

Speech Ambassador at launching ceremony of the Reports on the Observance of Standards and Codes (ROSC): Corporate Governance Country Assessment for Bangladesh.

(Organised by: BEI; Date: May 29, 2010; Venue: Westin Hotel.)

- Distinguished guests, ladies and gentlemen, I am pleased to 'be here at the launching ceremony of the Reports on the Observance of Standards and Codes (ROSC): Corporate Governance Country Assessment for Bangladesh.
- I would like to thank BEI for providing their appreciated support in organising this event.
- Soon after independence the Netherlands recognised Bangladesh and from 1973 onwards provided support for its development. Now we are working together on a variety of projects and programs in the field of development cooperation, governance and human rights and in the area of economic development.
- Recently, the Netherlands Embassy has revisited its cooperation strategy with Bangladesh by adopting a new Multi-Annual Strategic Plan (MASP). The Embassy aims to support Bangladesh to implement reforms and to stimulate Private Sector Development through policy dialogue and increased use of Dutch private sector development and economic instruments. The Netherlands continues to support Bangladesh to improve transparency and strengthen accountability to achieve the MDG's and graduate to a middle income country status.
- Investment and businesses plays a crucial role in this regard and this is where the concept of Corporate Governance comes in.
- Corporate governance has been adopted as one of the best practice standards by the international financial community. Good corporate governance reduces market vulnerability to financial crises, increases transparency, accountability and productivity, reduces transaction costs and the cost of capital, and leads to capital market development.
- The culture of CG is indeed a key criterion today for attracting capital which might lead to sustained long term economic growth.

- The country assessment Reports on the Observance of Standards and Codes (ROSC) on Bangladesh provides an insight of Bangladesh's corporate governance policy framework.
- There is no doubt that the public and private sectors of Bangladesh have taken steps to improve corporate governance in recent years. The role of the Securities and Exchange Commission is a laudable one in this regard. The SEC issued Guidelines on Corporate Governance in 2006 which cover some key points including the functioning of the board, and internal and external controls.
- More needs to be done to raise the quality of corporate governance in Bangladesh. Company information should be available to investors online. Key laws like the Companies Act (CA) should be modified to ensure transparency and capacity of the related institutions namely the Registrar and the courts should be strengthened to improve the effectiveness of the company oversight. Efforts to implement the IFRS (International Financial Reporting Standards) should also be accelerated. However, fully tapping the potential of capital markets and professionalising boards and management will require continuous reform.
- Since the Netherlands government attaches great importance to promotion of Corporate Governance, it provides support to the Global Corporate Governance Forum (GCGF) of IFC with an amount of Euro 700,000. In Bangladesh the Netherlands have supported Bangladesh Enterprise Institute with an amount of Euro 500,000 in 2004-2008 period in their activity to disseminate information and to train the Bangladeshi private sector on Corporate Governance.
- Let me conclude by wishing Mr Farooq Sobhan and his team all the best in their future endeavours.

THANK YOU.
