

# **Economic Policy Paper on Reforms for Institutional Framework of Business Development Services to Enterprises**

At the dawn of the development of human society, people lived in small groups. Everybody used to do everything. Gradually it was realized that living conditions would improve if individual members of a group specialize in specific functions to meet group's needs. Then it also became apparent that if different groups produce different products and exchange them every one would be better off. The isolated communities became closer to each other. The medium of exchange was introduced. The foundation of commerce was laid. Advent of money, developments in banking and improvements in the network as well as modes of transportation and communication facilitated trade further.

## **International Trade**

Trade within a country was always viewed positively for the improvement in living standard. However, the utility of foreign trade was in doubt, till Adam Smith, in the eighteenth century, first established that a nation can increase its welfare if it specializes in the production of goods in which it has absolute advantage and then engage in trade with other nations. David Ricardo, another classical economist, demonstrated that even if a trading nation does not possess an absolute advantage in the production of any product, it still gain by producing and exporting those goods in which it has comparative advantage and importing those goods which it produces less efficiently. However, nations can benefit from international trade only if their markets are open. The liberal access to foreign markets and fair competition enable business enterprises to produce and sell products for which they have comparative cost advantage. Similar conditions at home enable them to import from foreign countries and sell in the domestic market the goods in the production of which a country has comparative cost disadvantage.

## **The Multilateral Trading System**

The collective desires of the trading nations to improve the living conditions of their citizens form the basis of multilateral trading system. Its foundation was laid on October 30, 1947 when 23 contracting states signed the General Agreement on Tariffs and Trade (GATT). It entered into force on January 1, 1948. The GATT laid down the rules for the conduct of international trade in goods and also provided a forum for reduction or elimination of tariff and non-tariff trade barriers. Progressive international trade liberalization came through multilateral trade negotiations, known as "trade rounds" under its auspices. Most of GATT's early trade rounds were devoted to continuing the process of reducing tariffs. The result of the Kennedy Round (1964-67) included a new Anti-Dumping Agreement. The Tokyo Round (1973-79) brought down significant reduction in tariffs of industrial products in developed markets. Further, a number of agreements on non-tariff barriers were also concluded. However, only a few industrialized countries ascribed to them. Consequently, they were often referred to as "codes". The eighth round, known as Uruguay Round, conducted between 1986 and 1993, was the last and most extensive of GATT negotiations. Its results provided business enterprises much higher degree of security and predictability at domestic and international markets. In addition to further reduction in tariffs it raised the percentage of bound tariff lines from 78 to 99 percent for developed countries, 21 to 73 percent for developing countries and from 73 to 98 percent for economies in transition. Trade in agriculture as well as textiles and clothing were brought under the fold of GATT discipline. Multi-fiber Arrangement (MFA), which regulated world trade in textiles and clothing since 1974, ceased to exist by January 1, 2005. The round also brought trade in services; trade related investment and intellectual property within the framework of the multilateral trading regime. An elaborate dispute settlement mechanism was also devised.

The round paved the way for integration of the rules and disciplines, norms and standards for the trade in goods and non-goods sectors. Conceived as a 'single undertaking' the round introduced the notion of 'cross-retaliation' in the global trade relations. The Uruguay Round Agreements fundamentally changed the previous emphasis on exempting the developing countries from certain agreements and GATT provisions. However, they, specially the least developed ones among them, were allowed longer transition periods to adopt certain provisions of these agreements.

### **The World Trade Organization (WTO)**

The World Trade Organization (WTO) was established on January 1, 1995 as the embodiment of Uruguay Round results and successor to the GATT. It is now the forum in which trade relations among nations evolve through collective debate, negotiation and adjudication and is the prime mover for the rapid expansion of global trade. Since its establishment the quest for progressive trade liberalization gained momentum. Several biannual meetings of Trade Ministers took place – the first in Singapore (1996) and then respectively in Geneva (1998), Seattle (2000), Doha (2002) and Cancun (2004). Meetings in Seattle (2000) and Cancun(2004), witnessed violent anti-globalization demonstrations. However, they did not deter the WTO from its pursuit to liberalize world trade further. A new round, first under the auspices of WTO, has been launched in Doha in 2002. Ministers would be meeting again in Hong Kong in December, 2006 to review its progress.

The WTO Agreements created rights and obligations for the member states and their business enterprises. They set the boundaries within which national governments frame and implement domestic trade laws and regulations. Further, the WTO also oversea the implementation of multilateral trade agreements at the national level. Thus, WTO legal system has profound impacts on every business – big, medium or small and how they operate in domestic and international markets. In their business dealings and operations they are to adhere to WTO rules. Therefore, it is important that the services provided by chambers and other organizations devoted to development of trade and commerce should be tailored to enhance business enterprises', particularly of SMEs, understanding of and capacity to operate and benefit from the WTO legal system.

### **Institutions Responsible for Development of SMEs**

Development of SMEs is closely linked with a country's stage of economic development. SMEs create more jobs and generate more income and ensure more equitable distribution of GDP than large enterprises. An advanced and more prosperous county usually has a developed and vibrant SME sector. With supportive policies, programs and incentive packages governments play the most pivotal role in their development. Among the Government agencies responsible for development of SMEs in Bangladesh the Board of Investment (BOI), Bangladesh Export Processing Zones Authority (BEPZA) and Bangladesh Small and Cottage Industries Corporation (BSCIC) are the most important ones. While BOI register and facilitate all kinds of investment, BEPZA and BSCIC provide infrastructural facilities for setting up of industrial projects in their exclusive zones and estates. Export Promotion Bureau (EPB), Bangladesh Institute of Management (BIM), Bangladesh Industrial Technical Assistance Centre (BITAC) Bangladesh Standard and Testing Institution (BSTI), Bangladesh Council for Scientific and Industrial Research (SCSIR), etc. provides various supports services. Government programs such as 'Matching Grant Facilities (FGF)' under the Export Diversification Project of the Ministry of Commerce with funding from the World Bank was an example of Government initiative designed for capacity building of SMEs in export promotion. Central Bank and financial institutions offer special financial packages for SME development. Among several dozen Chambers, apart from DCCI, the Federation of

Bangladesh Chamber of Commerce and Industry (FBCCI) – the apex trade body in the country, the Metropolitan Chamber of Commerce and Industry (MCCI), the Bangladesh Chamber of Industries (BCI) and the Chittagong Chamber of Commerce and Industry (CCCI) are most active for the development of private sector. There are also about 150 Trade Associations, which also promote and protect the interests of their respective trade. Non-profit organizations, often established with donor support, like Micro Industries Development Assistance and Services (MIDAS) are also providing support services for the development of SMEs. International organizations, multilateral and bilateral donors like UNCTAD, ITC, WTO, World Bank, EU, GTZ, US Aid, JETRO, etc. often collaborate with and provide financial support and technical assistance for projects and programs of Government, NGOs and trade bodies for the development and capacity building of the private sector in general and SMEs in particular.

### **Chambers in Developed and Developing Countries**

Chambers usually represent business enterprises of a particular city or region and then they group together to form a national Chamber. France was the first country to establish a modern Chamber of Commerce in Marseille in 1599. Since then Chambers were formed elsewhere all over the world, often with encouragement and approval of the Government. The Bengal Chamber of Commerce and Industry, Calcutta was established in 1853, the Tokyo Chamber in 1878, and Hansong (i.e., Seoul, Korea) Chamber in 1884. The establishment of a Chamber in London was thought of back in 1782, but it took another ninety-nine years to form one on 25 July 1881. The Metropolitan Chamber of Commerce and Industry, Dhaka (formerly Narayananj Chamber) came into being in 1904.

There are now national laws and regulations for formation and operation of Chambers in every country. The U.S. Chamber of Commerce, a federation of nearly 3,000 state and local Chambers, 830 associations and over 90 American Chamber abroad, was created in 1912 at the suggestion of President William Howard Taft in an address before the U.S. Congress on December 7, 1911 and has a combined membership of over 3 million enterprises. Every major city in Japan has a Chamber of Commerce of its own and 527 of them form the national chamber - the Japan Chamber of Commerce and Industry (JCCI) with over 1.6 million members. The Federation of Indian Chambers of Commerce and Industry (FICCI), established in 1927, on the advice of Mahatma Gandhi, to garner support for India's independence and to further the interests of Indian business community. Today with a membership of over 500 Chambers and trade associations it represent over 2,50,000 business units. All the Chambers including the DCCI and the trade associations in the country are members of Bangladesh Federation of Chamber of Commerce and Industry (FBCCI).

The Chambers of Commerce in developed countries like USA, UK and Japan and developing countries like India, Pakistan and Sri Lanka have membership of small, medium and large enterprises and overwhelming majority of them are SMEs. The world economy is much more inter-linked today than ever before. The process of globalization has made businesses both large and SMEs not only more competitive but also interdependent. Chambers in the developed world assist the development of SMEs with their services. They advocate for equitable tax measures and fiscal incentives as well as fair market share conducive for SME growth. They promote linkages between the SMEs and large enterprises, provide training and management counseling, facilitate transfer of technology, promote fair business practices and take initiatives to raise their competitiveness at the domestic and international market. The Chambers in SAARC countries are also playing important roles. Usually they assist member enterprises like their counterparts in developed countries in three different ways – Representation and liaison with the Government, Capacity Building and

business facilitation Services and Contacts. Further, they accelerate business development with special initiatives. For instance, the Bengal Chamber of Commerce and Industry, Calcutta in 2003 had commenced some directed efforts for business development in the state under three different initiatives – “Bengal Forward” Initiative, “Look East” Initiative and “Putting West Bengal in Perspective” Initiative. Similarly, the Maharashtra Chamber of Commerce and Industry, India promoted a few industrial estates for setting up of small and medium enterprises.

### **Organizational Structure of Chambers**

A modern Chamber all over the world typically has an elected Executive Committee/Council/Board and a Chief Executive who are responsible for its policy making. Its form and legal status are determined by legislative acts and rules and regulations framed by the Government. A permanent Secretariat, composed usually of salaried professional officials, assists them in policy formulation and implementation. The responsible for running the day to day affairs of the Chamber normally vests with the Secretariat. Sometime ancillary organs are also created to perform or deliver specific functions or services. The organizational structures of Chambers all over the world including in Bangladesh and other SAARC countries – India, Nepal, Pakistan, etc. are more or less similar.

## **The Dhaka Chamber of Commerce and Industry (DCCI)**

Dhaka Chamber of Commerce and Industry (DCCI) was established in 1958. It's a non-profit service oriented organization. It received a license from the government "for promoting trade, commerce or industry and representing and protecting the interests of persons engaged in trade, commerce or industry" and incorporated under the Companies Act, VII of 1913 as a limited company on March 10, 1959. With the passage of time, with about six thousand members DCCI has emerged as the largest and most vibrant chamber in the country.

The DCCI plays a pivotal role in the promotion and development of trade, commerce and industry in Bangladesh. The followings are some of the basic functions it performs –

- ? Represent trade, commerce and industry on various advisory or consultative committees at different Ministries and Departments of the Government;
- ? Provide inputs and views on legislative measures affecting trade, commerce and industry;
- ? Liaison with Government and put forward private sector points of views in the formulation and implementation of policies in respect of import, export, industry, investment, banking, insurance, taxation, national budget, etc.;
- ? Prepare and furnish briefs for the consideration of the government for meetings and conferences relating to multilateral, regional and bilateral trade negotiations in WTO, UNCTAD, SAARC, etc.;
- ? Function as a forum for exchanging views on trade and economy among different Chamber members, Government agencies, DCCI members and local/foreign delegations;
- ? Issue Certificate of Origin and authenticate documents for promotion of exports;
- ? Disseminate business information to members by Electronic Communication, Fortnightly Trade Bulletin, DCCI Monthly Review, Circulars, Notifications, etc.;
- ? Organize training courses, seminars/workshops/symposia, trade delegations, trade fairs and participation therein at home and abroad and receive delegations from foreign countries;
- ? Undertake activities like survey, research, etc. to suggest policies conducive to private sector development;
- ? Prepare Economic Policy Papers (EPPs) for conducting policy advocacy for the benefit of the business sector;
- ? Sign Memorandum of Understandings (MOUs) with Chambers of Commerce and Industries and other business organization of foreign countries for promotion of bilateral trade and investment;
- ? Prepare, implement and evaluate projects and programs for entrepreneurship development, export promotion, and other trade related matters;
- ? Develop business through internet/web page of its own; and
- ? Initiate project, often with assistance from multilateral and bilateral donors, to deliver better and need-based services to its members, particularly small and medium size enterprises (SMEs).

## **Role of DCCI in the Development of SMEs**

The SMEs constitute overwhelming majority of the membership of DCCI. Many of them are firms with very limited resources. DCCI not only liaison with the Government on

their behalf to promote, protect and project their interests and viewpoints but also provide them various services, viz., training, trade information, commercial intelligence, library services, etc. which otherwise would have been almost beyond their reach. The chamber provides assistance to its members through three main ways – Representation, Services and Contacts.

### **Representation:**

Echoing the collective voice of its members, the Chamber put forward its suggestions and recommendations to the Government for consideration on all policy matters, which are of interest to the business community. Important ones among them are import and export policies, industrial policy, fiscal and monetary policies, national budget, multilateral, regional and bilateral trade relations including WTO issues, etc. Besides, the Chamber also takes up individual problems with concerned Government Departments, Corporations and Autonomous Bodies as and when necessary and suggests remedial measures. DCCI is represented in about 70 Government, semi-Government and autonomous Bodies.

### **Services:**

DCCI provides multifarious services to its members. A fairly wide range of commercial intelligence is available for business operation in domestic market. For exporters, services range from information on market opportunities and trading environment to export documentation, issuance of Certificate of Origin and participation in international trade fairs and trade missions to foreign countries. E-mail, Facsimile, Photocopy, Commercial Library, Computer facilities, are also available in the Chamber. DCCI organizes training courses and seminars/workshops/symposia on important trade related subjects on a regular basis. It has several publications. DCCI Monthly Review is a standard commercial magazine and has earned admiration of readers at home and abroad. Its Trade Information Bulletin provides wide range of inquiries relating to exports, imports, trade fairs, etc. received from all over the world. It also publishes Tax Guide, Directory of World Chambers, Membership Directory, Business Directory, SME Guides, Annual Report, Brochures, etc. for the use of its members. Further, members are kept posted almost on daily basis of all important notifications/circulars/tenders issued by the Government ministries and departments, autonomous bodies and public corporations and the central bank concerning trade, commerce, industry, finance, labor, etc. through general and special circulars of DCCI.

### **Contacts:**

DCCI is a forum for discussion and establishment of business contracts. It holds meetings and conferences for discussion with various government agencies/bodies and receives foreign delegations and dignitaries, high government officials including Ministers. It also arranges receptions and provides excellent opportunities for exchange of views on important matters of trade interest.

### **The Organizational Structure of the DCCI:**

The DCCI it has four classes of membership: General, Associate, Town Association and Trade Group. The apex organ of the Chamber is the 24-member elected Executive Board representing all classes of members. One third of the Directors retire every year. The members of the Board elect a President, a Senior Vice-President and a Vice-President for a one-year term. The President is the Chief Executive. The Board is assisted by a number of Standing Committees on various business-related subjects and a permanent Secretariat.

### **Standing Committees:**

Every year DCCI constitute a number of Standing Committees. Each committee is headed by a coordinating Director and supported by a Convener and a Co-Convener. The members are drawn from the relevant businesses. The coordinating Directors apprise the Board their concerns and points of view with specific proposals in the form of committees' proceedings. After Board's deliberations and approval the Chamber implement certain proposals and rest are taken up with the Government and other relevant authorities for due consideration and implementation.

### **Secretariat:**

The Dhaka Chamber has a full-fledged Secretariat. It has branches of Administration, Finance, Public Relations, Research, Business Information and Library, Business Institute and Business Development Centre.

### **Research Cell:**

The DCCI Research Cell acts as the think tank and focal point to receive information. It is responsible for formulation of Chamber points of view on trade and economic issues and also for their dissemination. It prepares statistical analysis, conducts research and surveys, provide advisory, consulting and dispute settlement services. Dissemination of business information and intelligence relating to export, import and investment inquiries, trade fairs/exhibitions, public notices and notifications containing Statutory Rules and Orders (SROs) comes under its purview. It also issues Certificate of Origin, authenticates commercial documents and provides various trade facilitation services to members. Further, it is responsible for the implementation of DCCI's ongoing projects and planning and negotiation with development partners for future projects.

### **Library:**

The DCCI has a fairly well equipped library. It has a good collection of reference books, commercial journals and directories, government reports, parliamentary publications, international tender and financial bulletins, local and foreign newspapers and magazines.

### **Management Information Service:**

The DCCI has installed Internet E-mail service to provide effective services to its members. The Chamber updates its web page and an online database is maintained by MIS to cater for information inquiries as dial on demand basis.

### **Business Development Centre (BDC):**

The DCCI has been providing SMEs modern support services through BDC. At present Direct Dialing Telephone Services (ISD), Fax and Internet Services, Photocopying services, etc. are available in BDC.

### **DCCI Business Institute (DBI):**

It was established with the financial and technical assistance of GTZ to facilitate capacity building of business enterprises, particularly SMEs. The project was completed in October 2002 and since then it has been running on self-financed basis. The institute offers

short training courses of 1-5 day's duration, certificate/diploma courses of 3-12 months duration and organizes seminars/workshops/symposia on topics of business interest on a regular basis. It has a very impressive Calendar of Activities for 2004.

### **DCCI-SEDF Knowledge Centre:**

The DCCI has recently established a modern Knowledge Centre (KC) with assistance from South Asia Enterprise Development Facility (SEDF) of the World Bank affiliate IFC. The main purposes of KC are –

- ? To disseminate knowledge and information to SMEs;
- ? To provide a “one-stop-shop” to local SMEs;
- ? To provide training based on SME Toolkit, developed by the World Bank
- ? To provide a channel of communication for SMEs with DCCI, SEDF and World Bank

The Knowledge Centre combines information technology (IT) including PC and Internet based tools and resources, Business development information and a Library.

### **Cooperation Arrangement:**

In Bangladesh the DCCI is acting as a vanguard for the cause of private sector, particularly SMEs, development. It has entered into collaborative arrangements for the promotion of trade and investment with a number of foreign agencies and international organizations such as ITC-UNDP, UNCTAD, WTO, World Bank, ESCAP, UNIDO, GTZ, JETRO, CIPE, ICC, etc. In addition, it has concluded Memorandum of Understanding (MOU) with several Chambers in various countries for the development of bilateral trade and economic cooperation.

### **DCCI-CIPE/ERRA Project:**

The DCCI in collaboration with Centre for International Private Enterprises (CIPE), an affiliate of the US Chamber of Commerce, Washington, D.C., has been implementing a project entitled ‘Economic Reform and Research Advocacy (ERRA) to create a private sector-friendly business environment in the country. Besides, preparation of Economic Policy Papers, the project has a component on Women Entrepreneurship Development. Under this component the project has been organizing training programs, workshop, fairs and other business related activities.

### **DCCI-ITC Project:**

The DCCI has published a number of guidebooks for the use of its members under this project. These guidebooks, designed to improve competitiveness of SMEs provide information on issues like export development, how to use E-Commerce as a business tool, etc.

### **DCCI-ITC World Tr@de Net program:**

The DCCI has been working as the focal point of the World Tr@de Net Program run by International Trade Centre ITC-UNCTAD-WTO. Under this program DCCI has been organizing seminars/workshops and training to create awareness on different WTO related issues and meetings.

### **DCCI-ITC/UNDP Project:**

The DCCI with ITC/UNDP assistance has initiated a project entitled “ Export Development in Leather Sector of Bangladesh”. The project has been designed to meet the challenge of the global market through creation of awareness among entrepreneurs related with leather industry for improving quality and design of their products.

### **Globalization: WTO and DCCI**

The national governments of member states including Bangladesh negotiated and signed the WTO Agreements to create a secure and predictable international trade environment for their business enterprises. These agreements created opportunities as well as new challenges for them. The challenges arise from the increased competition both in domestic and international markets following removal or reduction in tariffs and other trade barriers and restrictions imposed on governments’ ability to impose protective measures and to assist domestic industries with financial and policy support incompatible with the provisions of the WTO agreements. The WTO legal system, however, has provided that such competition remains fair and equitable and also provided scope for the governmental support for businesses enterprises in manners consistent with the agreements. Further, the system has created a number of rights for the enterprises and the governments are obliged to enforce some of these rights with domestic legislation. These rights can be divided into two categories. In the first category are the rights of domestic producers and importers vis-à-vis their own governments. For instance, an industry has a right to request its government to take safeguard actions or to levy anti-dumping or countervailing duties, if it confronts unfair foreign competition. In the second, are the rights of exporting enterprises to defend their interests when authorities in an importing country contemplate to take action to restrict imports. They can furnish evidence against the levy of anti-dumping or countervailing duties during investigations. However, when the authorities in the importing countries act in an unjust manner exporting enterprises cannot approach them directly. They are to take up the matter with their own government to pursue it first bilaterally with the government of the importing country. If the matter can not be resolved bilaterally the government has the option to take recourse to WTO dispute settlement mechanism for resolution.

For the business enterprises to take advantage of the WTO legal system it is necessary for them to be well conversant with its provisions and procedures. Their government can act for their benefits only if the deviations from WTO rules are brought to its notice. A Government can take recourse to the Dispute Settlement Procedures only when affected enterprises first raise the complaint and then provide it necessary information. It is the responsibility of the enterprises and of their Chamber, particularly in the case of SMEs, to exercise continuous vigilance for benefiting from WTO regime.

Further, the Chambers should closely follow the ongoing negotiations in the WTO. The entire spectrum of WTO negotiations revolves around ‘reciprocity of concessions’ and ‘binding commitments’ by the member countries in the areas of their trade interests. However, Bangladesh and other Least Developed Countries have been seeking non-reciprocal market access concessions abroad and preferential and differential treatments in successive trade rounds. They received, in return, assurances of autonomous market access concessions and of technical assistance for their trade capacity building. They do not form part of WTO schedule of concessions. However, the award giving nations notify the WTO of their largesse as and when they grant such concessions. It is sad to note that these concessions have produced precious little in increasing LDCs share in world trade. In fact, their share in global trade has been declining over the years. On the other hand, Bangladesh and most LDCs have been pursuing autonomous trade liberalization, often to meet conditions set by the World Bank, the IMF, and other multilateral and bilateral donors and opening up many

sectors of their economy offering attractive incentive packages to attract foreign investments. It is now high time for the business community to look into the approaches the Bangladesh Government adopted in trade negotiations, particularly in the ongoing Doha Round and also in regional and bilateral FTA negotiations, in seeking concessions for their benefits and to accelerating the economic development of the country.

### **Restructuring of DCCI**

In the organization structure of DCCI two important pillars are its Standing Committees and the secretariat. Through the Standing Committees the concerns, hopes and aspirations of its members are ventilated. The Secretariat has all encompassing jurisdictions, starting from administration and finance to training and research.

### **Reforming Standing Committees**

Every year the Standing Committees are reconstituted after the annual election. Further, the number and jurisdiction of these committees are also flexible. Precious time elapse before they are reconstituted after election every time. Again, when there is a large number of them the Secretariat find it difficult to assist the committees in the preparation for their deliberations and recording of proceedings. Further, since the committees are reconstituted following every election their activities suffer from lack of continuity. Some Chambers, viz., Bengal National Chamber of Commerce and Industry, Calcutta, has a fixed number of Committees. Some Chambers, viz., Confederation of Indian Industry (CII) have Councils, Committees and Divisions to address various issues.

### **Recommendations**

- ? The DCCI has a rotating Board. DCCI Directors have tenure of three years, but one third of the 24-member Board retires each year. It is, therefore, recommended that DCCI may form a fixed number of Standing Councils on broad areas of trade and investment such as Manufacturing, Agriculture, Services, Trade Policy, Monetary and Fiscal Policy, etc. with rotating membership, one third retiring every year.
- ? There should be three different categories of members in Standing Councils – all nominated by elected Executive Board. First, Elected Directors; Second, nominated general members and third associated experts drawn from academics, economists, professional groups and civil society to infuse a broader spectrum in the Chambers deliberations and interface between the captains of commerce and the society at large. Of course only the first two groups will have voting rights, if occasion arises for voting.
- ? Each Standing Council should have at least three elected Directors or multiple thereof. At least one Director elected in each of the three consecutive yearly elections should be included in the Council. The senior most among them should act as its Chairman and preside over its meetings. Before becoming Chairman a Director would have at least two years experience as member of the Council.
- ? The number of general members and associate members should be flexible but their appointment should be for a period of three years and a third of should be replaced each year.

- ? Each council should chalk out a rolling yearly work program and unfinished agenda of the previous year should form part of the next year's agenda. The ownership of the Chamber's every initiative should lie with one or the other of these Councils and should also be made responsible for monitoring of its implementation. A council may form committees composed of its members, if necessary.
- ? Each Council should have a designated official of the Secretariat to assist in its work. Separate Divisions within the Secretariat may be created to serve various councils depending on workload.

Fixed number of Standing Councils with rotating membership would provide continuity, flexibility, dynamism and new vision in Chamber's activities.

### **The Secretariat**

The Secretariat plays most pivotal roll in the affairs of the DCCI and has an all encompassing jurisdictions – administration, finance, public relation, service delivery (BDC, Knowledge Centre, etc.), co-operation agreements, projects, training, research, etc. It is mind-boggling how the officials of the secretariat are coping with so many responsibilities.

### **Recommendations:**

- The Secretariat should be made responsible for the core activities – providing support services to the Board, the President, the Standing Councils/Committees, policy, planning, co-operation agreements, liaison with the government, bilateral and multilateral donor agencies, other trade bodies, etc., public relations, business contacts, dispute settlement, membership and services, finance and administration, monitoring of implementation of projects and also of activities of attached and affiliated organizations.
- In today's global free market environment the success of enterprises depend on their ability to compete with others. The more is the competitive edge the better is the prospect for success and progress. Therefore, in view of the nascent stage of the country's economy DCCI Secretariat may assume a more proactive role in the development of SMEs. Under a 'SME Development Initiative' it may carry out studies and research to identify innovative projects, particularly from among the sunset industries in more advanced economies, and also potential investors for their setting up in Bangladesh. In addition to project appraisal it may also provide advisory services in accessing credit need and source of fund, identification of appropriate technology and their transfer and marketing of products. This initiative may come under a collaborative project with one or more bilateral and multilateral donors. Other initiatives may include the implementation of Asian Development Bank's fond project – "Dhaka Chittagong Development Corridor", "Let the Ports and Customs Work Better for Businesses" – to improve efficiency at ports and custom points to reduce cost of doing business, "Sunshine Bangladesh" – to improve the image of the country to attract investments from abroad, etc. It may also provide a vision for country's future development and progress.
- The secretariat may create attached organs to deliver specific services or execution of special initiative/programs/projects. Some responsibility may be assigned to independent consultants or business enterprises as its contractors.

- Of its present activities training and research should be made exclusive domain of an autonomous DCCI Business Institute. Business Information Library, Business Development Centre, DCCI-SEDF Collaboration and implementation of DCCI-CIPE-ERRA Project, DCCI-ITC Project, DCCI-ITC World HYPERLINK <mailto:Tr@de> Net Program may be placed under the purview of the Institute. Proposed ‘SME Development Initiative’ may also become a part of its work program.
- DCCI, as the premier Chamber representing primarily the SMES should disseminate and debate WTO issues as well as schemes of regional integration – Free Trade Area, Customs Union, Economic Union, etc. DCCI Business Institute should continuously follow ongoing negotiations at the WTO and the SAARC and elsewhere and act as its “Think Tank” and depository of knowledge and information to promote international trade and render inputs for evolving and shaping policies of the Government in different areas. It should also assist DCCI members in their pursuit of safeguard measures under the WTO rules to protect and promote their interests

The reform proposals for Institutional Development of DCCI to provide better services for business development to its members, particularly SMEs, were made keeping in view limitation of its resources. Further, for increasing members’ involvement and participation in its activities to improve its services its existing legal structure is found sufficiently adequate.

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