



VISION

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Favorable Tariff Structure for the Furniture Industry

Furniture sector in Bangladesh was upheld from a position in doldrums when Abul Maal Abdul Muhith, Finance Minister of GoB proposed a tariff structure favorable for the industry in his budget speech for Financial Year 2011-12. In the speech presented in the National Parliament on June 9, 2011, he proposed to raise supplementary duty from 20 percent to 30 percent on the imported furniture in order to protect local emerging furniture industry. At the same time, in order to make quality materials cost effectively available for the local manufacturers, he proposed to withdraw 5 percent regulatory duty on the import of particle boards and MDF Boards. Apart from these, he proposed a reduction of 20% duty on base paper for melamine impregnation imported by melamine board manufacturing industry, one of the backward linkage industries for furniture industry in Bangladesh.

To protect local emerging furniture manufacturing industries and to discourage imports from abroad, I propose to raise supplementary duty from 20% to 30% on the imported furniture. At the same time in order to make quality materials cost effectively available for local manufacturers, I propose to withdraw 5% regulatory duty on the import of particle boards and MDF Boards.

- Honorable Minister of Finance, GoB

This proposal is a result of policy advocacy and lobbying of Bangladesh Furniture Industries Owners Association (BAFIOA) reinforced by the active support of Innovision Consulting Private Limited, which has been implementing 'Improving the Local Furniture Industry of Bangladesh' project as the co-facilitator of Katalyst for increased productivity, better marketing practices and increased linkage with the customers in the national market.

There is a trend seen globally of shifting production from developed countries to lesser developed economies to take advantage of low labor cost and other location advantages. This has created new opportuni-

ties for newcomers like Bangladesh in opening a new growth avenue of furniture export. As per survey conducted by Katalyst, Bangladesh has a potential of exporting furniture worth USD 40 million. The most important determining factor in international market access is the price of product, but Bangladesh has been heavily dependent on imported raw materials for furniture production at a much higher import duty compared to any other competing country. Under this circumstance, the local furniture industry requires major changes in government policy regarding duty on furniture raw materials. However, the spokesperson of local furniture industry BAFIOA lacked the capacity to policy advocacy and lobbying in order to inform the government regarding the issue and to pursue the intended policy change. To enhance such capacity, Innovision supported BAFIOA in identifying and engaging a consultant to assist in lobbying and advocacy, especially regarding policy changes in raw material taxation of furniture industry.

The consultant enhanced knowledge of BAFIOA regarding policy issues of tariff structure and assisted them in preparing a concept note which included current tax structure on raw materials of furniture, impact of taxation on production cost, impact of taxation in making local product competitive in world market and recommended an industry friendly tariff structure. The consultant also enhanced capacity of BAFIOA in preparing and presenting rational arguments favorable for the proposal. These made BAFIOA capable enough to present its argument in the pre-budget meeting with National Board of Revenue (NBR). Further, BAFIOA approached Federation of Bangladesh Chambers of Commerce and Industries (FBCCI) in including the proposed tariff structure in the comprehensive budget proposal of FBCCI, which was submitted to NBR. At the same time, BAFIOA made liaison with three other industries, Plastic, Textiles and Light Engineering and raised voice jointly regarding industry friendly tariff structure. BAFIOA also approached Export Promotion Bureau (EPB) in sending a proposal from EPB to Ministry of Commerce regarding the same matter. All these efforts have made government aware of the whole issue and revised the tariff structure. At present, BAFIOA is capable enough in policy advocacy issues. At the same time, BAFIOA is capable enough to liaison with similar industries, association of industries and government entities supporting commerce and industries in Bangladesh.

MAIN STORY

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NEWSLETTER OF INNOVISION

Training for Lead Hatchery Owners and Technicians held

For ensuring the production of good quality fingerlings and developing the capacity of hatchery owners and technicians, Bangladesh Fishery Research Forum (BFRF) organized hands-on training for the lead hatchery owners and technicians in an association with Innovision Consulting Private Limited and Katalyst. Numbers of 49 participants were trained by two specialized trainings on Pangus, Tilapia and Thai Koi.

The trainings were organized on 14th to 19th April and 29th May to 1st June in BFRI Auditorium. The lead hatcheries, technicians and projects were the participants of training. Along the sessions three separate training manuals were also published by BFRF in conjunction with Innovision.



Growth of Quality Compost Usage at Low Cost

Innovision collaborated with Rural Development Academy (RDA) to establish a Trichoderma culture laboratory at Bogra and promoting Trichoderma-enhanced composting technology both at the commercial and individual farm level. Trichoderma, a soil borne beneficial fungus, enhances the decomposition of organic materials within 4-5 weeks whereas the traditional method takes 3-4 months. The Tricho-compost significantly increases soil fertility and gives better crop yield. It also acts as bio-pesticides.

Innovision engaged the Director of Integrated Pest Management (IPM) Laboratory of Bangladesh Agricultural University (BAU) to provide

technical and consultancy support for Laboratory establishment, machineries & equipment procurement, staff training and manual development. Also the consultant would supply mother strain of Trichoderma to RDA.

RDA already renovated the laboratory as per guidelines of the consultant. Necessary machineries and equipments are being installed in the laboratory. RDA also moved ahead to initiate Trichoderma activator production from last week of June, 2011.

RDA is set to incorporate the information on benefits of using Tricho-compost in their existing training module. The trained Scientific Offi-

cer will conduct six training programs on production technology and marketing aspects for 180 Local Service Providers (LSPs) and Plant Doctors of RDA, who eventually will work as sales agents of RDA to market the produced Trichoderma activator at their respective localities. RDA will also continue promotional activities to increase awareness at farmers' level. Gradually RDA will be a potential service provider at the commercial compost manufacturing sector by the end of June 2012. It is well-expected that the consequence of these activities would certainly facilitate the growth in supply and usage of low cost compost at farmers' level.

LLIN Value Chain assessed in Nigeria

Innovision took part, in association with Opportunities Unlimited BV, in an assessment of the Long Sector Insecticidal Nets (LLIN) value chain for sustainable distribution and retail of LLIN through the commercial sector in Nigeria. Under the Support to National Malaria Program (SuNMaP) the key activities of this analysis, accomplished in June 2011, included operational planning workshop, fieldwork and a concluding strategy workshop.



SuNMaP, a 5-years program working in selected states of Nigeria, has a strong emphasis on capacity building as well as supporting rapid scale-up of interventions directed towards prevention and treatment of malaria through: (i) Distribution of LLIN through public campaigns and routine channels as well as supported private sector sales utilizing the robust private networks available (ii) Distribution of Sulphadoxine-Pyrimethamine (SP) for Intermittent Presumptive Treatment (IPT) in public health facilities and (iii) Supported distribution by the private sector of doses of Artemisinin-based Combination Therapies (ACTs) to children aged under five years (U5). The program design recognized the importance of the commercial sector in developing its distribution network for commodity delivery.

Within the scope of work, Innovision conducted training on M4P and Value Chain Development for the SuNMaP staffs and representatives from DfID and National Malaria Control Program (NMCP), developed LLIN value chain map, identified core constraints impeding the growth of the commercial sector in distribution and retail of LLIN and also designed strategies for sustainable and scalable commercial distribution and retail of LLIN in Nigeria.

Improved Usage of Machineries for Furniture Production demonstrated

Local carpenter association of Bogra, also known as Bogra Kath Shilpa Sramik Union, with active support from Innovision and Katalyst, organized a Demonstration and Workshop on usage of Machineries for furniture production, at Bogra on May 1, 2011 for its members. Wood Tech Solution, a concern of Confix Machineries PLC conducted the demonstration and

workshop. In the workshop, hands on training were conducted on the usage of a wide range of hand tools and a few stationary machineries. Along with the usage, issues like maintenance, safety, waste management, etc were also addressed in the training session. 550 carpenters of Bogra town and its surroundings participated in the event. Salim Hussain, Assistant Manager, Sales &

Marketing conducted the session.



Value Chain Study and Training on Maize conducted

In collaboration with CIMMYT-Bangladesh, the representative office in Bangladesh of the International Center for the Improvement of Maize and Wheat (CIMMYT), Innovision carried out a detailed assessment of the maize production and marketing chain in Jessore and Barisal areas of Bangladesh. The study was based on the objectives of the Cereal Systems Initiative for South Asia (CSISA), a project funded by USAID and jointly implemented by CIMMYT, IRRI

(International Rice Research Institute) and the World Fish Center in Bangladesh. Innovision Consulting Private Limited provided its expertise in the area of value chain analysis by conducting background research, training of CIMMYT-Bangladesh staff (as well as staff of CSISA project partners), and producing a final report detailing the activities, findings and recommendations that emerged from the study completed in July 2011.

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