

(January — December)

1. COURTESY CALL ON THE HON'BLE MINISTER, MINISTRY OF COMMERCE

A delegation from Metropolitan Chamber of Commerce and Industry, Dhaka, led by its President, Mr. Abdul Hafiz Choudhury, FCA, called on the Hon'ble Minister for the Ministry of Commerce, Mr. Muhammad Faruq Khan, M.P., at his office on the 13th January, 2009. The delegation discussed, among others, the following issues with the Minister:

- Keeping the foreign currency exchange rate stable and competitive;
- Repeal of the Bangladesh Flag Vessels (Protection) Ordinance 1982;
- The issues on the bilateral and regional trade agreements, and market access issues to India;
- Continuation of Bangladesh Better Business Forum;
- Strategies of export development; and
- Consumer Protection Ordinance 2008.

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

2. CALL ON THE HON'BLE MINISTER FOR FINANCE

A delegation led by its President Mr. Abdul Hafiz Choudhury, FCA, called on the Hon'ble Minister for Finance, Mr. Abul Maal Abdul Muhith, M.P., at the latter's office on the 21st January, 2009. The following major issues were discussed with the Minister:

- The measures to confront the challenges of economic revitalization at the time of global recession;
- The contemporary issues of high food prices, and the government's plan for inflation control;
- Volatile situation in the capital markets;
- Law and order situation, and
- Economic losses resulting from prevailing crisis of gas and electricity.

The Minister took keen interest on the views of the Chamber, and thanked the delegation for raising the issues.

3. CALL ON THE HON'BLE MINISTER FOR INDUSTRIES FOR A POLICY PACKAGE TO SUPPORT EMPLOYMENT GENERATION

A delegation from the Chamber led by its President Mr. Abdul Hafiz Choudhury, FCA called on Mr. Dilip Barua, the Hon'ble Minister for the Ministry of Industries on the 8th February, 2009 at the latter's office. The Chamber placed their demand for a policy package to provide fiscal and tariff support to the industrial sector to create employment opportunities

and also expedite the country's graduation to a middle income country. The delegation urged the Minister to hold an inter-ministerial meeting along with the representatives of the trade and industry to consider the proposals before the next budget. The following issues were discussed with the Minister:

- The importance for industrial promotion for employment generation and poverty reduction;
- The need for removal of tariff anomalies on basic and intermediate raw materials and finished goods;
- Fiscal support for technology transfer;
- Loss minimization of the sector corporations under the Ministry of Industries;
- Institutional strengthening of product testing and certification procedure at Bangladesh Standards and Testing Institution; and
- The high licensing fees for captive power generation capacity as an impediment to cost-effective industrial production.

The Minister was keen on the views of the Chamber and appreciated the Chamber's role for addressing the issues.

4. PARTICIPATION IN THE 2-DAY INTERNATIONAL EVENT TITLED, 'SOUTH EUROPE MEETS SOUTH ASIA 2009' IN COLOMBO, SRI LANKA [February 27-28, 2009]

The Chamber was a partner of the multi-country match-making project, 'South Europe Meets South Asia 2009', funded by the European Commission. The Chamber Secretariat successfully disseminated the purpose and benefit of the project to the target groups of Information Technology and Food Processing sub-sectors in Bangladesh, and a total of 25 Bangladeshi participants from 13 IT-based companies and 3 food processing companies attended the 2-day long match-making event in Colombo, Sri Lanka. Bangladesh had the highest number of participants among all guest countries—Spain, Greece, Italy, Slovenia, Nepal, and Bangladesh while Sri Lanka was the host country.

The Bangladeshi entrepreneurs who participated in the events were satisfied and felt that this event was helpful to explore new business possibilities and develop a network.

5. CHAMBER'S VIEWS ON THE PROPOSED INCREASE OF THE ELECTRICITY TARIFF PRESENTED AT THE OPEN HEARING SESSION

The Chamber presented its views on the proposal for increasing the electricity tariff rates at the retail level at the open hearing session organized by the Bangladesh Energy Regulatory Commission (BERC) on the 4th March 2009. The Chamber recommended that the rate of increase should not be more than range of 8% to 10% if the escalation of electricity tariff is unavoidable, and BERC should focus more on cutting down the management cost and inefficiency of the electricity generation companies.

6. MEETING WITH THE CHAIRMAN, NATIONAL BOARD OF REVENUE

(NBR)

A delegation from the Chamber of led by its President Mr. Abdul Hafiz Choudhury, FCA called on the Chairman of the NBR, Mr. Muhammad Abdul Mazid at the NBR Office on the 11th March 2009 to discuss the Chamber's budget proposals for the upcoming 2009-2010 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 underscored the need to remain vigilant against any fall-out impact of the global crisis, and their commitment to provide effective fiscal support in terms of tax and tariffs to boost the country's economic potentials. The Chamber president urged for the removal of uncertainties about continuation of tax holiday in the upcoming budget. MCCI also suggested further lowering of corporate income tax and reduction of the disparity between rates of corporate taxes for different industrial sectors, and withdrawal of supplementary tax on the import of raw materials and non-luxury items to boost domestic-market oriented industrial growth.

The Chamber delegation handed over a complete set of Chamber's budget proposal for the year 2009-10. The NBR Chairman took note of the Chambers' views and thanked for addressing the issues.

7. CALL ON THE HON'BLE PRIME MINISTER

The Chamber put forward a set of proposals for the economic agenda of the new government to face global economic recession, and discussed various other economic issues with the Hon'ble Prime Minister Sheikh Hasina, M.P., at her office on the 18th March, 2009. A 19-member delegation from the Chamber was led by its President, Mr. Abdul Hafiz Choudhury, FCA. In the proposals, the Chamber expected supportive monetary policy and business friendly fiscal policy as two most important mechanisms to face the global recession which is already adversely affecting some sectors of the economy.

The President of Chamber also presented a crest to the Prime Minister on behalf of the Chamber. The Chamber took note of the Hon'ble Prime Minister's views on the areas where MCCI could be involved.

8. VISIT BY THE HON'BLE MINISTER FOR COMMERCE

The Hon'ble Minister for Commerce, Mr. Muhammad Faruq Khan, M.P., visited the Chamber on the 1st April, 2009. The President, Mr. Abdul Hafiz Choudhury, FCA received him on behalf of the Chamber. The Committee members, former Presidents of the Chamber, top business leaders, government officials, and members of the civil society and the media were present at the meeting. The Chamber presented the views on the following major issues:

- Easy availability of credit facilities at a low interest rate, between 8 to 9 per cent, to the private sector and especially to small and medium enterprises;
- Increase in public spending to generate employment and improve domestic demand;

and

- The need for lowering the cost of business by reducing the bank charges, and port services in order to keep the prices of exports competitive.

The Minister considered the views of the Chamber, and appreciated the Chamber's role for raising the issues.

9. VISIT BY THE HON'BLE MINISTER FOR FINANCE

The Hon'ble Minister for Finance, Mr. Abul Maal Abdul Muhith, M.P. paid a visit to the Chamber on the 14th of May, 2009. The President, Mr. Abdul Hafiz Choudhury, FCA received him on behalf of the Chamber. The Committee members, many of the former Presidents, business leaders including the Presidents and Chairpersons of the leading trade bodies, government officials, and media personnel were present at the occasion. The President, on behalf of the Chamber, underscored the need for continuation of Tax Holiday and widening of the scope of the same in the next budget; reduction of corporate tax rates and elimination of discriminatory tax rates for insurance, banks, and other financial institutions; provision to permit investment outside the country in order to explore new export opportunities and destinations; and the importance of maintaining a necessary balance between a liberal tariff regime and the policy support needed to promote local industries.

The Minister took keen interest to the views expressed by the Chamber, and thanked for raising the issues.

10. CALL ON THE GOVERNOR OF BANGLADESH BANK

A delegation led by Chamber's President Mr. Abdul Hafiz Choudhury, FCA, called on the Governor of Bangladesh Bank, Dr. Atiur Rahman, at the latter's office on the June 10th, 2009. The following issues were discussed with the Governor:

- Reduction of the prevailing high interest rates, and the wide spread between the deposit and lending rates, and continued high rates of bank service charges in order to lower the cost of borrowing;
- Possible reduction of Statutory Liquidity Ratio (SLR) and Cash Reserve Requirement (CRR) of the commercial banks for effective implementation of the monetary policy measures;
- Concern over the increasing trend of government's borrowing from the banks causing inflation;
- Enforcement of the acceptance of the FCA (Free Carrier) L/Cs by the commercial banks instead of FOB L/Cs only in order to achieve lesser risks in carrying goods and lower cost of transport;
- Ensure increased credit flow to agriculture, and rural economy to achieve employment generation and economic growth;
- Relaxation of present strict restrictions in investment outside the country needed for successful export promotion and market creation;
- Need for parity of the prevailing separate exchange rates for the exporters and

- remitters;
- Establishment of a data bank under the aegis of Bangladesh Bank to cater to the needs of exporters, importers, and bankers with trade related information;
 - Need for a guideline for project financing under the Public Private Partnership (PPP); and
 - Expediting the implementation of a number of recommendations made by the Bangladesh Better Business Forum (BBBF) in respect of the banking sector.

The Governor showed keen interest on the Chamber's suggestions and thanked the delegation for addressing the issues.

11. VISIT BY THE DELEGATION FROM THE WORLD BANK

A team of experts from the World Bank paid a visit to the Chamber on the 14th June, 2009 to hold a pre-consultation meeting with the leaders of the private sector to get the views of the business community on what should be the goals, objectives and strategy of the World Bank's Country Assistance Strategy (CAS) for the upcoming 2010-2013 period. The President Mr. Abdul Hafiz Choudhury, FCA received the delegation at the Chamber's Conference Hall, and presented the views of the business community on the following priority areas:

- Improvement of productivity and efficiency of the agriculture sector by technology transfer, and capacity building initiatives;
- Need for financial and technical assistance to develop the power and energy sector the country which is facing severe energy crisis;
- Strengthening of local government bodies in order to create an enabling environment for sustainable development at the local level;
- Initiation of projects and programs conducive to skills development conducive to employment generation, particularly in the rural areas, and for workers going abroad;
- Ensure investment-oriented and productive utilization of inward remittances; and
- The Chamber's commitment to support the initiatives to mitigate the challenges of climate change.

The World Bank team showed their interest on the views of the business community and expressed hopes for continued cooperation.

12. DISCUSSION ON ENVIRONMENT AND RIVER POLLUTION

The Chamber organized a roundtable discussion among the members of business community, civil society, media, and policy makers at the Chamber's Conference Hall on the 26th July, 2009. Mr. Saber Hossain Chowdhury, Hon'ble Member of the Parliament and Chairman of the Environment Sub-Committee of the Parliamentary Standing Committee on Environment and Forests was present in the session as the Chief Guest. Other Hon'ble Members of the Parliament, Presidents/Chairmen of the leading trade bodies, the Editor of the Daily Star, members of the business community, media professionals, and past Presidents of the Chamber were present and took part in the discussions that focused on the respective

roles and responsibilities of the business community and the Government in mitigating the environmental challenges.

The Chamber expressed its commitment to spontaneously support any national program on environmental issue, particularly for saving the rivers based on the historic 11-point directives of the High Court issued on the 25th June, 2009. The role of the media, particularly, that of the Daily Star, was complimented for taking the initiative to develop public awareness on environment.

The Hon'ble Members of the Parliament commended the role of the Chamber, and thanked for organizing such an event.

13. VISIT BY THE GERMAN BUSINESS DELEGATION

A German business delegation from the OAV (German Asia-Pacific Business Association) along with the officials of the German Embassy in Bangladesh visited the Chamber on the 27th October, 2009. The Chamber President Mr. Abdul Hafiz Choudhury, FCA received the German delegation at the Chamber Conference Hall. Past Chamber Presidents, leaders from several trade associations, and members of the Chamber were present during the occasion. The discussion emphasized the importance of Germany as a major trading partner, and underscored the need for German investment, particularly in the conventional and renewable power generation.

The German delegation, led by Mr. Peter Clasen, showed keen interest on the Chamber's suggestions and thanked the Chamber for addressing the issues.

14. VISIT BY THE US AMBASSADOR IN BANGLADESH, HIS EXCELLENCY MR. JAMES F. MORIARTY

His Excellency Mr. James F. Moriarty, the ambassador of the United States of America in Bangladesh, and other officials of the US Embassy visited the Chamber on the 16th November, 2009. The Chamber President Mr. Abdul Hafiz Choudhury, FCA, along with other Committee Members, past Chamber Presidents, received the ambassador and discussed various issues of mutual interest. The Chamber strongly urged that the US Government should allow 100 per cent duty-free market access to Bangladeshi products. The Chamber also urged that any provisions in the proposed Trade and Investment Framework Agreement (TIFA), which were inconsistent with the WTO provisions, should be dropped.

The ambassador appreciated the Chamber's concerns, and suggested that the text of TIFA should be made public by the concerned authorities, and an agreement on TIFA could act as the gateway of greater cooperation between the two countries.

15. VISIT BY THE THAI BUSINESS DELEGATION

A business delegation from Thailand visited the Chamber on the 13th December, 2009. The President Mr. Abdul Hafiz Choudhury, FCA, received the delegation at the Chamber

Conference Hall. During the discussions that followed, the Chamber expressed appreciation of the Thai example of successfully attracting large amount of foreign investment in their country. The Chamber expressed hopes of greater support from Thailand in concluding the regional agreement under the “Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation” (BIMSTEC). The Chamber also expressed its commitment to renew the relationship between the MCCI and the Thai Chamber of Commerce which was forged earlier by signing a Memorandum of Understanding in 1996.

The Thai delegation appreciated the Chamber’s concerns, and expressed their commitment to continuing cooperation with the Chamber.