

## **Recommendations of JBCCI (In consultation with DCCI)** **at the JBCCI – DCCI Seminar on 27 February 2006**

**In order to enhance the speed of economic development of Bangladesh through the private sector initiatives, JBCCI would like to propose, in consultation with DCCI, the following recommendations (based on the result of the questionnaire survey mentioned earlier and also the experience of the JBCCI Members) for consideration of the Bangladesh Government and also for the necessary support of the Government of Japan:-**

### **(a) Recommendations for Consideration of the Government of Bangladesh:**

1. To prepare and implement the Strategic Transport Master Plan for the Capital, other major cities and the country of Bangladesh to achieve accelerated growth, while ensuring the following:

- Make the Master Plan public
- Give specific time frame for implementation
- Funding plan to be shared with business community so that government may receive proposals for BOT, BOO etc.

2. To adopt appropriate measures for avoiding HARTAL which has enormous adverse effect on national economy.

3. To set up specific procedure for different approvals and to fix up the maximum time span needed for each approval and to announce those information publicly. Also to make public the organization chart / responsibility matrix for all approval process, similar to what BOI has done.

4. To undertake specific action plan to eliminate corruption.

5. To establish closer coordination among the relevant Government Departments/Agencies in formulating policies. Co-ordination between different Government Ministries on regular basis in order to ensure that budgetary plans are not disturbed as far as issuance of licenses are concerned.

6. Five year implementation plan with regard to policies ensuring no over-regulation during the term of the plan

7. To train up Specialist Officers in different Government Departments/Agencies and to retain them in or around the same place for a significant span of time.

8. To guarantee the continuation of approved projects even if the Government changes on the way.

9. To ensure public-private cooperation, consultation should be made with the relevant private sector organization/ associations/trade bodies including foreign chambers e.g. JBCCI, FICCI etc. before revising the rules & regulations which affect business enterprise.

10. Regular discussion between Ministry of Finance, National Board of Revenue (NBR) and Chambers of Commerce.

11. Top priority should be given to the power sector for public and private investment to ensure smooth supply of electricity through proper maintenance, expansion and new construction of power plants with simultaneous expansion of transmission lines.

12. To introduce the 'Electronic Customs Clearance System' so that Advance Customs Clearance also becomes possible.

13. To improve the Legal System, especially for commercial disputes, so that 'Verdict of the Court' can be obtained in a short time and the same can be implemented without any delay.

14. To shorten the time required for the Tendering Process of the Government, perhaps by decentralizing the authority of the National Purchase Committee to the concerned Departments /Agencies and standardizing the set of purchase rules and policies; also to avoid repeated re-tendering which is against a conducive business climate.

15. To ensure publications of the English version (in addition to Bengali) of the Government Regulations/Orders (e.g. Statutory Regulatory Orders – SROs) for easy understanding of the foreign investors. Also to ensure quick and proper updating of websites with such Government regulation / orders etc. to save time and avoid confusion among the business community.

16. To put the entire laws of the country in the web site for easy access of anybody to the same. Say at the web site of the Ministry of Law.

17. To strengthen the control/intervention of the Central Bank (i.e. Bangladesh Bank) for eliminating the delay in the settlement of L/C payments.

18. To simplify and shorten the process in getting permission of the Central Bank (i.e. Bangladesh Bank) for sending outgoing remittance by the foreign investors, specially to allow import against direct payment (without L/C), now limited to maximum US\$ 5000 which should be relaxed in case of 100% FDI projects, JV project and recognized industrial unit to import raw materials, capital machinery and spare parts thereof without any limit of the amount.

19. To make efforts for early publication of national statistics including those connected with international trade (at the moment the published data are 2 ~ 3 years old).

20. To eliminate or enhance the 6% limit of the project cost for payment of Technical Fee/ Royalty to a third party overseas in connection with establishing a factory in Bangladesh.

21. There should be difference in Customs Duty and taxes between CKD and CBU to encourage the assembly cum progressive manufacturing industry.

22. To provide more incentives (say, tax holiday for 15 years) for important industries (such as backward linkage industries of the textile sector and light engineering) to attract foreign investors (at present, for any company the maximum tax holiday period is 10 years in the EPZ).

23. To eliminate the BEPZA instruction for 10% annual increment in the wages for workers/employees within the EPZ areas, since trade union is allowed in EPZ.

24. To formulate legal framework to permit female workers to work for 3 shifts like other countries subject to providing necessary facilities (at present, the female workers are allowed to work up to 8:00 p.m. in EPZ).

25. To meet the growing demand of industrialization, Govt. should develop numbers of industrial parks /special economic zones across the country.

**(b) Requested Support from the Government of Japan:**

1. In preparing the Transportation Master Plan for the Dhaka City.

2. In introducing the Electronic Customs Clearance System (both hardware and training of personnel).

3. In establishing a Comprehensive Technical Training Centre of Advance Level.

4. In upgrading/expanding the port facilities including the developing of a Deep Sea Port facilities.

5. To support more power generation development in the public sector on priority basis.

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