BANGLADESH BUSINESS CLIMATE INDEX 2021







Introducing Bangladesh Business Climate Index (BBX)

Empirical Overview of Quality of Bangladesh's Business Environment

An MCCI-Policy Exchange joint initiative to present

- pragmatic, first-hand synopsis of quality of Bangladesh's business environment,
- its improvement areas
- prioritized set of reform opportunities for the government

Reflects Private Sector Inputs in Design, and Feedback

• Captures the voice of the Bangladeshi private sector, in relation to the biggest business environment constraints

Considers Contextual Factors in Country

• Unlike other cross-country international indices, the Bangladesh local business climate index seeks to capture contextual factors affecting businesses in Bangladesh

10 Pillars Reflecting International Literature and Local Business Environment

• Pillars have been modified from existing global literature on business environment; aim to capture elements of the local business environment issues faced by businesses

Annual Exercise; to Provide Timeseries Comparison from Second Year

• Once several years completed, the score will highlight how much the business environment for entrepreneurs has changed over time in absolute terms

Relevance of BBX to Bangladesh

- Development trajectory and aspirations demand systematic and regular data/feedback to inform policy-making and business decisions
- Flexibility to adjust as country context evolves
- Captures qualitative data
- Measures time and cost indicators
- Integrates views of local businesses
- Stronger local accountability
- **Effective communication with government**
- Measures post-reform implementation quality
- Multi-country index suffer from problems comparing everyone on one scale

BBX More Contextsensitive and Inclusive

- Whole-of-Country Focus: Looks beyond traditional analysis of Dhaka and Chattogram; Covers all eight divisions
- Small Businesses Included: Global /international indices primarily focus on intermediaries of large businesses
- Reflections of Country Priorities: Infrastructure, Technology Adoption, Regulatory Transparency included due to country priorities; Infrastructure focuses beyond power/energy into connectivity, digital infra etc.
- Country-specific: Benchmarks Bangladesh with respect to the best practice prevailing in the country, thereby highlighting the proximity to the best performance on each business environment pillar.
- Sectoral Focus: Analysis/findings disaggregated at sectoral level: A total of 12 sectors covered spanning manufacturing, services, and agriculture



Country	Name of Business Index	What it Measures	
China Business Climate Index		This is a quarterly index which can directly reflect the real situation of the economy and business environment. Nationally representative samples are used. The index ranges from 0 to 200 and 100 is taken as the critical value. An index higher than 100 indicates improvement in economic performance, whereas an index lower than 100 depicts that economic performance is declining.	
Malaysia	Business Condition Index	This bi-annual index measures business sentiments, and gauges expectations on areas such as cost of production, employment, local and export sales, production, capacity utilization and capital investment.	
Vietnam	Business Climate Index	This yearly index serves as a barometer for business in Vietnam. It gauges expectations/assessment regarding companies' investment, revenue relevance, understanding of trade agreements and administrative procedure of setting business and operations.	

METHODOLOGY

This has been divided into 2 parts:

1

Broad index methodology

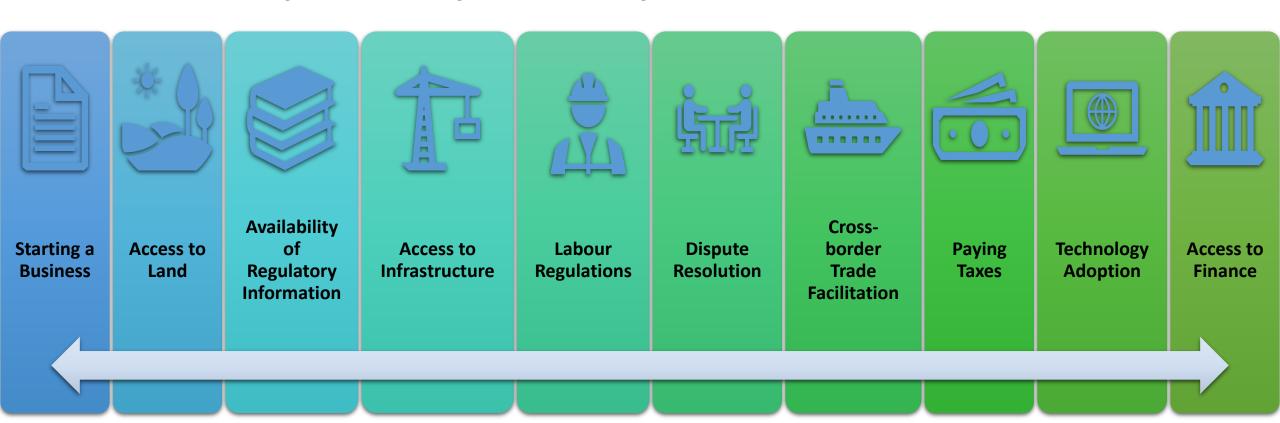
2

Survey/sampling methodology

 -Weighted average for divisions and sectors based on contriburtion to GDP and employment
 - 1000 firms reached; 451 total responses; 356 highquality resposnes considred

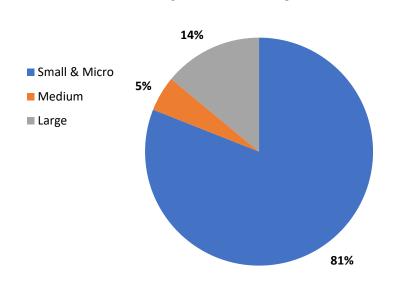
Index Methodology

- BBX is based on 10 Pillars. Each of these contain sub-indicators and a total of 35 sub-indicators have been used to calculate the index
- Each pillar is given 10% weight in calculating the index, thus, all ten sum up as 100%

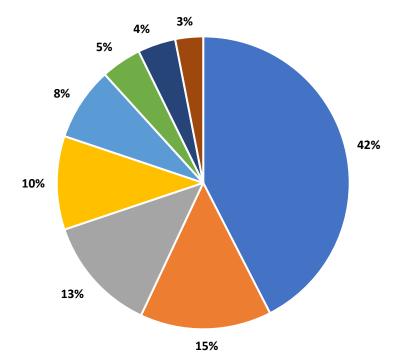


Respondent Profile

Respondents by Firm Size



Respondents by Division





Dhaka

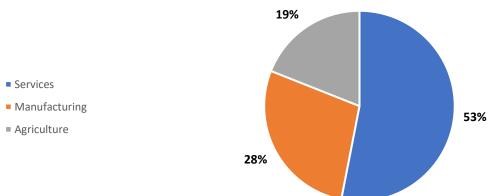
Khulna

Rajshahi

RangpurSylhet

MymensinghBarishal

Chottogram



BBX Results: Interpreting the Index Scores

- The score is indicated on a scale of 1 to 100, where 0 represents the worst performance and 100 the best performance.
- The overall score distribution was categorized into five categories.
- When compared across years, the score will highlight how much the business environment for local entrepreneurs in an economy has changed over time in absolute terms.

Score Description

0-20	Difficult environment for business: Kick start for reforms needed
21-40	Substantial bottlenecks remain for business: Significant reform efforts required
41-60	Generally complex business environment: Regulatory modernization/simplification required
61-80	Improving business environment: Progress made however more needs to be done
81-100	Business- friendly environment: Continue the momentum

BBX Results: There is Some Good News - Business Environment Moving Forward

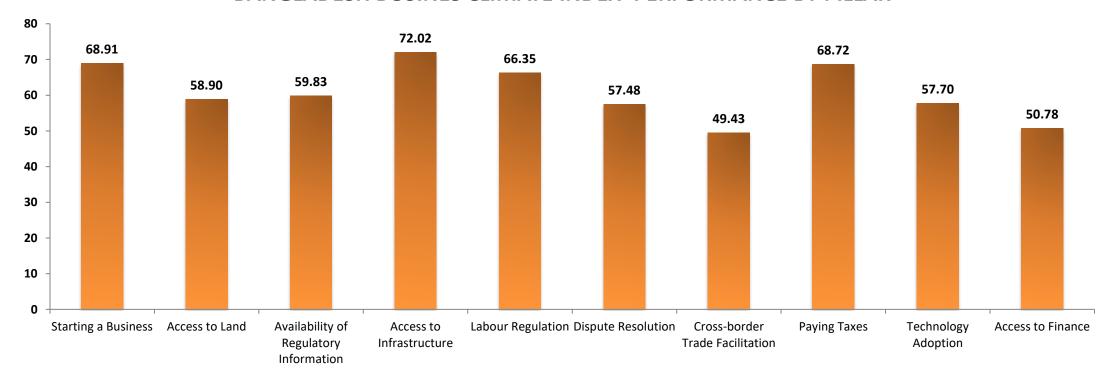
Bangladesh Composite Score

61.01

Improving business environment:

Progress made however more needs to be done

BANGLADESH BUSINES CLIMATE INDEX- PERFORMANCE BY PILLAR



KEY HIGHLIGHTS OF THE RESULTS

Reflections of 'Intent' and 'Efforts' to create conducive environment but indicates need for greater and faster Reforms to improve border clearance, port congestions, financial intermediation and institutional governance is paramount

Average country experience significantly changes when focus expanded beyond businesses outside Dhaka and Chattogram city; highlights regulatory implementation gap; interesting results challenging some traditional understandings

Areas with active major development program and digitalization efforts demonstrate greater strengths; Infrastructure (power and energy ;roads and bridges; mobile/internet); Digitalization (business entry; part of taxation etc.)

Major challenges varied by sector: Wholesale and Retail Trade (technology adoption); Textiles, Food and Beverage, Electronics, Financial Intermediaries and Real Estate (access to finance); RMG (access to land)

The heterogeneity of responses suggests binding constraints within different pillar are quite different. The implications of these findings for entrepreneurs and policymakers alike is that across the board reforms must be complemented with sector-specific policy packages that release the binding constraints within each specific sectors.

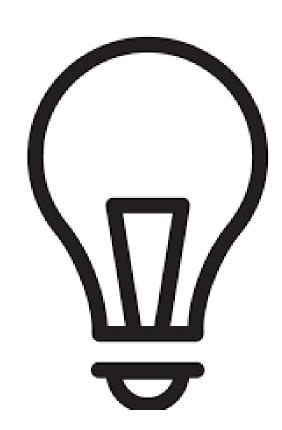
Results indicate declining investment climate advantage of Dhaka as the primary growth center, and prospects of developing Chattogram as commercial and industrial center; also highlights prospects of traditionally-neglected parts of the country

Four Pillars Demonstrate Progress While Six Indicate Action Required to Address Complexities

SI	Pillar	Score	Implications	Observations Observations
1	Starting a Business	68.91	Improving Business Environment	Easier to set up business in Khulna and Rajshahi; obtaining license and navigating regulations to start business is difficult.
2	Access to Land	58.90	Complex Business Environment	RMG sector find it most difficult to obtain land or register property compared with firms in Leather and Tannery sector .
3	Availability of Regulatory Information	59.83	Complex Business Environment	More than 90 percent of respondents deal with a complex regulatory maze; this occurs in multiple sectors and regions.
4	Access to Infrastructure	72.02	Improving Business Environment	Due to Bangladesh's increasing investment in energy, roads and digital infrastructure, this constraint is relatively light compared to others.
5	Labour Regulation	66.35	Improving Business Environment	Firms face challenges in obtaining skilled workforce; labour compensation and severance pay present biggest difficulties.
6	Dispute Resolution	57.48	Complex Business Environment	Firms have confidence in the current judicial system to uphold their property rights and contracts; but they have not experienced reduction in the time for resolving commercial disputes, especially linked to land and property.
7	Cross Border Trade Facilitation	49.43	Complex Business Environment	Congestion at the ports, especially Chattogram port, is impacting lead time for exporters and importers in Bangladesh, making them less competitive.
8	Paying taxes	68.72	Improving Business Environment	Businesses face difficulty in filing tax returns and high rates; taxation in Bangladesh has, complexity of rules, and difficulty in compliance.
9	Technology Adoption	57.70	Complex Business Environment	Mixed story as majority of respondents report investing in new technologies in past 24 months, but bottlenecks remain across country.
10	Access to Finance	50.78	Complex Business Environment	Access to bank loans difficult; most respondents say that they find significant bottlenecks in access to finance and use retained earnings for investments.

An Overall Score of 61.01 has Several Implications

- First, it shows that the country has made significant progress in its development journey to middle-income/ LDC graduation. Development achievements have been concrete
- Second, macro success has filtered down to micro achievements
- Bangladesh is gradually developing a meaningful administrative and production support system in several areas
- Third, there is an unfinished policy agenda, especially in terms of improving trade facilitation, finance barriers, and facilitation of technology adoption that are further inhibiting the expansion of both small and large businesses
- Fourth, regulatory and institutional improvements will need to be continually made to ease the business environment for entrepreneurs on an ongoing basis



Each of the 10 pillars Tell a Different Story!

- The RMG sector found it most difficult to obtain land as compared to firms in several other sectors. This suggests that urbanization in Dhaka and Chittagong has been somewhat chaotic for the private sector; scarce availability of land prevents many potential entrepreneurs from setting operations in these two growth centres.
- Finance constraints span several sectors, but most adversely affect fast moving consumer sectors (FCMG) as well as real estate. Pharmaceutical and construction sectors found it relatively easier to gain access to finance than other sectors.
- The trade regulations regime appears most problematic for transport/ storage, and export-oriented sectors who are burdened with significant administrative processes, paperwork, and documentation.
- With increasing trend in digitization of sales methods, retail
 and wholesale traders struggle to adopt technologies to be able
 to survive in a competitive global and domestic market.
- Sensitive legal issues centred around disputes are problematic for several sectors, including goods that are linked to safety and health, such as agriculture and pharmaceuticals.





Key Findings

During the initial set up, entrepreneurs have to navigate through a maze of upto about 150 regulatory approvals/permits to set up their business in Bangladesh.

The time taken to obtain the Incorporation Certificate was highlighted as the easiest while registration for trade license was the most cumbersome process in starting a business in Bangladesh. The findings were consistent across all the 8 Divisions in the country.

Firms in the wholesale and retail trade sector found it easier to start their business in Bangladesh as compared to firms in the food and Beverage sector (this alludes to complex regulatory compliance pertaining to regulators such as BSTI, and trade regulation related to SPSS).

The respondents mentioned that the biggest regulatory challenge faced by them while starting a business in Bangladesh is obtaining the sectoral licenses.

Up to 77% of the respondent's stated that they are required to visit up to 5 different agencies to obtain approvals This amount of red tape is a clear deterrent for many businesses.

The majority of the registration services are provided manually by the government agencies, and there has been little automation.

Some agencies have automated systems (RJSC and NBR), but they tend to be exceptions rather than the rule. They continue to work in silos and do not share data with other agencies.

As a result, most government agencies are authenticating approvals provided by other agencies through sending official letters to the respective agencies.

S. No.	Division	Score
1.	Khulna	77.67
2.	Rajshahi	71.36
3.	Dhaka	68.63
4.	Chattogram	66.89
5.	Mymensingh	61.87
6.	Barishal	0.00
7.	Sylhet	0.00
8.	Rangpur	0.00
Pillar Score		68.91





58.90

Key Findings

Dhaka and Chattogram Divisions performed poorly on this pillar while the Divisions of Rangpur and Khulna performed better with respondents informing of a better experience.

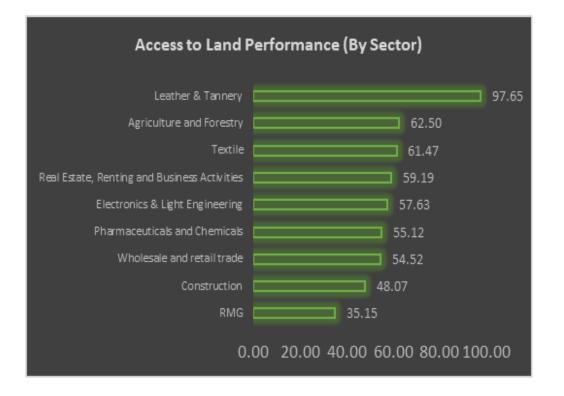
Firms in RMG sector find it most difficult to obtain land or register property.

This suggests that urbanization in Dhaka and Chattogram has been somewhat chaotic for the private sector, and the scarce availability of land prevents many potential entrepreneurs from setting operations in these two cities.

The majority of the respondents highlighted that delay in mutation of land/property is the biggest bottleneck faced by them while procuring land in the country.

Majority of the companies also stated that they were required to make an informal payment to government agencies during land procurement in Bangladesh.

S. No.	Division	Score
1.	Khulna	86.41
2.	Rangpur	74.75
3.	Dhaka	59.84
4.	Chattogram	49.83
5.	Rajshahi	48.07
6.	Mymensingh	47.65
7.	Barishal	0.00
8.	Sylhet	0.00
Pillar Score 58.90		58.90



Pillar Score
59.83



Pillar 3: Availability of Regulatory Information

Key Findings

The majority (91%) of respondents noted that they are aware of all the numerous applicable registrations and renewals for setting up/operating business in Bangladesh.

However, they were unable to access online the information regarding rules and regulations that impact their business in Bangladesh.

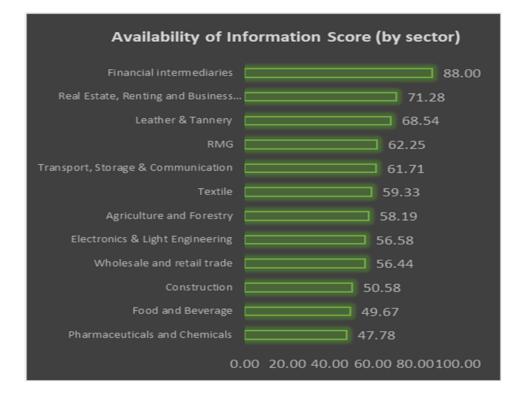
More than 52% of the respondents stated that they are never informed in advance by the government agencies about any change/modification in regulations that affect their business.

It was observed that firms in financial sector have a greater access to information regarding government regulations while firms in pharmaceuticals and chemicals sector have the least access to information.

Information pertinent to starting and operating a business – including the documentary requirements, government agencies to provide approvals and the necessary instructions to follow for applications – is not readily available.

Weak and opaque enforcement of laws and regulations leads to unfair competition among private sector actors and impacts potential growth opportunities

S. No.	Division	Score
1.	Chattogram	63.66
2.	Barishal	63.33
3.	Sylhet	63.13
4	Khulna	62.90
5.	Dhaka	60.04
6.	Rajshahi	57.12
7.	Mymensingh	57.11
8.	Rangpur	48.85
Pillar Score 59.83		59.83







Pillar 4: Access to Infrastructure

Key Findings

Access to Infrastructure is the best performing pillar on the Bangladesh Business Climate Index.

This pillar performed well due to the quadrupling of energy supply in Bangladesh in the last decade. More than 95 percent of population now has access to electricity. Improvement in road network also helped.

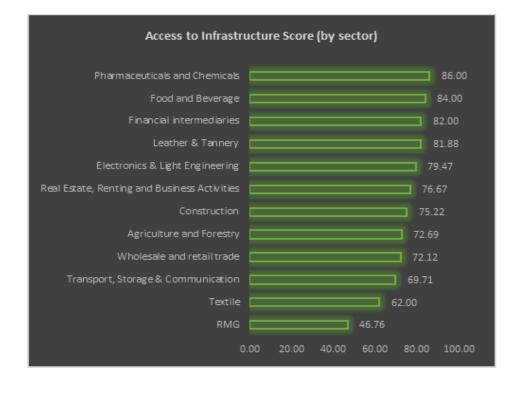
However, disruptions in electricity supply and speed and cost of accessing mobile & internet services were the significant challenges faced by the firms regarding access to business Infrastructure in Bangladesh.

Firms in Pharmaceuticals and Chemicals sector find access to infrastructure easier than firms in other sectors. Given the need for smooth supply of power, scale, and short lead time, firms in RMG sector face biggest bottlenecks with respect to access to Infrastructure in the country. Much of this arises from the inefficiency in export logistics including inadequate port infrastructure and handling.

One of the positive feedbacks shared by the respondents was that majority of them (65%) were not required to make any informal payment to the utility for obtaining a new electricity connection.

Similarly, majority of the respondents mentioned that they find it easy to access internet and mobile network for their business operations.

S. No.	Division	Score
1.	Sylhet	80.63
2.	Mymensingh	78.67
3.	Chattogram	77.06
4.	Khulna	76.67
5.	Barishal	76.36
6.	Rajshahi	71.14
7.	Dhaka	69.50
8.	Rangpur	59.31
Pillar Score 72.02		72.02







Pillar 5: Labour Regulations

Key Findings

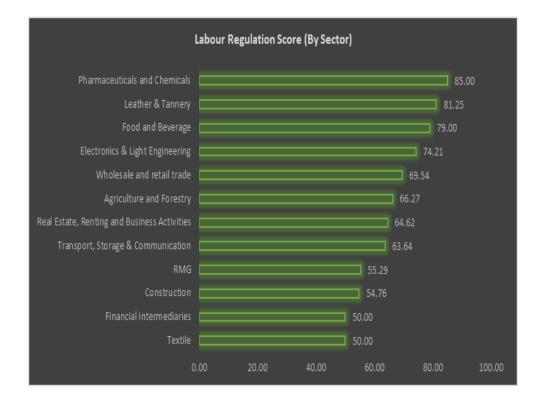
Majority of respondents mentioned that amongst the numerous labour regulations in Bangladesh, they find filing of labour returns the easiest.

However, firms face significant challenge in obtaining skilled workforce for their units and access to technology, training, and technical materials for up skilling of their employees. Labour compensation (high severance pay) was highlighted as the biggest bottleneck faced by businesses in Bangladesh

Bangladesh's large labour pool is a key advantage for businesses looking to set up operations in the country, but a skills mismatch limits the productivity levels.

Low literacy rate restricts the domestic labour force to low-skilled jobs in the country. Over 25 percent of the labour force does not have formal education.

S. No.	Division	Score
1.	Mymensingh	77.86
2.	Chattogram	77.76
3.	Sylhet	75.00
4.	Dhaka	68.33
5.	Barishal	66.36
6.	Rajshahi	60.29
7.	Khulna	58.70
8.	Rangpur	46.07
Pillar So	core	66.35







Pillar 6: **Dispute Resolution**

Key Findings

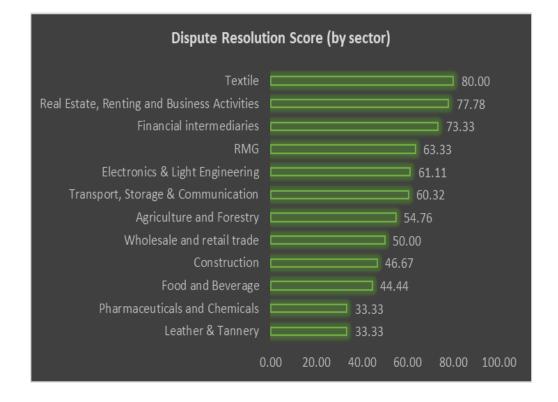
Majority of respondents mentioned that they still have significant confidence in the current judicial system of Bangladesh to uphold their property rights and contracts. This implies a need for further strengthening and popularizing the alternate dispute resolution options in Bangladesh.

However, all of them highlighted that they have not experienced any reduction in the time for resolving commercial disputes in Bangladesh in the past two years.

Currently, there is no court or division of a court in Bangladesh that is dedicated solely to hearing commercial cases.

The respondents shared that disputes related to land & property were the most cumbersome and took maximum time to resolve.

S. No.	Division	Score
1.	Rangpur	87.36
2.	Rajshahi	69.33
3.	Chattogram	60.00
4.	Dhaka	58.20
5.	Barishal	51.52
6.	Mymensingh	43.59
7.	Khulna	41.86
8.	Sylhet	35.56
Pillar S	core	57.48







Key Findings

Trade is the worst performing pilar on the Bangladesh Business Climate Index.

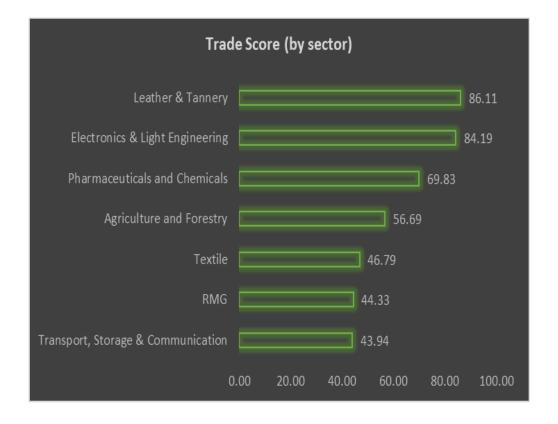
This reflects growing pressures on trade infrastructure such as ports, and experience with border clearance. Chattogram's performance exceeds other divisions and this can be explained due to proximity of businesses to the port facilities, reducing transport logistics cost and complexities, and greater access to border clearance agencies compared to other divisions.

The majority of respondents noted that they still find significant bottlenecks in obtaining clearance from customs agencies to import/export goods & services.

The respondents also highlighted that the time and cost incurred to obtain clearances for export is less than the time and cost required to obtain import clearances in Bangladesh.

Congestion at the ports and bureaucratic delays is impacting the lead time for exporters and importers in Bangladesh.

S. No.	Divisions	Score
1.	Chattogram	83.76
2.	Rangpur	66.50
3.	Khulna	53.36
4.	Dhaka	43.49
5.	Rajshahi	0.00
6.	Barishal	0.00
7.	Mymensingh	0.00
8.	Sylhet	0.00
Pillar Score 49.43		49.43



Pillar Score 68.72



Pillar 8: Paying Taxes

Key Findings

Majority of respondents mentioned that they still find significant bottlenecks in filing and paying both Income Tax and VAT in Bangladesh.

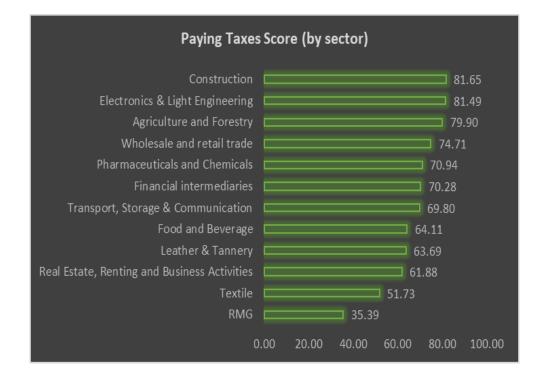
The respondents also highlighted that it takes a fewer number of days to file & pay VAT than Income Tax in Bangladesh.

As per the survey respondents, high rate of corporate tax is the biggest tax bottleneck faced by the industry in Bangladesh.

The firms in the Construction sector found the current tax regime easier than the rest of the sectors in Bangladesh. Though tax rates are lower compared to many other sectors, RMG sector faces the biggest challenge amongst all the other sectors in Bangladesh when it comes to paying taxes perhaps due to the large numbers/types /frequency of taxes to be paid.

Dhaka and Chattogram Divisions face the biggest challenge- this can be attributed to the long-standing complaints and concerns by the private sector and experts that the tax officials cherry pick compliant and large tax-payers, majority of whom are located in and around Dhaka and Chattogram, to squeeze out more tax repeatedly rather than enhancing collection by expanding the tax net, and reducing evasion.

S. No.	Division	Score
1.	Sylhet	92.79
2.	Barishal	92.41
3.	Mymensingh	86.98
4.	Rajshahi	86.70
5.	Rangpur	83.41
6.	Khulna	76.67
7.	Chattogram	65.50
8.	Dhaka	53.72
Pillar Score 68.72		68.72



Pillar Score 57.70



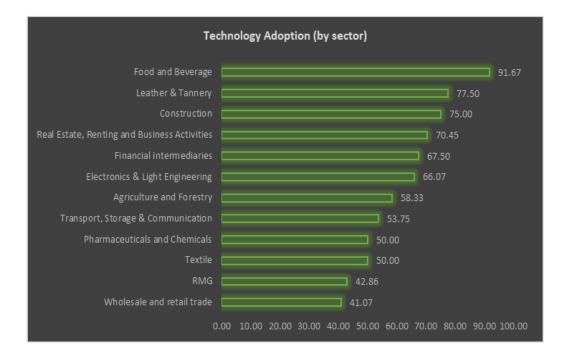
Key Findings

The majority (more than 80%) of the respondents mentioned that they invested in a new technology equipment, software, or digital solution for their business functions in the past 24 months.

However, they still find significant bottlenecks in accessing/availing technology solutions/platforms they need to use in their business Bangladesh.

One of the key challenges is the lack of availability of domestic technology solutions. More than 70% of survey respondents informed that they use social media sites and e-commerce portals to sell their goods & services in Bangladesh, highlighting a high degree of technology adoption.

S. No.	Division	Score
1.	Chattogram	77.50
2.	Khulna	62.50
3.	Rajshahi	55.00
4.	Dhaka	54.74
5.	Rangpur	43.75
6.	Sylhet	0.00
7.	Barishal	0.00
8.	Mymensingh	0.00
Pillar Score 57.70		57.70







Pillar10: Access to Finance

Key Findings

Majority of the respondents mentioned that they still find significant bottlenecks in access to finance in Bangladesh. The country's main growth centers, Dhaka and Chattogram, performs poorly primarily due to complexity of dealing with collaterals in the form of real estates which are expensive and hard-to-mobilize in these locations.

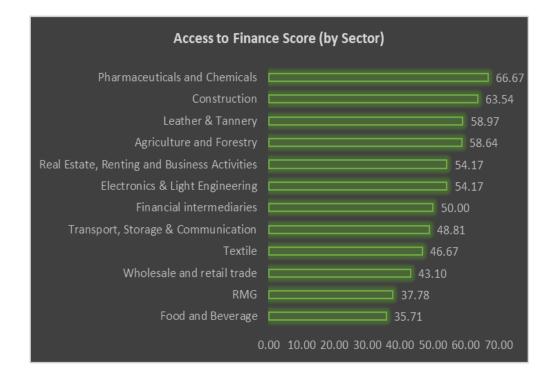
Retained earnings are still the major source of finance for their company's total purchase of fixed assets/capital in the past 24 months.

Many smaller firms have difficulty finding the sufficient collateral to qualify for a loan.

Majority of the respondents shared that prevailing high interest rates by the banks are the biggest hurdle to private sector in access to finance.

Banking process is extremely time consuming in Bangladesh and small enterprises are unable to produce the adequate documents when applying from financial support.

S. No.	Division	Score
1.	Barishal	89.6
2.	Mymensingh	87.2
3.	Sylhet	76.2
4.	Khulna	58.7
5.	Rajshahi	54.9
6.	Chattogram	43.6
7.	Dhaka	41.7
8.	Rangpur	38.5
PillarSo	core	50.78



How Do Pillars Fare for Different Sectors

TOP 3 BOTTLENECKS FACING THE PILLAR AREAS

Starting a Business	Access to Land	Access to Infrastructure	Labor Regulations	Dispute Resolution	Cross- border Trade Facilitation	Paying Taxes	Access to Finance
Complex approvals and licensing regime	Delays in mutation	High price of utility Services	Compensation to be paid to labour for cessation of employment / Lay off cost and process	Time delays in Land related matters	High customs tariff	High corporate income tax	Limited access to credit
Obtaining sectoral licenses	Requirement for speed money	Procedural complexities in obtaining gas and electricity connection	High cost associated with unskilled labour	Slow court proceedings	Non- conducive custom policy	Significant documentary requirements	High interest rate
VAT and Tax registrations and approvals (for small businesses)	Involvement of intermediaries	Difficulty in dealing with government agencies/officlas	Mandatory bonuses to be paid	Lack of resolution in cross-border disputes (e.g. dispute on CM, non-payment by RMG buyers)	Time delay in border clearance		Complex documentary requirements

Sector Experience: The Highs & Lows Across Pillars

Name of Sector	Top 3 Pillar Areas	Bottom 3 Pillar Areas		
	Paying Taxes	Technology Adoption		
Wholesale and Retail Trade	Starting a Business	Access to Finance		
	Access to Infrastructure	Dispute Resolution		
	Technology Adoption	Access to Finance		
Food and Beverages	Access to Infrastructure	Dispute Resolution		
	Labour Regulations	Availability of Regulatory Information		
	Starting a Business	Access to Land		
Readymade Garments	Dispute Resolution	Paying Taxes		
	Availability of Regulatory Information	Access to Finance		
	Dispute Resolution	Access to Finance		
Textile	Access to Infrastructure	Cross-border Trade Facilitation		
	Access to Land	Labour Regulations		
	Paying Taxes	Cross-border Trade Facilitation		
Transport and Storage	Access to Infrastructure	Access to Finance		
	Starting a Business	Technology Adoption		
	Availability of Regulatory Information	Access to Finance		
Financial Intermediaries	Access to Infrastructure	Labour Regulation		
	Dispute Resolution	Technology Adoption		

Sector Experience: The Highs & Lows Across Pillars

Name of Sector	Top 3 Pillars	Bottom 3 Pillars
Electronic and Light Engineering	Cross-border Trade Facilitation	Access to Finance
	Paying Taxes	Availability of Regulatory Information
	Access to Infrastructure	Access to Land
Real Estate	Dispute Resolution	Access to Finance
	Access to Infrastructure	Access to Land
	Availability of Regulatory Information	Paying Taxes
Agriculture and Forestry	Starting a Business	Dispute Resolution
	Paying Taxes	Cross-border Trade Facilitation
	Access to Infrastructure	Availability of Regulatory Information
Leather and Tannery	Cross-border Trade Facilitation	Access to Finance
	Access to Infrastructure	Paying Taxes
	Access to Land	Dispute Resolution
Construction	Paying Taxes	Dispute Resolution
	Access to Infrastructure	Access to Land
	Technology Adoption	Availability of Regulatory Information
Pharmaceuticals and	Labour Regulation	Dispute Resolution
, , , , , , , , , , , , , , , , , , , ,	Access to Infrastructure	Availability of Regulatory Information
Chemicals	Paying Taxes	Technology Adoption

- Chattogram tops divisions with best performer in four out of 10 pillar areas
- Dhaka fares poorly- not a topper in any of the indicators.
 - In orange category in 6 out of 10 indicator areas. Denotes significant investment climate challenges for Dhaka.
 - The over-centralization of policy and regulatory services related decisions making power in Dhaka resulted in discretionary and predatory behavior on the part of some regulators
 - particularly stifle the small and medium firms who have little option to influence the regulators/officials.
- The findings point to both an urgent need and emerging opportunity to diversify growth center beyond Dhaka.
- Findings strongly point to taking advantage of Chattogram's business environment to make it a true commercial capital and economic hub.

The potential gets further impetus from recent economic infrastructure plan in and around Chattogram including Mirsarai SEZ, Karnaphuli river tunnel, proposed Bay container terminal, energy hub in Matarbari, etc.

	Name of Indicator	Dhaka's Position	Chittagong's Position	Top Performer
6 20 P	Starting a Business	3	4	Khulna
&	Access to Land	3	4	Khulna
	Availability of Regulatory Information	5	1	Chattogram
	Access to Infrastructure	5	1	Chattogram
	Labour Regulations	4	2	Mymensingh
9	Dispute Resolution	4	3	Rangpur
	Trade Competitiveness	4	1	Chattogram
5	Paying Taxes	8	7	Sylhet
	Technology Adoption	4	1	Chattogram
(6)	Access to Finance	7	6	Barisal

Implications of Index Scores for Dhaka and Chattogram as Growth Centers

Pillar	Recommendations	Time Required	Responsible Agency
	Indicator-Specific Recommendations		
	Develop standard operating procedures (SOPs) to reduce the regulatory burden and bring predictability in regulatory service delivery.	Short-Term	BIDA & Line Agencies
Starting a Business	Automation of the processes (Nearly 150 processes involved)	Medium-Term	BIDA, Registrar of Joint Stock Companies & Firms
	Modernizing certain laws such as The Companies' Act 1994	Short-Term	Ministry of Commerce
	Develop an integrated ICT-led service delivery model for Government to Business services (full implementation of integrated One-stop Shop)	Short-Term	PMO, BIDA
Access to Land	 Increasing transparency of the Land Offices and Sub-Registry Offices service by making information on service standards publicly available. 	Medium-Term	Ministry of Land, Ministry of Law
/ toocs to Larra	Keeping statistics for land disputes not only at the administrative level but also the court level.	Short-Term	Ministry of Law
	Computerize/digitize land records and property title registration.	Long-Term	Ministry of Land

	Type of Indicator	Recommendations	Time Required	Responsible Agency
		• Introduce an online information portal containing all information relevant to regulatory requirements and procedures.	Short-Term	BIDA
	Availability of Regulatory Information	• Introduce and publish a regulatory calendar at the beginning of a fiscal year indicating all upcoming legal/regulatory enactment/amendments for the year.	Medium-Term	Ministry of Law, BIDA
		• Economic Zones' selection should be based on careful feasibility studies and competitive analysis.	Short-Term	Bangladesh Economic Zones Authority
	Access to Infrastructure	• A tracking system should be put into use for electricity connection applications.	Short-Term	Power Development Board
		 Enforce the renewable energy directive. 	Medium-Term	Sustainable & Renewable Energy Development Authority
		 Developing a National Logistics Strategy/Policy for integrated and timely development of logistics infrastructure 	Medium-Term	PMO, Ministry of Shipping, Ministry of

Type of Indicator	Recommendations	Time Required	Responsible Agency
	Developing long-term skills strategy/masterplan/program aligning with national growth strategies and projected key growth drivers	Short-Term	National Skill Development Authority
	Mobilize PPP in delivery of skills. This is critical in high skills matching and high employment outcomes	Medium-Term	National Skill Development Authority, Public- Private Partnership Authority
Labour Regulations	Employment-linked performance-based financing of skills program. This would yield better employment outcomes.	Long-Term	Economic Relations Division, National Skill Development Authority
	Greater business orientation of private training providers.	Medium-Term	Ministry of Education, Ministry of Expatriates' Welfare & Overseas Employment
	Developing common strategy for the development of occupational standards, curriculum and training materials through the official channels (BTEB) (M)	Medium-Term	Ministry of Education
	Regulatory reforms to adjust for COVID and post COVID realities. Current regulatory regime does not provide basis for home-based or 'gig-economy' type of employment and benefits which are increasingly becoming commonplace globally.	Short-Term	Ministry of Labour & Employment

Indicator-Specific Policy Recommendations

Type of Indicator	Recommendations	Time Required	Responsible Agency
Dispute Resolution	Establish time limits for certain stages of the court case and monitor compliance.	Medium-Term	Ministry of Law, Supreme Court
	Amend of the Bangladesh Arbitration Act 2001 to improve implementation.	Medium-Term	Ministry of Law
Cross-border Trade	Develop a national single window (NSW) for trade, connecting all relevant agencies and fully automating all trade-related procedures; Develop NSW law or policy	Medium-Term	National Board of Revenue
Facilitation	Adopting certain policy measures such as reducing para-tariffs can support in inducing more trade and thus increasing private investment and FDI.	Medium-Term	National Board of Revenue
	Several Tax Policy reforms including autonomous revenue authorities.	Long-Term	National Board of Revenue, Ministry of Finance
Paying Taxes	Several Tax administration reforms including digitalization of the overall tax system.	Medium-Term	National Board of Revenue
	Integration of various online platforms into a single interface for all taxes.	Short-Term	National Board of Revenue
	Adequate education provided to taxpayers and tax professionals on the new tax system.	Short-Term	National Board of Revenue

Type of Indicator	Recommendations	Time Required	Responsible Agency
	Reducing the cost of internet connection	Short-Term	Bangladesh Telecommunication Regulatory Commission
Technology Adoption	Improving mobile network coverage and speed	Long-Term	Bangladesh Telecommunication Regulatory Commission
	 Gradually build up Bangladesh's technology extension system to support upgrading in more advanced firms and sectors. 	Medium-Term	ICT Division
	Technology start-up friendly tax and other policies	Medium-Term	ICT Division, NBR, BIDA
	Liberalize the relatively strict foreign exchange control laws and allow a partial capital account convertibility.	Short-Term	Bangladesh Bank
Access to Finance	Streamline collateral requirementa	Medium-Term	Bangladesh Bank
	Allowing private firms and individuals to have access to credit information would help in judging creditworthiness of customers.	Medium-Term	Bangladesh Bank

Broader Policy Recommendations

Broad Policy				
Type of Indicator	Recommendations	Time Required	Responsible Agency	
	Time-bound Continued Improvements in the broader Investment Climate.	Medium-Term	PMO, BIDA	
	Utilization of new generation promotion mechanisms by Investment Promotion Agencies.	Short-Term	BIDA, Bangladesh Economic Zones Authority	
Broader Policy Support for Sustained Competitiveness and Capacity	 Reviving dynamism in employment and exports, diversifying the economic base, and providing the much-needed lift to the SMEs. Develop SME linkage policy 	Short-Term	Ministry of Commerce, Ministry of Industries	
	Decentralization and strategic regional development plan aligned with overall growth strategy	Long-Term	PMO, Planning Commission	

Thank you



