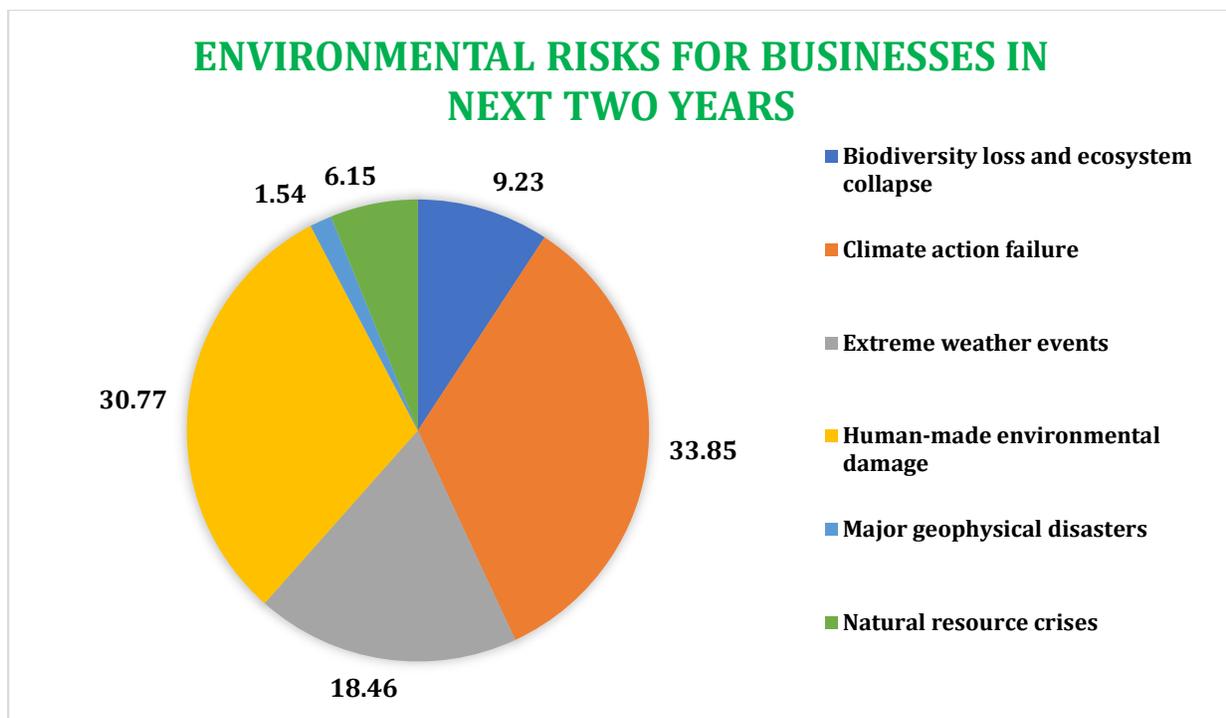


Brief on Businessmen's Perception on State of Environmental Risks & Clean Energy in 2021

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Businesses are increasingly emphasizing environmental and energy-related issues and concerns. These issues have been identified in the Annual Executive Opinion Survey conducted by the Centre for Policy Dialogue (CPD) during April - July 2021. The objective of the perception survey was to identify businessmen's perception of the state of the business environment during 2020 especially during the period of the pandemic. The environment and clean energy-related issues have been covered in the survey particularly to trace their relationship with business competitiveness, environmental sustainability, and managing risk along with other issues. The survey was conducted among 73 businesses who are based in Dhaka, Chittagong, Narayanganj, and Gazipur.

Perception on Environmental Risks of Bangladesh Business Environment: Businessmen were asked about the environmental risks they think possess the greatest risk in the next two years. The majority think 'climate action failure' (33.85%) and 'human-made environmental damage' (30.77%) are the two major environmental risks. Other risks include 'extreme weather events (18.46)', 'biodiversity loss and ecosystem collapse' (9.23%), and 'natural resource crises (6.15%)'.



Source: Centre for Policy Dialogue

Perception on Institutional and Infrastructural Performance of Bangladesh in Business: About 69.1% of business executives think fiscal instruments performed weakly in addressing environmental degradation. Bangladesh is also lagging in public financing for green energy and infrastructure, according to 55.7% of the executives. The central bank is however encouraging private commercial banks to promote green financing. From January 2021 onwards, the minimum target of green financing was set to 15% from 2% for all banks and non-bank financial institutions (NBFIs). According to Bangladesh Bank, banks and NBFIs in the country gave out Tk 11,893 crore in green loans in 2020 which was 7.11% higher than the previous year¹.

Perception on Environmental Impact on Business: Climate change is raising the cost of doing business. About 56.5% of respondents observed that climate changes are somewhat rose the cost of doing business. This has been exacerbated by the operational practice of business as well as the companies don't publically report their environmental impact, according to 72.2% of the respondents. The businessmen are also concerned about the government's lack of initiatives towards protecting the environment and nature following the pandemic.

Based on the situation, future investments should focus more on clean energy and green growth in every sector especially in industrial, power, agriculture, transport sectors. The companies also have to come forward by following environmental compliances in their operations. They might also follow the global environmental commitments made by the Government of Bangladesh.

¹ <https://www.thedailystar.net/supplements/financing-the-future-sustainable-finance-bangladesh/news/bangladesh-sees-encouraging-rise-green-finance-2173946>