

## Highlights



This policy brief highlights the state of business competitiveness of Bangladesh in the context of the reduction in COVID transmission and the easing of restrictions to understand the level of recovery in the business environment.



The study team has collected information from 73 high officials of different-sized private companies located in Dhaka, Chattogram, Narayanganj, Gazipur and Faridpur.



Businesses are still confronting structural challenges while new challenges are added as barriers to competitiveness. Corruption, weak and inefficient bureaucracy and lack of access to financing are the top three challenges.



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## Assessment of the Business Environment During COVID-19 in 2021

### *How Reassuring Is It for the Post-Pandemic Recovery?\**

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#### 1. Introduction

Bangladesh's business environment has experienced many significant changes in 2021 when the businesses were at an early recovery phase after the rate of the COVID spread has decreased. The executive opinion survey (EOS) covered economic, social, governance, and environmental issues to trace their relationship with business competitiveness, shared prosperity, environmental sustainability, and risk management. The EOS was conducted with much difficulty as the second wave of the pandemic sparked another surge in COVID-19 cases which resulted in the shut-down of most factories. This year's launching of the *Global Competitiveness Report 2021-22* was postponed due to the widespread contamination of COVID across the world. This policy brief highlights the state of business competitiveness of Bangladesh in the context of the reduction in COVID transmission and the easing of restrictions to understand the level of recovery in the business environment. The brief also proposes a set of suggestions on how to improve the business environment for ensuring early recovery.

#### 2. Methodology

The study primarily focuses on the EOS to understand the perception of the businessmen/entrepreneurs from different sectors (i.e., manufacturing, non-manufacturing, services, and agriculture) about the business environment in Bangladesh for the period between January and December in 2020. The study team has collected information from 73 high officials of different-sized private companies (i.e., large (39), medium (17), small (12), micro (5)) that are located in Dhaka, Chattogram, Narayanganj, Gazipur and Faridpur. The EOS employs qualitative data on a 7-point Likert scale and is represented in a radar diagram (based on weighted index) that measures negative responses (-3~-1), indifferent response (0), positive response (1~3). Secondary sources (i.e., newspapers, reports) have also been used to collect relevant data.

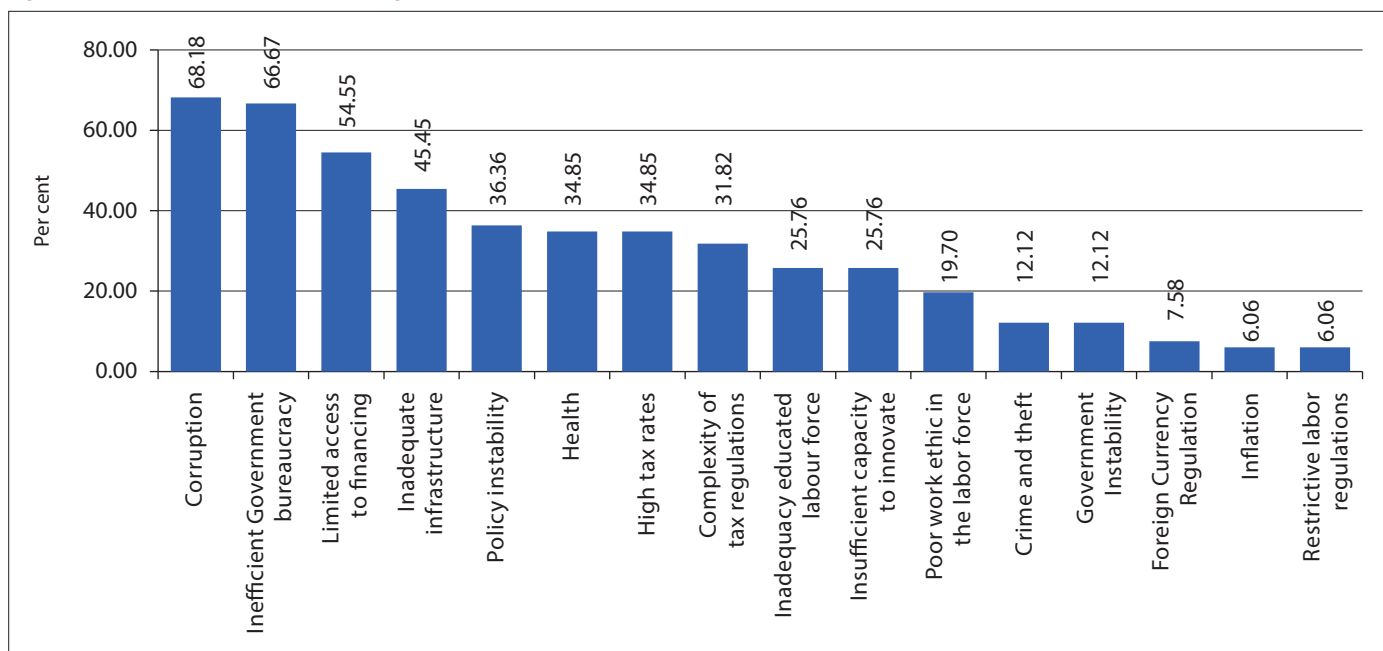
#### 3. Key Features of the Business Environment of Bangladesh 2021

##### *3.1 Major problematic factors and types of risks faced in doing business in 2021*

During the pandemic recovery period, there was no major changes in the top problematic factors in doing business in 2021. Businesses were confronting a triple challenge:

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Figure 1: Most Problematic Factors in Doing Business in 2021



Source: Authors' illustration based on the EOS data.

corruption, bureaucracy inefficiency, and limited access to financing. Corruption is such a factor which is the greatest impediment to business recovery. Corruption has loomed over ubiquitously and topped the responsible damaging factors both in pre-pandemic and post-pandemic periods. Of the respondents, around 68 per cent (Figure 1) complained about high level of corruption as the most problematic factor. According to the Corruption Perceptions Index (CPI) of the Transparency International (TI), Bangladesh has ranked 147th least corrupt country globally—13th from the bottom—in 2021. It remained 146th out of 180 countries for the last two years. Considering its corruption rank, this factor needs to be taken into account by the country’s policymakers (The Business Standard, 2022c). However, around 67 per cent of respondents complained about inefficient bureaucracy, and almost 55 per cent considered limited access to financing as the most problematic factor.

The level of severity of problems is different for different categories of enterprises: 100 per cent of micro and 83 per cent of small enterprises have considered corruption as the most problematic factor; 69 per cent of medium and 53 per cent of large enterprises have considered the same. Similar level of perceptions regarding severity is observed in case of inefficient government bureaucracy, access to finance, and policy instability. During the ongoing COVID crisis, health has emerged as a major problematic factor followed by tax rate, complexity in tax management, tax regulations, and inadequacy of skilled workforce—a new set of challenges for a growing business sector.

**3.2 Recovery period, strategies undertaken for recovery, important market and market risks for Bangladesh in the upcoming years**

As for the recovery of businesses, most of the entrepreneurs have expressed that it would take them more than three years to recover from the losses incurred in this period, and 45 per cent of the entrepreneurs have mentioned that it would take less than

three years to do so. Perceptions regarding company-level production and employment deteriorated in the first half of the fiscal year (FY) 2020–21 compared to the first half of FY2019–20. This situation forced factories to lay off their employees to reduce overall production costs. In this regard, a number of initiatives for the national budget of FY2022–23 are suggested based on the EOS survey findings. These include: financial incentives (17 per cent), tax reduction (16 per cent), control of corruption (9 per cent), easy access to credit (8 per cent), increasing health care, and mass vaccination among others. As part of the recovery mechanism, given the various levels of capacity and scope, business authorities have taken a number of strategies: cost-cutting (28 per cent), working with new buyers (22 per cent), investment for business expansion (19 per cent), exploring new markets (16 per cent), and manufacturing new products (15 per cent).

Concerning the country's macroeconomic condition, 42.2 per cent businesses indicated that the country's macroeconomic stability would be under pressure in 2021, which is rather high compared to 2020. According to the survey findings, around 19 per cent stated that the stimulus packages for businesses, enterprises and different economic activities have slightly contributed to the rebound of the targeted sectors. Still, these stimulus packages were not sufficient to fulfil the needs of the targeted sectors/activities. In addition, the respondents were somewhat disappointed with the government's monitoring mechanism as regards the smooth implementation of stimulus packages, and with the quality of healthcare services—both at public and private level—provided to ordinary citizens during the pandemic.

Looking into the future potentials for business through the lens of the survey findings, Businessmen have identified major markets for doing businesses in the next 10 years (out of 20 different markets). Digital financial services (DFS), as well as data management, might be the next big thing in the corporate world. The number of mobile financial service (MFS) and DFS firms have

grown remarkably (67 per cent). Another crucial area of concentration would be human capital (53 per cent). In this context, it was proposed that National Skills Development Authority (NSDA), through National Skills Qualifications Framework (NSQF), would assist the private sector in promoting skill-based standardised training. Plastics recycling, EdTech and reskilling, care, unemployment insurance are potential markets. Risk and business are inextricably linked, and certain dangers have been recognised as posing a serious threat to the country in the next two years. The debt crisis in the big economies was the main danger in the economic sector (26 per cent). Climate action failures (33.85 per cent) are the most serious threat to the environment. Finally, in the technology sector, the problem is digital inequality (32.81 per cent).

#### 4. Performance of Bangladesh under Different Pillars

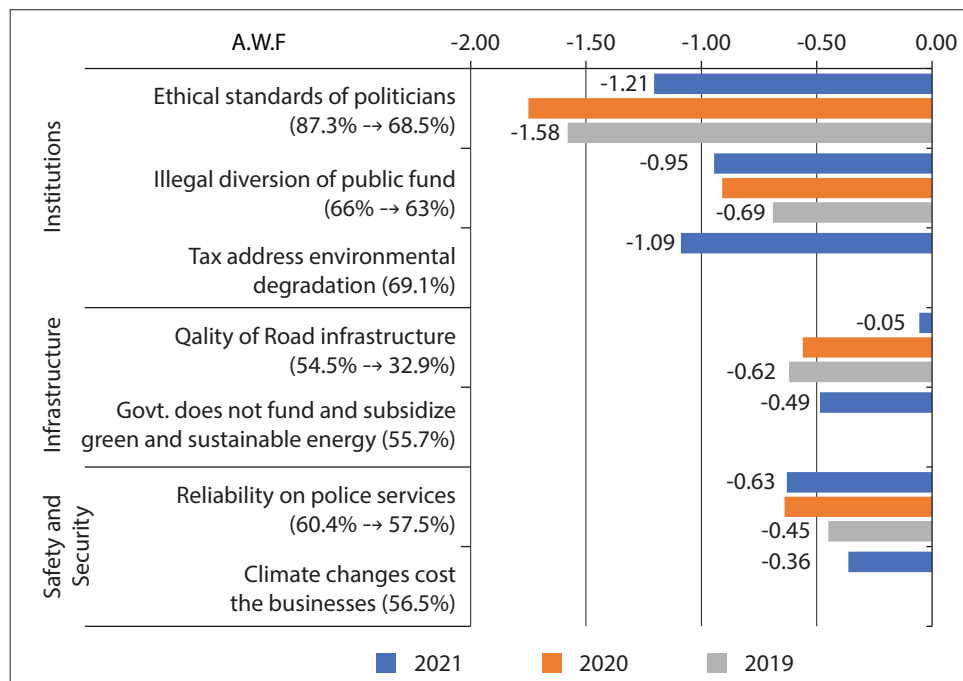
Bangladesh's performance from business perspective under different pillars has been described in this section. In doing so, the performance has been assessed based on several indicators under each pillar. Figures 2, 3 and 4 reflect some of the select indicators exhibiting significant changes compared to the previous years' performances.

##### Institutions

The year 2020 brought unprecedented challenges, and was extraordinary in terms of doing business as well. Since then, the perception involving institutions during the pandemic has changed based on a few indicators. The majority of institution related indicators in 2021, however, could not reach the pre-COVID level in 2019. Some of the indicators are—government's less responsiveness to changes, and inefficient legal and judicial system as well as inability of the judiciary system to ensure stable policy environment and independence. However, some improvements in this perception has been observed in 2021 (Figure 2), compared to that in 2020, which includes private businesses' ability to challenge government's decisions, ethical standard of the politicians, less burdensome administrative compliance, and etc. Similar level of improvements have also been evident in connection with the issues as follows—businesses and corporate ethics at public level, less use of bribes in connection with tax payment, and less use of bribe in public procurement.

Of the businesses, over 53 per cent positively acknowledged the government's long-term vision for economic development. However, they mentioned several fiscal instruments that do not necessarily meet the need of people, businesses, and environment. These included: weak performance in serving

**Figure 2: Performance Based on Major Indicators under Three Pillars i.e. Institution, Infrastructure, and Safety and Security**



Source: Authors' illustration based on the EOS data.

people equally (51.4 per cent); taxes not addressing the inequality (57.1 per cent); difficulty in complying with tax obligations (59.7 per cent); and tax addressing the environmental degradation (69.1 per cent) (Figure 2). Tax structure needs major revision focusing on the equity of different categories of people. As part of the recovery initiative, businessmen requested for reduction of tax rates in the upcoming national budget. The National Board of Revenue (NBR) and Tariff Commission should jointly review the fiscal expenditure incurred for providing fiscal incentives and subsidies to different enterprises and activities. There is room for substantive revision of the fiscal expenditure targeting the distribution of fiscal support to new and emerging sectors and activities.

##### Infrastructure

The majority of infrastructure related indicators are observed to have positive changes compared to the situation during COVID period in 2020 and pre-COVID period in 2019. According to the survey, more than 25 per cent of the entrepreneurs have acknowledged that the quality of road, train, sea-port, and water supply have marginally improved compared to the last couple of years. This positive change does not come overnight; substantive public investment in infrastructure development over the last decade has contributed towards this improvement. A total of BDT 38,527 crore has been allocated for eight fast-track projects, excluding Rampal Power Plant or Maitree Super Thermal Power Plant, for FY2021–22, of which 31.62 per cent or BDT 12,180 crore was spent in the first six months of FY2021–22 (The Business Standard, 2022b). Despite that, further improvement is required considering the need for the following—timely delivery of projects without an increase in expenses, improvement in quality of services, and promotion of the finance of green and sustainable energy development.

Moreover, the country's digital platform is still at the early stage of development and somewhat decelerated in terms of the number of services it offers to the users. According to the Digital Quality of Life Index 2021, Bangladesh ranked 103rd among 110 countries (covering 90 per cent of the global population). However, the highest 71.2 per cent of the respondents of the EOS survey perceived that telecommunication service is in a better situation, followed by financial services (54.2 per cent), retail service (43.5 per cent) and hotel and restaurant services (40.3 per cent) in the positive terrain. However, digital services are concentrated to the limited number of activities that need to be diversified, focusing on other potential areas—health, education, utility, and care services.

Several governances and operational challenges facing e-commerce emerged in the context of COVID, which further caused deterioration in consumer confidence. In this regard, the Ministry of Commerce (MoC) has taken a number of initiatives—forming a digital commerce consultative committee to bring e-commerce under trade licenses norms; registration of e-commerce business having a deposit of security money; and decision of Bangladesh Financial Intelligence Unit (BFIU) and the intelligence agencies to check the characteristics of e-commerce firms and undertake public awareness campaigns. However, it is a need of the hour to amend and implement laws and acts related to the safety of digital transactions as early as possible and promote digital service in all sectors across the country.

**Safety and security**

The entrepreneurs perceived a negative inclination in terms of safety and security related indicators. Above 40 per cent of businesspeople alleged that organised crime (mafia-oriented racketeering, extortion) and various incidents related to crime and violence inflicted huge costs on their business and caused deterioration in the business environment of Bangladesh. Moreover, climate change has become an issue of concern in

doing business as it is leading to the increase in internal migration to city areas; higher demand for jobs in cities; pressure on urban city services; and rise in informal economic activities and ultimately putting the price on doing business. However, 19.2 per cent businessmen see improvement in the scenario owing to the impacts of social and political unrest on business.

Besides the abovementioned concerns, businessmen expressed their concerns about the quality of services of law enforcement agencies. In terms of the global position in enforcing law and order, Bangladesh is still falling behind—124th out of 139 economies in the Rule of Law Index 2021. Of the business community, 57.5 per cent found police services are yet to be efficient in enforcing law and order, while 63.9 per cent have the opinion that there is a dearth of transparency, equitability, and justice in the services provided by law enforcement agencies. Recent sanctions against senior officials of a law enforcement agency imposed by the United States (US) government demands better handling of human rights issues (The Daily Star, 2021). However, the government needs to take proper measures in order to improve the perception of law enforcement agencies which will better ensure efficient services and reduce the cost of businesses.

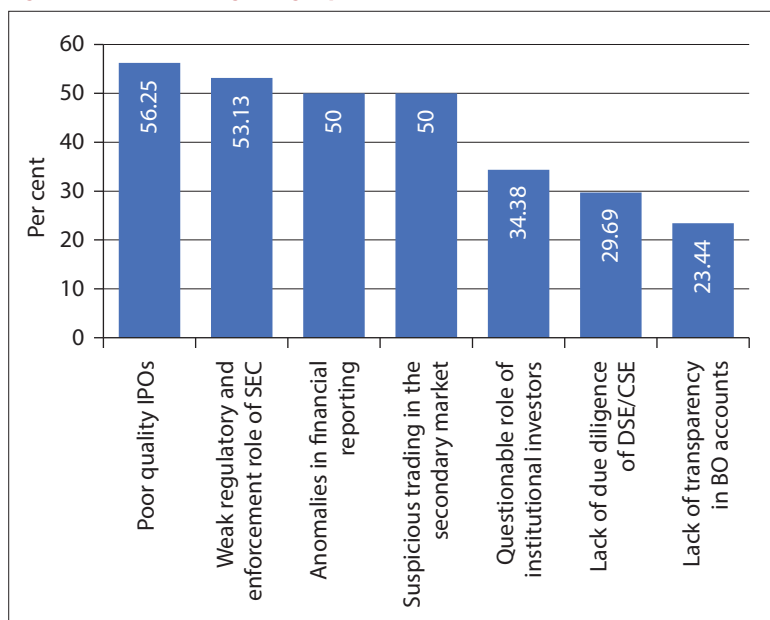
**Financial system**

The financial sector has recovered to some extents. Still, uncertainty continues and financial sector is struggling on certain fronts. Most of the indicators either outdid the level or reached the level of the pre-pandemic situation. However, as per the survey, businessmen's view towards some indicators related to financial system has improved in comparison with that in the pre-COVID period, covering soundness of banks (0.00; 19.4 per cent), access to finance for start-up business (-1.00; 70.8 per cent) and maintaining a better financial standard, and auditing and reporting (0.07; 41.1 per cent).

However, about 52 per cent of businessmen indicated that the small and medium enterprises (SMEs) are facing difficulty in obtaining funding from the financial sector and the progress is relatively slow compared to other financial market indicators. Bangladesh Bank has issued a total of 564 circulars related to different stimulus packages; among them, only 38 circulars are related to SMEs. And, the overall loan disbursement share (2nd phase) in the first six months of FY2021–22 was only 22 per cent, while the share of disbursement of 'working capital for SMEs (2nd phase)' package was only 21 per cent (The Business Standard, 2022a).

When it comes to gaining investor confidence, capital market is having difficulties (Figure 3). However, a number of directives have made significant contributions to the improvement of the banking and capital market situation, such as: central bank provide credit guarantee scheme, credit wholesale programme targeting women entrepreneurs (with cash incentive); allowing loan rescheduling opportunities; bank-led disbursement of subsidised credit support under stimulus package. Ministry of Finance (MoF) has made it mandatory for NBR to verify audit reports of business entities with the

**Figure 3: Public Views regarding Capital Market**



Source: Authors' illustration based on the EOS data.

document verification system (DVS) of the Institute of Chartered Accountants of Bangladesh (ICAB), which is expected to improve transparency in the financial reporting system.

### Competition

The domestic business environment has somewhat improved and passed pre-COVID level. However, the overall competitive environment is below the minimum average level. The survey has found that the majority of entrepreneurs still considered that the corporate businesses are dominated by a few groups of companies like previous time (-0.85; 74.1 per cent). On the other side, the businessmen perceived that the provision of professional and retail service somewhat improved, and the new companies are introducing innovative ideas to grow rapidly in the market that surpassed pre-pandemic situation (0.20; 46.5 per cent). Sheba.XYZ, Pathao, 10 Minute School are among the highest growth achievers that introduced innovative ideas in their respective business operations. Although the overall competitive environment has marginally improved, more than 46 per cent of respondents still mentioned that fiscal measures distort competition to some extents, and well-developed and deep clusters at a poor state though. The Competition Commission needs to be proactive to monitor the activities of the 'dominant market players' in different sectors.

A total of 16 new indicators are added in the competition section in 2021; among them, perception regarding half of them are on positive terrain, while the other half are on negative terrain. The entrepreneurs perceived that most of the provisional services—financial, telecommunication, transport and shipping service—are somewhat competitive as many buyers and sellers enter the market. A modest level of competitive practices is observed in the real estate, financial services, hotels, and restaurant businesses, which are largely operated by the private sector. On the flip side, weak competitive environment is observed in case of energy and utilities operated under the public sector (-0.53; 48.6 per cent). A number of inefficiencies are observed which involved—the pricing of energy use in private power generation companies, high expenses for capacity payment, high amount of subsidy, and direct and indirect burden to government and consumers. In addition, the majority of the service related activities are informal and badly affected during the pandemic period, and fiscal-financial support for most of the services is inadequate. For example, about 22.83 lakh males or females are directly or indirectly involved in 4.36 lakh restaurant business in Bangladesh (BBS, 2021). These employees received limited financial support.

Nowadays, some external factors play roles influencing buyers' decision-making in the market which is not necessarily based on the competitive market behaviour. About 57.5 per cent of buyers fairly make their purchasing decision based on the product performance apart from product price, while more than 50 per cent of businessmen have acknowledged that buyers do not consider their purchasing decision based on the product impact on environment and nature, health and well-being, company commitment to diversity, equity and inclusion, and decent work standards and wages. Due to the lack of safety and human rights concerns, industrial accidents are also increasing across all

industries, with fire (52.2 per cent) and short circuits (23.9 per cent) being the primary causes (Moazzem & Mostofa, 2021). Finally, the respondents indicated that individuals could not share or move any information or data between the firms (-0.30; 46.6 per cent). Therefore, to improve the market competitiveness and efficacy, the formalisation of informal services is extremely important and it is crucial to put emphasis on data transparency and dissemination.

### Business operations, governance, and innovation

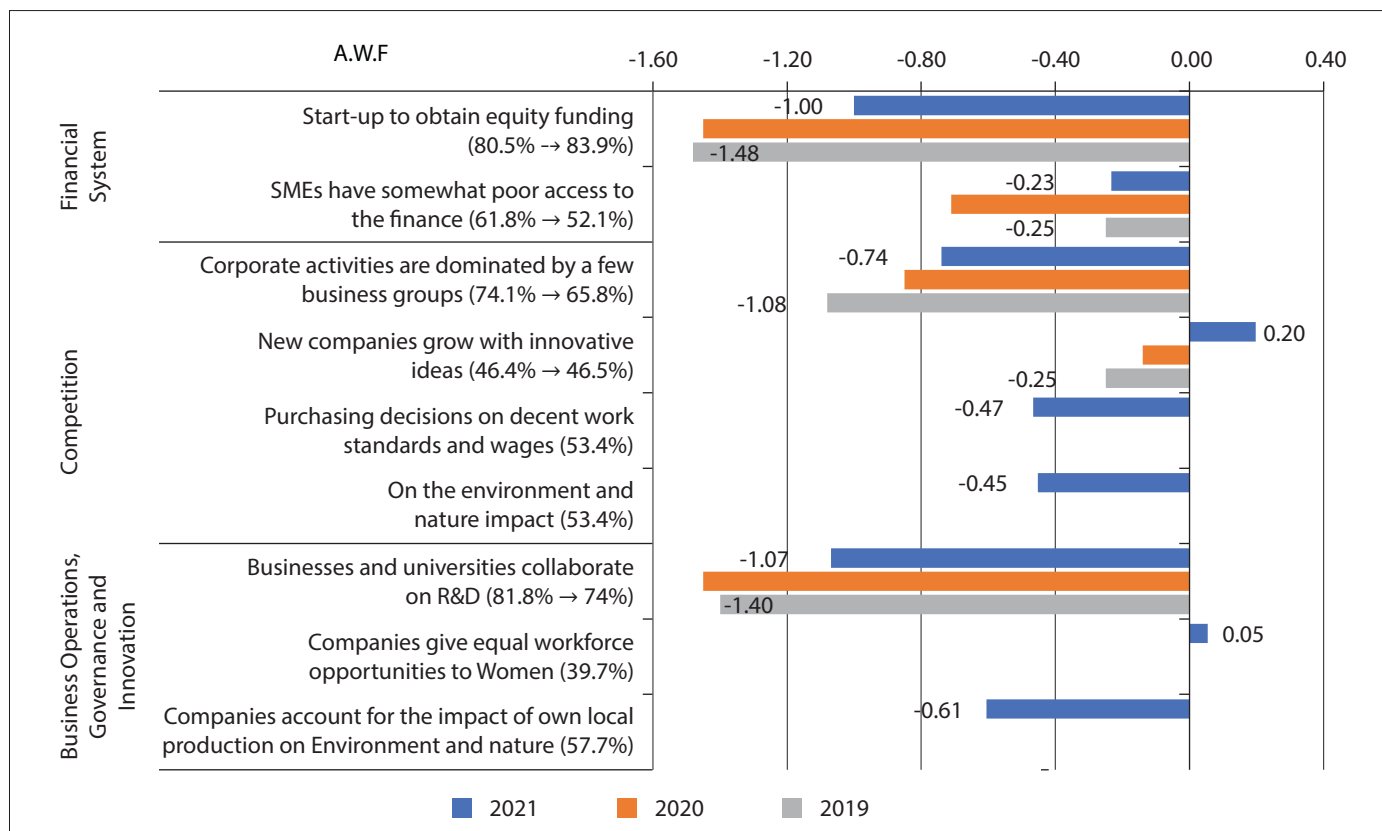
Business operations in 2021 have somewhat improved and crossed pre-COVID level; however, the level of changes in most of the cases is below the minimum required standard. Lack of governance has been a major barrier towards ensuring a transparent business operation. Management was found delegating authority to subordinates, companies embracing risky or disruptive business ideas including unfair nepotism in senior management positions. On the contrary, companies in many cases were seen not integrating people with disabilities into the workforce and not providing equal opportunities to women for senior management positions.

The business culture has been going through transformation in a positive direction, though at a slow pace due to the ongoing COVID crisis. Corporatisation in management practices is particularly important in this context where some new indicators were added to the EOS of 2021. Performance on most of the indicators is below the minimum standards. Companies who provide equal labour opportunities to women, born to low-income parents, and people from disadvantaged groups considering their religious, ethnic, or racial backgrounds, performed better in company operations. Bangladesh has ranked 65th of 156 countries in the latest Global Gender Gap Index 2021 published by the World Economic Forum (WEF) slipping 15 places from the last year (WEF, 2021), however it has retained its position as the best performing South Asian country for seven consecutive years now.

Moreover, marginal but positive changes were observed in developing an inclusive workplace environment. Further improvement is required involving several concerns including equal opportunities to women (39.7 per cent) (Figure 4), those born into low-income families (39.7 per cent) and those from a typically disadvantaged religious, ethnic, or racial background (39.7 per cent). LGBTI (lesbian, gay, bisexual, transgender and intersex) is an emerging concept in our country and few issues concerning this have been raised in the EOS. In this context, 70.8 per cent respondents find it necessary that the LGBTI people should be provided with equal opportunities at work. Around 67 per cent of respondents perceived that people with disability are still not considered eligible enough to enter the workforce. Special employment opportunities and scope need to be created, keeping the need of these people in mind. Of the respondents, 72 per cent said that not many companies publicly report their environmental, social and governance impact. These business enterprises must follow corporate guidelines such as the United Nations Global Compact (UNGC) and the UN Guiding Principles on Business and Human Rights (UNGPs) which encompass official commitment and business practices.



**Figure 4: Performance Based on Major Indicators under Three Pillars i.e. Financial System, Competition, and Business, Operation, Governance and Innovation<sup>1</sup>**



Source: Authors' illustration based on the EOS data.

### Building human capital

Entrepreneurs have acknowledged that present education and skill development systems do not align with the human capital development, unable to meet the demands of digital technologies, creativity, and self-management among others. Considering the implication, curriculum development, skill and improvement of the teachers quality, alignment with the worldwide skill development system, national skill standardisation, and increased public investment in vocational and non-vocational institutes are critical. According to 59.7 per cent respondents (Figure 5), the current education system is still behind in complying with the needs of the competitive economy. However, several factors have got improved compared to the pre-pandemic period. For example, 55.6 per cent of respondents thought that primary education still lags in meeting the needs of a competitive economy; however, the situation has improved over the years, which is not true in the case of tertiary education and professional skill development. Similar challenges are also observed in the case of vocational education and non-vocational education. Regarding curriculum development, improvement of teachers' skills and quality, orientation with international skill development system, standardisation of national skills under NSQF, and more public investment in vocational and

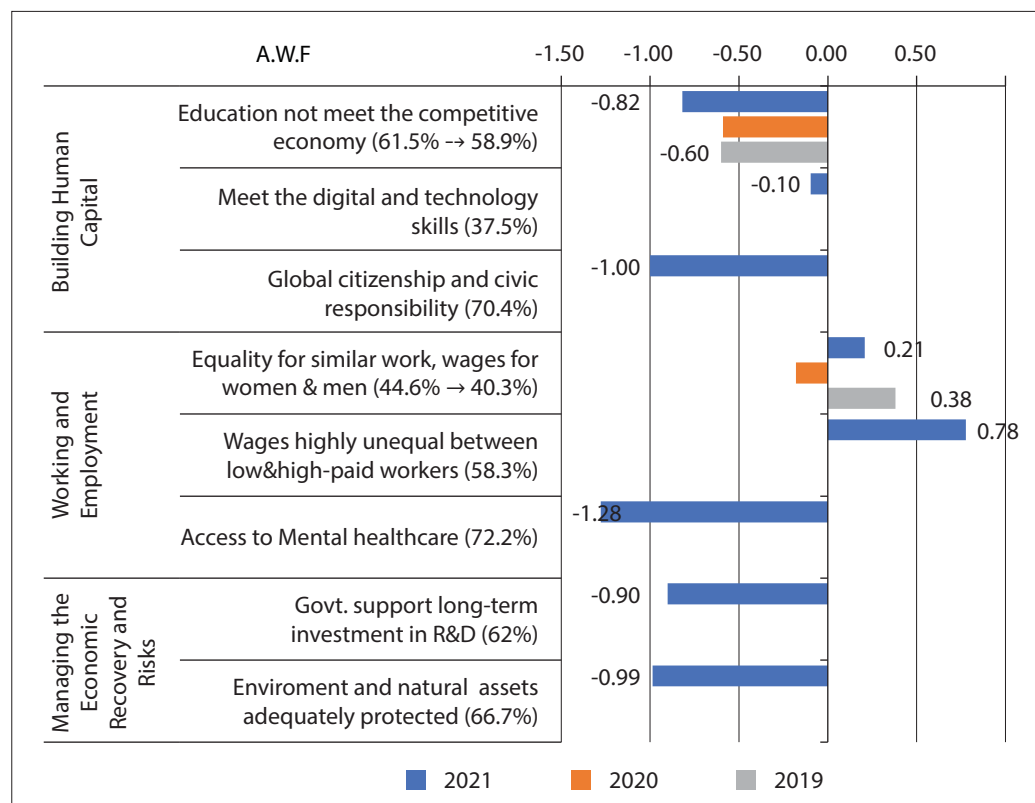
non-vocational institutes are essential. In terms of skill development, significant improvement is required in several indicators. The current education and skill development systems do not seem conducive to creating human capital that can meet the needs of digital technologies, creativity skills, self-management skills, etc.

### Work and environment

Working and employment have experienced mixed trends during pre-COVID and COVID period. According to the survey, most people do not have enough access to unemployment benefits, training and re-employment assistance, elderly care, or mental health care. Access to education, in general, has become better—45.8 per cent have agreed. In the survey, several indicators demonstrated positive changes during the recovery period after the COVID crisis in 2021. Some of these include—women getting similar wages as men (Figure 5); issues concerning hiring and firing workers have become flexible; skilled candidates are getting prioritised. Of the respondents, 34.7 per cent mentioned that labour-employer relation has improved slightly. A better interaction, discussion and negotiation happened during the pandemic period. On a negative note, 39.4 per cent responded that people now have fewer opportunities to

<sup>1</sup>Values in the figure shows only A.W.F. (average weighted frequency) of 2019 and 2021.

**Figure 5: Performance Based on Major Indicators under Three Pillars i.e. Building Human Capital, Working and Employment, and Managing the Economics Recovery and Risks**



Source: Authors' illustration based on the EOS data.

improve their economic situations through personal effort. Indicators like high wage-inequality between high paid and low paid workers, female and male workers not getting equal time off to take care of the children and the elderly, and companies not offering enough flexible working arrangements such as remote and part-time work got highlighted. On another note, 65.3 per cent responded that all members of the population are yet to get access to housing. Therefore, substantial investment is required to address the challenges.

**Managing economic recovery and risk**

The economy's recovery has become a top priority following the pandemic crisis. While businesses show signs of recovery in many situations, it is usually a disproportionate recovery that fails to ensure adequate employment and wages, access for the marginalised sector, and social and environmental growth. Therefore, an all-inclusive recovery plan must be executed while focusing on lowering tax rates, improving credit access, and reducing corruption. Of the businessmen, 32.8 per cent found the country's economic growth and revival strategy not much effective; 55.7 per cent businesses opined that the government's effort to support private sector productions is somewhat inadequate; and 47.1 per cent respondents somewhat disagree that the government supports market demand through fiscal incentives. Moreover, the government's initiative in investing in research and development (R&D) to overcome the crisis has been rather low, so is government's negligence towards protecting the

environmental and natural assets or protecting cultural heritage. As a result, Bangladesh has ranked 162nd out of 180 countries in the 2020 Environmental Performance Index (EPI). However, 64.8 per cent of businessmen expressed their views that the government is conducting timely revisions of the relevant legal frameworks.

**5. Conclusions and Way Forward**

In a post-COVID era, the competitiveness of business environment has increasingly been defined from the 'build back better' perspective through ensuring equal access to opportunities, inclusivity, addressing inequality, and improving physical, social and environmental aspects to create a more resilient economy effectively and efficiently. Bangladesh's journey during the time of COVID crisis is appreciated.

However, the question is whether the journey could create a recovery path for businesses on all counts. Even though the businesses on several counts have shown signs of recovery, it is in most cases a disproportionate recovery, which largely fails to ensure decent employment and wages, access for the marginalised, and social and environmental development.

Businesses are still confronting structural challenges while new challenges are added as barriers to competitiveness. Corruption, weak and inefficient bureaucracy and lack of access to financing are the top three challenges, which raise the cost of the business significantly, particularly for the micro, small and cottage industries; emerging concerns include tax, health and skilled workforce-related issues which are affecting all categories particularly large-scale and foreign direct investment or FDI-led investments. To enhance the competitiveness, drive against corruption is crucial, as it particularly hurts businesses in a number of forms including bribery in licensing, registration, and providing utility facilities. Transparency in tax collection and accountability in public services should get policy-wise as well as strategic priority.

Moreover, most of the businesses took cost-cutting as a survival and recovery strategy and apprehended a minimum recovery period of three years. The period is rather long across all categories of enterprises (micro, small, medium and large). An inclusive recovery plan needs to be implemented focusing on reducing tax rates, better access to credit facilities, and reduction of corruption. Restructuring the fiscal incentives focusing on micro, small,

self-employed and emerging businesses is essential, and the the upcoming national budget should highlight these issues. However, Bangladesh needs to address various risks in the next two years, which might have a disproportionate impact on different categories of businesses. Bangladesh needs to consider those concerns along with its current and upcoming development policies and strategies which include employment related strategy, LDC (least developed country) graduation strategy, Mujib climate and prosperity plan, among others. Otherwise, the disproportionate impact of these risks would result in losing many emerging business opportunities and loss of employment, particularly for women.

Besides, in the context of the fallouts owing to the COVID-induced crises, more investment is required for digitalisation in various sectors including education, health, elderly care, and transport. Bangladesh needs to be cautious about digital inequality by ensuring easy access and low-cost facilities for all citizens across all sectors, including marginalised women, youth, SMEs. In addition, in this digital era, relevant skills development, data management, and artificial intelligence (AI) are going to define future opportunities for businesses in Bangladesh. Hence, necessary fiscal and budgetary support should be made available to expand digital services across the board. Also, both public investment and decentralisation are essential to reduce pressure on urban cities. By the same token, future investment should focus more on clean energy and green growth in industries, power and energy, agriculture, transport, and relevant sectors.

Competitive market is in place in terms some categories of businesses and enterprises. However, the government needs to follow market-based approaches in case of administered utility and energy markets. Government institutions such as Competition Commission need to be proactive in identifying the problems of dominant market players and ensure competitive environment. Businesses need to be formalised and corporatised. In this context, necessary initiatives need to be taken by MoC, and public sector corporations. They should create scope for businesses of SMEs under Bangladesh Small and Cottage Industries Corporation (BSCIC), Bangladesh Export Processing Zone Authority (BEPZA) and Bangladesh Economic Zones Authority (BEZA).

The financial sector—including banks, insurance, and capital market—needs necessary legal and operational restructuring and reform. Skill development is identified as a major concern for private sector businesses in future. NSDA should come forward to extend necessary support to the private sector in pursuing their businesses. Considering unemployment and income generation issues, the Bangladesh government should expand its social safety net programmes (SSNPs) and design framework for unemployment insurance in the country. Through fiscal and budgetary support, opportunities for marginalised, disabled, and other special groups should be ensured and incentivised. Business reporting of human and labour rights and environmental compliances and corporate practices need to be promoted and follow international guiding principles such as UNGPs, UNGCs, and International Labour Organization (ILO) conventions.



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ACRONYMS

AI	Artificial Intelligence	LGBTI	Lesbian, Gay, Bisexual, Transgender and Intersex
AWF	Average Weighted Frequency	MFS	Mobile Financial Service
BEPZA	Bangladesh Export Processing Zone Authority	MoC	Ministry of Commerce
BEZA	Bangladesh Economic Zones Authority	MoDMR	Ministry of Disaster Management and Relief
BFIU	Bangladesh Financial Intelligence Unit	MoF	Ministry of Finance
BSCIC	Bangladesh Small and Cottage Industries Corporation	NBR	National Board of Revenue
CPI	Corruption Perceptions Index	NSDA	National Skills Development Authority
DFS	Digital Financial Service	NSQF	National Skills Qualifications Framework
DVS	Document Verification System	R&D	Research and Development
EOS	Executive Opinion Survey	SME	Small and Medium Enterprise
EPI	Environmental Performance Index	SSNP	Social Safety Net Programme
FDI	Foreign Direct Investment	TI	Transparency International
FY	Fiscal Year	UNGC	United Nations Global Compact
ICAB	Institute of Chartered Accountants of Bangladesh	UNGP	UN Guiding Principles on Business and Human Rights
ILO	International Labour Organization	US	United States of America
LDC	Least Developed Country	WEF	World Economic Forum

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