

# MCCI: The voice of responsible business

STAR BUSINESS REPORT

It was in 1904, when the region was going through an industrial growth spurt, that the seed of the Metropolitan Chamber of Commerce and Industry was sown.

Known as the Narayanganj Chamber of Commerce, it was established by the European entrepreneurs of Narayanganj and Dhaka with the sole aim of championing trade and commerce in the East Bengal and Assam province. The chamber, first of its kind in the region, was utilised mainly by British businessmen to facilitate jute trade.

Its membership demographic changed with the withdrawal of the East India Company from the subcontinent, as more local businesspeople started to coalesce around the chamber.

In 1950, the chamber was renamed as the Dhaka-Narayanganj Chamber of Commerce, and for the next two years, its extensive work led to an increase in exports of jute.

In order to deal with the increasing tempo of industrialisation in the eastern part of the Indian subcontinent, the chamber realised that it should be authorised by the constitution to deal with industrial as well as commercial matters. Subsequently in 1952, it was renamed the Dhaka-Narayanganj Chamber of Commerce and Industry.

The chamber segued to its current form in 1979, a platform to influence decision-makers and ensure the best possible environment for trade and commerce for its members and the nation at large.

"We have since gone from strength to strength," said Rokia Afzal Rahman, president of the MCCI, on the occasion of the chamber's 110th anniversary.

Today, it is poised not only to proactively assist its members, who are more than 300, in their

business dealings but also to contribute positively to the nation.

MCCI's member companies, hailing from all sectors and representing most of the large enterprises in Bangladesh, including multinationals, have created hundreds of thousands of job opportunities for the economy.

The chamber is represented in 16 advisory committees of the government, ranging from exports and consultative committees of industries, commerce, communications, jute, textiles, power ministries, Chittagong port, Customs House, the National Board of Revenue, Bangladesh Standards and Testing Institution and Bangladesh Securities and Exchange Commission.

Also a former caretaker government adviser, Rahman said the chamber firmly pursued an

Regulatory Commission, alternative dispute resolution, VAT and customs and financial reporting acts.

The socially responsible views often help the business community and the government find a common path of fulfilment. And in the process, MCCI sealed its reputation as the most effective channel of communication between the country's business community and the government.

The chamber has been always a non-political organisation, but it made an exception in 1971. It covertly offered whole-hearted support for the cause of independence, and on the night of March 26, 1971, it hoisted the flag of Bangladesh at the rooftop of its office.

It donated food and money to the freedom fighters during the country's nine-month struggle and supported the formation



Rokia Afzal Rahman

**Going forward, MCCI will continue to play a leading role in influencing the social, economic and business environment of Bangladesh in order to generate sustainable economic progress**

objective approach to socio-economic issues, which successive governments appreciated.

Its suggestions and recommendations were given much weight by all governments, and in recent years, they were included in the Companies Act, Bankruptcy Act, Consumer Protection Act, industrial policy, pre-shipment inspection, formation of Bangladesh Energy

of the new government.

The chamber's role became much more important after independence. It helped the government with the privatisation process through research and actively participating in policymaking.

Today, the MCCI performs a leading role in trade policy formulation, facilitates trade and investment, assists in busi-

ness start-ups, settles trade disputes, issues certificates mandatory for business, encourages members to carry out corporate social responsibility activities and so forth.

The MCCI contributed to the establishment of sectors such as education, health and environment as well.

It became a member of the International Chamber of Commerce in 1984 and since then, has forged new links. It signs protocols and memorandum of understandings with foreign chambers for promoting international trade.

It also plays a vital role in areas of bilateral relationships, diplomatic negotiations and representation of Bangladesh in the outside world.

The MCCI also has great interests in social and humanitarian causes – and just about anything that enhances the well-being of people in Bangladesh.

It played key roles in setting up Tolaram Women College in

Narayanganj, Viharunissa Noon School in Dhaka, Udayan School, Chittagong Public School and the Institute of Business Administration of Dhaka University.

In the health sector, it had extended financial assistance towards the development of Narayanganj Victoria Hospital, Holy Family Red Crescent Hospital and Dhaka Shishu Hospital.

On the environment front, it promoted the environment management programme with the World Bank in 2000 and introduced an award to honour environment heroes. It also took part in the clean river campaign launched by The Daily Star.

"The MCCI has been playing a leading role primarily to help in the economic progress of the country. But it is aware that such progress depends on taking comprehensive and sustainable initiatives elsewhere and these involve making contributions to the nation on social and

humanitarian grounds," Rahman said.

The chamber's motive is to promote inclusive and responsible business always, she said. "It means we will not only look at making profit, but also look at building the nation."

For the last one decade, the MCCI has been trying to disseminate the philosophy of corporate social responsibility in a much more systemic and comprehensive manner than ever before.

Going forward, the country's oldest and most representative trade chamber is bent on continuing to play a leading role in the business affairs and in pioneering paths to prosperity and development in alliance with governmental and non-governmental agencies.

"We will continue to play a leading role in influencing the social, economic and business environment of Bangladesh in order to generate sustainable economic progress."

# Focus on business, not politics

MD FAZLUR RAHMAN

Riding the political gravy train has unfortunately become a short cut to success for many. But for the Metropolitan Chamber of Commerce and Industry, Dhaka, that was out of the question. The 110-year-old trade organisation has successfully been able to distance itself from politics and it is all down to its leaders' commitment to delivering what they are mandated to do, which is to promote business at home and abroad.

"The chamber has kept itself away from politics by choice and conscience. It has never allowed political differences of its board members to come to disrupt its activities," said Latifur Rahman, a former president of MCCI.

Rahman, who is also the chairman and chief executive officer of Transcom Group, was elected for seven terms to become the longest serving president of MCCI. He led the organisation in 1993, 1994, 2000, 2001, 2006, 2007 and 2008.

"We don't get involved in politics because it is not our cup of tea. We, as



Latifur Rahman

far successfully managed to do it as its top leaders have always absorbed the pressure."

The chamber, however, always denounces vandalism, hartals and violence in its strongest words as they hurt businesses in particular and the economy in general.

The MCCI has enjoyed a high degree of acceptance and reliability from all governments, which further validates its neutral stance in the political arena.

It has a close consultative relationship with successive governments and always provides inputs in formulating business and trade-related policies such as export and import and also in case of budget. During consultations with the government the chamber has never been self-centred and always takes the bigger picture of the economy into consideration.

"We always work for the betterment of trade and commerce and the whole economy and never take the narrow view," said Rahman, who in 2012 won the Oslo Business for Peace Award, the highest distinction given to a business-

person for outstanding accomplishments in the area of ethical business.

He also touched upon the issue of socially responsible businesses and said the members of the MCCI have historically been conscious about their role in the society in which they operate.

"Business leaders and industrialists have always kept in mind that they are not excluded from the community. It is true that we can't solve all the problems, but we will have to do something for the society within our limited scope."

Rahman credited the chamber's competent and professional secretariat for the consistency in its practices and values in spite of leadership change-over.

The regular staff conducts day-to-day affairs, leaving the president and other board members to be more involved in policy issues.

The leading entrepreneur particularly highlighted the contributions of CK Hyder, a former secretary general of the chamber who helped in bringing the chamber from Narayanganj to the

capital and gave the chamber today's shape.

The MCCI has never had to deal with any legal procedures over elections in its long history, a rarity for chambers in Bangladesh.

This feature has made the chamber exceptional in Bangladesh, where polls are fraught with legal cases or court injunctions due to disagreement among contending parties or candidates.

"I must give this credit to the members of the chamber for maintaining the strong system and tradition, which helps peers respect each other. I hope this will continue into the future," said Rahman, who first got involved with the MCCI as a young entrepreneur in the late sixties.

Every leader has his or her own leadership style, ideas and approach, but when they are elected as office bearers at the MCCI they are moulded into the strong value system of the organisation, he said.

During his tenure as the MCCI president, his leadership style, he said, was to listen to the board members first

when discussing an issue and then take an agreed decision.

This inclusive participation of the board members in decision-making makes the chamber unique, Rahman said.

He also praised the chamber's research capacity, which, he says, has been the MCCI's strength. Its reports are objective and frequently quoted.

"Governments looked at the MCCI for right inputs, not coloured ones. We are happy that we have been able to paint the real picture."

Rahman also recalled the activities of the MCCI after the Liberation War, which the chamber supported in every possible way.

He said there is a sea-change in the size and activities of the economy between now and then.

"We were a nascent and small organisation at that time. Our economy was also a tiny little drop in the ocean, and businesses were completely different with the economy was socialist to large extent. Now, the size, scale and opportunities have grown tremendously."

He went on to recommend addressing the problems of traffic jams and inadequate infrastructure to help the economy tap its true potential.

Rahman's words of advice for the future members and leaders of the MCCI are very basic: they should do what they are supposed to do for the sake of businesses and industries, while taking into account the whole economy.

"Obviously, they will grow their businesses and expand them. At the same time, they also need to forge a harmonious relationship with their workers and employees. It can only come if the entrepreneurs treat them fairly. Otherwise, they will not be able to build an enterprise."

He said if the workers and employees are given wages and benefits that allow them to live a decent life with their families, the well-being would spread.

"Then it will be the biggest contribution to the society from the businesses. It enriches society. They need to do what is socially responsible. This is what the MCCI has been doing for years."

# A pioneer in setting standards

REFAYET ULLAH MIRDHIA

After long negotiations, Bangladesh has been enjoying a zero-duty benefit for exports of all products, except 25 alcohol and drug items, to the Indian market since November 2012.

The process of negotiations for such a benefit began in 2002. Following intense negotiations between the two neighbours, the Indian government first started reducing the number of products on the sensitive list for which the duty will be cut. Then it agreed to introduce a quota system for exports of garment items from Bangladesh.

"I still remember how intensely we, from the MCCI, negotiated with the Indian government and business community to reduce the sensitive list," said Tapan Chowdhury, a former president of Metropolitan Chamber of Commerce and Industry (MCCI) and managing director of Square Pharmaceuticals Ltd.

Square Pharmaceuticals is a sister concern of industrial conglomerate Square Group. "The MCCI cooperated

over the years.

Chowdhury was elected president of the influential chamber twice, once in 2002 and for the second time in 2003. Becoming a member of the MCCI is difficult than in other trade bodies, as the chamber always tries to include quality companies and businesspeople, he said. "We encourage credible companies and persons for membership at the MCCI."

In a journey of 110 years, the MCCI has more than 300 members. This number tells a story of exclusivity in member selection, he said. The MCCI is not politically affiliated and it always tries to remain focused on the subject matter.

The chamber has several success stories to share in helping the government in policy formulation and developing business standards in Bangladesh. MCCI members have negotiated with the government to improve the supply of gas and power to industrial plants, he added.

In its journey, the MCCI could prove its neutrality and played a vital role by



Tapan Chowdhury

accomplish it; the private sector needs to step forward with investment to create job opportunities, he added.

The government should welcome private sector entrepreneurs to develop infrastructure, like railways and bridges, under public-private partnerships, he said.

As an example, if railway services are significantly improved, pressure on the roads and highways and traffic jam will come down, he said.

"Of course, more private sector involvement is needed to ensure better services for the masses and the MCCI can play a vital role here," the former MCCI chief said.

On the future of trade and investment, he said Bangladesh is a land of opportunities. "We have lots of space to grow. People here are confident and we need to nurture them properly."

The second generation has already

entered business; they are good, smart and a majority of them have foreign degrees, he said. They have the orientation needed to run their family business, he added.

Industry owners should improve relations with their employees to efficiently run the units.

"The MCCI needs to make investment to develop entrepreneurship as the country has a lot of potential," Chowdhury said.

Many multinational companies are also MCCI members. The chamber can use these connections and train people to develop new entrepreneurs in the country, he added.

"I want to see the trade bodies and chambers as neutral and independent. I think the MCCI has proved it successfully," Chowdhury said.

"Sometimes, we may not have a consensus with other chambers and

trade bodies on different issues. But it does not mean that we do not like them; we have always assisted them with honesty."

The MCCI has a strong research cell and is able to think in advance to make predictions on the economy.

The chamber always helps the government in formulating the national budget by putting forward recommendations and portraying the real picture of the economy, he said.

"For research activities, the MCCI sometimes takes help from experts outside the trade body," he said. "The MCCI needs to do a lot of work for setting business standards in the country, he added."

"We must have big dreams. The MCCI is a big family and we have inherent strength. I hope the chamber will continue its efforts to grow further," Chowdhury said.

# Symbol of unity in decision-making

REFAYET ULLAH MIRDHIA

The year 1979 was a challenging time for the country's prestigious trade body, Metropolitan Chamber of Commerce and Industry (MCCI), as it had to fight the Dhaka Chamber of Commerce and Industry (DCCI) for its existence.

The tiff was because MCCI had shifted from Narayanganj to Dhaka, while DCCI had been functioning in Dhaka from the beginning. So, there was a clash between the two trade bodies, as they were doing the same jobs. At last, leaders of both MCCI and DCCI reached a consensus that they will not take each other's members and both will exist in Dhaka.

MCCI carved out a coveted position in the business community thanks to its unity in decision-making and representation of all people involved, Anis Ud Dowla, a former president of MCCI, said in an interview with The Daily Star at his office at Tejaago in Dhaka.

Dowla, chairman of the ACI, one of the country's fastest growing consumer brands, said it is the MCCI that supported the VAT (value added tax) law introduced in 1991. He was the president of the chamber for four terms.

Recalling the glorious past of the chamber, Dowla said no other chambers supported the VAT law as many thought it will affect their businesses.

"But we supported it as we thought it was modern. It was about tax that would affect the business community, but in the long run, it was the modern way. We tried to see beyond the obvious. It is a

foresighted characteristic of MCCI."

MCCI is the symbol of unity as a trade body. "We supported government policies on the basis of merit, irrespective of governments," he said.

Dowla described the chamber's journey through the decades. Established in 1904, it witnessed the British regime,

nobody goes for unhealthy competition to become the MCCI president. He spends a lot of time to run the trade body, but without hampering his or her own business," Dowla said.

"At the MCCI, we form sub-committees to incorporate knowledgeable businessmen, outside the executive committee,

so that we can take correct decisions, not influenced by any personal interests."

"We do not recommend anything that is beneficial to any individual president or any particular member. Recommendations are always made based on the merit of the issues," he said.

MCCI's contribution to policy formulation is immense as it sets standards in business and trade, he said, mentioning the outstanding performance of the trade body's research cell as it assists in decision-making.

The chamber always tried to serve the nation, not for any personal gain. It started the environmental awards for the best practices in business production cycles.

"We never criticised any government for enforcing any law. We are totally out of politics. This is one of the

strengths we have achieved. No matter which regime is in power, we maintained a very professional relationship with the governments."

A successful business entrepreneur in the country, Dowla also stated his visions on economic development of the country. He is hopeful of Bangladesh becoming a middle-income country by 2021, if political stability is in place.

"If politics is for people, the politicians should give the

highest priority to the economic development of the country," he said.

"We have demographic dividend of youth, who are available for jobs. This is a tremendous strength, although they are not always skilled. But we will need to train them. It is hope the tradition will continue."

Dowla pursued a long career. After the completion of his post-graduation in public administration from Karachi University in 1959, Dowla joined Pakistan Oxygen the following year.

After the independence of the country in 1971, he was appointed the managing director of Bangladesh Oxygen.

Dowla served British Oxygen Group of the UK in Pakistan, Bangladesh and Kenya for 27 years. In 1992, he formed ACI Ltd with 300 employees of divested ICI



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with the Bangladesh government during negotiations with India," Chowdhury said in an interview with The Daily Star.

Similarly, the MCCI was always against the option to allow whitening of black money in the economy and also opposed the culture of bank loan defaults, as ultimately, depositors lose their money, he said.

These are some small examples where the MCCI cooperated with the government to reach a decision. There are several other examples of such contributions to policy formulation

avoiding any individual gain, Chowdhury said. "We have been working in the interest of the country."

However, the MCCI will have to work harder to set widely-accepted business standards in the country, he said. "We still have a long way to go to set up proper business standards and we are working on it."

The chamber has always encouraged the private sector as the country needs employment generation for the huge number of unskilled, semi-skilled and skilled manpower.

But the government alone cannot