

Talking Points for Mr. Hossain Khaled, President, Dhaka Chamber of Commerce and Industry (DCCI) on the courtesy call of the Wales Bangladesh Chamber of Commerce Trade Delegation:

Date: 25 January, 2015

Time: 04:00 p.m.

Venue: DCCI

BISMILLAHIR RAHMANIR RAHIM

Mr. Dilabor A. Hussain, Chair and leader of the delegation, Wales-Bangladesh Chamber of Commerce (WBCC);

Distinguished members of the visiting team of the Wales Bangladesh Chamber of Commerce;

My dear Colleagues in the Board of DCCI;

Assalamu A'laikum and a very good afternoon

1. **Greetings:** On behalf of Dhaka Chamber of Commerce & Industry (DCCI) and me, it is a great honor and pleasure to cordially welcome you all to today's business meeting. We extend our heartiest thanks to Mr. Dilabor A Hussain, Chair of the Wales-Bangladesh Chamber of Commerce (WBCC) and his entourage as the members of the Delegation for taking the trouble to come to Bangladesh and meeting with the DCCI Board members.

We are very pleased to know that this is the second official Welsh government trade mission to Bangladesh after the successful first visit in 2011. We hope that our discussions today will ensure further cooperation between these two organizations to promote bilateral business relationship, foster quality of business and facilitate optimum potentials in trade and investment between these two countries.

As we are aware, Wales (and the UK) is an important trading and development partner of Bangladesh. Bangladesh-UK relationship has been vital from trade and economic perspectives. Bilateral relations between these two countries are deeply rooted in the identical values and culture of our peoples. In order to strengthen economic activities and trade ties between Bangladesh and Wales, the DCCI and WBCC has been working together.

2. **Introducing DCCI:** Let me begin by telling you a little about our chamber. Dhaka Chamber of Commerce and Industry, (DCCI) was established in 1958 under Companies Act, 1913. Now DCCI is the largest and most active chamber in the country rendering trade supporting services to it's around 4000 members and other business communities in the country. DCCI has taken various steps towards building capacity of the private sector to face the challenges of globalization and exploit the emerging opportunities in the international market. The basic functions of DCCI revolve around promoting and developing the private sector of Bangladesh and strengthening bilateral trade and economic cooperation with foreign partners like the United Kingdom. It signs MOUs with foreign chambers, arranges bilateral business meetings, buyers & sellers meeting, other business meetings and initiate research and survey to support private sector.
3. **Relationship between Bangladesh and UK:** The relationship between Bangladesh and Britain stretches as far back as 200 years and more. Once this was a relationship of the ruler and the

ruled, now it is one of friendship and co-operation. Today a huge Bangladeshi community thrives in Britain: perhaps their second or even third generations are on their way to establishing themselves in the mainstream British business, commerce and politics. Like many other ethnic communities, Bangladeshis also have numerous financial, social and cultural organizations of their own scattered all around Britain. Over the years Bangladesh's relations with the UK have evolved into a strategic partnership. **UK** is still the **largest bilateral grant donor** for Bangladesh. Bangladesh has made remarkable strides in achieving Millennium Development Goals particularly in the areas of women empowerment, maternal/ infant health, safe drinking water, gender parity at primary education and poverty alleviation. In addition to the Government's and the people's efforts towards these goals, the United Kingdom, being one of the largest investors in Bangladesh has played an important role in achieving these successes.

4. Agenda of the current mission:

Organized by the Wales Bangladesh Chamber of Commerce (WBCC), this trade mission aims to strengthen existing business relations with Bangladesh through showcasing leading Welsh Companies to our local business community, and in turn introducing them to the growing Bangladesh economy and market. Improving bilateral trade and political relationships are also on the table.

The focus of the mission is on '**Knowledge Businesses & Knowledge Transfer**'. In this day and age of technology and globalization, businesses worldwide have to rely on obtaining knowledge and utilizing them properly. Knowledge and intellect has become so valuable that without it businesses cannot thrive in this technically advanced and globally connected economy. Therefore the focus should be on fostering a knowledge based business environment. Transfer of knowledge also plays a vital role in economic development, especially in the context of developing countries like Bangladesh. Therefore knowledge transfer must be ensured from advanced economies like Wales and the UK to continue business and overall economic development.

To this end organizations such as the **University of South Wales** (USW) (the largest University in Wales) and **TechniQuest** (the leading Science Centre in Wales) are crucial participants in this discussion. Recently the WBCC has collaborated with the University of South Wales (USW) to work towards stronger bilateral trade and commerce between the two countries. DCCI believes that such initiatives are very commendable as it they form the very basis for future development efforts. Similarly the activities and operations of **TechniQuest** (a science and discovery centre) can be adapted in Bangladesh to engage its people with science and to motivate them to learn more about science-related areas such as mathematics, engineering and technology.

As is well known, Wales and the UK are world leaders in many knowledge based fields including high-tech business and industries. Therefore there is immense scope for Bangladesh to receive technical expertise and advice from Wales in fields such as manufacturing, mining and technology and it should by no means be left untapped.

5. Bilateral Trade Statistics between Bangladesh and UK:

The trade relationship between Bangladesh and UK has strengthened in the last couple of years. Total **export to UK** from Bangladesh, is **more than 10%** of our **total export** earnings. Although UK-Bangladesh trade statistics are encouraging in terms of volume and growth but it

is worrying that almost 80% of Bangladesh's exports to UK are readymade garments. The existing bilateral trade relation is in favor of Bangladesh though it has more potential. Bangladesh exported goods worth US\$ 2917.735 million in FY 2013-14 which was US\$ 2764.91 million in FY 2012-13. On the other hand, Bangladesh imported goods worth US\$ 404.87million in FY 2013-14 which was US\$ 261.22 million in FY 2012-13.

Bangladesh–U.K. Bilateral Trade Statistics

Year	Export	Import	Value in MillionTaka
			(Value in Million US \$)
			Trade Ratio
2009-10	104361 (1508.54)	23149.3 (334.62)	1: 0.22
2010-11	146992.88 (2065.38)	23725.7 (333.36)	1: 0.16
2011-12	193365.49 (2444.57)	23231.2 (293.69)	1: 0.12
2012-13	220971.21 (2764.91)	20877 (261.22)	1: 0.094
2013-14	226503.76 (2917.735)	31430.1 (404.87)	1: 0.07

Source: Import Payment, Bangladesh Bank & Export Statistics, Export Promotion Bureau

6. Major export items of Bangladesh to UK are: Woven Garments, Knitwear, Home Textile, Agro-Product, Frozen Food, Leather & Leather Product, Footwear, Raw jute and Jute Goods, Bicycle and others.

7. Major import items of Bangladesh from UK are: Power generating and industrial machinery & equipment, Scrap metal, Professional and scientific equipment, Textile fibers, Medicinal and pharmaceutical products, Dyeing, tanning and coloring materials, Electrical machinery, apparatus and appliances, Chemical materials and products, Office machines etc.

8. Bangladesh has more products to offer besides the traditional items that the UK presently imports from it. The UK (and Wales) may add to its import basket from the following items of Bangladesh:

Ceramics, pharmaceuticals, computer software as well as medium and small sized ships which is an emerging manufacturing product of Bangladesh. Some European countries including Denmark, Germany and the Netherlands are currently procuring sea-worthy vessels from Bangladesh.

9. Memorandum of Understanding: As part of strengthening its international cooperation, DCCI has signed MOUs with more than 91 local and foreign chambers and organizations worldwide including the Wales Bangladesh Chamber of Commerce (among 4 Chambers of UK).

Probable Area of Cooperation: DCCI can increase its interactions and activities with the Wales Bangladesh Chamber of Commerce (WBCC) in the following areas:

Research, trade facilitation, exchange of information, enabling pro-investment environment etc.

10. Investment of UK in Bangladesh: UK has emerged as one of the biggest sources of FDI for Bangladesh. FDI from UK in Bangladesh in 2012-13 was USD 159.49 million, elevating UK to the second top position among countries investing in Bangladesh. Some 100 UK firms have operations locally with the main centers of operation focused around Dhaka, Chittagong and Sylhet.

Major areas of British investment in Bangladesh include:

Energy, Power generation, oil and gas, tea garden, financial and other service sectors.

Some of the major British concerns present in Bangladesh include Aventis, Berger Paints, BOC Bangladesh, British American Tobacco, Cairn Energy, Duncan Brothers, GEC, GlaxoSmithKline, GCM Energy, HSBC, Meghna Energy, P&O Nedlloyd, Price Waterhouse Coopers, Reckitt Benckiser, Standard Chartered, Tetley, ACI, Tullow Bangladesh, Unilever and World-Tel.

But the full potential of UK investments in Bangladesh still remains untapped.

11. Potential Sectors for Investment in Bangladesh: There are opportunities for UK firms in several sectors Energy, infrastructure, ports and logistics, environment and water, education and skills, and medical and pharmaceuticals sector among others.

12. Investment Incentives Provided by Bangladesh for FDI: It needs to be mentioned that Bangladesh is now widely recognized as one of the most attractive investment destinations in the region. The country has liberalized its economy to an extent that has surpassed many of its neighbors. It offers attractive incentives to foreign investors including foreign ownership without limit, legal protection to investors against nationalization and expropriation, generous tax holidays and unrestricted repatriation of capital and profits. Bangladesh is also home to the most inexpensive, productive and easily trainable labor force. Besides, Bangladesh's geographical location with well-established connectivity to the region makes it a strategic location for foreign investors.

13. DCCI Help Desk: It is a great pleasure for me to inform you that in order to support the business community at home and abroad, DCCI has established “**DCCI Help Desk**” at its own premises. As part of its continuous commitment to the business entrepreneurs at home and abroad, the help desk acts as trade facilitation centre as a first point of contact for business. All sorts of information and services regarding trade, commerce and investment are being delivered from this desk. We may facilitate Wales-Bangladesh trade and investment through DCCI Help Desk.

I sincerely hope that Wales Bangladesh Chamber of Commerce (WBCC) and DCCI will continue to work together to boost trade and investment opportunities in Bangladesh. And on this note I will end my speech.

Thank you all once again.

Hossain Khaled
President, DCCI
January 25, 2015