Bangladesh's Digital Trucking Marketplace

The most established of the four ventures, Truck Lagbe has been connecting shippers directly with truck drivers since 2017, embedding credit, GPS tracking, and ancillary services into what was traditionally a fragmented, intermediary-heavy logistics market. Its marketplace model removes brokers from truck bookings, while its brokerage and bill-financing services extend managed logistics and receivables financing to corporate clients and fleet owners.

As Bangladesh's first mover in digital truck-hailing, the platform has registered more than 75,000 trucks and 1.19 million users, completing over 810,000 trips and serving 360-plus B2B customers nationwide. Truck Lagbe's board includes representatives from PSA International and IFC, reflecting the calibre of institutional partners it has attracted over eight years of operation, alongside recognitions such as ICT Startup of the Year and the Bangladesh Innovation Conclave's Best Technology Innovation Award.

A Growing Pipeline for Bangladesh's Startup Ecosystem

The four proposals reviewed at the 49th Board Meeting highlight the breadth of Bangladesh's emerging startup landscape—ventures formalising informal labour markets, digitising SME finance and building data infrastructure that supports more transparent, efficient and inclusive economic activity. For BUILD, whose CEO serves on the SBL Board, the meeting underscored the value of collaboration between public investment vehicles and the wider ecosystem of accelerators, associations and policy institutions helping Bangladeshi startups scale at home and abroad. BUILD will continue tracking these ventures in future newsletter editions.



The 41st meeting of the BUILD Board of Trustees was held on 29 June 2026. The board formally welcomed Mohammad Amirul Haque, the newly elected President of the Chattogram Chamber of Commerce and Industry (CCCI), as a member of the Board of Trustees. During the meeting, the board also reviewed several key policy and operational matters.

BUILD holds consultation meeting with BIDA on simplifying business licensing procedures

On 18 May 2026, BUILD held a consultation meeting with the Bangladesh Investment Development Authority (BIDA) at the BIDA office to discuss strategies to simplify Bangladesh's business licensing regime and improve the ease of starting a business. The meeting was attended by Md Shaharul Huda, Executive Member, BIDA, and K. M. Shahidul Islam Raju, Assistant Director, Visa—Industrial and Work Permit—Industrial (Additional Charge), BIDA. Representing BUILD were Ferdaus Ara Begum, Chief Executive Officer; Pallab Bhattacherja, Additional Research Director; Kanis Fatama, Senior Research Associate; and Nasib Ul Amin, Senior Research Associate. Two officials from the UNDP also participated in the discussion.

The meeting examined Bangladesh's business licensing by cutting unnecessary licences, permits, approvals, and documentation, while simplifying procedures and improving coordination among government agencies. The discussion aligned with a government reform priority of creating an enabling business environment through regulatory simplification and improved public service delivery, with participants stressing that reduced regulatory complexity would lower compliance costs, attract investment, and support enterprise formalisation. ■

Remembering a visionary leader: Deepest condolences for Selima Ahmad

It is with profound sadness that the BUILD family mourns the passing of Selima Ahmad (7 July 1960–21 June 2026), a trailblazing leader, dedicated entrepreneur, and a true pioneer for women's economic empowerment in Bangladesh. Selima Ahmad's legacy is defined by her unwavering commitment to advancing women's entrepreneurship. Through her visionary leadership at the Bangladesh Women Chamber of Commerce and Industry (BWCCI), she broke barriers. She empowered countless women to become resilient leaders and key contributors to our national economy.

For BUILD, Selima Ahmad was more than a partner—she was a cherished mentor and a cornerstone of our work. For many years, she stood with us as a key ally in our initiatives to foster inclusive growth and support women-led SMEs. Her wisdom, tireless advocacy, and belief in a more equitable business environment were constant sources of inspiration. We are deeply grateful for the years of collaboration; her impact on Bangladesh's SME landscape is immeasurable. As we honour her life, our heartfelt thoughts and prayers are with her family and loved ones. Her dedication will continue to serve as a beacon for all who strive for a more inclusive and prosperous Bangladesh. Rest in peace, Selima Ahmad. Your work lives on in the lives you touched. ■

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