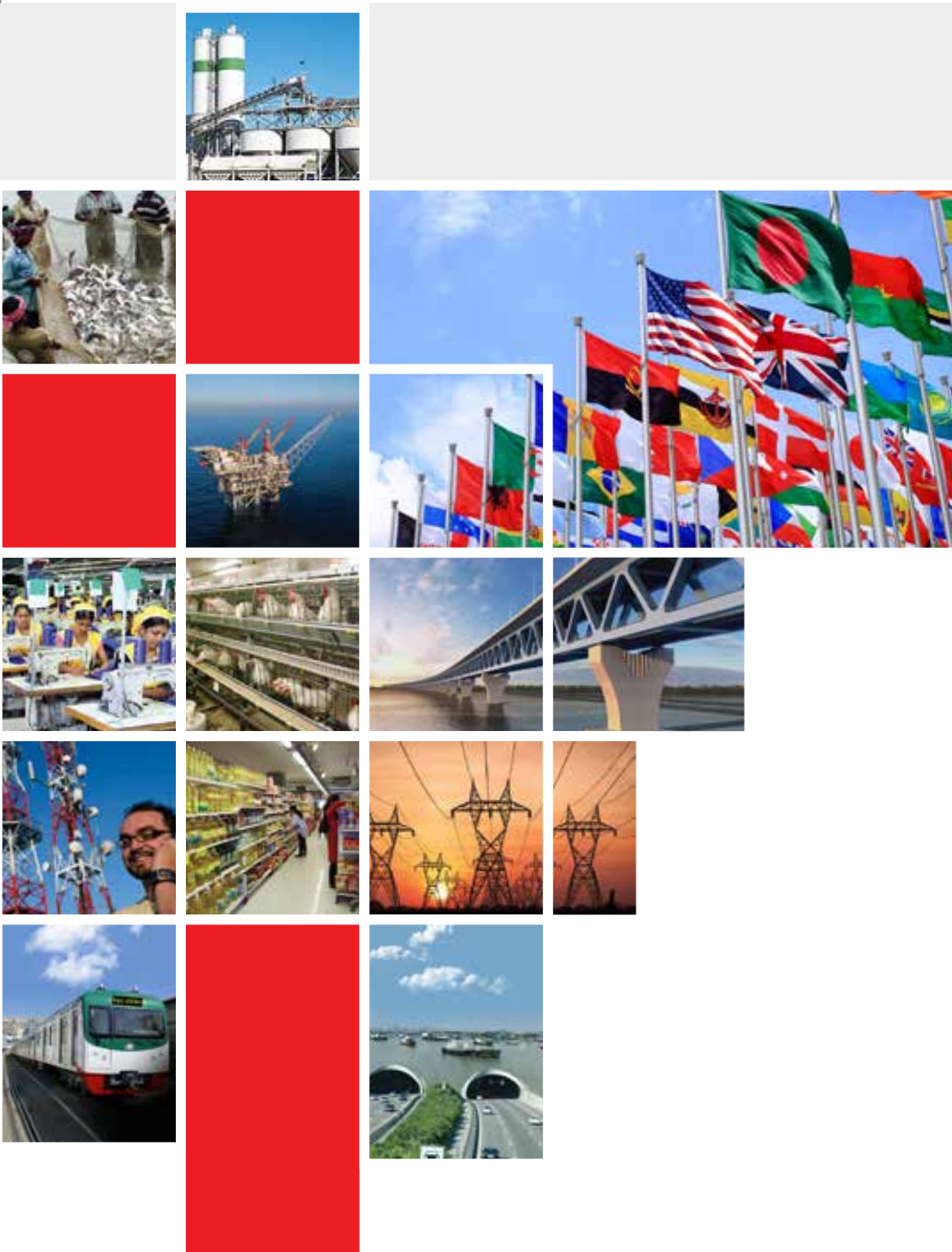


VOL 01 JUNE 2021

# FICCI

QUARTERLY



**LEADING BANGLADESH TOWARDS ECONOMIC  
EXCELLENCE FOR OVER 50 YEARS**

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# THIS IS NOT AN AD FOR LIFEBOUY. THIS IS AN APPEAL TO EVERY BANGLADESHI.

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The key to defeating coronavirus is **YOU.**



## **WEAR A MASK**

Ensure your mouth and nose are covered



## **VACCINATE**

At your nearest vaccination center



## **KEEP SOCIAL DISTANCE**

Maintain at least 2-meter distance



## **WASH HANDS WITH LIFEBOUY or ANY SOAP**

Use Lux, Meril, Dettol or any soap near you

Protecting You and Bangladesh from coronavirus is now in  
**YOUR HANDS.**

*Issued in public interest by*



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## Editorial Comittee

**Mr. Kedar Lele**

**Mr. Mahtab Uddin Ahmed**

**Mr. Naser Ezaz Bijoy**

**Dr. Mahmudul Karim**

**Mr. T. I. M. Nurul Kabir**

## EDITORIAL

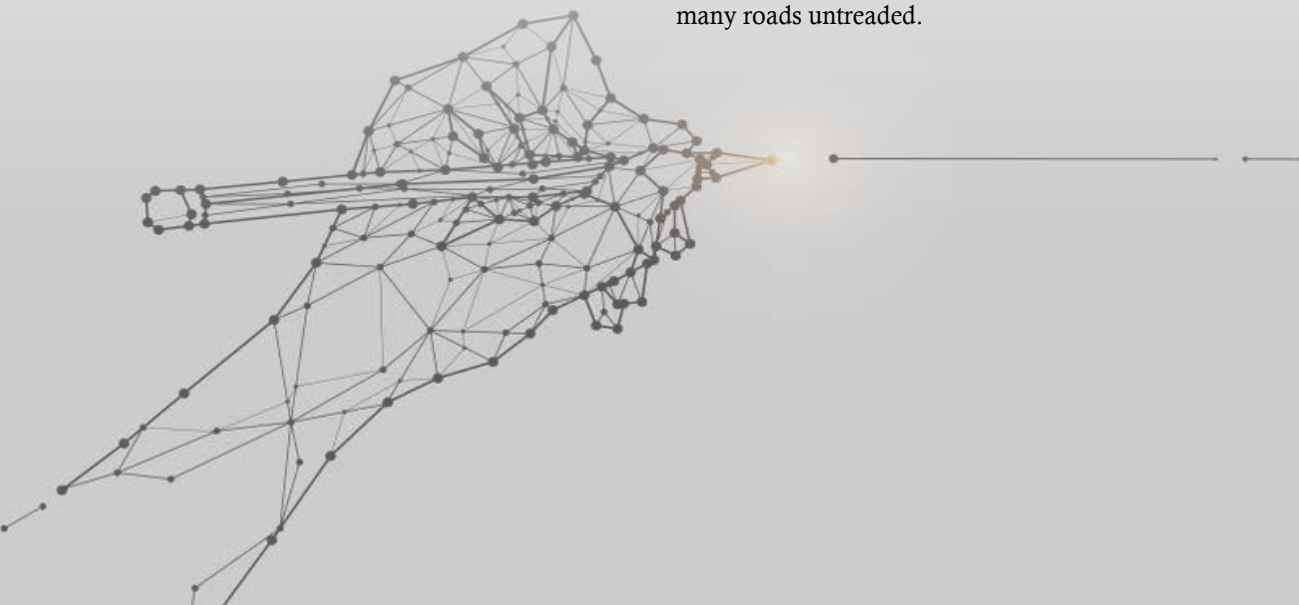
Foreign Investors' Chamber of Commerce & Industry (FICCI) is an organization which is the voice of Bangladesh. FICCI has been closely working with the government, regulators, civil society, local media and supporting its members' companies by safeguarding business interests and sharing business experiences and interests. FICCI has been involved in many crucial activities in making Bangladesh more trade-friendly and attracting foreign investment for the country.

The FICCI quarterly magazine will hopefully become the medium to emphasize and reverberate the thoughts of Bangladesh's current and future foreign investors.

FICCI member companies play a significant role in the growth of the country's economy, but their contribution goes beyond exchequer. The FICCI members have brought a positive avalanche in the overall business environment through promoting green technology, creating inclusive, diverse and employment, developing need-based skills, and introducing innovation & world-class technology. In addition, member companies have introduce some of the best management practices in the country, which is helping the overall performance in all the business sectors of Bangladesh.

This year, when we celebrate 50 years of our independence and the phenomenal development and growth of the country in the last five decades, we, as FICCI members, feel proud of our contribution to Bangladesh. Eminent Economist Dr. Mashrur Reaz writes the lead story of this Quarterly, where he talks about promoting FDI for a Developed Bangladesh. In every publication issue, all member companies will gradually write about business in Bangladesh from their perspective. As a country, we are soon graduating to a middle-income country. To spearhead the country's further development, the need for new FDI areas and new investment areas is imperative. From FICCI, we are in the midst of a research work which will be followed by a publication identifying those new areas.

We hope that as FICCI, our journey will continue for a more glorious Bangladesh as we still have a long way to go with so many roads untreaded.





## ABOUT FICCI

# FOREIGN INVESTORS' CHAMBER OF COMMERCE & INDUSTRY

Drawing strength from our vision to sustain our advocacy of a better Bangladesh with a brighter future, we are focused on championing causes and facilitating policies that enhance the vibrant participation of the diverse private sector.

FICCI, as a key economic partner of Bangladesh, has embraced a number of spirited actions that

express our core priorities, and we aim to continue to engage in bringing forth purposeful change through working more closely with the Government, through streamlining and enabling cross-border trade & investment, through disseminating useful research-driven market intelligence and through supporting regulation that benefits our membership and the wider mercantile ecosystem.

## OUR MISSION

- To promote and protect the business interests of our members;
- To render such assistance and advice to the government of Bangladesh and its concerned agencies/authorities which may help promote the growth of trade, commerce, and industry of the country in general and foreign investors, in particular, keeping in mind the interests of FICCI members;
- To support or oppose, as the case may be, legislative or other measures of the government affecting trade, commerce, and industry of the country in general and the FICCI members in particular;
- To help establish just and equitable principles in the domain of trade, commerce and industry of Bangladesh; to liaise with other trade organisations at home and abroad and with concerned government agencies/authorities for exchange of information, views, etc., to serve the interest of FICCI members; and
- To do such other things from time to time as the situation may demand for promotion and protection of the overall interests of the country's trade, commerce and industry, keeping in mind the interests of FICCI members.

## OUR GENESIS

- The Foreign Investors' Chamber of Commerce & Industry (FICCI) was established on the 1<sup>st</sup> of July, 1963 in the port city of Chattogram, under the name of 'Agrabad Chamber of Commerce & Industry'.
- FICCI is affiliated with the Federation of Bangladesh Chambers of Commerce & Industry (FBCCI) as an 'A' class Chamber and is also the founder member of the Bangladesh Chapter of the Paris-based International Chamber of Commerce-Bangladesh (ICC-B).
- It assumed its present name, i.e., the Foreign Investors' Chamber of Commerce & Industry (FICCI) and had its office shifted to Dhaka from Chattogram in June 1987.



### Contact us

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## FICCI The Development Frontiers of Bangladesh

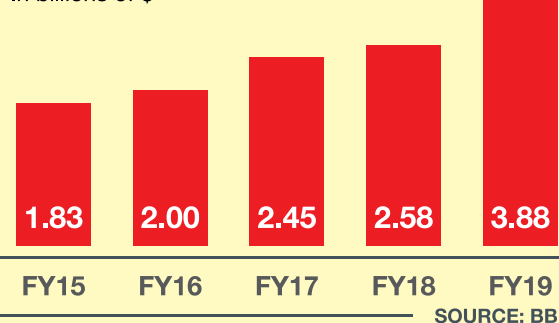
Since its inception in **1963**, **The Foreign Investors' Chamber of Commerce & Industry (FICCI)** and its members are playing a vital role in the socio-economic development of Bangladesh. Despite a highly disruptive pandemic Covid-19, Bangladesh has managed to achieve an impressive **5.24% GDP growth** (provisional) in **FY19-20**. Bangladesh has also accounted for an amazing **GDP growth rate of 8.15% in FY18-19**, one of the highest in South Asia. According to the World Bank, GDP growth is forecasted to continue above 7% due to the growth in public spending in infrastructure and increasing private investment supported by business climate reformation.

FDI has played a crucial role in the economic growth of Bangladesh. FDI support developing countries with capital, employment opportunities, production and marketing capacity, and expand managerial and technological skills. **FY 18-19** was a breakthrough period for Bangladesh's FDI regime and it witnessed a record amount inflows, worth **USD\$ 3.88 billion**.

cover vibrant sectors such as Banking & Finance, Cement, Ceramics, Chemical, Construction & Real Estate, Consultancy & Research, Fertilizer & Agriculture, FMCG, Freight Forwarding,

### NET FDI INFLOW

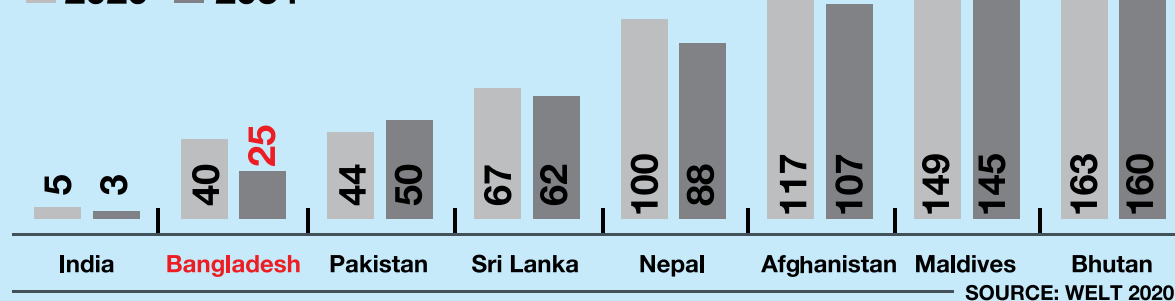
In billions of \$



Hospitality, ICT, Software & Telecommunication, Leather & Leather Goods, Paints Manufacturing, Pharmaceutical & Healthcare, Power & Energy, RMG & Textiles, Tea, Testing, Inspection, Utility

### RANKING OF SOUTH ASIAN ECONOMICS

2020 2034



FICCI and its members have always been supporting Bangladesh's socio-economic progress and helped the private sector growth from up front. FICCI, being a premier chamber of the country has been working tirelessly for the past **57 years** and is now representing more than **21 business sectors** with **211** foreign investment organisations. FICCI members

Service & Consumer Durables, Tobacco & Cigarette, Trading and Tourism & Aviation.

FICCI members account for **90% of the FDI** of Bangladesh and helped create **156,000** direct employment. As part of **corporate social responsibility (CSR)**, FICCI members contributed around **BDT 1042 million** in the recent Pandemic of COVID-19 till date.

**FICCI REPRESENTING 21+ SECTORS  
OF BUSINESS & INDUSTRY**



**RMG & TEXTILE**

**30**  
Members



**POWER & ENERGY**

**28**  
Members



**FMCG**

**20**  
Members



**BANKING & FINANCE**

**23**  
Members



**FERTILIZER & AGRICULTURE**

**13**  
Members



**CONSTRUCTION & REAL ESTATE**

**09**  
Members



**CHEMICAL**

**07**  
Members



**PHARMACEUTICAL & HEALTHCARE**

**15**  
Members



**CEMENT**

**05**  
Members



**FERTILIZER & AGRICULTURE**

**03**  
Members



**LEATHER & LEATHER GOODS**

**01**  
Members



**PAINTS MANUFACTURING**

**03**  
Members



**ICT, SOFTWARE & TELECOMMUNICATION**

**11**  
Members



**TRADING**

**07**  
Members



**HOSPITALITY**

**05**  
Members



**TESTING INSPECTION/UTILITY  
SERVICE & CONSUMER DURABLES**

**07**  
Members



**TEA**

**03**  
Members



**TOBACCO**

**03**  
Members



**CERAMICS**

**03**  
Members



**CONSULTANCY & RESEARCH**

**04**  
Members



**OTHERS**

**08**  
Members



**Mrs. Rupali Haque Chowdhury**  
President, FICCI



**Mr. Kedar Lele**  
Vice-President, FICCI



**Mr. Faisal Ahmed Chowdhury**  
Member



**Dr. Mahmudul Karim**  
Member



**Mr. Mahtab Uddin Ahmed**  
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**Mr. Muin Uddin Mazumder**  
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**Ms. Shwapna Bhowmick**  
Member



**Mr. Naser Ezaz Bijoy**  
Member



**Mr. N. Rajashekar**  
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**Mr. Rajesh Kumar Surana**  
Member



**Mr. Riad Mamun Prodhani**  
Member



**Mr. Deepal Abeywickrema**  
Member



**Mr. Jahangir Saadat**  
Member



**Mr. Neil Coupland**  
Member



**Mr. T. I. M. Nurul Kabir**  
Executive Director, FICCI



## Message from the President



It gives me immense pleasure to re-launch FICCI Quarterly. To keep the communication vehicle afloat the EC decided to re-start the magazine in a new format and on a quarterly basis. We hope that the new FICCI Quarterly will further strengthen FICCI's reach and create a stronger image for the Chamber and the member companies, amongst our stakeholders.

From the advent of the pandemic since 2020, till date, the journey has gotten challenging from day to day, globally, and for all. To support the fight against COVID-19, FICCI members came together and donated a substantial number of PPEs for the healthcare professionals to DGHS; at a crucial time when there was a dire need of PPEs. FICCI member companies have continued their support in the fight throughout the year with different activities.

The pandemic threw a lot of challenges our way but could not dampen the spirit of our esteemed business chamber and we continued our activities both virtually and offline. The chamber held its monthly virtual EC meetings at a regular interval. We have continued to increase our member numbers in this last quarter, and we stand as a chamber of 211 members strong now. To facilitate a conducive business environment, like previous years, the Tariff and Taxation Sub Committee of the chamber held pre-budget discussions and have submitted their recommendations to NBR.

In the last Quarter, the Chamber held an important Policy Roundtable titled "FDI in a Post-COVID World:

New Realities and Reform Priorities for Bangladesh". We had the honour of having Mr. Salman F. Rahman, Private Industry and Investment Advisor to the Prime Minister, as the Chief Guest and Dr. Masrur Reaz, Chairman, Policy Exchange of Bangladesh, as the lead speaker at the event. The Roundtable discussed elaborately about the importance of enhancing FDI for Bangladesh. The speakers discussed about building back the FDI landscape better and to further strengthen the strategic entry points for Bangladesh. Discussion on how FDI Value proposition can be repositioned was also held. Policy and reform priorities were also part of the agenda of the Roundtable. The Honourable Advisor shed light on how FICCI as an organisation can support BIDA and Government bodies to bring in reforms and enhance FDI for the country. The Roundtable was an insightful experience for the members who attended the event.

We all know that Bangladesh turned 50 this year and in this half a century, as a country, we have many glorious milestones and accolades in our possession. To celebrate Bangladesh's 50 glorious years, we have formed a committee and will soon unfold to the members the celebration plans. As part of FICCI's contribution to the 50 years' celebration, I am happy to inform all our members and stakeholders that we have initiated a research with eminent think tank economic development agency, "Policy Exchange of Bangladesh", on "A Systematic, Structured FDI Policy Influencing Programme by FICCI". The research which is led by Dr. Masrur Reaz, Chairman of Policy Exchange is currently preparing a flagship publication on new growth sectors for the country.

Our members have always played a significant role in upkeeping their social responsibility. Some of those remarkable stories are shared in this edition and I look forward to more of these stories in future.

I would like to thank the patrons and sponsors of this FICCI Quarterly for their contribution and the Editorial Committee for bringing the magazine together. I look forward for support from all members for further enrichment of the publication in the future.

Thanks & Regards

Mrs. Rupali Haque Chowdhury  
President, FICCI

**PROMOTING FDI FOR A DEVELOPED BANGLADESH:  
THE GAINS AND THE STRATEGIC OPTIONS**

## Development Aspirations and COVID Realities: A Twin-Imperative to Strive for More FDI

Over the past five decades, Bangladesh managed transition into an increasingly manufacturing-based and service-oriented economy and fared well in social indicators. Bangladesh is now one of the top five emerging growth stories. It has registered average Gross Domestic Product (GDP) growth rates of more than 6 percent in last ten years and over 8 percent in fiscal year 2019. The poverty rate dropped from 31.5 percent in the 2010 to 21.8 percent in 2018, a significant step toward reaching the Sustainable Development Goal target of eradicating extreme poverty by 2030. The success of a persistent and sturdy growth rate is based on real structural transformation, growing private sector engagement, export-oriented industrialisation, vibrant rural economy, and steady development

Global foreign direct investments (FDI) plunged by 49% in the first half of 2020. 17 percent of full-time employment is estimated to be lost globally and is expected to have a harder impact on lower middle-income countries such as Bangladesh. Major growth drivers such as employment, exports, and remittances will all take a downward turn, at least over the short term. However, it seems a major casualty of the downfall will likely be private investment, particularly Foreign Direct Investment (FDI). UNCTAD assessment suggests that the global FDI will contract by a large margin of 30 to 40 percent, the magnitude of the fall being one of the largest in last many decades.

These gloomy forecasts come at a time when Bangladesh is in need for enhancing its FDI more

### Top five Foreign Investors of Bangladesh



outcomes. Bangladesh has also fared well in the Sustainable Development Goal target of gender equality as it has been successful in empowering women and transforming communities. In February 2021, Bangladesh secured the final nod to graduate from a Least Developed Country (LDC) to a developing country which will take place in 2026.

The economic downturn from the Coronavirus pandemic poses multi-dimensional challenges for Bangladesh that will span over the medium and long-term horizon. According to IMF, world output is estimated to contract by 3.5 percent in 2020.

than ever before. There are several compelling reasons for this. First, according to the 8<sup>th</sup> Five Year Plan, Bangladesh needs to step up the pace of growth to more than 8 percent, if, it has to move towards upper middle-income country by 2031. Second, FDI can leverage Bangladesh to attain the much-needed technology and market access that is needed for economic diversification. Most importantly, Bangladesh needs to create gainful employment opportunities for over 2 million youths entering the labour market every year. However, a BIDS report reflects that about 13 percent of all employment have been lost while Asian Development Bank and

International Labour Organization project up to 1.6 million youths facing unemployment.

### Investment Performance Yet to Catch Up with Impressive Growth Achievements

To address these challenges, a high degree of increment is needed in private sector investment



including FDI. However, for the last one-decade, private investment as a proportion of GDP has been hovering within a narrow band while FDI has been faring much lower than comparator countries such as Vietnam and India. It is important for the economy to have increased levels of FDI because it can not only help to create employment for Bangladesh but also support in augmenting domestic capital, help in transfer of new technology and products, facilitating access to new and large foreign markets and provide training of local workforce by upgrading their technical and managerial skills, hence making them more efficient and productive.

The importance of Bangladesh raking in higher levels of FDI is paramount, especially when the country aspires to become an upper-middle income country by 2031 and a developed country by 2041. For this to materialise, private investment to GDP ratio needs to rise to 27 percent, however the last decade has witnessed this ratio being stagnant at 22 to 23 percent. Additionally, FDI over the last decade has averaged 1.1 percent of GDP, whereas, comparator countries like Vietnam and Malaysia have fared better with 6 percent and 3.4 percent respectively. Bangladesh has ample headroom to bring in more diversified sectors as candidates for FDI as the lion share of FDI is concentrated within a narrow spectrum of industries such as power, banking, food, telecommunications and textile and weaving over the past several years.

### Growth Drivers Require Boost

The impressive economic and social progress Bangladesh secured had much to gain from increasing number of higher-waged jobs, exploitation of international markets through increasing exports, spill-over effects in manufacturing from the RMG sector, and improved rural and energy infrastructure. In the recent years, some drivers these growth of have witnessed decelerating growth. The need for FDI is more urgent than ever, because, job drivers such as exports are flowing down and FDI can help to provide employment to over 20 million youths that are expected to enter the labour force in the next decade. Moreover, only 60 million out of 103 million working age population are in employment in Bangladesh. One of the prerequisites to Bangladesh attaining sustained 8 percent growth trajectory is a higher degree of economic diversification. However, diversification remains elusive and one key reason is a lack of adequate infrastructure. At present, there is a US\$ 350 billion infrastructure gap in Bangladesh in the energy, water and transport sector. Infrastructure to GDP ratio is 3 to 4 percent that needs to be increased to 6 to 7 percent. Adequate infrastructure will enable Bangladesh to decrease lead time and productive costs and be competitive relative to other countries.

### Moving Ahead with Smart Strategies

Many aspects of public policy have supported the development of private business and FDI over the years. This includes gradual trade liberalisation since the 1990s, several financial policies implemented by the central bank, a relatively competitive exchange rate, and the expansion in power and energy access since 2009. A key binding constraint for private investment was access to serviced land which is being addressed by introducing Special Economic





Zones (EZs) policy and development projects, and earlier through the Export Processing Zones (EPZs). In the regulatory space, it is heartening to see the impetus the government is attaching towards regulatory reforms for a better business environment. A number of critically important business environment improvement initiatives are now underway including reforms for Ease of Doing Business ranking improvement, introduction of one-stop-services for investors, several recent changes in the foreign exchange regulations act, incremental changes in the companies law, and trade facilitation measures such as implementation of a National Single Window (NSW) for faster and easier border clearance.

Building on this momentum, it is highly crucial for Bangladesh to move away from traditional promotion to FDI to leveraging strategic enablers. For instance, exploring non-traditional sources of investments such as climate smart investments may fare well. Such investments are expected to have a global market of US\$ 23 trillion by 2030 and devouring a slice of it can be highly advantageous. Securing more global economic co-operation and expanded market access with the support of Free-Trade and Regional-Trade Agreements can result in greater market access and increased confidence towards host countries leading to greater FDI.

Accelerating Public-Private Partnership (PPP) opportunities in the country can increase confidence in governments as they are likely to be key business clients at least in the short to medium term in a post-covid world. A well-structured PPP project which has sufficient government support and envisions

a solid return on investment is likely to attract foreign investors on sectors such as infrastructure where private investors are unlikely to take the risk of investing on its own. Bangladesh can also take advantage of the shifting trends in the global value chain. Many countries are looking to expand supply chain bases and diversify existing concentration of the production system. As investment returns are low in advanced markets due to higher costs and wages, Bangladesh can reap the benefit of lower costs to rake in more FDI from other countries. Moreover, Bangladesh can leverage its export potential and favorable factors of production for efficiency-seeking investments to anchor incoming FDI. Presently, Bangladesh has duty-free entry into China for over 8,000 products. The country can use its advantage of the newly developing economic zones to attract foreign investors who would harvest the benefits of duty-free entry into China. Other major regional economies such as India and Japan also hold similar prospects if complementary trade and investment strategies can be put in place.

It is imperative for Bangladesh to prepare and position itself as a strong candidate for hosting foreign investors. This calls for preparing and implementing a targetted, time-bound, and focussed investment promotion plan that will help identification and targetting of the investors' group, outreach with Bangladesh's value proposition, and putting in place an effective investors' facilitation and after care process.

*The authors are Dr. M. Masrur Reaz, Chirman, Policy Exchange of Bangladesh and Mrs. Rupali Haque Chowdhury, President, FICCI*





## 50 YEARS OF INDEPENDENCE: CELEBRATION OF THE PAST AND PARANOIA OF FUTURE.



Bangladesh is celebrating 50th anniversary of its independence in 2021. An awe-inspiring story of a country born out of language movement and its collective consciousness for preserving the culture of the Bengal Delta after a tumultuous past of being East Pakistan for 24 years before gaining its freedom in 1971. Ravaged by natural calamities, famine, floods, and military coups – today, it can be safely said, that Bangladesh has traversed well from a state of despair to reaching its own tryst with destiny. It has been a arguably stable parliamentary democracy in the last three decades, on a transformative journey- as Ms. Fahmida Khatun called it in her article (TDS, Mar 22, 2021) - of economic growth, delivering noteworthy achievements in the

social arena such as primary school enrolments, health indicators, and WASH agenda. Bangladesh has been an inspiring case study of sorts, a country that refuted Henry Kissinger's famous comment of it being a "Basket Case" and delivered sustained economic and social progress with great prospects.

The power of compounding as it is called in the area of investing, is clearly visible in the way progress has helped this nation of 165 million people pull largest percentage of people out of abject poverty, improve the quality of their lives, become almost self-sufficient in food availability and deploy Ready-Made-Garments (RMG) as the most celebrated lever of economic and social transformation.

Having been in Bangladesh for the last 4 odd years and having travelled across the length and breadth of the country, I strongly believe that Bangladesh's time has come, and the next 10 years would be nothing like any of the past decades and will prove to be the "Swarno Dashak" in the glorious history of this proud nation.

Technology step-up and Digitalization. Who could have predicted that penetration of mobile phone, the ubiquitous sign of digital adoption would reach 100% in Bangladesh, ahead of other South Asian countries? What is significant is more than 40% of those connections are now on a smart phone. And those who don't have a smart phone cite an interesting reason – absence of a need to own a smart phone and

not affordability. I am reminded of an interesting book by the name Bridgital Nation: Solving Technology's People Problem,

development organisations and government to first identify those pain-points and fix them with affordable solutions. In simple

the most ambitious Padma Bridge, expansion of port handling capacity and upgradation of inland waterways. I have



written by N. Chandrasekaran (with Roopa Purushothaman), Chairman of Tata Sons. The book offers a brilliant, cutting-edge approach that can address Bangladesh's biggest challenges by bridging the chasm between rural and urban communities, the different levels of education and medical access, and between aspirations and achievement. From healthcare to education to business, the model can be applied across various sectors to drive benefits of applying technology and digitalisation to solve basic problems of the society. Look no further than millions of daily transactions moving thousands of Crore Taka on Mobile-Wallets (bKash, Nagad, Rocket, etc.) to appreciate this phenomenon. And I am confident that under the "Digital Bangladesh" initiative, the new age, purpose driven entrepreneurs of this country would work alongside

language, think of it as an "app" (or a bunch of them) that lets people across all walks of life address their core concerns of livelihood, health, and education with speed and efficacy.

Infrastructure upgrade. Over 165 million people living within ~148,000 square kms with 230 rivers criss- crossing the landmass, concentration of urban population (40%) in one Megacity Dhaka and nine other large cities, absence of a deep seaport in a country that's known to be the world's second largest producer of ready-made-garments and is dependent on imports to bring most of the industrial raw materials. Trucks travel the least distance per hour in comparable geographies. These are facts known to everyone. And fortunately, tremendous amount of work has happened in the last decade to fix the issue of electricity generation and supply, widening of roads, completion of

witnessed the transformation of India simply because of projects like Golden Quadrilateral and Pradhanmantri Gram-Sadak Yojana (PM's Village road initiative). Focus on building and maintaining infrastructure acts as the biggest factor for driving access and efficiency. Cost of goods sold comes down putting more money in the hands of the farmers and producers, reducing wastages, and enhancing capability. As one travels around the country, the sights of railway infrastructure upgradation, road projects and highways, metro construction, power plants, availability of air-connectivity (do we know any other country of this size with 8 working airports?) leaves you feeling positively optimistic about possibilities in near future.

Modernizing agriculture has been a recurring theme not much spoken about but abundantly experienced



across the villages. Growing adoption of mechanization is continuously improving the legacy methods to bring higher efficiency and yield. As per the World Bank, Bangladesh has one of the fastest rates of agriculture productivity growth in the world since 1995 (2.7 percent per year, second only to China). Access to agricultural management practices including fertilizer, pests & diseases control and quality seeds is improving. In fact, local financial institutions like BRAC, IPDC and others are using mobile technology and AI based solutions to make agricultural loans available to farmers. A further scaleup of this along with modernisation of Mandis (price discovery, quality assessment and logistics & storage solutions) will create sizeable surplus, bringing much awaited prosperity to rural Bangladesh. An inspiring example for Bangladesh to emulate is that of Netherlands. Dutch are the world's top exporter of potatoes and onions and the second largest exporter of vegetables in terms of value. More than a third of all global trade in vegetable seeds

originates in the Netherlands. Bangladesh has the benefit of rich deltaic soil, favourable climate, hardworking farmers, and willing global partners to help drive the next stage of “green revolution” – one that multiplies the farm output in an environmentally sustainable manner, creating a model that the rest of the world would look up to.

Consumer confidence and sustained evolution is a subject that marketers and businesspeople like me watch very closely. Beyond the usual macroeconomic indicators of progress, what gives us hope for a brighter future and better performance is the degree of optimism that consumers feel about the overall state of the economy and their personal financial situation. The GDP growth needs to translate into consumption growth, increased awareness of health and hygiene and willingness to spend money on products and services that offer higher quality, convenience, and satisfaction. Much has been spoken about the resilient gene of Bangladeshi origin, but little

is discussed about the growing aspirations of the Bangladeshi citizens. The force of their confidence and aspiration can be experienced on a cricket field or amidst young entrepreneurs vying for global attention with their cutting-edge innovations, or on globally popular talent-on-demand platforms like Fiverr or Upwork where Bangladesh is one of the top 10 sources of talent, or in the buzzing marketplaces of Bangladeshi towns where consumers are demanding products and brands with higher order benefits and premium offerings. This sustained evolution of Bangladeshi consumers is not yet visible in consulting reports and hence is often missed. And this is not a preserve of the traditional ‘rich class’ alone. A lot of families in Bangladesh receive a part of over \$2 billion foreign remittances that the country gets every month from millions of Non-Resident Bangladeshis (NBRs) spread around the world. With this comes a more modern outlook towards products and services, upgradation into higher standards of living and of course



a newfound confidence to pursue one's dreams to lift out of a life of poverty and deprivation.

The art of simultaneously driving a two-speed economy is truly that, an art. While the critics of capitalism or supporters of socialism would frown at this idea with concerns of growing class divide between the "Haves" and the "Have Nots", the reality is, only the Nordic countries have successfully combined features of capitalism, such as market economy and economic efficiency, with social benefits, such as state pensions and income distribution. Among Bangladesh's many economic and social achievements, dramatic reduction in poverty is often considered a phenomenon among international organisations such as IMF and The World Bank. Developmental programmes run at massive scale have benefited millions of people across the length and breadth of the country, helped give birth to globally known concept of micro-finance, made health-care available, assisted education, empowered females and created

a labour-intensive export-oriented economy that slowly and steadily alleviated poverty and brought prosperity. The challenge of Urban and Rural will exist, like it does in the rest of the world. However, the development in infrastructure, technology, capability, and access will democratise the benefits across socio-economic groups, helping them grow from their individual starting points on the evolution curve. This diversity is both challenging and exciting for industries and companies. Innovations, route-to-market approaches, investment in customer and consumer service must be tailored according to the market being served. These are some of the things that make Bangladesh an amazing experience for any professional.

As we celebrate 50 years of independence of this dynamic and resilient country, one is reminded of the tasks ahead. Some of the key hurdles in the path of growth and social development would need to be addressed. Many of the luminaries of

Bangladesh have summarised those challenges into four or five buckets; namely quality of primary & secondary education, developing vocational training to ensure high capability resources for the industry, or increased focus on healthcare - affordable and accessible healthcare for all, and rule of law and good governance, ranging from duties and taxes to safety and security for common men and women, from speedy resolution of legal cases in a fair and transparent manner to putting an end to corruption and non-compliances. I feel confident that with a clear strategy, great leadership, and brilliant execution, it is possible and attainable. History would be indebted to the current generation for building the foundation of a "Golden Decade" of transformation as Bangladesh upgrades to becoming a developing economy and a beacon of holistic progress globally. I can only say, "Sonar Bangla, Ami Tomake Bhalobashi!"

*The author is Mr. Kedar Lele, Chairman, Unilever Bangladesh*





## Bangladesh National Budget 2021-2022

### Introduction:

The Hon'ble Minister of Finance, Mr. A. H. M. Mustafa Kamal, FCA, MP presented the Country's 50<sup>th</sup> national budget on 3<sup>rd</sup> June, 2021 for the fiscal period 2021-2022, which is his third consecutive budget to the National Parliament. Although, there has been mixed reactions on the proposed budget, but it can be undoubtedly acknowledged that Bangladesh Govt. has managed the fiscal position for the last year very well despite the unprecedented Covid-19 pandemic and maybe, this has led the Hon'ble Finance Minister to project a more optimistic budget for the next fiscal year 2021-2022. This has been evident in the country's GDP growth rate for the last (2020-2021) fiscal period, which was 6.1% during disproving the prediction of World Bank and IMF, who projected the same as 5% and 3.6% respectively. We all know, this has been possible among many other factors, because of the able leadership demonstrated by our Hon'ble Prime Minister and of course not to forget, the relentless efforts of industries by ensuring uninterrupted supply chain in food and other categories, whether part of essential sectors or not.

If we look at it, from a macro-economic point of view, there are a lot of good things to talk about including the challenges thereon, however, when we look at the same from industry point of view, the achievements would not be the same. This is despite the reduction in corporate tax rate by 2.5% proposed for this coming fiscal period 2021-2022. Let's try to understand, why the industry has this kind of a view in the following paragraphs.

### Industry feels, they are being ignored:

Every year, during the national budget process, National Board of Revenue (NBR) requests proposals for the upcoming budget. After spending thousands of man-hours, very thoughtful analysis and scrutiny, industry submits the final proposals to NBR for their kind considerations. After submission of such proposals, NBR also organises sector wise individual meetings and listens to all the proposals as submitted by the industry. However, looking at the outcome (at least for the last three years), it seems asking for budget proposals or having individual sector wise meetings by NBR are just mere formalities only and

it does not have any bearing to the final outcome. Herein, below, some major grievances are shared from industry point of view:

- Policy makers are not ready to listen to industry pressing issues
- Consequently, Policy makers do not understand the pressing issues faced by the industry
- Policy makers introduce new provisions without any proper research, which sometimes prove to be extremely unreasonable
- Once an unreasonable provision is introduced, no matter how unreasonable or unrealistic it is, it's almost impossible to revise the same on the ground that tax revenue will be reduced

The above is explained further through examples given below on some unresolved pressing issues in direct tax and indirect tax (VAT and Customs) areas.

### Examples of some unresolved pressing issues under direct tax (Income Tax):

#### ▪ Minimum tax provision:

Tax is supposed to be paid when there is taxable profit. In reality, such minimum tax has to be paid even if there are losses. The start-up companies having losses in the initial periods or the companies who are struggling to have a sizeable profit are knocked out because of such minimum taxes. This has been acting as an entry barrier for new entries and allowing competitive edge to the already established companies.

#### ▪ Capping promotional expenses up to 0.50% of the disclosed turnover:

This new provision was introduced last year through the Finance Act 2020, which has been a huge bottleneck for the growth of the business. We know, promotion brings growth for the business, which ultimately enables higher revenue. By introducing this new provision, now even growth has been restricted! When introduced in 2020, it was explained that it was required to address some abuse by some sectors in the pocket as they are having exceptionally high promotional expenses, but it was not meant for FMCG industry like us. But now since some substantial revenue has been earned during 2020-2021 fiscal period due to this unreasonable provision, this provision has not been revised, although there has been the highest level appeal raised from the

industry or news articles published in the press. Here, again the fate of the start-up or loss-making companies or how it is impacting the effective tax rate (in some cases more than 2 folds increase!) has been totally ignored. The industry surviving on providing services or supplying goods to cater such promotional activities through thousands of people employed by them are also never considered, when such provision was introduced in 2020-2021 or retained in the proposed budget 2021-2022.

▪ **Royalty & Technological know-how fees admissible upto only 8% of disclosed profit:**

From FICCI, this has been a common issue, that has been heightened almost every year, ever since such inadmissibility of expenses was introduced. Here, what NBR failed to understand is how much profits need to be earned to get the entire royalty expense admissible. For example, if royalty rate is 5% of turnover, to get the entire amount admissible, the company has to earn profit @ 62.5%!! Is this realistic?

▪ **Very high withholding tax rate (WHT), sometimes even higher than the legitimate tax liability:**

During a budget discussion with a Chamber, our Hon'ble Finance Adviser to the Hon'ble Prime Minister once mentioned to the effect that the basic principle of WHT is to collect certain portion of the legitimate tax in advance, which upon assessment if falls short, the additional amount has to be paid. On the other hand, if such advance tax paid through WHT is found to be in excess, the amount of excess is to be refunded. But now, it's clear that NBR strategy on WHT is to collect advance tax of more than 100% of the taxable dues. To secure this further, now most of these WHT have been brought under minimum tax provision, so that no refund is required to be paid back, irrespective of whether the company's actual legitimate tax liability is lower or whether the company is incurring losses.

▪ **Double tax on excess perquisite:**

This is another classic example, where industries continuous appeal to address this didn't ever catch any attention. For example, on perquisite if employee pays 25% tax, why should the company pay another 30% tax on the same income, i.e., total tax collection on the same income would be 55% (25%+ 30%).

▪ **WHT rate for non-resident payments (20%):**

How much profit is required to adjust 20% WHT? It is very simple. For a non-listed company, it will be 67% and for a listed company it will be 88%! Is this, realistic? What message we are giving to the non-resident foreign company or to the potential

foreign investor? This has been an issue for long and has been completely ignored.

▪ **Introduction of WHT from investment returns of retiral funds (Provident Fund, Gratuity):**

This WHT provision is really strange for various reasons. For the employees of private organisations, while there's no social security or retiral benefit from the Govt. side, the effort of accumulating retirals for the retired employees of such private organisations have been completely ignored by introducing this WHT provision. This is again unreasonable, as such investment income is exempted from tax as per Sixth Schedule Part A of the Income Tax Ordinance 1984. However, since such WHT has been brought under minimum tax provision, no tax refund is entirely available although entire such income is exempted from taxes.

▪ **New introduction in Finance Bill 2021: increase of highest slab of WHT rate from 5% to 7% for supply of goods u/s 52:**

This is something like beating someone, who is already dead. When WHT @ 5% is already very high and in many cases higher than the legitimate tax liability, what rationale can we put behind this increase from 5% to 7%? This is because actual market insight do not support this as most supplies have very low margin (below 10%, where profit will be around 20% to 30% of the margin), and to adjust 7% WHT, one has to earn at least 23% if the supplier is a non-listed company. So ultimately, the burden comes to a compliant company like us through added cost!

Now, based on the above, if someone from the industry reacts despite reduction in corporate tax rates, we're not happy, because most of the pressing issues have not been addressed and therefore our effective tax rates are still too high and not competitive enough to compete with other countries, will that be very untrue? To improve our very low achievement in FDI, perhaps NBR needs to sincerely hear out what the industry has been crying about.

**Examples of some unresolved pressing issues under indirect tax (VAT):**

▪ **Going back to 1991 law: Limiting input tax credit:**

When the new VAT law was introduced for the first time in 2019, we are extremely happy, because this new law was following the basic principle of VAT laws practiced world-wide. However, we had to wake-up, when we saw a gradual attempt to bring back the old 1991 VAT laws. This was evident, when NBR put restrictions on various inputs by

introducing a limit on input tax credit. This is really strange, on one hand it is acknowledged as an input, VAT is collected on the input, but on the other hand input tax credit will not be allowed by bringing a definition.

▪ **Central BIN complexities:**

The basic idea of bringing Central BIN option under the new law was to bring simplicity of VAT application, whereby a VAT registered person can run its operation from multiple locations, whether it has been run through a single factory or multiple factories. This was also well reflected in the Act, when it was introduced first in July 2019. However, later lot of new complexities have been introduced (conflicting the basic Act) with the objective that Central BIN should not be available for all, although revenue collection wise, whether it is under Central BIN or not, there is no difference.

▪ **VAT recovery on VAT paid to Govt./semi Govt and autonomous bodies:**

This has been a huge dilemma for the industry, because one cannot avoid payment of VAT on various licenses granted or charges by various Govt., Semi-Govt. and autonomous bodies. However, since these Govt., Semi-Govt. and autonomous bodies are not obliged to get VAT registration under the law and therefore, do not issue any VAT challan for the VAT collected by them, all VAT payment to such authorities become lost. Consequently, a huge legitimate VAT payment for overall input becomes an added cost for the company being not recoverable, therefore, cost of doing business increases. In other countries, acknowledging this as a genuine issue, these have been handled through a Reverse Charge mechanism.

▪ **Supplementary Duty (SD) at supply stage:**

Imposing SD at supply stage for certain locally manufactured goods has been a major setback for many industries, who are struggling to compete with the trader importing the finished goods, without any local investment. This sometimes provokes thoughts; what is good for the country, manufacturing or trading of the similar imported goods.

## Examples of some unresolved pressing issues under direct tax (Customs):

▪ **Unrealistic minimum assessable value/tariff value:**

First of all, introducing minimum assessable value is against the spirit of the WTO treaty as Bangladesh has already pledged its commitment to follow WTO guidelines being a signatory to this treaty for many years. Here, if the principle of setting the minimum price was set based on the international market price to protect collection of

legitimate duties, maybe such hue and cry would not have been seen. However, when we see, in most cases, the minimum value fixed are very high (sometimes two three-fold, high, consequently, effective duties become very high) compared to the actual international market price, we feel this is not supporting the legitimate business, rather it promotes the informal parallel imports, who are very much visible everywhere in the country have been smoothly running their business without paying proper duties & taxes to the Govt.

▪ **High customs duties for locally manufactured goods:**

There are common items, used by a manufacturer as ingredients for its manufactured products whereas, the same item can be imported by importers for trading purpose only. However, in both cases whether it's to be used as ingredients in the manufacturing process or for trading, the maximum duty rates are imposed on such items, which is not the case in other countries, and we become uncompetitive.

## So, where are the gaps?

- There are no proper research wings consisting of a panel of experts from the relevant field including academicians, from universities.
- A mindset to listen to the issues of the industry, trying to understand the problems, register the same as an issue, irrespective of whether those will be addressed or not from a revenue point of view is a separate issue considering the overall budget scenario.

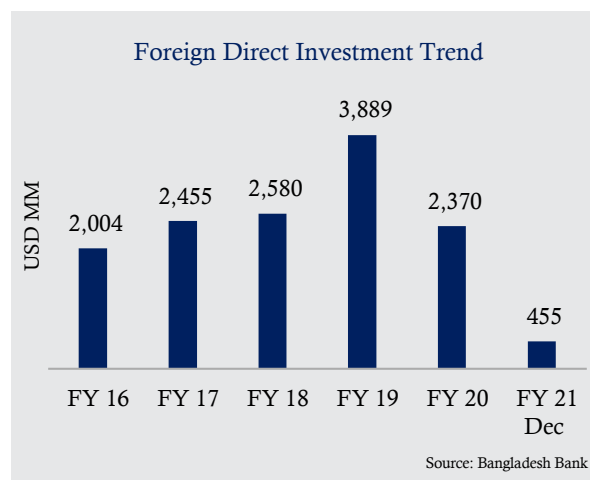
## Conclusion:

Today, we need to do an introspection, as to why our Tax GDP ratio (13.3%) is one of the lowest in the Region; are we squeezing the same set of taxpayers again and again? Why our ease of doing business index (168<sup>th</sup>) should be so poor? Are these the reasons of so low FDI? Maybe today, because of our health reserve, steady GDP growth rate and other good economic indicators, we can afford to have such a poor Tax GDP ratio or poor ease of doing business index, but what if, all these pressing issues of industries were fixed? Where would we land in terms of GDP growth and other micro-economic parameters? Being a leading Chamber body, serving as the beacon for all potential FDIs in Bangladesh, if we expect something like this, will it be unfair? We don't think so. This is because, by bringing good governance, creating examples for others to follow, we have been the proud partners of the Govt. of Bangladesh in their journey towards the aspiration of being recognised as a developed country in 2041.

## Economic Analysis

### DIVERSIFYING FOREIGN DIRECT INVESTMENT

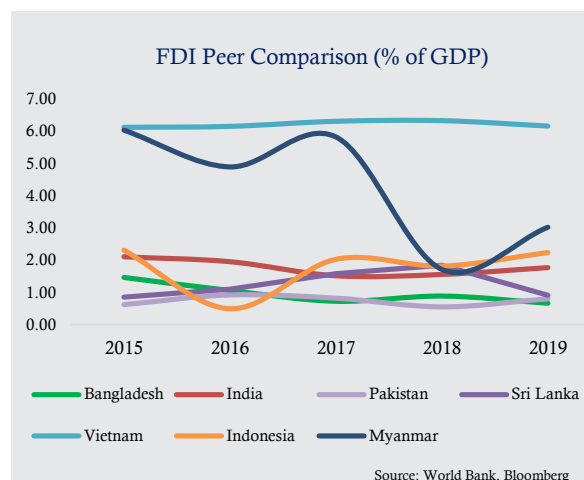
Bangladesh is one of the fastest growing sizeable economies of the world. Even in a year like 2020, marked by COVID-19 and plagued with multiple challenges, when most of her peer economies shrunk, Bangladesh delivered a 5%+ growth in nominal GDP. And it seems well poised to touch the 7%+ growth number in the current fiscal.



Foreign Direct Investments (FDIs) slowed down last year as COVID-19 and lockdown delayed the implementation of some key projects. As per UNCTAD, global FDI flows fell 49% in the first half of 2020 compared to 2019. Net FDI dropped by 39% to \$2.37 billion in Bangladesh in FY 20 from \$3.89 billion in FY 19. H1 (Jul-Dec) FY21 Net FDI also dropped by 22% to \$455 million compared to H1 FY20. According to World Bank report, Bangladesh's FDI to GDP ratio stood at 0.66% at the end of 2019. Bangladesh's competitive advantage over its neighbours in terms of labor wages is yet to translate into higher FDI numbers.

The country's economy is running around \$350 billion worth of investment gap in infrastructure as per newspaper reports and it is believed that FDI can play a big part in plugging this gap. As Bangladesh aims to move to Upper Middle Income Country status by 2031 and a high Income country by 2041 under World Bank Classification, it perhaps

makes sense that the country generates employment, increases production capacity and develop technological skills. These can be achieved through attracting FDI by capitalising on the relocation of operations of multinational companies from China triggered (by the pandemic and US-China trade tensions).



### Priorities

#### Incentivising Promising Sectors

The authorities have announced a 20% cash incentive for the agro-processing food sector in the economic zones for foreign investors and joint ventures. At present, the foreign participation is quite low in key sectors like healthcare, pharmaceuticals, agro-processing, Information and Communication Technology (ICT), Business Processing Outsourcing (BPO), light engineering, digital financial services, and tourism. Considering the country's national priorities, growing healthcare needs, its demographic dividend (large youth population) and export potential it is important to incentivise these sectors to help them thrive. In addition, facilitating investment into Human resource development (AI / data science, etc.) along with entrepreneur mentoring for startup promoters including agritech, edutech, healthtech will help build the productive capacity of the country.

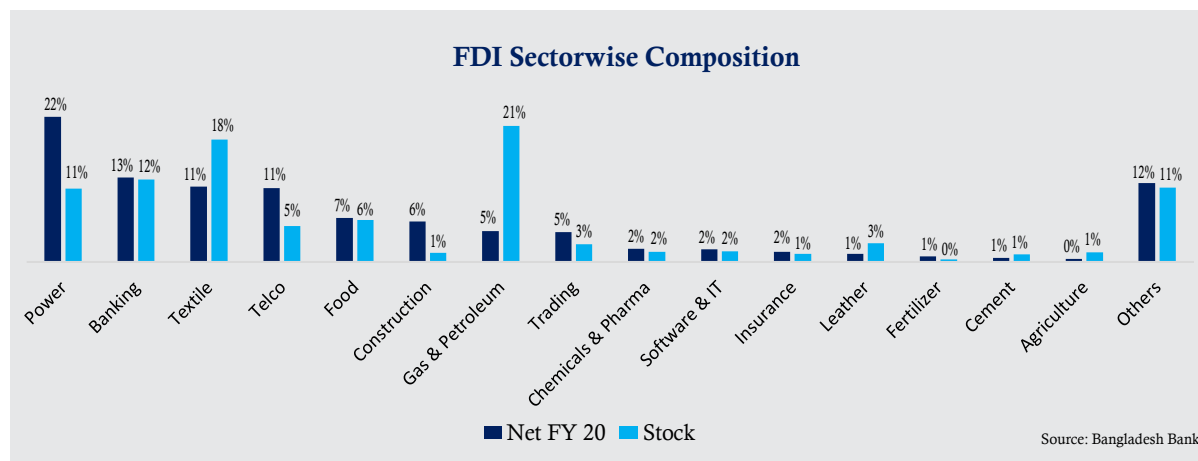


### Focussing on Bilateral Treaties

With the ongoing geopolitical tensions and Brexit, many countries are renegotiating their treaties. Currently, Bangladesh has Avoidance of Double Taxation Treaties (DTT) with 36 countries and Bilateral Investment Treaties (BIT) with 34 countries. Bangladesh may look to expand the list as well as revisit the treaties to make them investor friendly. Bangladesh is also a signatory to MIGA

### Digitising Registration and Integrating Services

Digitising land administration, simplifying compliances, enhancing judicial processes are imperative to provide fast and cost-effective services, which will increase the ease of doing business and appeal to foreign investors. Moreover, BEZA, BEPZA, BIDA and High-tech park authorities are getting more empowered to ensure consistency and improve service timelines. In February 2018,



(Multilateral Investment Guarantee Agency) which insures investors against losses incurred due to non-commercial risks and political unrest. The country signed its first Preferential Trade Agreement (PTA) with Bhutan in 2020 allowing duty free access to a range of goods between the two countries. Bangladesh should try entering into a trade bloc such as ASEAN, which would open up vast opportunities for trade as well as investment. USA and China are already importing 97% of Bangladeshi goods without tariffs even though Free Trade Agreement (FTA) is yet to be signed. Reports say that Bangladesh is reviewing its trade deals with 44 more countries to find out the possibilities of signing PTAs and FTAs. As per the World Trade Organization (WTO) rulebook, Bangladesh will lose access to favourable trade terms once it graduates out of the least developed country list by 2024. In response to a recent intervention by the government of Bangladesh, The Committee for Development Policy of the United Nations (UN CDP) has agreed to extend the transition period by two more years till 2026.

the Bangladesh Parliament passed the “One Stop Service Bill 2018,” which aims to streamline business and investment registration processes. Bangladesh Investment Development Authority’s (BIDA) goal is to integrate as many as 154 services from 35 agencies in One Stop Service by 2021, all to facilitate investment in the country. Currently, 41 investment-related services (15 services by BIDA and 26 by 10 other organisations) are available online.

### Providing Infrastructural/Logistical Facilities

Bangladesh is currently running a surplus in power generation which was a huge impediment till a few years back. The timely completion of the ongoing mega projects to develop transport and communication infrastructure as well as economic zones is crucial in drawing foreign investments. Some of these projects are being carried out under Public Private Partnership (PPP).

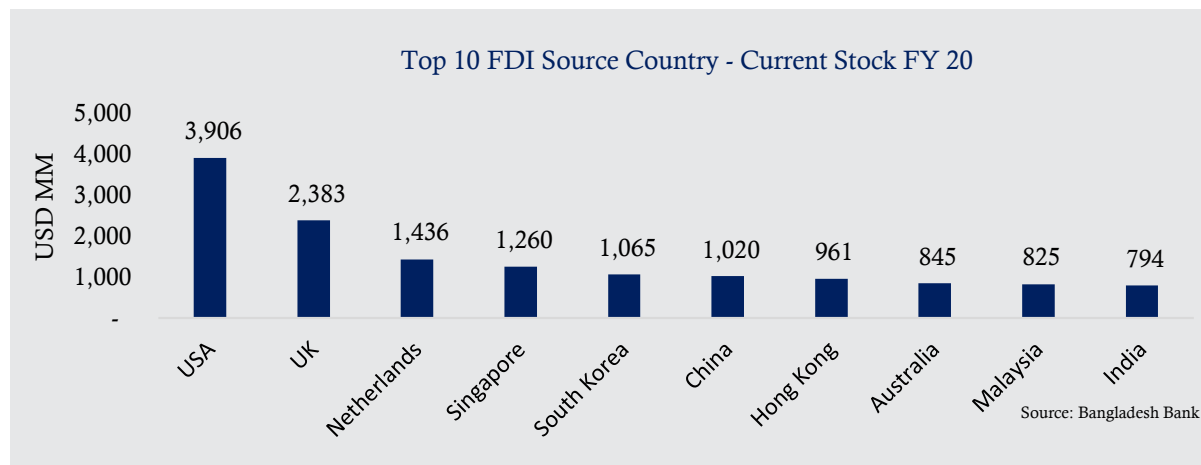
In addition to the factors identified, it is essential to develop feeder industries, backward, and forward linkages as MNCs relocating out of China will look for a country with diversification benefits and which will also satisfy their supply chain needs. With an adequate campaign and the right incentives,

Bangladesh can establish itself as a viable alternate destination.

Although China has been the largest investor country in recent times, the USA, UK, Netherlands and Singapore still lead in terms of total outstanding FDI stock. In addition to China, Bangladesh may look to pursue investors in the USA, Japan, Germany, which are still the largest source of foreign investments worldwide.

## Attracting Foreign Portfolio Investment into the Burgeoning Capital Market

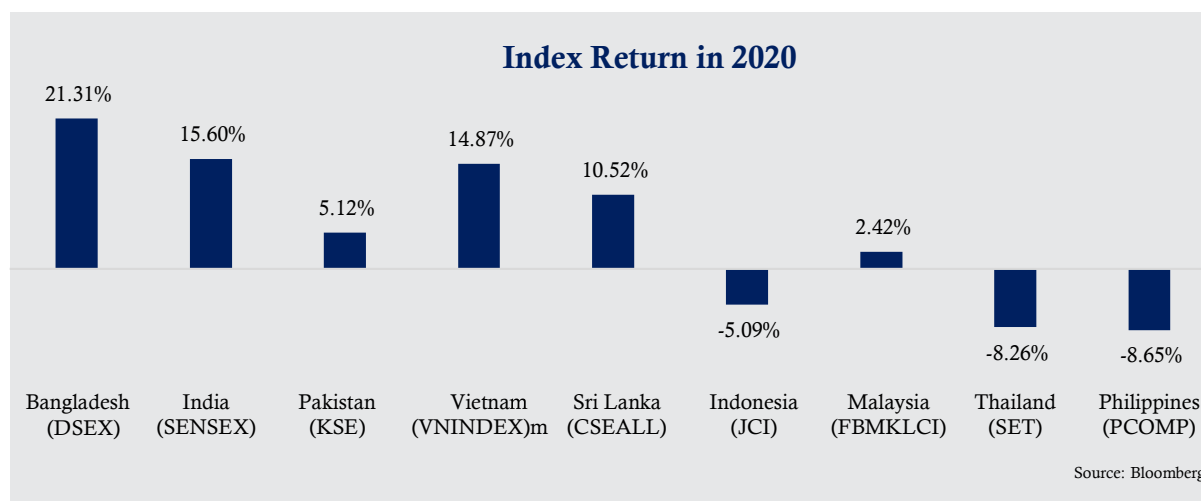
From July 2020 onwards, stocks witnessed a bull run with market capitalisation touching \$59 billion mark in January 2021 at Dhaka Stock Exchange (DSE). DSEX, the benchmark index of the Dhaka Stock Exchange, gained 21.3% in 2020, the highest among



With plunging global investments triggered by the pandemic, the competition among the investment recipient countries will be fierce. The relocating firms will be looking for destinations that will help in retaining cost competitiveness and would want to serve their existing markets as easily as they were able to from China. Bangladesh would need to make use of its strategic geographic location and demographic dividend to attract these investments.

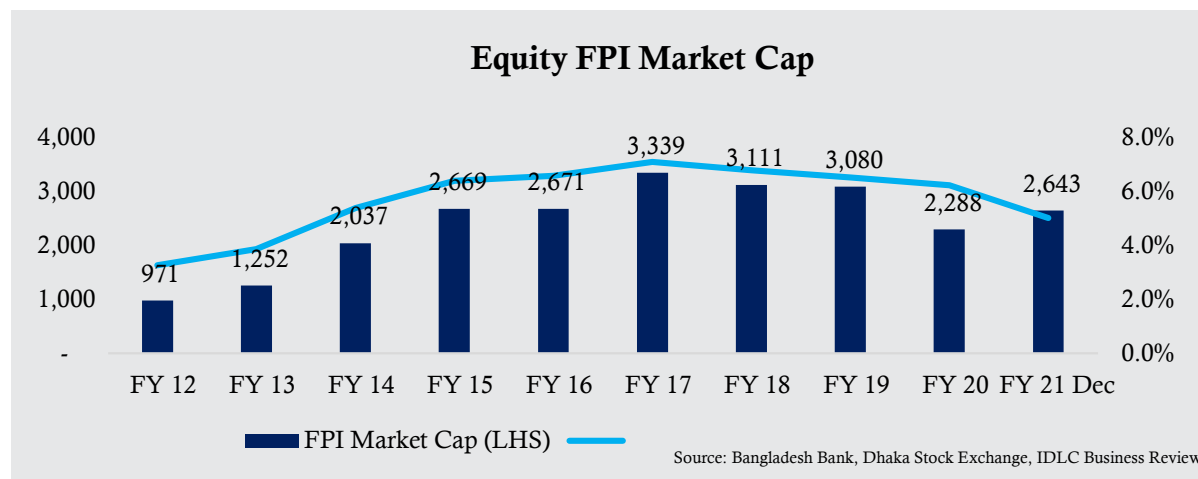
the primary indices in neighbouring countries. The market got boost from a significant drop in interest rates, which led to investors injecting funds into stocks. Low credit demand from government as well as private sector along with Central Bank's purchase of USD from the market caused a liquidity glut and have driven down the interest rates across tenures.

However, the same enthusiasm was not evident in foreign portfolio investment (FPI). At the end of FY



20, the stock position of total portfolio investment in Bangladesh was recorded at \$3.92 billion, out of which investment in debt securities or bonds stood at \$1.63 billion while the amount for equity investment was \$2.29 billion. Foreign Portfolio Investment (FPI) market cap stood at \$2.64 billion at the end of Dec 2020. Currently the FPI constitutes 5.0% of the

from the conglomerate and telecommunication sector have played a large role in stock market rally. Some of the key reforms include monitoring of mandatory stake of directors and sponsors, bonds being made tradeable through Beneficiary Owner (BO) accounts, developing database of people who may possess price sensitive information, etc.



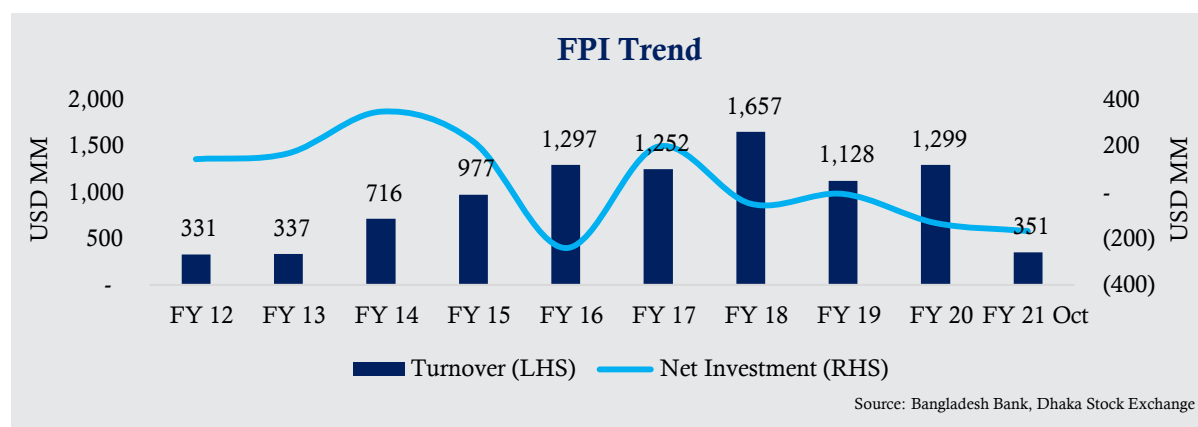
total equity market cap down from 6.2% at the end of FY 20 and 6.5% in FY 19.

The overall turnover of FPI in the equities market has also stagnated in recent times. From the peak of \$ 1.66 billion in FY 18, the turnover dropped to \$1.13 billion in FY 19. In FY 20 however, the turnover grew to \$1.3 billion despite a 66 day trading recess (March to May 2020).

## Priorities

### Ensure Stringent Monitoring of Listing Requirements

Regulators need to confirm that listed companies meet the listing requirements and ensure quality and authenticity of their reported financials. The credibility of financial reports is of topmost priority to attract foreign investments. Delisting of companies involved in irregularities will also send



Currently, the DSE market capitalisation is about 17% of GDP which is low compared to peer countries. Capital market reforms are of paramount importance to increase the overall market cap as well as to draw FPI. The new commission of BSEC has already taken measures for faster approval of IPO. The listing of two large companies in 2020

the right message to both domestic and foreign investors. In addition, encouraging the listing of multinational companies on the bourse will instill more confidence in foreign investors.

### Develop the bond market

Bond investment is likely to be the preferred instrument for people requiring regular stream of



cash flows such as retired individuals or entities/funds that need long term instruments to match their liability patterns such as insurance companies, provident/pension funds, endowments, etc. It is vital to develop corporate bond market to help companies meet their long term financing needs, which is currently met through short/medium term bank borrowing thus, exposing them to both price and liquidity risk and raises default risk for banks. Bangladesh needs a fully functional and vibrant bond market to finance its infrastructure gap and further industrialisation.

Foreign investors assess country risk even before assessing stocks. The government could explore issuing a sovereign bond, which will establish country risk benchmark, based on which, private companies would be able to issue bonds in the offshore market. In recent times, Bangladesh Bank has facilitated the issuance of Sukuk/ Islamic Bonds by the Government. Corporates could tap into particular segments of local and overseas investors who may currently not be investing in conventional bonds. The success of bond market development hinges on establishing secondary market liquidity, which is currently low for government bonds and almost nonexistent for corporate bonds.

### **Increase Collaboration**

In 2018, Dhaka Stock Exchange entered into a strategic partnership with the Shenzhen Stock Exchange after a Chinese consortium acquired 25% stake in DSE and subsequently launched the CNI-DSE Select Index (CDSET) comprising 40 companies. There are further plans to launch cap-based indices like Large-Cap, Mid-Cap Index and Small-Cap Index. The stock exchanges authorities need more such collaborations and technical support to build a strong foundation for attracting more foreign investors.

### **Favourable Taxation Policies**

Bangladesh is one of the countries where the imposed capital gains tax is on the higher side. Moreover, investors are taxed on each trade instead of aggregate level. Aligning these policies with competitor countries will help improve the attractiveness among foreign investors.

### **Digitisation**

Digitisation has been the call of the time. Digitising the account opening process and introducing electronic proxy voting for investors are two important points to be considered. These have become even more important in light of the transformation in businesses brought about by Covid 19.

### **International Brokers/Fund Managers**

Attracting reputed brokers/fund managers to operate in the market would give a positive signal to the international investors and help boost the confidence in the market.

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## Economic Indicator

### Bangladesh – Turning around Economic outlook – Recovery is gaining momentum

Growth is likely to return to pre-pandemic levels in FY22. We expect GDP growth to improve to 7.5% in FY22 (year starting July 2021) as global growth accelerates and wider vaccine rollout leads to enhanced mobility. Stronger global growth is likely to spur a rebound in export demand, while faster vaccination rollout could accelerate the execution of public investment projects. Private consumption growth should be supported by improving employment and wages and still-strong remittances. Private investment, however, is likely to remain muted as excess capacity persists.

We estimate FY21 growth at 5.6%. While several indicators point to a turnaround (particularly personal mobility indicators, which are now at pre-pandemic levels), our forecast is below the government's 7.4% projection. We expect economic activity to take longer to return to pre-pandemic levels. Relative to other economies, Bangladesh's GDP growth will benefit less from a low base effect this year, as official provisional estimates put FY20 growth at 5.2%. However, nearly 10mn people lost employment in Q4-FY20 and 65% of the total workforce lost their income; it will take time to restore lost jobs and wages.

Private-sector credit growth averaged 8.8% in 7M-FY21 (July 2020 to January 2021), slowing from 9.7% in FY20. Concessional credit facilities provided by Bangladesh Bank (BB) accounted for all of the

private-sector credit disbursal during the period – banks disbursed nearly BDT 656bn (USD 7.7 billion) of concessional credit, of a total of BDT 979 billion provided under the COVID-19 stimulus programme. Industrial term loans continued to contract sharply across large, medium and small-scale industries. Small and medium scale industries saw sharper loan declines than large industries, mirroring the sharper fall in their industrial production. Overall industrial production growth slowed to c.6% y/y in H1-FY21 from 13% on average during the FY17-FY19 period. Electricity generation growth also slowed to c.6% y/y in H1-FY21 from 11% in FY17-FY19.

We now expect a C/A surplus of 0.2% of GDP in FY21, versus our previous forecast of a 0.5% deficit (and a FY20 deficit of 1.6%). Strong remittance growth, recovering exports and slow import growth should drive the return to surplus. The C/A turned to a c.0.7% surplus in 7M-FY21, driven by a c.35% y/y rise in remittances. Exports fell c.1.5% y/y in 8M-FY21 and imports contracted c.1%, indicating weaker global and domestic demand. Declines in imports of intermediate and capital goods during the period indicate a weaker investment outlook.

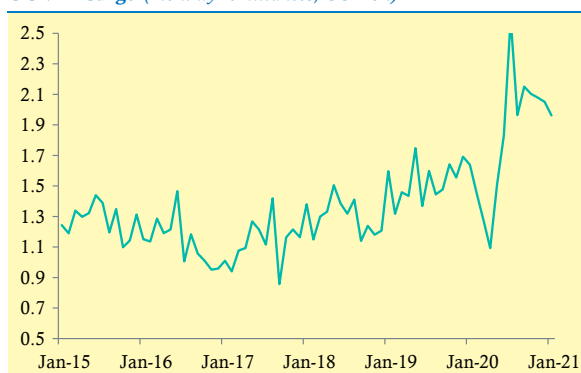
We continue to expect a C/A deficit of 2.0% of GDP in FY22 as imports recover and remittance growth slows (albeit from a high base). Remittance growth in FY21 has been driven largely by COVID related factors: the need for additional support to

Figure 1: Bangladesh macroeconomic forecasts

	FY21	FY22	FY23
GDP growth (real % y/y)	5.6	7.5	7.3
CPI (% annual average)	5.6	5.6	5.5
Policy rate (%)	4.75	4.75	4.75
USD-BDT*	86.00	87.00	88.00
Current account balance (% GDP)	0.2	-2.0	-2.0
Fiscal balance (% GDP)	-6.0	-5.0	-5.0

Note: Economic forecasts are for fiscal year ending in June; \*end -December;  
Source: Standard Chartered Research

Figure 2: Remittance inflows have started to soften after a COVID surge (monthly remittances, USD bn)



Source: CEIC, Standard Chartered Research



remittance-receiving households, increased use of formal remittance channels as informal channels were disrupted, and government incentives (including a 2-3% cash incentive and the raising of the ceiling for remittances without documentation to USD 5,000 from USD 1,500). Remittances have declined on a m/m basis since September as these supportive factors fade. We expect Bangladesh's balance of payments to remain in surplus in FY21 as the country receives c.USD 4bn in concessional multilateral loans to fight COVID-19. FX reserves are likely to rise to c.USD 43 billion by end-FY21 after staying in the USD 32-33 billion range for the past three years. FDI flows declined 7% y/y in 7M-FY21 (after a 39% drop in FY20) and could improve gradually for the rest of FY21 and FY22.

### Policy – Less fiscal support for growth

We expect the central bank to keep its policy rate at 4.75% in FY21 as inflation picks up. We lower our FY21 CPI inflation forecast marginally to 5.6% (from 5.8%) to reflect weaker non-food inflation until February. However, this is still above BB's target of 5.4% for FY21. Excess liquidity in the banking sector nearly doubled to BDT 2.0 trillion in January 2021 from BDT 1.03 trillion in January 2020; this could lead to higher inflation once economic activity picks up.

We now forecast a narrower fiscal deficit of 6.0% of GDP in FY21 (versus 7.5% previously) due to slower-than-expected budget execution; our revised forecast is in line with the government's target. We expect revenues to miss budget estimates by 25% (leading to a revenue-to-GDP ratio of 9%), and spending to be 15% below budget. Our estimates assume spending growth of 25% y/y and revenue growth of c.15% for the rest of FY21. Bangladesh posted a small fiscal surplus in 7M-FY21 as spending fell 13%, led by a c.35% decline in development expenditure. Most of the COVID related stimulus has been via concessionary credit facilities, not direct government spending. We maintain our FY22 fiscal deficit forecast of 5.0% of GDP.

The COVID-19 pandemic has exacerbated existing financial-sector vulnerabilities. However, the banking sector has benefitted from regulatory forbearance, and it will take time for a clearer picture to emerge. Non-performing loans (NPLs) declined to 8.9% of total loans in September 2020 from 12% in September 2019.

### Market outlook – We are Neutral on BDT bonds

We maintain our Neutral outlook on BDT bonds. While manageable inflation and stable monetary policy rates are positive for bonds, negative real yields and a still-large fiscal deficit outweigh the positives. We think yields are close to their cyclical trough (3M T-bill yield: 0.95%, 10Y bond yield: 6.00%); we see gradual bear steepening of the 1Y-5Y segment of the yield curve. We expect modest FX depreciation. We see USD-BDT moving to 86 by end-2021 on a gradual worsening of the C/A balance (driven by higher imports) and extended valuations.

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## Key Economic Indicators

	25-Mar-20	30-Jun-20	29-Apr-21	25-May-21	
Foreign Exchange Reserve (In million US\$)	32,570	36,037	44,950	44,896	
	7-May-20	30-Jun-20	29-Apr-21	25-May-21	
Interbank Taka-USD Exchange Rate (Average)	84.95	84.85	84.80	84.80	
Call Money Rate	7-May-20	30-Jun-20	29-Apr-21	25-May-21	
Weighted Average Rate	4.99	5.02	2.27	2.15	
Broad/Overall Share Price Index	25-Mar-20	30-Jun-20	25-May-21	Percentage Change From June 2020	From June 2020
a) Dhaka Stock Exchange (DSE)	4,008	3,989	5,885	47.52	-26.07
b) Chittagong Stock Exchange (CSE)	11,328	11,333	17,070	50.63	-31.9
	MTD April 2020	July-Apr.' FY20	April 2021	July-Apr.' FY21 <sup>P</sup>	FY 19-20
a) Wage Earners' Remittances (In million US\$)	1,093	14,868	2,068	20,666	18,205
b) Annual Percentage Change (in %)	(23.8)	11.8	89.2	39.0	10.9
	MTD March 2020	July-Mar' FY20	MTD March 2021 <sup>P</sup>	July-Mar' FY21 <sup>P</sup>	FY 19-20
a) Import (C&F) (In million US\$)	4,277	43,585	6,161	46,230	54,785
b) Annual Percentage Change (in %)	(13)	(5)	44	6	(9)
	March, 2020	July-Mar' FY20	March 2021 <sup>P</sup>	July-Mar' FY21 <sup>P</sup>	FY 19-20
a) Import(f.o.b) (In million US\$)	3,958	40,330	5,700	42,767	50,691
b) Annual Percentage Change (in %)	(12.6)	(4.8)	44.0	6.0	(8.6)
	April, 2020	July-Apr' FY20	April 2021 <sup>P</sup>	July-Mar' FY21 <sup>P</sup>	FY 19-20
a) Export (EPB) (In million US\$)*	520	29,494	3,134	32,073	33,674
b) Annual Percentage Change (in %)	(82.9)	(13.1)	502.8	8.7	(16.9)
	July-Mar' FY20		July-Mar' FY21 <sup>P</sup>	FY 19-20	
Current Account Balance (In million US\$)	(2,651)		125	(4,849)	
	March, 2020	July-Mar' FY20	March 2021 <sup>P</sup>	July-Mar' FY21 <sup>P</sup>	FY 2019-20
a) Tax Revenue (NBR) (Tk. in crore)	20,534	166,121	23,731	176,808	218,406
b) Annual Percentage Change (in %)	4.7	8.5	15.6	6.4	(2.5)
	March, 2020	June, 2020	March 2021 <sup>P</sup>	Mar '21 over Mar '20 (In %)	FY2019-20 (in %)
Total Domestic Credit (Tk. in crore)	1,230,486	1,307,634	1,370,734	11.4	14.0
a) Net Credit to the Govt. Sector	133,765	181,151	31,439	33.8	59.9
b) Credit to Other Public Sectors	30,141	29,215	178,912	4.3	25.1
c) Credit to the Private Sector	1,066,580	1,097,268	1,160,383	8.8	8.6
	June, 2020	December, 2020	February, 2021	March, 2021	
a) Twelve Month Average Basis (in %)	5.7	5.7	5.6	5.6	
b) Point to Point Basis (in%)	6.0	5.3	5.3	5.5	
	2016 -17	2017-18	2018-19R	2019-20P	
GDP Growth Rate (In %)	7.28	7.86	8.15	5.24	

P= Provisional

Source: Bangladesh Bank



# FICCI Activities



## **EXECUTIVE COMMITTEE'S MEETING ON STRATEGIC PLANNING OF FICCI**







March 2020: FICCI delegation led by President, Mrs. Rupali Haque Chowdhury and EC Members met newly appointed NBR Chairman, Mr. Abu Hena Md. Rahmatul Muneem. On behalf of all the members of FICCI, its President, Mrs. Rupali Haque Chowdhury expressed her heartiest congratulations to Mr. Abu Hena Md. Rahmatul Muneem on being appointed as Senior Secretary, Internal Resources Division (IRD) & Chairman, National Board of Revenue (NBR). Among others, FICCI Vice President, Mr. Kedar Lele, EC Members, Mr. Mahtab Uddin Ahmed, Mr. Riad Mamun Prodhani and Executive Director TIM Nurul Kabir were present.





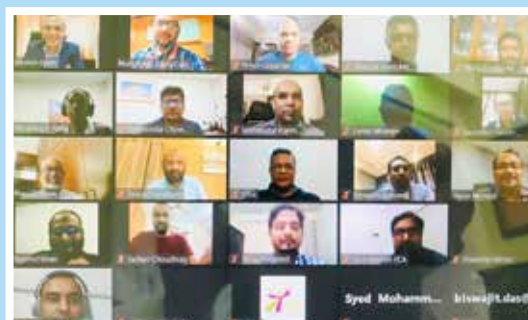
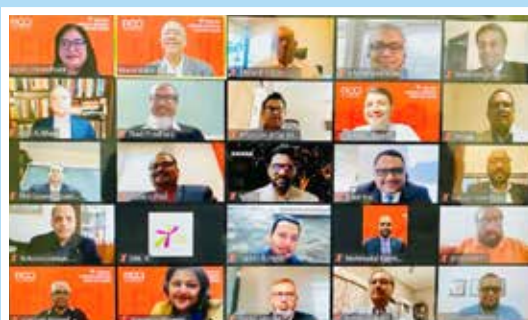
January 2020: FICCI delegation led by its President, Mrs. Rupali Haque Chowdhury & EC Members met Mr. Salman Fazlur Rahman, MP, Advisor to the Honorable Prime Minister, Private Sector & Investment, Government of the People's Republic of Bangladesh at Bangladesh Investment Development Authority (BIDA) office.







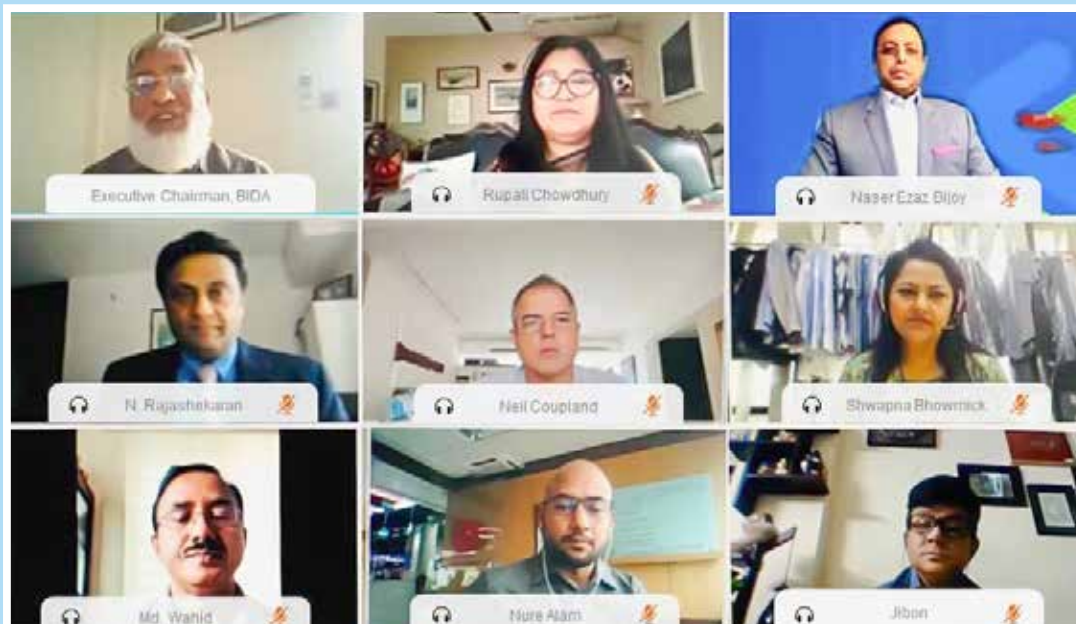
Pre-Budget discussion with the Honourable Finance Minister, Mr. A H M Mustafa Kamal.



A Virtual General Meeting of FICCI. The meeting was chaired by its President, Mrs. Rupali Haque Chowdhury.



FICCI Organised a Policy Roundtable about **“FDI in a Post-COVID World: New Realities and Reform Priorities for Bangladesh”** in virtual platform. Mr. Salman F. Rahman, Private Sector Industry and Investment Advisor to the Honourable Prime Minister was present as the Chief Guest.



FICCI & BIDA jointly organised a webinar regarding World Bank survey on 'Ease of doing business'.



Sub committee meeting on Financial Services.





A Pre-Budget consultation meeting with the Chairman, Members and relevant officials of the NBR at the NBR Conference Room. FICCI President, Mrs. Rupali Haque Chowdhury led the FICCI Team.

## ACTIVITY BY FICCI & ITS MEMBERS DURING COVID-19 PANDEMIC

### FICCI DONATES 11,000 PPEs TO HEALTH CARE PROFESSIONALS (FRONTLINE SOLDIERS WHO ARE TAKING ON COVID-19) WITH THE CONTRIBUTION OF ITS MEMBERS

With the financial support from the FICCI Members' Companies FICCI raise BDT 14.5 million and distributed PPEs to the following organisations:

- Directorate General of Health Services (DGHS)
- Marie Stopes Bangladesh
- Surjer Hashi Clinic
- Combined Military Hospital (CMH), Dhaka
- ICDDR,B Dhaka
- Sylhet Shaheed Shamsuddin Ahmed Hospital
- Sylhet MAG Osmani Medical College
- Chattogram General Hospital Andarkilla
- Chattogram Medical College
- Bangladesh Institute of Tropical and Infectious Diseases, Faujdarhat



FICCI President, Mrs. Rupali Haque Chowdhury hands over PPEs to Directorate General of Health Services Acting Director General, Prof. Dr. Nasima Sultana at a function in the capital recently.





## FICCI contributes 1,000 ICU PPEs to Combined Military Hospital (CMH) for Health Care Professionals with support of Grameenphone.



On behalf of the FICCI and Grameen Phone, Mr. TIM Nurul Kabir, FICCI Executive Director handed over the 1,000 ICU PPEs to Brigadier General Mr. Taufiqul Hasan Siddiquee, Commandant of a Combined Medical Hospital Dhaka (CMH) in handover ceremony. Grameenphone joined and donated 1000 protective suits to this hospital to support this FICCI initiative.

Apart from FICCI's joint initiative, member companies of FICCI have donated individually to respond to the COVID-19 pandemic. The members have supported different stakeholders with substantial number of CPAP Masks, Drinking water, Essential Goods, Face Shields, Food Package, Gloves, Gowns, Hand rubs, Hand Sanitizers, HFNC, ICU PPEs, Irons, Medical Beds, Microwave Ovens, Multiparameters, Patient Monitor and Refrigerator, Nestle Products, Non-Rebreathers, Oxygen Cylinders, Refrigerators, Safety Equipment, Safety goggles, Sewing Machines, Soaps, Spray machines, Tablet Hydroxy Chloroquine Plaquenil,

Video Laryngoscopes, Virus Sterilizers, Washing Machines to support the different stakeholders during the Pandemic COVID-19.

Following members played a vital role in this contribution: Baraka Power Ltd , Berger Paints Bangladesh Ltd., bKash Limited, British American Tobacco, Coca-Cola Bangladesh Ltd., Commercial Bank of Ceylon, Delta Brac Housing Finance Corporation Ltd (DBH), Grameenphone, International Beverages Pvt. Ltd., Marico Bangladesh Ltd., Marks and Spencer, Nestle Bangladesh Ltd., Novartis (Bangladesh) Ltd., Sanofi Bangladesh Ltd., Siemens Bangladesh Ltd., Singer Bangladesh Ltd., Standard Chartered Bank, Unilever Bangladesh Ltd., United Dhaka Tobacco, Youngone (CEPZ) Ltd.

**CSR contribution by FICCI members during COVID-19 Pandemic is around BDT 1042 million.**



## **Members' Stories**

## Members' Stories



### Sustainable ESG Practices for A Better Tomorrow™

The world today, more than ever before, requires an extra effort to ensure a better tomorrow. To play their part in this, renowned companies across the world have invested in ESG practices. BAT Bangladesh is no exception to that. Having a rich legacy of 110 years in Bangladesh, the company has pioneered several ESG practices, the first of which dates back to four decades. Through numerous initiatives, the Company has set sustainable benchmarks for others to take inspiration and follow. The key to all successful initiatives, have been the remarkable public private partnerships which have enabled the Company to work as development partners for the government in achieving the SDGs.



Over the years, BAT Bangladesh has initiated numerous initiatives which include the largest private sector driven afforestation programme in the country, providing safe drinking water to marginalised communities in areas prone to water borne diseases, support renewable energy usage by offering solar panels to provide electricity to remote communities in Chattogram Hill Tracts, efforts to uplift farmer livelihoods through the introduction of good agricultural practices and many more.

Joining the fight against Climate Change, BATB invested in its flagship afforestation programme in the year 1980. Since then, the program is contributing to the better livelihood of more than 30,000 beneficiaries each year. Till date, the programme has distributed over 110 million saplings free of cost to beneficiary communities and institutions across Bangladesh. The initiative is the proud recipient of the prestigious 'Prime Minister's National Award' for 4 times, the Chief Advisor's Award once and the international "Asia Responsible Entrepreneurship



Award" on Green Leadership. The initiative also won the Bangladesh Innovation Award 2021 for SDG inclusion.

BAT Bangladesh has been supporting the arsenic prone communities and other areas experiencing crisis in clean drinking water across Bangladesh, through its safe drinking water project. This project was initiated in 2009 and so far, it has established more than 110 water filtration plants in different parts of the country, ensuring more than 560,000 liters of pure drinking water to more than 270,000 beneficiaries every day. The project aims to continue expanding its horizons in the coming years and extend the support to communities suffering from salinity and other forms of water crisis.

BATB's commitment towards supporting clean and renewable energy, gave rise to a Solar Power project in 2011 to support the communities in off-grid areas of Chattogram Hill Tracts. Under the initiative, BATB has supplied 2,591 units of solar home systems to remote villages of Bandarban, Khagrachari and Rangamati districts. So far, over 13,000 people who previously had no access to electricity now have had their livelihoods changed. This initiative has enabled and empowered the communities to enhance their lifestyle through quality education and various income generating activities.

BATB's agricultural best practices and the training facility for farmers, aim to improve the farming community by



providing them with skill development training that enhances farm productivity and uplifts household income, while empowering them with a community voice. Farmers get to implement the knowledge in their crop portfolio and get higher returns, ensuring sustainability for their land.

BAT Bangladesh has championed in ensuring the best interests of its consumers, employees, shareholders, and the society, facilitating impactful contribution in the sustainable development of the nation for the last 50 years. Moving forward, BAT Bangladesh pledges to contribute in 8 SDGs directly and to partner with the government to achieve the Sustainable Development Goals by 2030 – in its plight to take the country to newer heights – in pursuit of 'A Better Tomorrow™'



## Members' Stories

### BERGER continues to spread happiness among children with special challenges



Being the market leader in the paint industry of Bangladesh, Berger Paints Bangladesh Limited always strives to provide the best quality and advanced technology in paint solutions. Similarly, the management of Berger Paints is highly conscious about the accountability of the Company towards the society. Contribution for autistic and specially challenged children is one of the major endeavours of Berger in fulfilling its corporate social responsibility. Though autism is not curable but timely diagnosis, therapies and behavioural interventions can bring about a substantial improvement in these children.

Since 2009, Berger Paints Bangladesh Limited has made a special commitment to assist the welfare organisations that are working for autistic and specially challenged children. Annual grants are given to more than 12 organisations on a regular basis. SEID Trust, Scholars Special School, Tauri Foundation, Society for the Welfare of Autistic Children, Autism Welfare Foundation, Concern Services for Disabled, Community Development Centre, Budhdhi Protibondhi School, Proyash Institute of Special Education, Alokito Shishu, CRP Bangladesh, Uthsho Bangladesh, Acumen, Purobi Protibondhi School are among the organisations that have received contribution from Berger Paints, over the years.

The Scope of Berger's assistance ranges from financial aid for operational costs, premise rent and teacher salaries to donation for educational materials, communication support, vocational training materials, computers, different types of equipment to aid education, therapies and healthcare.

Berger Paints has also contributed to other organizations for fund raising and awareness building on autism, among those, are Ministry for Social Welfare, Hotel Sarina, Padatik Natya Sangstha.

Since 2011, Berger Paints has been organising annual art competitions for special children in two categories (Group A: 6-10 years and Group B: 11-15 years) along with exhibitions and award giving ceremonies.

Berger Paints also undertakes other welfare initiatives. Among these are competitions, award programmes and scholarships to patronise talents of the youth in the fields of art and architecture. The Company also provides free paints to schools, rehabilitation centers and hospitals for the underprivileged, contributes blankets and winter clothes to the poor. The Company looks forward to expand the scope of its CSR programmes in future.



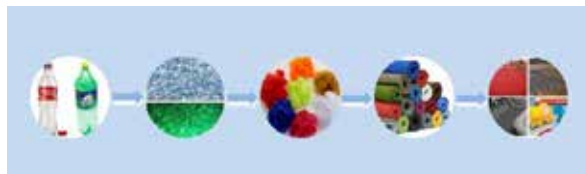
## Members' Stories



### Made to be Remade: Sustainability Initiative by Coca-Cola International Beverages Private Limited

No one likes to see litter anywhere. While as a Coca-Cola system, we have been actively supporting programmes and communities with recycling projects for many years, we know that more needs to be done. International Beverages Private Ltd (IBPL), the investment subsidiary of The Coca-Cola Company in Bangladesh, has joined hands with Mumanu Polyester Industries Ltd., a leading recycler and manufacturer of Polyester Staple Fiber (PSF) in Bangladesh having a capacity of recycling 12,800 tons of PET bottles/containers annually.

IBPL's "Made to be Remade" project focusses on producing products from post-consumer PET bottles. The project aims to collect PET bottles and recycle them to make polyester fiber. The fiber is ultimately used as yarn for making garments, jacket insulation, home textile (pillow, bedding, mattress, cushion) etc., by different brand owners/manufacturers. This initiative aims to bolster the circularity of resources and repurpose packaging waste while ensuring that the packaging doesn't end up where it doesn't belong.



*Photo: Product Life Cycle (Representative)*

PET (Polyethylene Terephthalate), is a form of polyester that can be recycled multiple times and has great economic value. It is used for high-grade clear, strong and lightweight plastic bottles and containers for packaging foods and beverages. It is also used as a material for producing fabrics. Thus, many fashion companies are producing clothing from used PET bottles as it indirectly helps create a sustainable living and environment. The process also helps prevent used plastic from going to landfill.

IBPL supports the recycler by incentivising the rag pickers and other stakeholders in the supply chain, especially during this pandemic. The partnership is currently yielding more than 20 tons of waste PET bottles collection, per month, on an average.



*Photo: Agreement signing between the companies.*

Tapas Kumar Mondal, Managing Director, IBPL (Coca-Cola), said, "As a trusted global brand and a sustainable business partner of Bangladesh, IBPL explores the collection and recycling of PET waste to reduce plastic pollution. Hence, by collaborating with recycling industry, our partnership will help make both short term and long term environmental and economic impacts."

The project follows our global World 'Without Waste' vision that has signalled a renewed focus on our entire packaging lifecycle—from how bottles and cans are designed and produced, to how they're recycled and repurposed—through a focus on three fundamental goals: design, collect and partner.

We set an industry-leading goal for ourselves – collect and recycle a bottle or can for each one we sell by 2030. We continue to work with civil society organisations, governments and others to expand our efforts so that we can build on our progress.

## Members' Stories



Japan Tobacco International has been positively impacting lives in Bangladesh since 2015, through the launch of community investment (CI) initiatives to improve access to water sanitation & hygiene (WASH) and disaster management. These initiatives are designed to uplift underserved communities across Bangladesh, through partnership with various international and local NGOs. JTI aims to provide one million people with WASH facilities by 2025. We are proudly contributing to the United Nations Sustainable Development Goal 6 (UN SGD 6: Ensure availability and sustainable management of water and sanitation for all) through various initiatives in Bangladesh:

- Improved sanitation and access to clean water for 36,000 beneficiaries in low income communities in urban slums of Dhaka and Chattogram.
- Improved disaster resilience for 26,000 beneficiaries in disadvantaged communities in urban slums of Dhaka and Khulna.

- Strengthen and improve the WASH facilities of almost 220,000 poverty-driven individuals in vulnerable communities of the Kurigram district in Northern Bangladesh.
- Launched Project Shujola amidst a pandemic to provide safe drinking water to apparel workers' communities, in Dhaka and Chattogram, by promoting water entrepreneurs and digital financing mechanism. Five water kiosks have already been launched; each with a capacity to produce 1,000 liters of fresh water every hour.

At the onset of the COVID-19 pandemic, JTI provided support that is directly benefitting over 60,000 people across Bangladesh by providing essential food and hygiene commodities to the underserved communities as well as protective gears to the frontline workers. We believe in supporting the underserved by building more inclusive, resilient and sustainable communities. JTI Bangladesh is looking forward to bringing positive changes to society.



### LafargeHolcim Bangladesh dreams for a zero waste future through its Geocycle project

Geocycle is a brand of LafargeHolcim Group based in Switzerland which is offering sustainable waste management services in more than 50 countries around the world. It collects waste directly from municipalities and industries, pre-processes it in platforms and co-processes in LafargeHolcim cement plants. Geocycle's promise is clear: work relentlessly to bring society a step closer to a zero-waste future. Geocycle manages more than 10 million tons of waste annually worldwide by which it participates in a regenerative, circular economy that closes resource cycles. In 2017 LafargeHolcim Bangladesh Limited (LHBL) launched Geocycle, here in Bangladesh.

LHBL is keen to play an active role to create a zero waste future in Bangladesh through its Geocycle project. Since inception of Geocycle project in Bangladesh, it has been utilising the cement Kiln of Chhatak Plant in Sunamganj to dispose of various types of hazardous and nonhazardous waste generated from the different Industrial Units in a sustainable manner. Currently, Geocycle Bangladesh is providing waste management services to more than 50 companies across the industry including Textile, Pharmaceuticals, FMCG, Oil & Gas and

Tobacco, etc., and it has disposed more than 2000 MT of waste in the last six months.

LHBL has invested around BDT 35 crore to set up Geocycle, a state of the art waste management facility which ensures adequate storage, safe handling, globally recognised preprocessing and environment friendly disposal through co-processing. LHBL is also working with different Government and Non-Government organisations including Department of Environment (DoE) to create awareness among the industrial waste generators for sustainable waste management.

As the first global building material solutions company, LafargeHolcim Group signed the Business Ambition for 1.5°C pledge with intermediate targets approved by the Science-Based Targets initiative (SBTi) in alignment with net zero pathway. Aligning with its parent LafargeHolcim Group LHBL is also committed to leave a greener world for the future generations and, professional waste management through Geocycle shall play an important role to fulfill its commitment.





## Members' Stories

### Nestlé Bangladesh launches Water Ambassadorship and Education programme with 'House of Volunteers Foundation', who organises Bangladesh Stockholm Junior Water Prize' (SJWPBD)

Water is the planet's most precious resource: access to clean water is a fundamental human right. As the climate changes, water-related issues will continue to grow in importance. Preserving water resources is not something one can do alone. Reducing strain on water requires the collaboration of a range of partners, from suppliers to governments and civil society. To address this issue, globally, Nestlé has taken multiple initiatives of Environmental Sustainability under the flagship of 'Roadmap to Net Zero'. As part of the Market initiative, Nestlé Bangladesh has collaborated with House of Volunteers Foundation to build the future generation of the country ready to tackle water issues.

long initiatives aimed at educating children and youth by awareness sessions, digital competitions on water issues tackling ideas, water storytelling and booklet distribution to schools, colleges and universities about severity of water issues.

Mr. Debabrata Roy Chowdhury, Director, Legal & Tax and Company Secretary has signed on behalf of Nestlé Bangladesh, where Jafrul Hassan, Executive Director from House of Volunteers Foundation has signed on his organisation's behalf.

"This is part of Nestlé's global commitment of environmental sustainability, where we are globally promised to attain our 'Roadmap to Net Zero'. This



Nestlé Bangladesh Limited has signed a MoU with House of Volunteers Foundation, whereby they have sponsored 'Bangladesh Stockholm Junior Water Prize' (SJWPBD) along with Water Aid to arrange a National Competition on water science projects to prepare Bangladeshi students for the International Competitions. The SJWPBD prepares students and volunteers from more than 200 schools and universities by expert mentors from prestigious institutions like BUET. The ambassadors are chosen from the pool of volunteers who are later given opportunity to research and present on the international competition. Besides this extensive programme, Nestlé Bangladesh has launched year-

programme will help the future generation to tackle water issues scientifically and help them realise that water as a resource needs more attention", as commented by Mr. Naquib Khan, Director, Corporate Affairs.

Nestlé Bangladesh has reiterated their commitment to environment once again through this collaboration and this is indeed a bigger step on tackling water crisis in Bangladesh. The organisation is already running Clean Drinking Water projects in 58 schools of Gazipur, where they build and maintain water tanks to ensure the access of safe drinking water for school children and community. They have also built separate Girls' Toilet in 39 schools at Gazipur.



### 333- the short code for accessing public service in Digital Bangladesh

333 serves as the National Information Centre for the citizens of Bangladesh. In partnership with Access to Information (a2i) of Government's ICT Division, Robi Axiata Limited had set it up with technical support from Genex Infosys Ltd. to keep the call centre operational. This is one of Robi's flagship corporate responsibility initiatives.



Thanks to the visionary thinking of the Government, 333 came into being with the mission of modernising public service delivery. It has emerged as the epicenter of managing the pandemic crisis by creating a window to engage with the citizens directly cutting all bureaucratic red tapes. As soon as the Corona pandemic came upon us, 333 repurposed itself to serve the nation in distress.

333 is equipped to provide any government service-related information any time to citizens from anywhere in Bangladesh. The citizens can also notify and complain against different social problems and get response from the Deputy Commissioners (DCs) and Upazila Nirbahi Officers (UNOs). Being a key component of Digital Bangladesh, Sajeeb Ahmed Wazed Joy- the ICT Affairs Advisor to the Hon'ble Prime Minister had inaugurated the 333 service at the Prime Minister's Office in April, 2018. The service had been operating on pilot basis since 2017.

In relation to the Corona pandemic, 333 has handled around 2.4 crore calls between March and December, 2020, of citizens from all walks of life. Starting from raising awareness on the Corona pandemic, to quarantine rules, to providing vital information

on testing for the virus, 333 has emerged as the epicenter for managing the pandemic in the country. Just as the pandemic worsened starting from April, 2021, 333 has handled close to 4.5 lakh calls from citizens for food support between 5th April and 8th May'21, close to 4 lakh requests in this regard have been forwarded to the field administration.

Since its inception, 333 has helped to stop 5,547 cases of child marriage, 2,094 cases related to Government property misappropriation, 1,867 cases of illegal drugs distribution, 1,370 cases of women persecution and dowry, 1,269 cases of environmental pollution, 707 gambling related cases, etc. Besides, 41,833 number of calls regarding

disaster were answered since inception of 333. The success story of 333 here are literally too many to acknowledge in full at a time.

"333- the short code for accessing public service in Digital Bangladesh" by Robi Axiata has been awarded as Honourable Mention Best innovation Public Service-Innovation in Service Delivery at the 3rd edition of the Bangladesh Innovation Award 2021. It has also won National Basis ICT Awards 2019, international award from GovInsider Awards 2019, and APICTA Awards 2019.

Calling the 333 National Helpline, citizens can access 600 types of services that includes-Government services and procedures (Passport, NID, E-tin info, birth certificate, BRTA related info etc.), contact information of public representatives and Government officials, Grievances channel-where citizens can complain and get remedy for various social issues, such as- early marriage, dowry, drug dealing, gambling, environmental pollution, food adulteration, etc., tourism related information, e-Tin information & solution of all e-Tin related problems, weather information, medicine authenticity checks, etc.

## Treatment of Critical Covid-19 Patients

## SINGER Bangladesh &amp; Arçelik Donates Medical Ventilators



SINGER Bangladesh Limited in association with Arçelik Turkey, donated ventilators to three hospitals in and outside Dhaka for saving lives of critical Covid-19 patients. The hospitals are Red Crescent Holy Family Hospital, Police Central Hospitals in Dhaka and TMSS Rafatullah Community Hospital at Bogura under its 'Singer for Society' programme.

Arçelik is one of the leading consumer durable players in Europe, and the major shareholder of country's leading Consumer electronics and home appliances company SINGER Bangladesh Limited. Arçelik joined forces with BioSys, Aselsan and Baykar Technologies to produce the mechanical ventilators.

In the presence of Deputy Chief of Mission of Turkish Embassy in Dhaka, Mr. Enis Faruk Erdem, SINGER Bangladesh CEO, Mr. M H M Fairoz handed over a total of six medical ventilators to Hafiz Ahmed Mazumdar, Chairman - Bangladesh Red Crescent Society & Governing Body - Holy Family Red Crescent Medical College, Superintendent of Police (Admin & Finance) Dr. Md. Emdadul Haque for Central Police Hospital and Dr. Md. Matiur Rahman – Deputy Executive Director of TMSS for Rafatullah Community Hospital at Bogura at a ceremony at a city hotel, maintaining all safety measures.

On the occasion of handing over the Ventilators SINGER CEO, Mr. M H M Fairoz said, that despite challenging times for businesses, SINGER and Arçelik as socially responsible companies have stood by the people of Bangladesh and will continue to do so in the future too.

Deputy Chief of Mission of the Embassy Mr. Enis Faruk Erdem stated that Turkey assisted more than 150 countries and 12 international organisations in different forms in

their efforts to fight Covid-19. He congratulate SINGER and Arçelik for taking this humanitarian initiative.

As part of the its 'Singer for Society' programme, immediately after the break out of Covid-19 in Bangladesh, SINGER donated Refrigerators, Washing Machines and Microwave Ovens to a number of hospitals across the country to facilitate safety of doctors and nurses, attending Covid-19 patients. Singer also assisted the cyclone Amphan affected people in the Southern Part of the country by distributing food aid

**About Arçelik**

With 32,000 employees throughout the world, 12 brands (Arçelik, Beko, Grundig, Blomberg, ElektraBregenz, Arctic, Leisure, Flavel, Defy, Altus, Dawlance, Voltas Beko), sales and marketing offices in 34 countries, and 22 production facilities in 8 countries, Arçelik offers products and services in almost 150 countries. As Europe's second largest white goods company by market share (based on volumes), Arçelik reached a consolidated turnover of 5 billion Euros in 2019. With almost 70% of its revenues coming from international markets, Arçelik is the R&D leader in Turkey – holding more than 3,000 international patent applications to date with the efforts of 1,600 researchers in 15 R&D and Design Centers in Turkey and R&D Offices across five countries. Arçelik is named the "Industry Leader" in Durable Home Appliances category for the 2nd year in a row in Dow Jones Sustainability Index 2020 and in accordance with PAS 2060 Carbon Neutrality Standard, became carbon-neutral in global production plants in 2019 and 2020 fiscal years with its own carbon credits. [www.arcelikglobal.com](http://www.arcelikglobal.com)

# Members' Stories

## Standard Chartered: Here for Bangladesh, for now and the long run







As the oldest financial institution and a partner in progress to Bangladesh, Standard Chartered has been intimately linked with the amazing growth story of the nation.

For 116 years, we have been providing banking services that help people and companies to succeed, creating wealth, jobs and growth. We are committed to promoting economic and social development in Bangladesh and doing so sustainably and equitably. Supporting sustainable and responsible growth, including delivering the UN Sustainable Development Goals ('SDGs'), is an integral part of our brand promise, Here for good.

The world today is grappling with a challenge of unprecedented scale. While the surmounting health crisis is a challenge, it is just

Under this initiative, UCEP Bangladesh has conducted a rapid needs assessment study to identify the skills gaps in both formal and informal sectors. Based on the findings of this study, demand-driven training programmes have been developed that will prepare participants with the skills to best meet current and future demands of the job market. The graduates then went through a job placement programme to complete their reintegration within the economy. So far, we have enrolled 300 candidates for this programme, 93% of whom were placed in new jobs. Plans are underway to scale up this initiative.

While Bangladesh's journey of progress has seen the development of its manufacturing and service sectors, the agriculture sector, which employs almost half of the national work force directly or indirectly, is more vital than ever in the face of the pandemic. The Standard Chartered Agrow Awards recognises the leaders and innovators that are taking our agriculture industry forward, with the goal of promoting the disseminating technology and best practises

-  **Provided life-sustaining food and hygiene support to 120,000 individuals**, providing 3,600,000 meals and personal hygiene materials through BRAC and Kumudini Welfare Trust. Distributed fresh supplies for 2,000,000 distressed individuals sourced directly from 2000 smallholder farmers with **Obhizatrik Foundation**.
-  **Supported life-saving medical services for 560 critically-affected COVID-19 patients** through Sajida Foundation and Bidyanondo Foundation.
-  **Supported education** by contributing USD 1.3 million to UNICEF to be used for protection measures and remote education of vulnerable children.
-  **Supported the healthcare workers fighting on the frontlines** by contributing USD 300,000 to Red Cross programmes.



at all levels of the industry. Till date, over six editions, the Award has honoured 43 heroes (individuals and institutions) till date.

Under our global initiative, Futuremakers, we have launched an employability and skills development initiative with UCEP Bangladesh. This initiative identified and recruited talented youths from underprivileged background, provided them with employable technical skills while providing financial

one of many faced by the world. Depressed economic activity as a result of the pandemic continues to put distressed communities in a twin jeopardy, where they must face the threat of a pandemic while their livelihoods remain uncertain. Informal and casually employed workers are particularly vulnerable.

Standard Chartered focussed on enabling long-term economic recovery while addressing the immediate need to save and sustain lives. To meet the immediate, short-term challenges, Standard Chartered has been working with development sector partners to deliver aid and essentials to the communities hit hard by the pandemic



and supporting frontline health services. The Bank has been currently focussing its community support measures in four key areas: The Bank's initiatives focussed not only

on immediate assistance and life-saving medical intervention, but also on longer-term recovery through skills development and workforce reintegration. Standard Chartered Bangladesh, in partnership with the Underprivileged Children's Education Programme (UCEP) Bangladesh, launched a re-skilling and employment reintegration programme for economically vulnerable individuals who have lost their livelihoods due to the impact of Covid-19 pandemic.

assistance, and culminated in job placement opportunities. 300 students were enrolled in this programme, with training provided in electronic assembly, industrial electrical maintenance, garments quality control, mobile phone technician and consumer electronics.

Futuremakers builds on the legacy of our previous flagship community programme 'Seeing is Believing', which tackled avoidable blindness. This global programme has touched the lives of 150 million people by funding 160 eye care projects in underprivileged communities since its journey began in 2003. Notably, it is a journey that began right here in Bangladesh. Another global programme, Goal, empowered around 44,000 adolescent girls from low-income families with the confidence, knowledge and skills they need to be integral economic leaders in their families, communities and societies, between 2013 and 2018.

The government's visionary masterplan charts a clear path to prosperity for Bangladesh. We remain on track to achieve that status of a middle-income country by 2021, attain the SDG goals by 2030, become a developed country by 2041. These dreams are still very much achievable, but in front of us lie challenges that must be overcome. In defying this pandemic, we can turn a generational challenge into a generational opportunity, moulding the new normal on our own terms.

At Standard Chartered, we remain as committed as ever to help the nation do just that.

*The author is Head, Corporate Affairs, Brand & Marketing, Standard Chartered Bangladesh*



## Members' Stories

### The glorious “JATRA” of Unilever Bangladesh Limited

As Bangladesh celebrates 50 years of independence, Unilever Bangladesh Limited launched its very own book named “JATRA- The Story of Unilever in the land of red and green”. The book speaks about the journey starting from its inception as Lever Brothers to being one of the oldest and largest multinational corporations operating in Bangladesh.



JATRA is a collection of stories based on oral history collection from generations of Unilever Bangladesh employees, partners, and stakeholders, who have worked for or with Unilever since its inception. The project was initiated in 2018, and after three years since its initiation, JATRA was finally launched at Radisson Blu Hotel in Dhaka on the 27<sup>th</sup> of February 2021. The launch was graced by H.E. British High Commissioner, Robert Chatterton Dickson as the Chief Guest, while 40 other dignitaries along with prominent Bangladeshi actor and politician, Mr. Asaduzzaman Noor, MP were also present.

This collection of memories, documents every milestone the Company had during its ‘Jatra’ (Journey). The major milestones and stories - From being a small soap making factory to developing the most loved consumer brands of the country; working with behaviour change projects on WASH, Dental Health and nutrition, innovating and popularising product format like sachets for the low income people and expanding territories - acquisition of Fisons in 1992 and recently concluded acquisition and renaming of Pharmaceutical giant GlaxoSmithKline (GSK) Bangladesh Ltd., to Unilever Consumer Care Ltd., making it the largest transaction in the history of capital market in Bangladesh in 2020 - every

significant turn of events is recounted. The book also illustrates UBL’s recent joint effort with the Government and various organisations to fight the COVID-19 pandemic through frontline partnerships to serve the community. Lastly, JATRA also speaks about how Unilever Bangladesh Limited has been one of the crown jewels for global Unilever company for its proven excellence in execution and delivery of consistent, competitive, and responsible growth.

2021 has been a notable year for Bangladesh as it celebrates its most awaited Golden Jubilee and with that Unilever Bangladesh Limited marks the magnificent 50 years since its inception in Bangladesh with “JATRA”.





# In pursuit of A BETTER TOMORROW™

## Bonayan

For A Greener Tomorrow

Since 1980, Bonayan the largest private sector driven afforestation initiative, in collaboration with numerous government and private institutions has been contributing towards a greener Bangladesh. We hope to build on this momentum and continue to be the development partner for the government in increasing the area of tree covered land in the country.



**110+ million**  
Seedlings distributed



**30,000+**  
Beneficiaries

Supporting SDGs



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Scan QR code  
to learn more



PROBAHO®

## Probaho

For A Safer Tomorrow

Probaho, the safe drinking water initiative was launched in 2009 with an aim to ensure good health and wellbeing among remote communities. Till date, this initiative has established 110 water filtration plants across the country. Probaho wishes to continue the journey with pride and support the government in ensuring that 100% of the population use safely managed drinking water services.



**560,000+ litres**  
Safe drinking water everyday



**270,000+**  
People served

Supporting SDGs



Follow us:

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Scan QR code  
to learn more

## Deepto

For A Brighter Tomorrow

Deepto, the renewable energy initiative was launched in 2011 to make the first access to electricity a reality for the off-grid Chattogram Hill Tracts communities. The initiative wishes to explore more avenues to work with renewable energy to support the government in improving the overall renewable energy share in total energy and reduce carbon emissions.



**2591 units**  
Solar home systems



**15,000+**  
Beneficiaries

Supporting SDGs



DEEPTO™

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Scan QR code  
to learn more



Over 75% of ready-made garment (RMG) workers in Bangladesh have no running water inside their residences.

**Shujola project, providing safe drinking water to RMG workers' communities in Dhaka and Chattogram, was inaugurated in November 2020.**

Shujola Project, implemented by Swisscontact Bangladesh in partnership with Japan Tobacco International Bangladesh, is a part of JTI's ambition of providing 1 million people with access to clean water, sanitation and hygiene in developing countries by 2025.







সময় যেমনই হোক, আমাদের অক্লান্ত প্রচেষ্টা  
আপনাদের ভালো রাখতে, আপনাদের সাথে থাকতে

নেস্লে বাংলাদেশ নিশ্চিত করে

✓ আধুনিক প্রোডাকশন কোয়ালিটি ✓ আন্তর্জাতিক মান ✓ সঠিক পুষ্টিমান



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**NESCAFÉ**





ড্যাম্প নিয়ে নো টেনশন  
পানি থেকে কম্পিটি প্রোটেকশন



ড্যাম্পনেস প্রতিরোধে কার্যকরী একটি সমাধান  
হোলসিম ওয়াটার প্রোটেক্ট সিমেন্ট



# beko

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***Removes 99.9%  
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- ☑ Low energy consumption
- ☑ Real time air quality tracker
- ☑ Washable pre-filter



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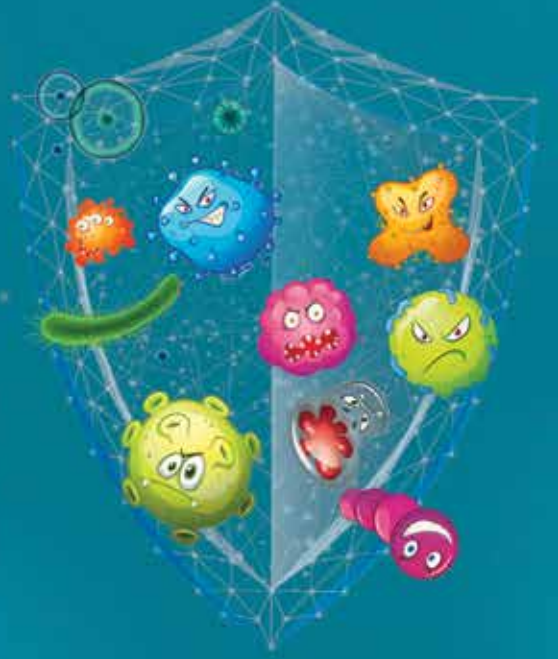
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# সুরক্ষিত দেয়াল মিরাপদ পরিবার

এলো বার্জার ব্রিড ইজি ভাইরাক্যোর।  
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