

January - December, 2010

1. COURTESY CALL ON THE HON'BLE MINISTER FOR COMMERCE

A delegation from the Chamber, formed by the newly elected office bearers and led by the President, Mr. M. Anis Ud Dowla called on the Hon'ble Minister for Commerce, Mr. Muhammad Faruk Khan, M. P., at his Secretariat office on the 5th January, 2010. The following points, among others, were raised during the meeting:

- Price of essential commodities and role of Trading Corporation of Bangladesh (TCB);
- Conversion of TCB into a public limited company;
- Consumer Right Protection Act, 2009;
- Regional trade and market access to India;
- WTO issues, and digitization of the WTO Cell under the Ministry of Commerce;
- The Companies Act, 1994;
- The Mobile Court Act, 2009; and
- Cost Audit of listed companies.

The Minister congratulated the newly elected office bearers and provided his own views on the issues addressed, and thanked the delegation.

2. MEETING WITH THE HON'BLE MINISTER FOR AGRICULTURE

A delegation from Metropolitan Chamber of Commerce and Industry, Dhaka, (MCCI) led by its President, Mr. M. Anis Ud Dowla, called on the Hon'ble Minister for the Ministry of Agriculture, Begum Matia Chowdhury, M.P., at her office on the 17th January, 2010. The delegation discussed, among others, the following issues with the Minister:

- Agricultural production cost;
- Extensive use of surface water for irrigation to attain self-sufficiency in food;
- Agro-based industry; and
- Diversification of agriculture and agricultural products and over-all agricultural development.

The delegation also specifically suggested incorporating an exclusive chapter devoted to agro-processing industry in the upcoming National Industrial Policy.

The Hon'ble Minister showed keen interest on the Chamber's suggestions, and thanked the delegation for addressing the issues.

3. HIGH-LEVEL ASIA-PACIFIC POLICY DIALOGUE FOR THE LDCs

The Chamber took part in the High-Level Asia-Pacific Policy Dialogue for the LDCs held in Dhaka at Pan Pacific Sonargaon Hotel during 18-20 January, 2010.

The Chamber President, Mr. M. Anis Ud Dowla was invited to participate as one of the discussants in cluster 5 titled, "Development of human and institutional capacities for sustainable development". In his presentation, the Chamber President highlighted the need for time-bound program on poverty reduction, improvement of health, sanitation, safe water, primary education, skills and ICT development etc. Besides, the President emphasized on two new issues, i.e., effects of climate change and need for updated information and data management system.

The Chamber also hosted a dinner event for the visiting foreign delegates participating at the dialogue, business leaders, top civil servants, heads of civil society organizations, officials of foreign missions and international agencies, and prominent

media personnel.

4. MEETING WITH THE HON'BLE MINISTER FOR INDUSTRIES

A delegation from the Chamber, led by its President, Mr. M. Anis Ud Dowla, called on the Hon'ble Minister for the Ministry of Industries, Mr. Dilip Barua, at his office on the 31st January, 2010. The delegation discussed, among others, the following issues with the Minister:

- Extension of tax holiday scheme for a wider number of industrial sectors;
- Capacity building of Bangladesh Standards Testing Institute (BSTI), and inclusion of private sector in the operations and upgradation of BSTI under Public Private Partnership (PPP) basis;
- Speedy implementation of the bilateral Mutual Recognition Agreement (MRA) with India on standards testing, quality, and sanitary & phtyo-sanitary issues; and
- Reduction of administrative bottlenecks to reduce the time needed for starting up new businesses.

The Hon'ble Minister showed took note of the Chamber's suggestions, and thanked the delegation for addressing the issues.

5. MEETING WITH DR. MUHAMMAD YUNUS, NOBEL LAUREATE

A delegation from the Chamber led by its President, Mr. M. Anis Ud Dowla, called on Dr. Muhammad Yunus, Nobel Laurate and the Managing Director of Grameen Bank, at the latter's office on the 15th February, 2010. The Chamber President, on behalf of the Chamber, invited Dr. Yunus to visit the Chamber and deliver a lecture on

the concept of social business – a model for creating a new economic and social order.

Dr. Yunus accepted the invitation and would visit the Chamber at a convenient time.

6. INVESTMENT SEMINAR ON BANGLADESH IN SINGAPORE

The Chamber participated in the Investment Seminar on Bangladesh held in Singapore on the 23rd February, 2010. Board of Investment of Bangladesh Government and Singapore Business Federation jointly organized the seminar to mobilize foreign investment in Bangladesh. The Chamber President Mr. M. Anis Ud Dowla presented a keynote paper titled “Key Sectors and Projects for Investment on Private-Public Partnership Basis” at the seminar. There were 88 participants primarily from the Bangladeshi entrepreneurs living in Singapore, mostly engage in shipping, textile, ICT, construction, SME, and environment sectors.

The seminar was a successful event. It is expected that successful follow up by the Board of Investment would bring desired outcome of foreign investment mobilization to Bangladesh.

7. MEETING WITH THE HON’BLE MINISTER FOR FINANCE

A delegation from the Chamber led by its President, Mr. M. Anis Ud Dowla, called on the Hon’ble Minister for the Ministry of Finance, Nr. Abul Maal Abdul Muhith, M.P., at his office on the 16th March, 2010. The delegation handed over a copy of the detailed budget proposal for 2010-2011 Fiscal Year previously submitted to National Board of Revenue and discussed the same with the Finance Minister. The Chamber highlighted the salient features of the budget proposal, which included, among others, the following major issues:

- Maintain the 3-tier customs duty slabs on basic raw materials, intermediate goods, and finished products, while keeping the import

of capital machinery duty-free;

- Keep the Pre-Shipment Inspection (PSI) system for another 5 years till adequate national capacity is in place;
- Increasing share of non-tax revenue in the Government's total revenue collection;
- Elimination of discretionary powers of the tax officials to reduce abuse of the same and harassment to the tax payers;
- Computerization of tax collection and submission of the tax return to improve governance and transparency; and
- To make the VAT scheme more business-friendly under single VAT registration system, with allowable flexibility for SMEs.

The Hon'ble Minister showed keen interest on the Chamber's suggestions, and thanked the delegation for addressing the issues.

8. VISIT OF AFRICAN DELEGATION TO THE CHAMBER

A delegation from the African Center for Economic Transformation (ACET), led by H.E. Mr. K.Y. Amaoko, former UN Under Secretary-General of Economic Commission for Africa, visited the Chamber on the 27th March, 2010. The Chamber President, Mr. M. Anis Ud Dowla received them at the Chamber Conference Hall, and a lively discussion was held on the common challenges faced by Least Developed Countries, possible areas of cooperation and trade expansion between African countries and Bangladesh.

The ACET delegation expressed their keen interest to link South Asia with Africa on business and investment partnerships and development experiences. The delegation thanked the Chamber for hosting the dialogue and agreed that there are enormous opportunities to promote trade and economic cooperation with Bangladesh.

9. MEETING WITH THE CHAIRMAN, NATIONAL BOARD OF REVENUE (NBR)

A delegation from the Chamber of led by its President Mr. M. Anis Ud Dowla, called on the Chairman of the NBR, Dr. Nasiruddin Ahmed at the NBR Office on the 30th March 2010 to discuss the Chamber's budget proposals for the upcoming 2010-2011 fiscal year. Other Members of the NBR, and members from the Chamber Committee, and those of the Taxation Sub-Committee were also present in the meeting. The Chamber delegation discussed, among others, the major proposals for lowering of import duty on basic raw materials and intermediate goods, while maintaining the 3-tier duty slabs with zero tax on import of capital goods to continue; review of the decision to impose 15% VAT on the rental of commercial space; and inclusion of private sector representatives in the NBR's Task Force for reviewing the VAT Act and Custom Tariff Schedule.

The Chamber delegation handed over a complete set of Chamber's budget proposal for the year 2010-11. The NBR Chairman took note of the Chambers' views and thanked the Chamber for addressing the issues.

10. COURTESY VISIT BY CONFEDERATION OF INDIAN INDUSTRY (CII) DELEGATION

A delegation of the business leaders from the Confederation of Indian Industry (CII) paid a courtesy visit to the Chamber on the 12th April, 2010, and the Chamber President Mr. M. Anis Ud Dowla received them at the Chamber Conference Hall.

The Chamber President underscored the importance of the bilateral trade between India and Bangladesh, and emphasized equitable trade between the two countries to reduce the existing trade imbalance. He expressed his hope that the regional transportation network would soon pave way for trade creation in near future. He further stressed that trade cooperation should not be effected by political relationship, and the business community of the two countries should utilized every available opportunity to promote bilateral trade.

The members of the Indian delegation thanked the Chamber for hosting the

meeting, and assured of continued cooperation between CII and the Chamber.

11. DIALOGUE ON PRICE VOLATILITY OF ESSENTIAL GOODS

MCCI in collaboration with KATALYST, an international project in Bangladesh, co-hosted a dialogue with the media, business community and other stakeholders on a study carried out on price volatility of essential goods on the 18th April, 2010 at the Chamber Conference Hall. Two eminent economists presented their findings from a survey conducted in 21 different retail and wholesale markets in Dhaka for rice, sugar, edible oil, and pulses etc. The study revealed that retailers enjoyed significant margin.

The issue of price monitoring and effective regulatory measures was discussed among the participants and the dialogue was considered as a successful event.

12. SEMINAR ON “US-BANGLADESH TRADE & ECONOMIC COOPERATION”

The Chamber organized a seminar on “US-Bangladesh Trade & Economic Cooperation” on the 6th May, 2010 at the Chamber Conference Hall to discuss the various issues on bilateral trade and economic cooperation between Bangladesh and USA. The Hon’ble Minister for the Ministry of Commerce, Lt. Col. (Retd.) Mr. Muhammad Faruk Khan, M. P. graced the occasion as the Chief Guest. The eminent economist Professor Rehman Sobhan moderated the seminar. Mr. Amir Khosru M. Chowdhury - former Commerce Minister, Dr.Zaidi Sattar – an eminent economist and Chairman of Policy Research Institute, and Ambassador Mr. Humayun Kabir presented the keynote papers. Mr. H. T. Imam – advisor to the Hon’ble Prime Minister, and Barrister Anisul Islam Mahmud – former Foreign Minister were the Special Guests, and His Excellency Mr. James F. Moriarty, the US Ambassador in Bangladesh was present as the Guest of Honor. High officials of the US embassy, leaders of the business community and trade bodies, senior government officials, and representatives of the media and the civil society attended the seminar.

The general importance of USA as the single largest export destination for Bangladeshi goods, and evolution of US-Bangladesh relationship from aid dependence to economic cooperation were discussed by the participants. Some major specific issues

discussed were as follows:

- Duty-free access in the US market not as a privilege, but as a prerequisite for creating a level-playing field;
- Non-distortion of privileges for LDCs accorded by WTO;
- Diversification of Bangladesh export basket by taking advantage of the global supply chain and export to the large US market with the average US tariff of 2.9%.
- Improving competitiveness and comparative advantage of Bangladesh by using national branding, promotional activities and raising awareness about new business economic system; and
- Blending business with economic diplomacy and using the large Bangladeshi community in the USA for this purpose.

The participants strongly recommended establishing a permanent Forum where the bilateral trade and economic issues between USA and Bangladesh could be discussed on a regular basis. It could be termed as “US-Bangladesh Trade & Economic Cooperation Forum”. The Forum may consist of representatives from private and public sector of both the countries.

13. MCCI'S AWARD ON ENVIRONMENT

MCCI introduced annual awards on environmental issues, and held the first awards giving ceremony on the 2nd June, 2010. An independent 5-member Selection Committee headed by Dr. Akbar Ali Khan, former Adviser to the Caretaker Government made the final selection of three winners for showing exceptional contribution towards

environmental responsibility during the period from the 1st January 2009 to the 30th September 2009. The Award Selection Committee had invited nominations of newspaper reports/TV programmes/TV feature films and commendable initiatives for different treatment/control of effluent discharge through newspaper advertisement and by issuing letters to TV channels, press clubs, editors of newspapers, trade bodies/associations and entrepreneurs. There were three awards for 2009; two were given to the media personnel, and the third was given to a business enterprise.

The Selection Committee, after vigorous examination and scrutiny selected Mr. Pinaki Roy of the Daily Star as the best investigative journalist, Mr. S.M. Babu of ATN Bangla as the best investigative conductor of TV programme on environmental pollution, particularly river pollution and Echotex Limited as the best enterprise for the best initiative taken for effluent treatment.

As per the announcement made by MCCI, Mr. Pinaki Roy and Mr. S.M. Babu each received Taka one lac, yearly subscriptions of international magazines/reports/publications up to Taka fifty thousand and an MCCI plaque with suitable citation. Echotex Limited received an MCCI plaque with suitable citation as a special award.

14. POST-BUDGET SECTORAL DISCUSSION

A Post-Budget discussion session was jointly organized by the Chamber and Policy Research Institute at the Chamber Conference Hall on the 20th June, 2010 where the views of the major business sectors were discussed by their respective representatives on the proposed National Budget 2010-2011. Two renowned economists and former Advisers to the Caretaker Government, Dr. A. B. Mirza Azizul Islam and Dr. Wahiduddin Mahmud were present at the session as Special Guests.

The sectoral representatives held a fruitful discussion focusing on trade and industry in the perspective of the proposed national budget.

15. SEMINAR ON “TRAFFIC CONGESTION AND ITS IMPACT ON BUSINESS: SOME REMEDIAL MEASURES”

A seminar was jointly organized by the Chamber and The Chartered Institute of Logistics and Transport on 'Traffic Congestion and its Impact on Business: Some Remedial Measures" on the 21st July, 2010 at the Chamber Conference Hall. The Hon'ble Minister for Home Affairs, Advocate Shahara Khatun, M.P., was present as the Chief Guest. Commissioner of Dhaka Metropolitan Police, Mr. A.K.M. Shohidul Haq, BPM was also present. The Vice-Chancellor of BRAC University, Dr. Aynun Nishat moderated the discussion. The seminar was attended by a good number of Chamber members, print and electronic media personnel, professionals and Government officials.

Different speakers and discussants suggested the following steps to be taken as short and long term measures to resolve traffic congestion in Dhaka City:

- (a) Strict enforcement of traffic rules;
- (b) Introduction of commuter trains;
- (c) Construction of flyovers at critical locations as well as at rail gates;
- (d) Construction of more foot-over-bridges at populated road crossings;
- (e) Army cantonment, BDR Headquarters, BUET and Dhaka University campus should be transferred to suitable locations outside Dhaka City by vacating the huge land space presently under their occupation;
- (f) There should be strong co-ordination between organizations such as, Dhaka City Corporation, WASA, Bangladesh Telegraph and Telephone Board, Power Development Board, etc. in digging city roads, which is done round the year;

- (g) Indiscriminate blockade of footpaths and road space by bus counters must be stopped;
- (h) Bill-boards must not be erected at foot-over-bridges;
- (i) CNG refuelling stations must be located at outskirts of the city, which should use their own allotted space instead of road space;
- (j) Private universities/schools should be removed from residential areas;
- (k) Public transports such as, commuter train and bus must be provided at low cost, with quality service and easy availability and their use should be encouraged;
- (l) Researchers may look into the future aspects of Dhaka Metropolitan Development Plan and City Transport Plan; and
- (m) Awareness programs should be initiated by Traffic Department to acquaint the drivers of public transports and private cars with the relevant laws and rules;

The Chief Guest, Home Minister Advocate Shahara Khatun M.P. thanked MCCI and The Chartered Institute of Logistics and Transport, Bangladesh for jointly organizing the seminar. She also appreciated the comments and suggestions made by the discussants and other members present at the seminar. The Minister also informed that her Ministry had been already taking different steps for resolving the traffic problem in Dhaka City and would give due consideration to the comments and suggestions put

forward at the seminar.

The Chamber Committee after a discussion decided that the summary of the discussions at the seminar would be sent to all concerned Ministries/departments.

16. SEMINAR ON “BANGLADESH-INDIA TRADE: A CLOSER LOOK”

A seminar was organized by the Chamber on 'Bangladesh-India Trade: A Closer Look' at the Chamber Conference Hall at the Chamber Building, 122-124 Motijheel C/A, Dhaka on the 5th August, 2010. Various dignitaries including the Commerce Minister, Adviser to the Hon'ble Prime Minister, Members of the Parliament, former diplomats, economists, business leaders, and media personnel were present in the seminar.

After the welcome address by the Chamber President Mr. M. Anis Ud Dowla, Mr. Farooq Sobhan, a former foreign secretary delivered his introductory speech and moderated the seminar. Three designated panelists for the seminar, namely, Mr. Mamun Rashid, CEO, Citibank, N.A., Mr. Ahsan Khan Chowdhury, of Agriculture Marketing Company Limited, and Mr. Dipankar Chatterji, Chairman, Confederation of Indian Industry (CII) - North East Council, India presented their views on Bangladesh-India Trade. The Guest of Honor, Mr. Abul Hassan Mahmood Ali, M.P., Chairman, Parliamentary Standing Committee on Ministry of Foreign Affairs presented his views after the presentations by the designated panelists. The Special Guest, Dr. Mashiur Rahman, Adviser to the Hon'ble Prime Minister delivered his valuable speech. Then the three designated discussants, namely Dr. Md. Mozibur Rahman, Chairman, Bangladesh Tariff Commission, Mr. Munawar Misbah Moin, Rahimafrooz Batteries Ltd. and Dr. Mustafa Abid Khan, Joint Chief, Bangladesh Tariff Commission discussed various issues on Bangladesh-India Trade. Then the participants took part in open discussions making comments, observation and enquiring about the views of the speakers. When the open discussion was over, the Chief Guest, Mr. Muhammad Faruk Khan, M. P., Hon'ble Minister for Commerce delivered his speech.

It was noted by the speakers that an enormous opportunity for trade for Bangladesh and India had opened up by recent visit to India by our Prime Minister. The seminar was very lively and the discussion held was thought-provoking. Some significant points came up to improve the trade situation and reduce the trade gap between the two neighboring countries from this seminar. Some of them are as under:

- Maximize the benefits of prevailing good bilateral political relationship;
- Frequent interaction between two ministers of commerce;
- Set US\$1 billion target for Bangladeshi Exports to India;
- Bangladesh Bank should allow local businessmen to invest abroad;
- Strengthening the joint taskforce of CII and MCCI as means to take advantage of the free trade opportunities and continue dialogues on mutual trade interests; and
- Effective follow up process should be in place to implement the decisions taken at various meetings.

17. THE FIRST 'E-CONTENT AND ICT FOR DEVELOPMENT AWARD 2010'

The first 'E-Content and ICT for Development Award 2010' was introduced jointly by the Ministry of Science and Information & Communication Technology of Bangladesh Government, and D.Net, a private sector ICT company in a ceremony held on the 9th August, 2010.

. This award in the first year of introduction was dedicated in the name of Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) for its contribution to development of trade and commerce with a special focus on ICT promotion.

The State Minister for the Ministry of Science and Information & Communication Technology, Architect Mr. Yeafesh Osman was present as the Guest of Honor, and the Minister of Finance, Mr. Abul Maal Abdul Muhith, M.P., was present as the Chief Guest at the award giving ceremony. Various individuals and institutions for their contribution in the ICT sector conducive to national development were honored by the awards.

The Chamber President Mr. M. Anis Ud Dowla, on behalf of the Chamber, received a memento from the organizers as a tribute.

18. VISIT BY THE HON'BLE MINISTER FOR FINANCE

The Hon'ble Minister for Finance, Mr. Abul Maal Abdul Muhith, M.P., visited the Chamber on the 11th August and the Chamber President Mr. M. Anis Ud Dowla received him at the Chamber Conference Hall.

The leaders of the business community present at the meeting expressed their concerns over some issues in the current National Budget 2010-2011. The Minister took keen interest on those concerns, and asked the Chamber to forward a summary of those issues in writing to his office. Accordingly, the Chamber Committee later sent a summary of proposals for his kind consideration. Some of the concerns mentioned in the summary proposal were as under:

- (a) Imposition of Tax on Sale of Share at a Premium over face value:** The 2010-2011 budget proposed imposition of 3% tax on the premium over face value of shares sold to raise its share capital at a value in excess of face value. The Chamber opined that a tax on the premium collected on subscription of shares issued in an IPO or a repeat public offering would amount to a tax on capital,

which was generally not permissible by law, and this should be reviewed.

- (b) Excessive Deduction of Tax at Source:** The Chamber observed that Deduction of Tax at source in most cases had been increased by a range of 66.67% to 150% which would significantly increase the cost of doing business and would be passed down to consumers, and this needed to be reviewed.
- (c) PSI Exemption List:** The Chamber recommended that the scope of Pre-shipment Inspection (PSI) scheme should remain at same level as in the previous fiscal year and the system should be allowed to work until the customs departments acquires full capacity to replace PSI.
- (d) Withdrawal of VAT on Rental of Commercial Infrastructure:** The Chamber urged for withdrawal of Value Added Tax (VAT) on commercial infrastructure introduced by a notification in the last fiscal year. The Chamber observed that a specific provision in the notification did not allow adjustment of the VAT paid by the lease holders against own VAT liability, which was wholly against the concept of VAT, and this had substantially increased the cost of doing business.
- (e) Activation of Tariff Commission:** The Chamber opined that the role of Bangladesh Tariff Commission had not been exhausted only in imposition of custom duty, and VAT, and could play a more effective role in fixation of tariff value, more rational customs duty, and etc. The Chamber appreciated the recent decision by the Government to rename and restructure the Tariff Commission as Trade Commission as a good gesture toward this end.

19. DISCUSSION MEETING ON “CLIMATE CHANGE: BUSINESS OPPORTUNITIES”

The Chamber organized a discussion meeting on “Climate Change: Business Opportunities” on the 25th August, 2010 at Dhaka Sheraton Hotel. The focus of the discussion was on the issues on Climate Change and business opportunities arising from it. Eminent environmental scientist and the Vice-Chancellor of BRAC University, Professor Ainun Nishat was present as the keynote speaker.

It was noted that, Bangladesh, assessed by multiple agencies including the World Bank, as one of the most vulnerable to climate change hazards, is eligible to access a sizable portion of this fund committed internationally. The primary sources of opportunities arising from Climate Change issues for Bangladeshi business community were identified as under:

- (i) Access to the international fund committed by the governments of the developed countries, and

- (ii) Carbon trading opportunities under various UN-operated market mechanisms such as *Clean Development Mechanism (CDM)*, *Reducing Emissions from Deforestation and Forest Degradation (REDD)*.

It was mentioned that Bangladesh Government has made some progress in developing the procedure to access the international funds, but would need to do more. It was underscored that partnership with the private sector would ensure efficiency, transparency, and need-based utilization of these funds, and will bring in opportunities.

The speaker urged the business community to assume a pro-active role and press the government to allow the private sector to participate more (i) in the policy formulation, (ii) implementation/utilization of funds allocated for climate change mitigation and adaptation measures, and (iii) to access the international funds. Some specific areas of opportunities identified where private sector business can engage were

as under:

- **Food security, social protection & health security:** Opportunities for development of climate resilient cultivars and their distribution/dissemination, investments in irrigation systems, adaptation measures in fisheries and livestock, etc.
- **Comprehensive disaster management:** Opportunities for risk management, including insurance on loss of income and property.
- **Infrastructure development:** Opportunities for dredging and river management, construction and maintenance of coastal and flood embankments.
- **Research and knowledge management:** Opportunity for training and research centers on climate change and biodiversity issues.
- **Mitigation and low carbon development:** Opportunities for improved energy efficiency, gas and coal mining, renewable energy, energy efficient equipment and appliances, waste management, reforestation programs, fuel-efficient transportation system, etc.
- **Capacity building – institutional and human:** Opportunities for policy level intervention, technology transfer, and overall capacity building of public and private institutions.

The Chamber Vice-President Mr. Syed Nasim Manzur thanked the speaker on

behalf of the Chamber, and appreciated the valuable information gained through the discussion, and said that the Chamber would continue to further explore the business opportunities associated with climate change.

20. VISIT OF THAI TRADE MISSION TO THE CHAMBER

A 27-member Trade Mission from Thailand, led by Mr. Ming Pant Chaya, President of Thai-Bangladesh Business Council visited the Chamber on the 21st September 2010. Chamber Committee Member Mr. Kamran T. Rahman received them at the Chamber Conference Hall, and a lively discussion was held on the common issues, i.e., trade expansion, possible areas of cooperation, duration of multiple-entry visas etc. Both sides also expressed their commitment to renew the relationship between the MCCI and the Thai Chamber of Commerce and Industry, which was forged earlier by signing a Memorandum of Understanding in 1996.

The Thai Trade Mission expressed their keen interest to engage in business and invest in various sectors, especially energy, as well as development process of Bangladesh. The delegation thanked the Chamber for hosting the dialogue and agreed that there are enormous opportunities to promote trade and economic cooperation with Bangladesh.

21. MEETING WITH THE MINISTER FOR LAW, JUSTICE, AND PARLIAMENTARY AFFAIRS AND THE CHAMBER'S SUBMISSION ON THE DRAFT LAW ON ALTERNATIVE DISPUTE RESOLUTION (ADR) ON VAT AND CUSTOMS

A delegation from the Chamber led by the Chamber President Mr. M. Anis Ud Dowla called on the Hon'ble Minister for Law, Justice and Parliamentary Affairs, Barrister Shafique Ahmed, at his office on the 13th October, 2010. The delegation discussed the

issue of constituting a draft law on Alternate Dispute Resolution (ADR) on VAT and Customs. The Chamber's views submitted to the Ministry on the draft law were primarily to uphold the interest of the business community. Some of the major concerns expressed by the Chamber were:

(a) ADR process must not be another tribunal or judicial or quasi-judicial process. It must be designed as a process whereby disputes may be resolved by consensus through expert mediation and supervision.

(b) All rights of the parties to take recourse to the formal statutory dispute resolution mechanisms, including appeal before the appellate authorities (such as the tribunals) and courts must be reserved.

(c) There must be adequate incentives (in terms of cost and time savings, and assurances of fair resolution), as well as safeguards in order to encourage both the revenue and the tax-payer to take advantage of the ADR process.

(d) The ADR process must be assisted by persons who are unbiased and impartial to both parties who will oversee an informal process.

(e) There must be a short, fixed timeframe for each ADR process.

(f) Private sector must be well represented on the drafting Committee on law on ADR.

22. CHAMBER'S PARTICIPATION AT THE REGIONAL CONFERENCE,

“INTEGRATING BIMSTEC 2010” AT GUWAHATI, ASSAM, INDIA

The Chamber President Mr. M. Anis Ud Dowla, on behalf of the Chamber, participated at the regional conference, “Integrating BIMSTEC 2010” held on the 12th November, 2010 in Guwahati of Assam, India at the request of the Minister for Industries. The Chamber President urged upon the importance for concluding the regional BIMSTEC agreement at the earliest in the view the setback in the negotiation of the Doha Round under the pluri-lateral WTO regime.

At this occasion, a Memorandum of Understanding (MoU) was also signed between the MCCI and Indian Chamber of Commerce (ICC) for promotion of international trade outlining areas of mutual cooperation between India and Bangladesh.

23. CHAMBER’S SUBMISSION OF PROPOSALS TO THE MINISTRY OF COMMERCE REGARDING EXPORT

The Chamber was requested by the Ministry of Commerce to send proposals for a meeting of the National Committee on Export which is headed by the Hon’ble Prime Minister. The Export Sub-Committee of the Chamber chaired by Mr. Syed Nasim Manzur held a detailed discussion and finalized Chamber’s proposals which were sent to the Ministry of Commerce, and were discussed in a meeting with the stakeholders at the Ministry on the 23rd November, 2010. All major chambers and line associations had sent a total of 42 proposals. The meeting discussed and decided that only the major issues would be taken up before the Hon’ble Prime Minister and the rest of the proposals would be addressed by respective line ministries/agencies. The Chambers’ proposals included effective steps to eliminate barriers to increase regional trade particularly trade with India. In that context, some specific proposals concerning laboratory testing, excessively high testing fees, bank guarantee, visa issues etc were made. In addition, industrial zoning, setting up central effluent treatment plant, establishing railway network for carriage of goods along the industrial belts, setting up IT village etc were also made. Some of the important issues crucial for export promotion were noted as under:

- (a) Branding Bangladesh
- (b) More allocation for research and development
- (c) Woven & Knitwear Village
- (d) Central fashion & design institute for textile sector
- (e) Handicraft design and training institute
- (f) Introduction of Foreign Trade Policy.

24. HIGH LEVEL DISCUSSION ON “BANGLADESH: THE NEW INVESTMENT DESTINATION”

The Chamber organized a high level discussion on investment titled “Bangladesh: The Next Investment Destination” on the 1st December 2010. The distinguished persons who attended the discussion session as speakers were:

- (a) Dr. Jomo K. Sundaram, Assistant Secretary-General for Economic and Social Development at the Department of Economic and Social Affairs in United Nations Headquarters, New York was the keynote speaker.

Other speakers were:

- (b) Mr. Ashish Bharat Ram, Managing Director SRF Limited, India

- (c) Mr. Ulrik Federspiel, Vice President, M/s Haldor Topsøe, Denmark

- (d) Mr. Muhammad Aziz Khan, Chairman & MD, Summit Power Ltd.

- (e) Mr. Oddavar Hesjedal, CEO Grameenphone Ltd.

- (f) Mr. Salahuddin Kasem Khan, Managing Director, A. K. Khan & Co. Ltd.

The discussion was moderated by Mr. M. Syeduzzaman, a former Finance Minister. The Agricultural Minister, Begum Matia Chowdhury, M.P., was the Chief Guest and Mr. Dilip Baura, the Minister for Industries attended the discussion as the special guest. Around 200 participants from the government, business community, think-tanks, donor community, academia, and professional and civil society organizations attended the discussion. The discussion brought out some of the critical issues concerning investment in Bangladesh.

The keynote speaker, other speakers, and distinguished participants underscored the policy coherence as a prerequisite for mobilization of domestic resources as investment which would in turn attract foreign investment. The speakers emphasized on the need for more 'Greenfield Investments', which involved fresh investments in new areas, rather than 'Brownfield Investments', consisting of merger and acquisitions. There was also discussion and recommendation for adopting functional interventions such as industrial policy, monetary policy, etc., reduction of interest rate, and maintaining policy stability to create a more conducive investment climate in Bangladesh.

25. MEETING WITH THE FORMER DIRECTOR OF TRANSPORT, UN-ESCAP, BANGKOK ON REGIONAL CONNECTIVITY ISSUE

The Chamber Committee received Dr. M. Rahmatullah, a former Director, Transport, UN-ESCAP, Bangkok, and former policy Advisor on transport issues to Bangladesh Planning Commission, on the 14th December, 2010, to learn the expert view on the trade and economic impact and challenges associated with the regional transport connectivity.

Dr. Rahmatuallah presented the relevant details of the transit and trans-shipment issue vis-à-vis the joint communiqué signed between Bangladesh and India. He also made reference to the proposed routes of the Trans Asian Highway Network. A tentative cost-benefit and the likely scenario of charges and fees associated with transit and trans-shipment facilities extended to India, Nepal, and Bhutan were also discussed. The need for developing adequate road, rail, and water transport infrastructure for effective use of Chittagong and Mongla Ports by the regional countries was also discussed.

26. CHAMBER'S INITIATIVE FOR SETTING UP INVESTMENT FACILITATION CENTER

The Chamber took the initiative to set up an Investment Facilitation Centre (IFC) with the assistance from an international funding agency. The primary objective of the Centre will be to provide a new specialized role for MCCI, capable of promoting and facilitating investment in the country. The Centre will focus on complimenting the services offered by the Board of Investment. The Centre will start functioning phase-wise from the beginning of 2011.

This Centre would be to make MCCI a more efficient and dynamic organization capable of mobilizing investment in Bangladesh in a globally and regionally competitive market for FDI. Other expected objectives and outcomes are:

- (a) Capacity building and institutional strengthening of MCCI.

(b) MCCI would be able to handle higher levels of inquiries and visits from investors seeking investment in Bangladesh, thus contributing to increased FDI inflow and job creation in the country.

(c) This will pave the way for a strong research platform and information database to meet the needs of the business community.