

# Bangladesh: A Land of Investment Opportunities

## Investment Promotion Webinar for Japanese Investors

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*Shah Mohammad Mahboob*  
*Director of Registration & Incentives (Foreign Industry), BIDA*



# How does the World look at Bangladesh?

**“Bangladesh one of the  
Frontier 5 economies”**

*JP Morgan*

**“The Next Eleven”  
Bangladesh among the 11  
nations, have high  
economic potential”**

*Goldman Sachs*

**“Prospective Country”  
(soared from 21<sup>st</sup> to 13<sup>th</sup>  
position in 2020)**

*Japan Bank for  
International Cooperation*



**“Bangladesh will be the 12<sup>th</sup>  
economic power of the  
world in 2050”**

*UBS*

**“Low cost and high return  
manufacturing destination  
in Asia”**

*JETRO*

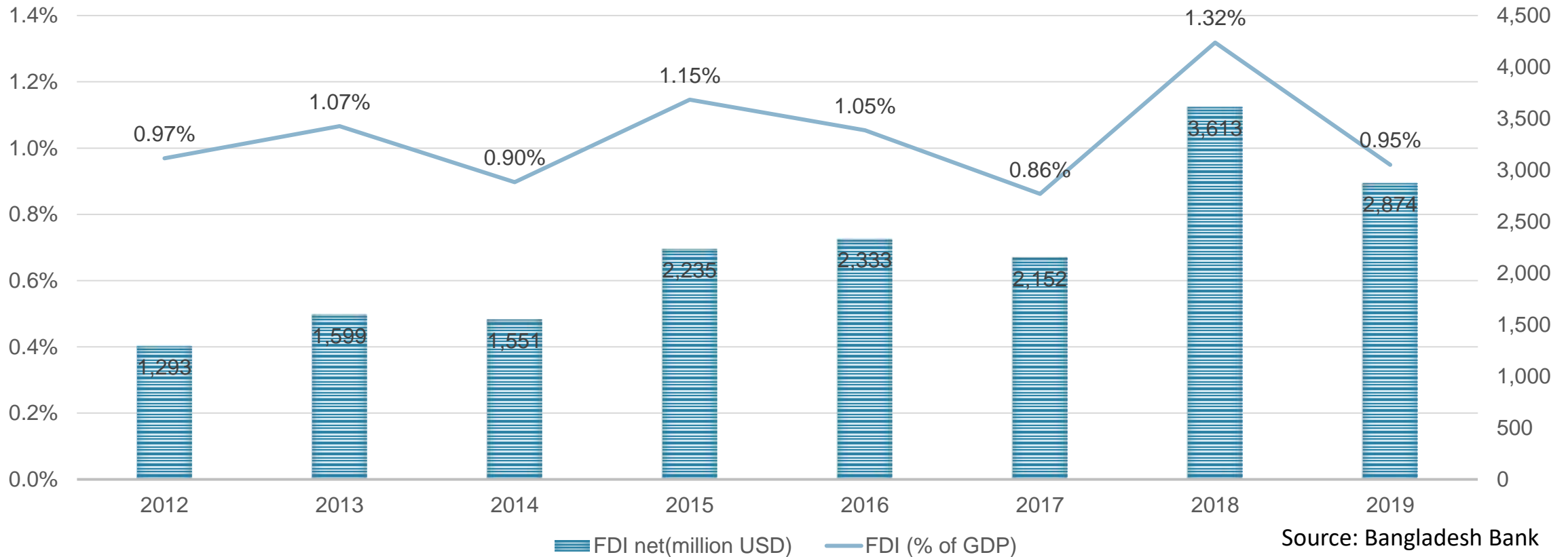
**“28<sup>th</sup> & 23<sup>rd</sup> largest economy  
of World by 2030 & by  
2041”**

*PwC*

# FDI Inflow to Bangladesh

FDI inflow to Bangladesh has increased steadily during the last decade as well, however, cannot avoid inevitable adverse impacts of COVID-19...from year 2020 afterwards...

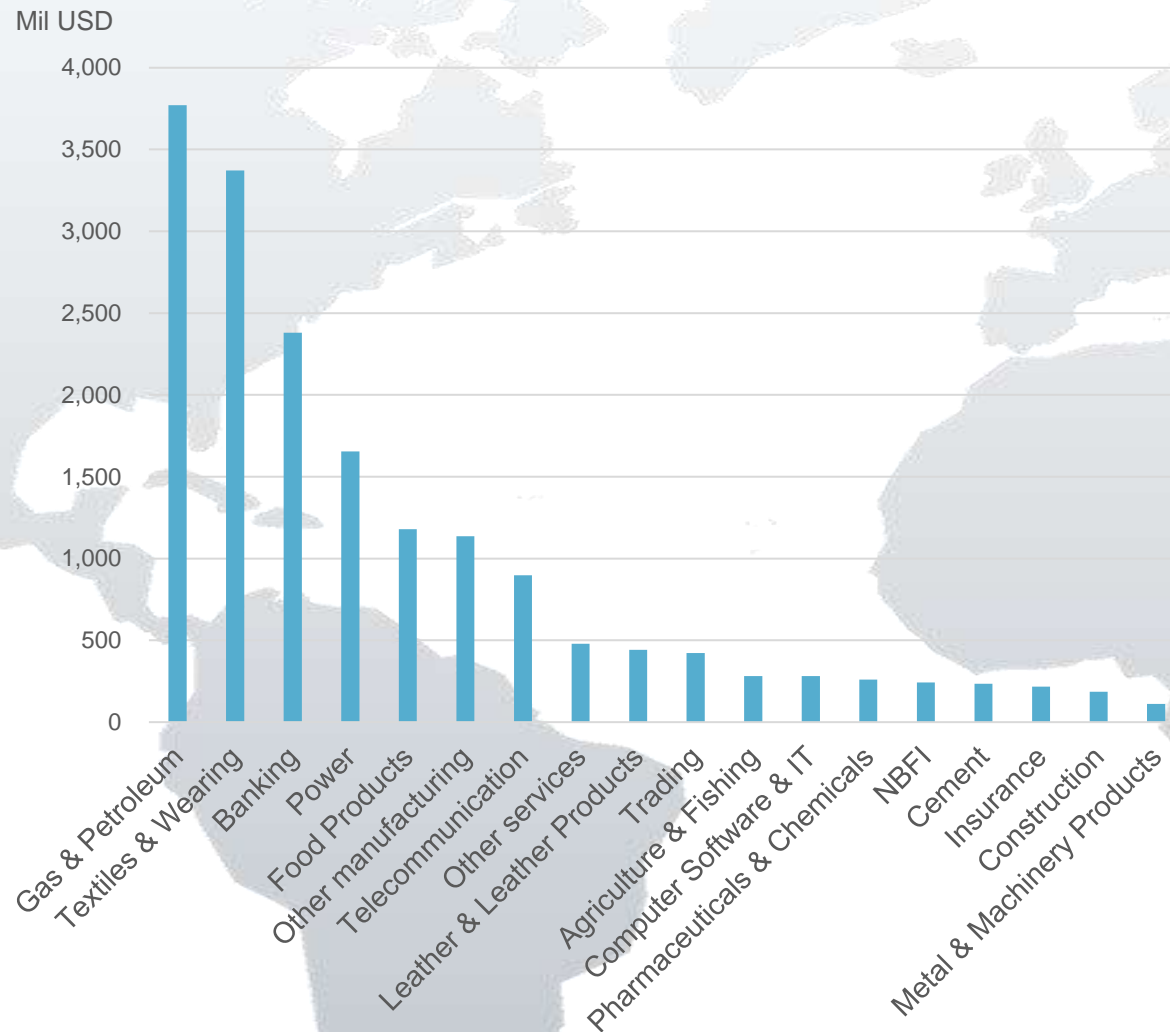
FOREIGN DIRECT INVESTMENT (FDI) TRENDS



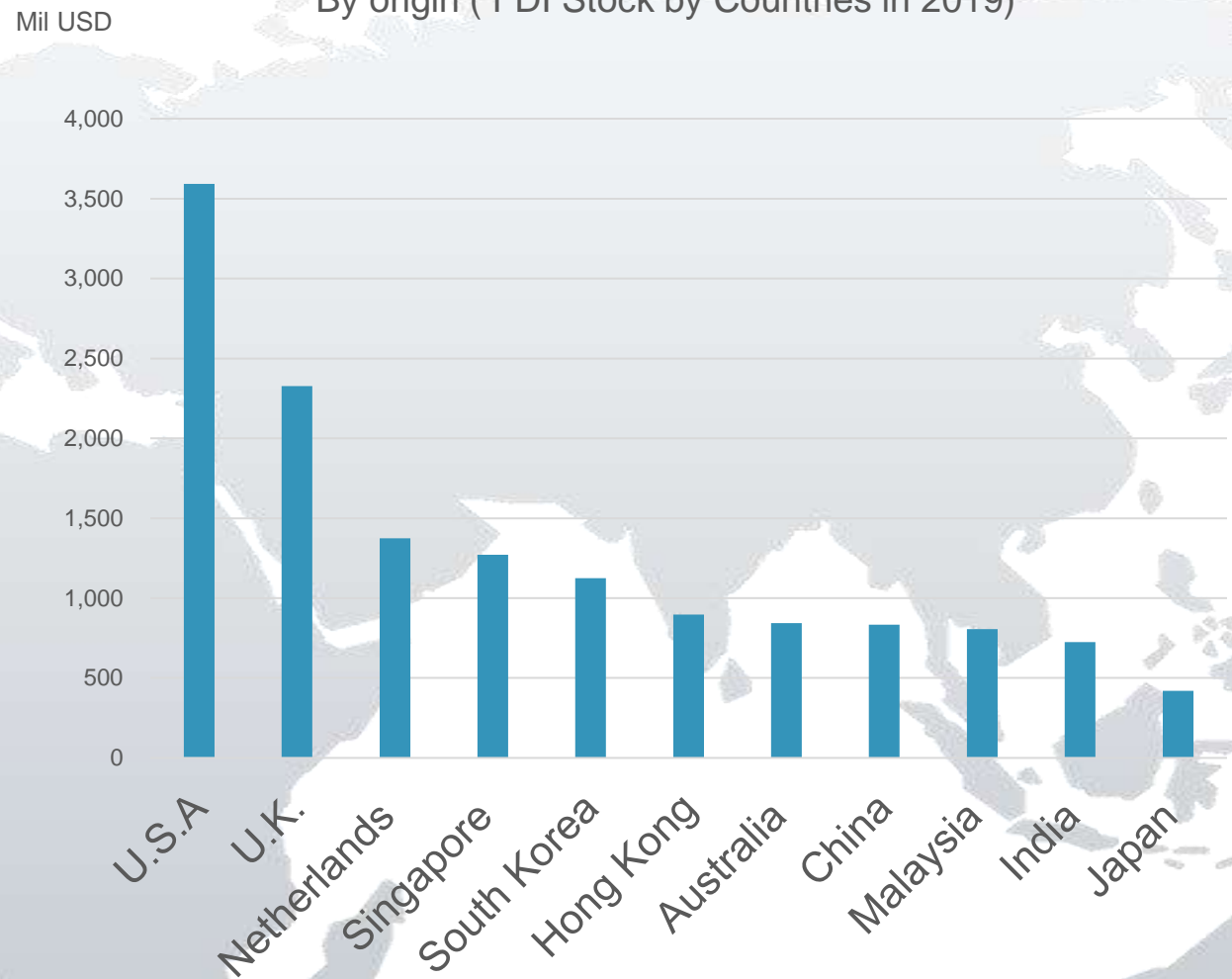
FDI flow started to decrease by 30% in Jul.-Oct. 2020 (if compared with the same period in 2019), and BIDA's investment project registration stalled since April 2020.

# FDI Sources and Sectors

By sector (FDI stock by sectors as of 2019)



By origin ( FDI Stock by Countries in 2019)

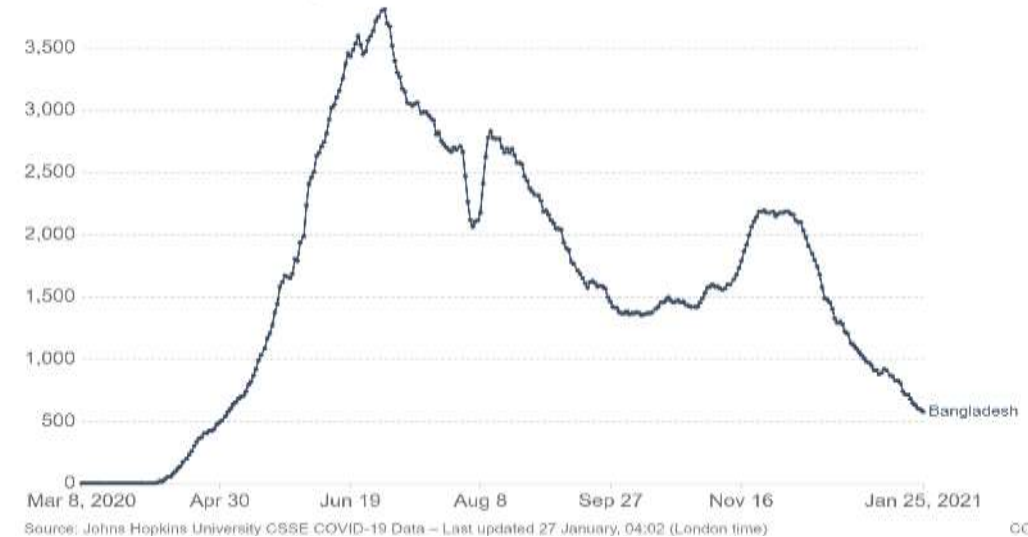


Source: Bangladesh Bank

- Responding to the first wave, BIDA has taken a series of action inc. dialogue with foreign chambers for policy advocate, COVID impact survey.
- Government undertakes policy reforms and declared a stimulus package worth USD 14.6 billion (equivalent to 4.4% of GDP).
- The second wave is being calmed, where new infection case has been reported lesser since this year to below 1,000 per day (compared to 1,850 in Nov. 2020).
- Bangladesh is recognized as one of the top 20 COVID resilient economy (Bloomberg) and projected to attain positive economic growth for year 2020 (IMF).
- FDI inflow has seen a drop since April 2020, but showing signs of recovery from December 2020. Bangladesh needs to secure sufficient volume of FDI for attaining continued economic growth.
- BIDA keeps running online-based investment registration and other licensing services, and open for inquiry/ consultation from investors throughout COVID period.

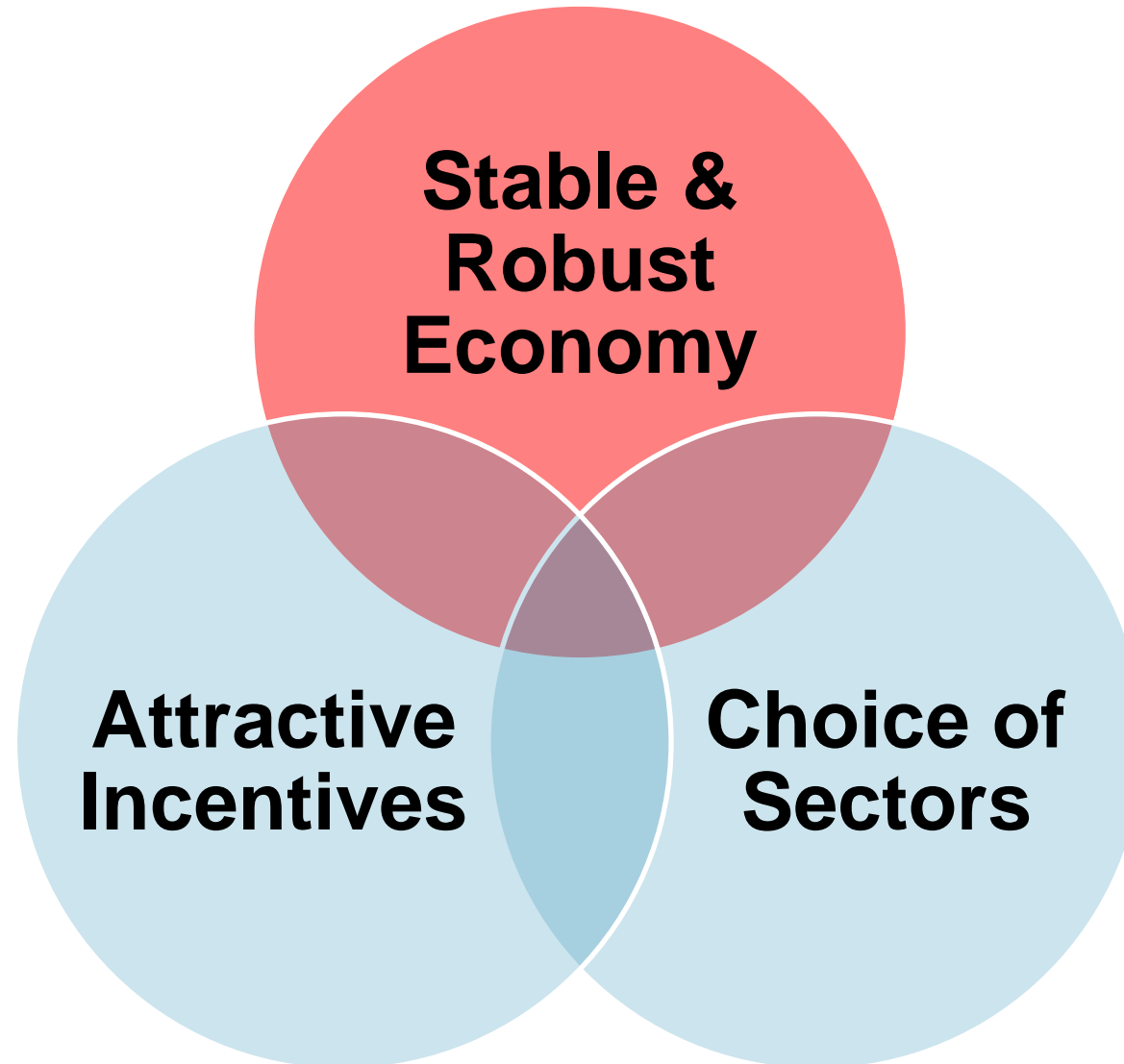
Daily new confirmed COVID-19 cases

Shown is the rolling 7-day average. The number of confirmed cases is lower than the number of actual cases; the main reason for that is limited testing.



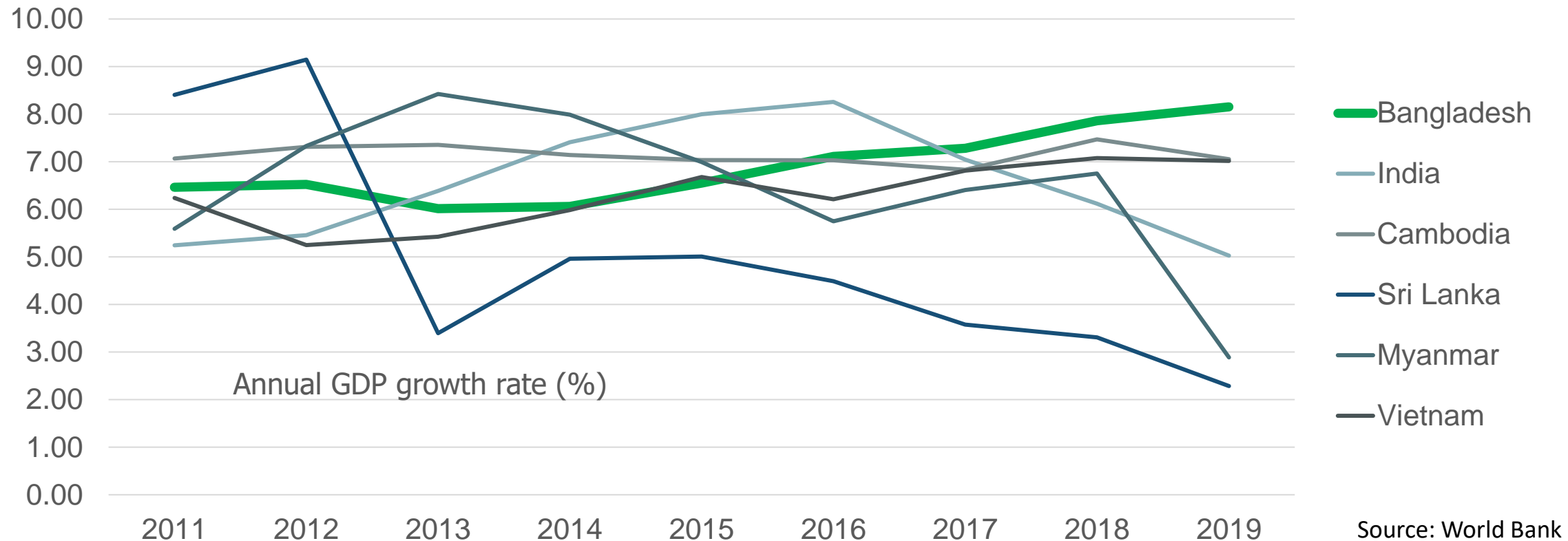
**Bangladesh is considered as one of COVID-resilient economies, indicating stable and robust economic fundamentals.**





# Economic Growth of Bangladesh

Bangladesh has performed one of the highest GDP growth in the region with over 7% annual average growth rate during the last decade.



Even in post COVID-19 period, Bangladesh shows economic resilience with forecasted growth of 5.0% in 2020 and 6.2% in 2021 (IMF), against negative growth of global economy.

Unrestricted entry and exit

100% foreign equity is allowed for wide range of sectors

Equal treatment between local and foreign investment

Liberal VISA policy in place (since 2020)

Simpler procedure for profit/ dividend repatriation

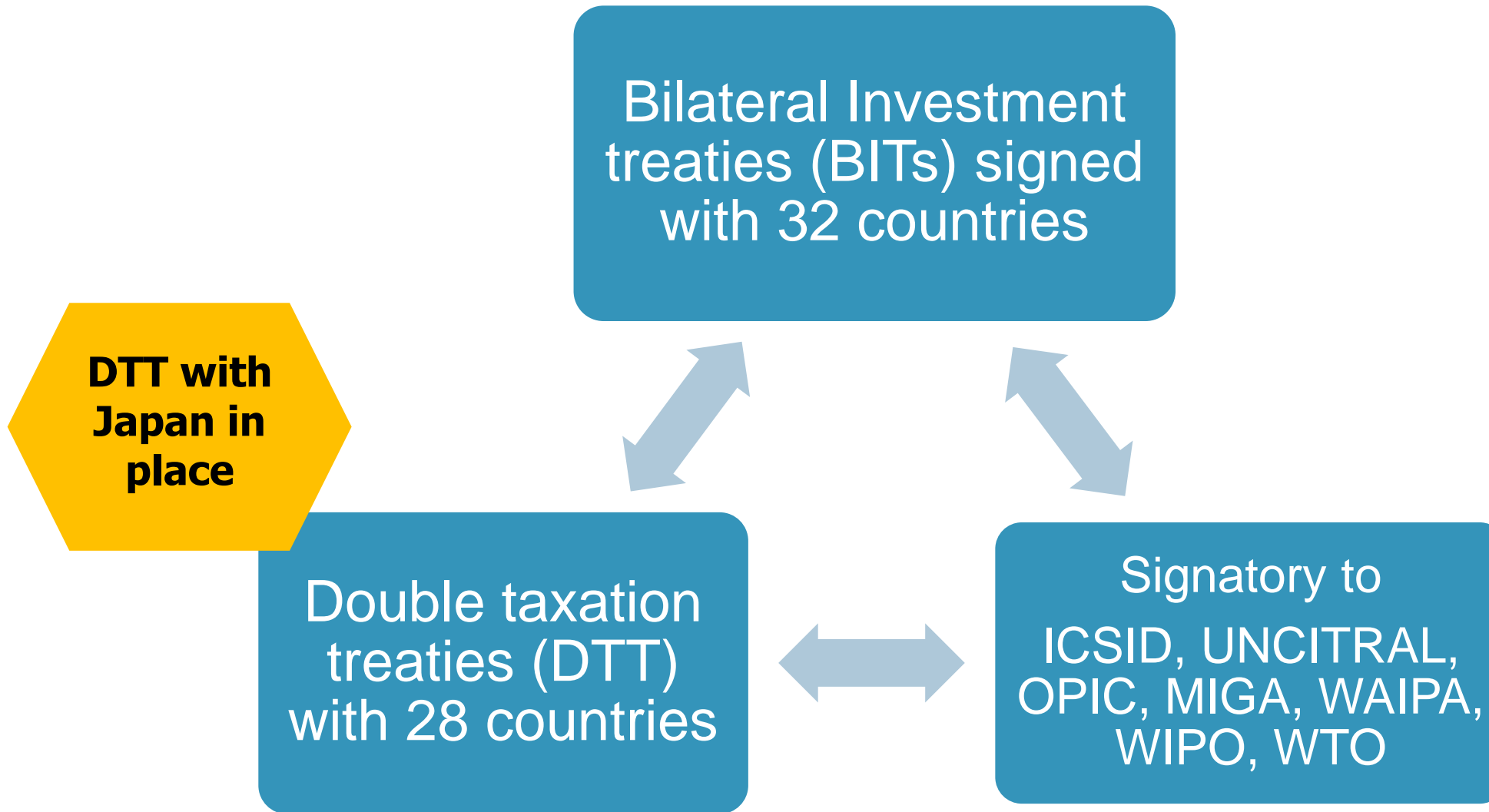
Relaxed access to working capital loan from parent companies

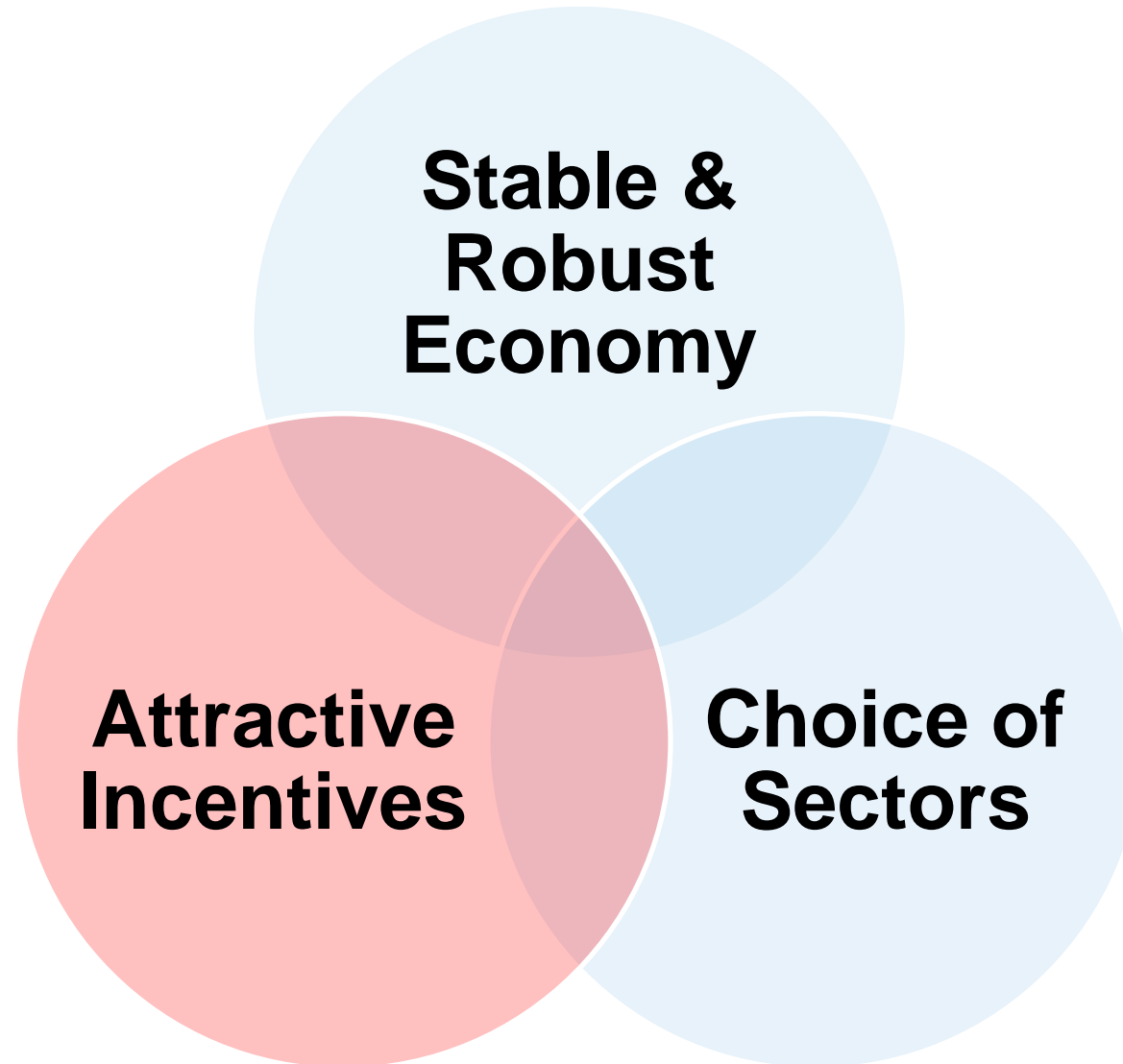
Continuously increased balance of payments surplus

***“On-going effort for climate improvement”***

- **Ease of doing-business reform**  
(one the world’s top-20 reformers)
- **Improvement of climate issues raised by Bangladesh-Japan Economic Dialogue**
- **Development of online-based licensing facility (OSS)**
- **Revised Investment Handbook (2020)**

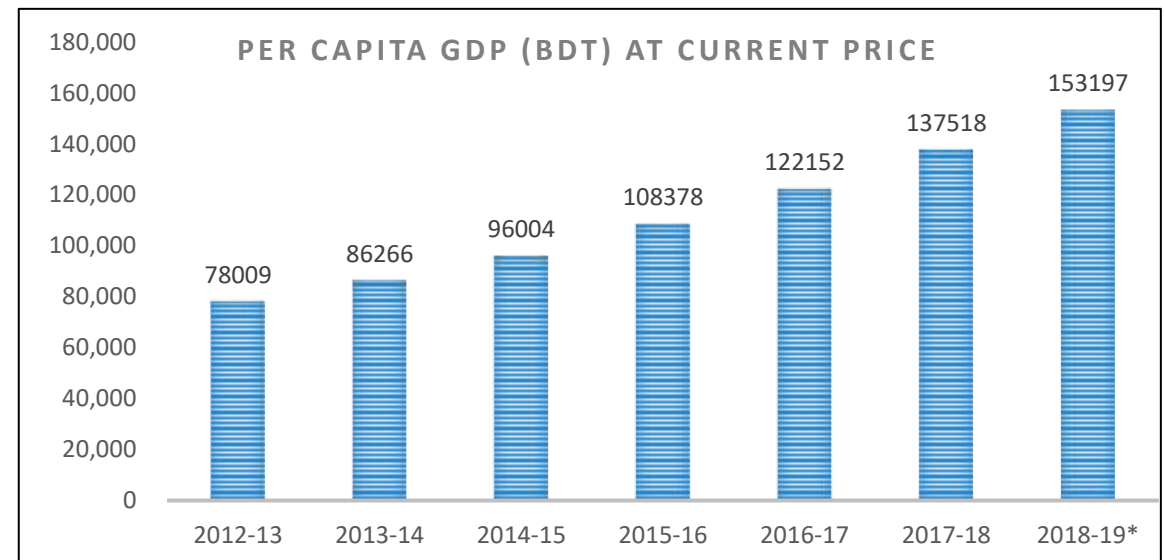
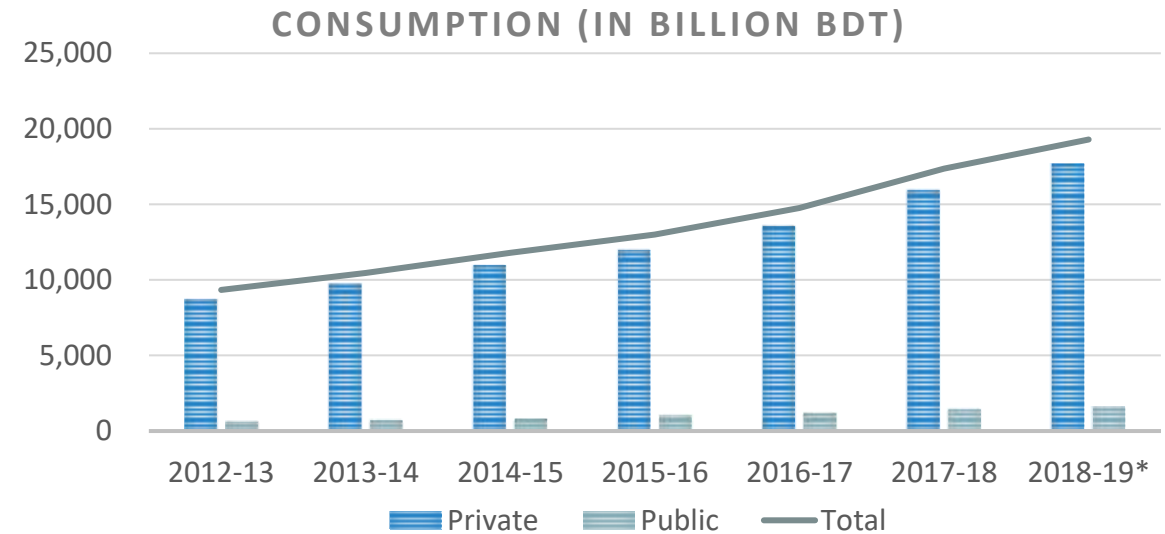




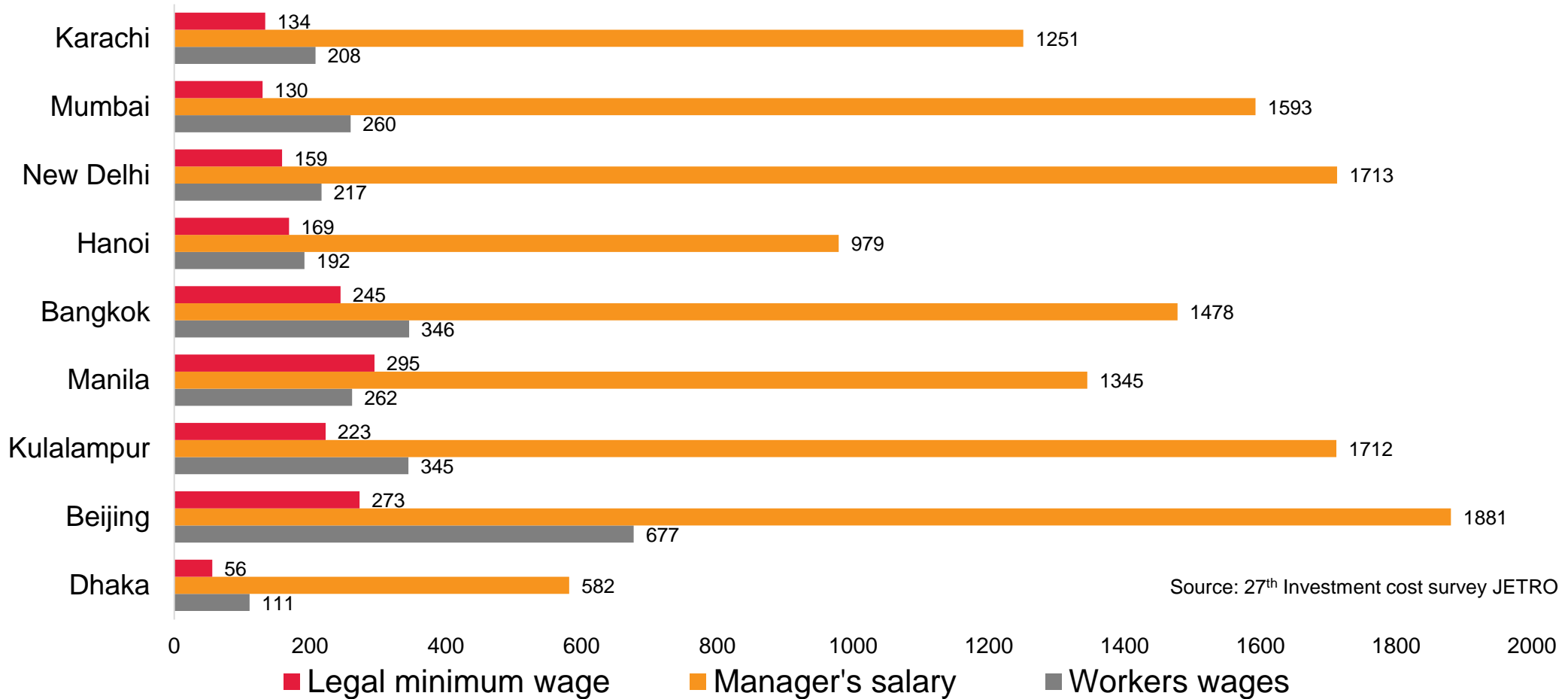


- *Private consumption to drive real GDP growth of 7.7% until 2022-23 fiscal. (Economist Intelligence Unit)*
- *As the growth trend continues, the number of middle-class and affluent consumers is expected to nearly triple to about 34 million by 2025, with at least 100,000 in 63 cities. Around 60% of total consumers expected to earn more. (Boston Consulting Group)*
- *GDP per capita and consumption expenditure both show upward trends, which resultantly reflect the higher living standard for Bangladeshis. (PwC)*

\* The above are projections made before outbreak of COVID-19.

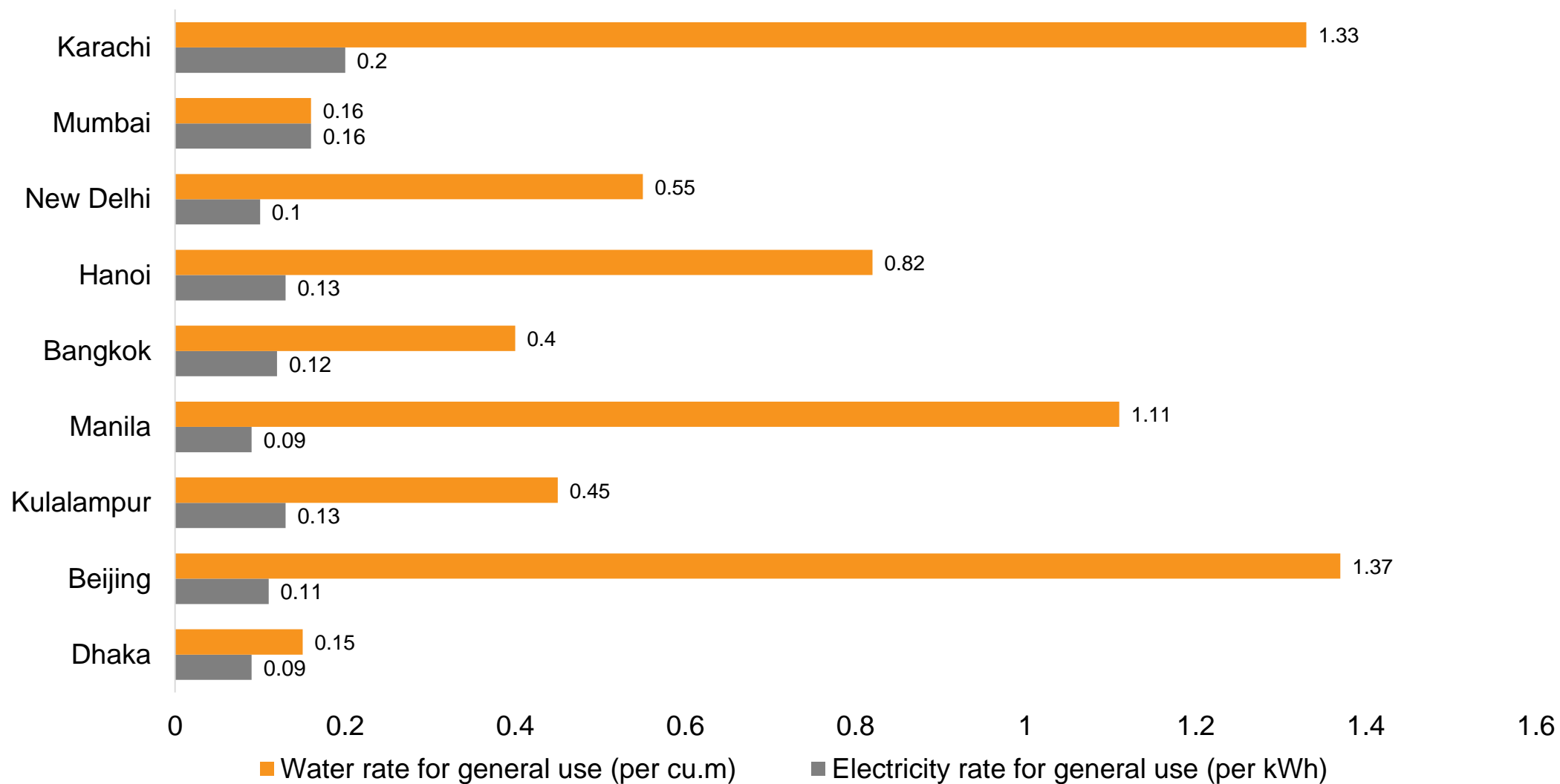


Source: Bangladesh Economic Review 2019



**Bangladesh is and will continuously be the best place to do business, as the competitors are becoming expensive places in which to do business.**

# Competitive Utility Cost



# A set of incentive facilities/ privileges to investors

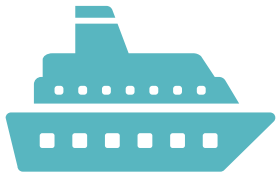
Fiscal (taxes)	<b>Reduced Income Tax</b> <i>5-10 Years for designated sectors (depending on location), or up to 10 Years for EZs</i>	<b>Tax Exemption</b> <i>on export income and interest paid for foreign loan</i>	<b>Reduced Import Duty</b> <i>for import of capital machines and raw materials/ parts</i>	
	<b>Bonded Warehouse License</b> <i>for export-oriented industries</i>	<b>Accelerated Depreciation</b> <i>In lieu of tax exemption</i>	<b>Duty Drawback</b>	
Fiscal (subsidies)	<b>Cash Incentives</b> <i>for export-oriented industries</i>		<b>Export Development Fund</b>	
Non-fiscal	<b>Work Permit</b> <i>for skilled jobs</i>	<b>Full Repatriation</b> <i>of invested capital/ profit/ dividend</i>	<b>Prompt Immigration</b>	<b>Permanent Residency/ Citizenship</b>

\* Investors located in Economic Zones (EZs) and Export Processing Zones (EPZs) are to be entitled for different sets of incentive.



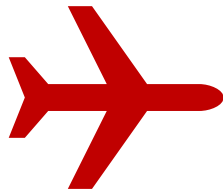
# Upcoming Infrastructural Facilities

**2 Deep Sea Ports  
with 16 Metre Draft**



**Matarbari  
Payra**

**New Terminal of  
Dhaka Airport**



**Cargo  
Village**

**6.15 KM Bridge  
over River Padma**



**Rail  
Road  
Utilities**

**20.10 KM Metro  
Rail in Dhaka**



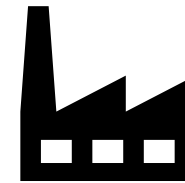
**Opens  
In  
2021**

**Bus Rapid Transit in  
Dhaka**

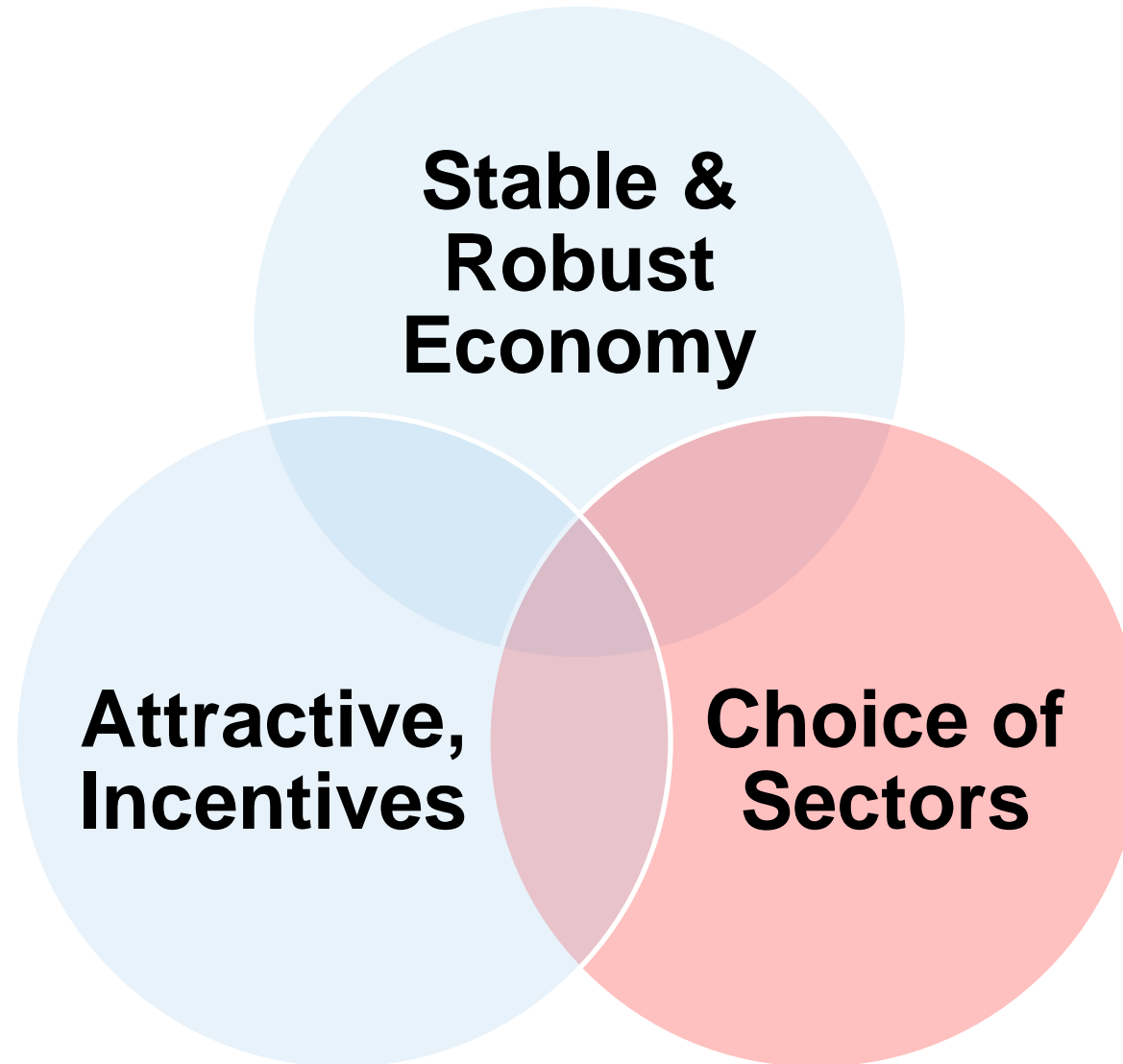


**Airport  
To  
Tongi (IA)**

**Economic Zones  
and Hi-Tech Parks**



**General  
Countriwise**



1



## Readymade garments

- Manufacture of high-end apparel items, clothing accessories, fabrics/yarns, and natural and synthetic fibers.
- Bleaching, dyeing, printing and finishing service

2



## Leather

- Manufacture of export-oriented leather products
- Tanning and leather-finishing service
- Design and product development service

3



## Pharmaceutical API and medical Equipment/ Devices

- Manufacture of generic, patented drugs for export, import-dependent drugs, API molecules and excipients.
- Development of bioequivalence test facility

Post-COVID  
Attention

4



## Software & IT-enabled Service

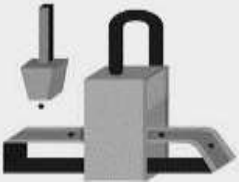
- Offshore development hub and captive BPO centers (inc. call centers).
- High value-added ITES-BPO service
- High value software development
- Digital technology-based service

Post-COVID  
Attention

# Promoted Sectors for Investment

**Post-COVID  
Attention  
inc. ready-made foods**

5



## Agro/ Food Processing

- Manufacture of processed foods, vegetable/ fruit product (locally available).
- Manufacture of milk, dairy products, edible oil, etc.

6



## Agricultural Tools and Machinery

- Manufacture of agricultural tools and machinery
- Development or upgrading of cold chain facility

7



## Electrical and Electronic Products including Parts

- Assembly of import-dependent electrical/electronic product
- Parts/equipment used for electric/electronic products

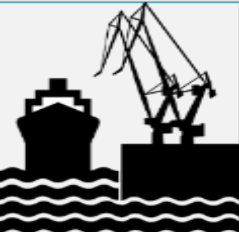
8



## Automobile

- Assembly of passenger automobiles and manufacture of parts and components for automobiles
- Service for parts forming and treatment, vehicle maintenance and repair.

9



## Ship-building

- Development or expansion of shipyard
- Service of vessel maintenance
- Manufacture of parts and components.

**1) Physical Infrastructure to be set-up  
(July 2019 - June 2024)**

1) Deep sea port, 2) Elevated expressway, 3) EPZ, 4) Flyover, 5) Gas pipe line, 6) Hi-tech park, 7) ICT village or software technology zone, 8) IT park, 9) Large water treatment plant and supply through pipe line, 10) LNG terminal and transmission line, 11) Mobile phone tower or tower sharing infrastructure, 12) Monorail, 13) Rapid transit, 14) Renewable energy, 15) Sea or river port, 16) Toll road or bridge, 17) Underground rail, 18) Waste treatment plant

**2) PPP project**

1) National highways or expressways and related service roads, 2) Flyovers, 3) Elevated and at-grade expressways, 4) River bridges, 5) Tunnels, 6) River port, 7) Sea port, 8) Air port, 9) Subway, 10) Monorail, 11) Railway, 12) Bus terminals, 13) Bus depots, 14) Elderly care home

**3) Private Power Generation Companies**

- Based on non-coal, starting commercial operations i) within 31 Dec. 2019 and ii) after 1 Jul. 2016.
- Based on coal, entering into agreement within 30 Jun. 2020 and starting commercial operations within 30 Jun. 2023.

**Economic Zones Authority (BEPZA):** offers facilitation and licensing services and lands for investors of all types of industries

**Export Processing Zones Authority (BEPZA):** offers facilitation/ licensing services and lands for investors of export-oriented industries



**PPP Authority:** facilitate and develop infrastructure projects through PPP

**High-tech Park Authority:** offers facilitation and licensing services and lands/ facilities for investor of ICT-based industries/ services

- ◆ Basically, all five Investment Promotion Agencies have the same function of; i) Investment promotion, ii) Investment facilitation, iii) Licensing facilitation services, and iv) Policy advocacy.
- ◆ **BEZA, Hi-tech Park Authority and BEPZA** develop and operate each site for industrial establishment (zones or parks) with separate set of incentive/ privilege respectively. **BIDA** is authorized for investments taking place outside these zones/ parks.



## Mission:

To promote and support pro-growth private sector investment and foster a world-class investment ecosystem.

## Functions:

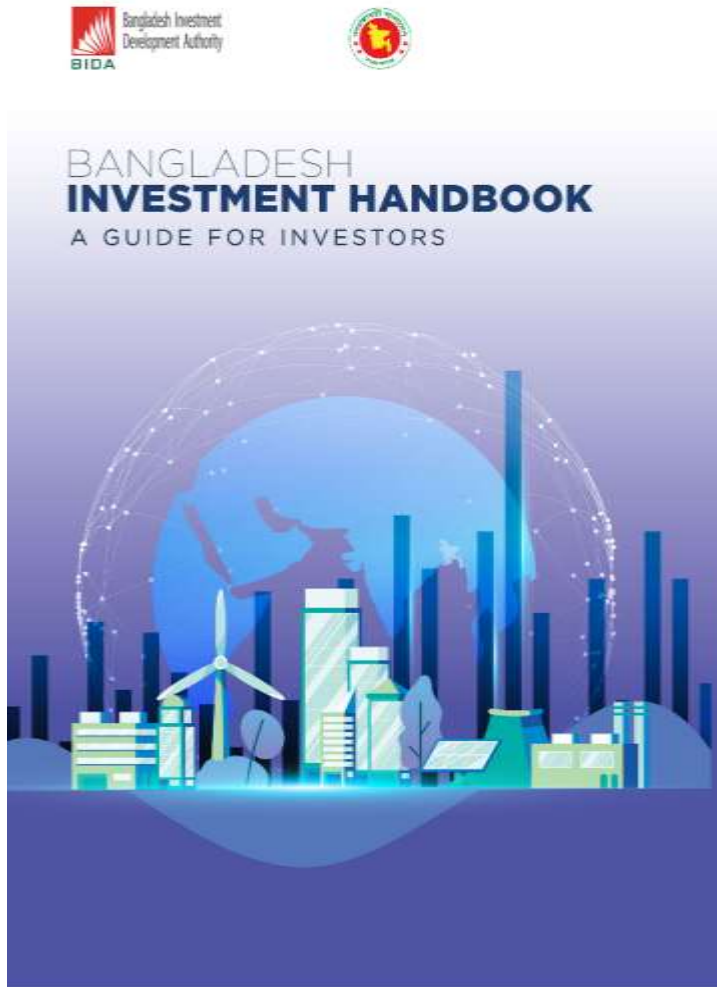
- Investment promotion
- Investment/ licensing facilitation
- Investment monitoring/ aftercare
- Policy advocacy/ regulatory improvement

## Facilitation services to investors *(but not limited to)*

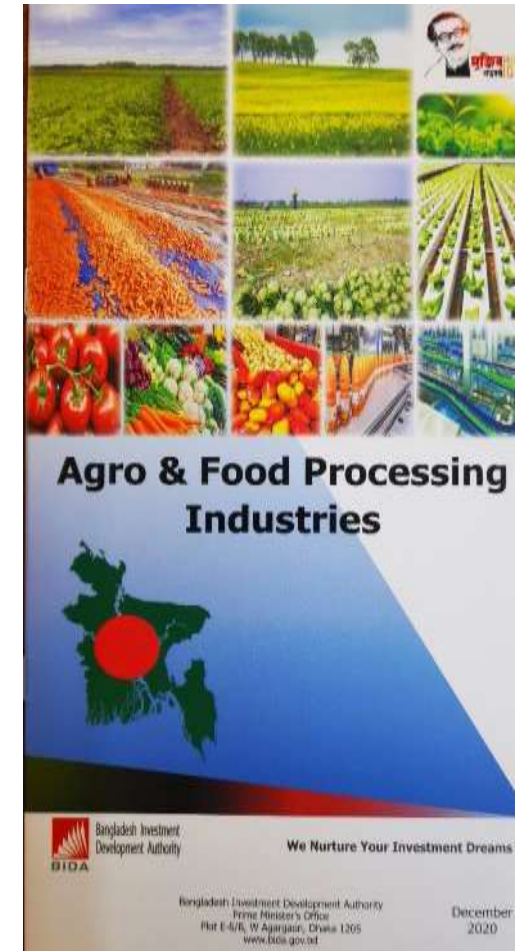
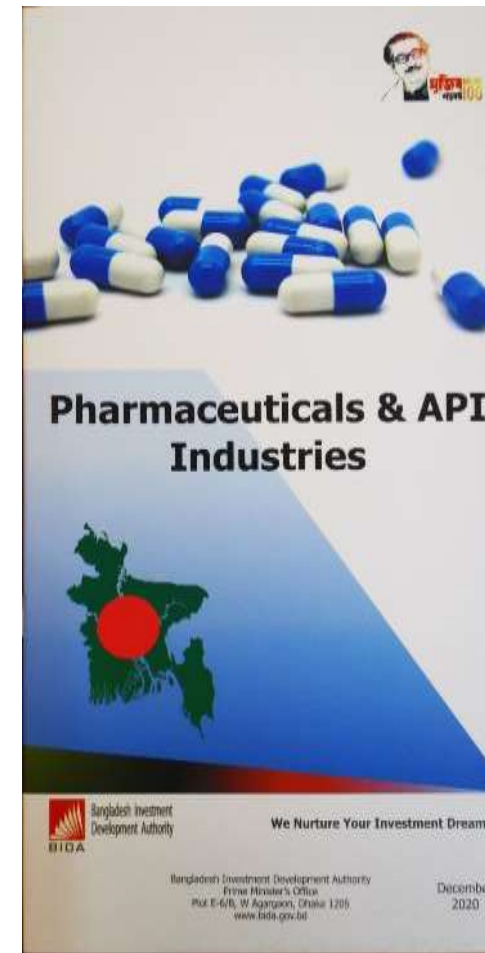
- General guidance/ advice on starting and doing-business
- Sector-specific guidance/ advice
- Arrangement for investor's site-visit, meeting with various government and private organizations
- Matching between potential investors with local partners
- Utility service connection and industrial land introduction

### Licensing-related:

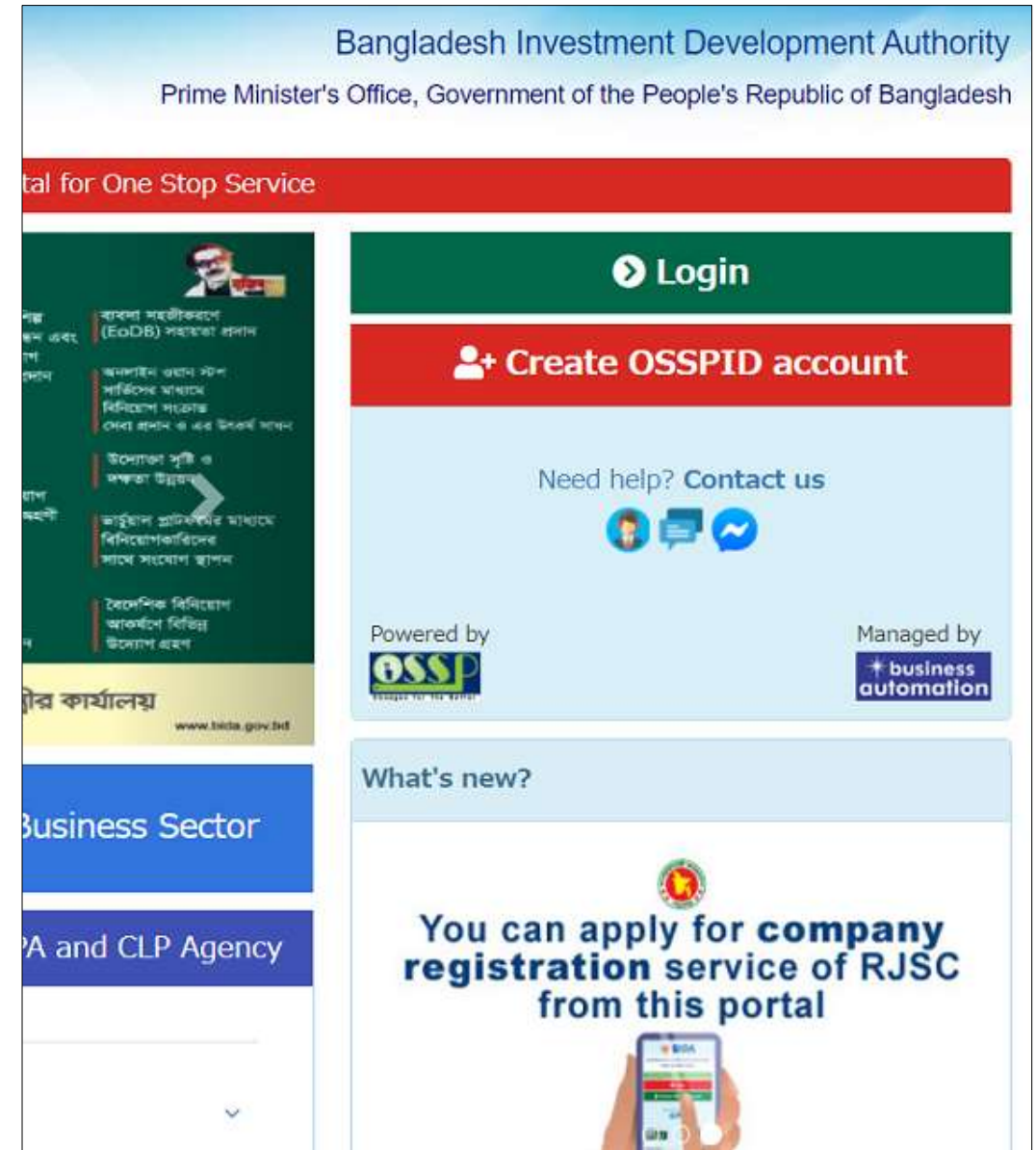
- Investment project registration
- Branch/ representative office registration
- Machinery/ raw material import (for industry import registration)
- Approval of the long-term foreign borrowing
- Approval of overseas remittance of royalty/ technical license-related fees (= revised guidelines is to be finalized)
- VISA recommendation/ expatriate work permit issuance (= revised handbook is to be finalized)



Available in  
BIDA Website:  
[www.bida.gov.bd/](http://www.bida.gov.bd/)  
"Resources Section"



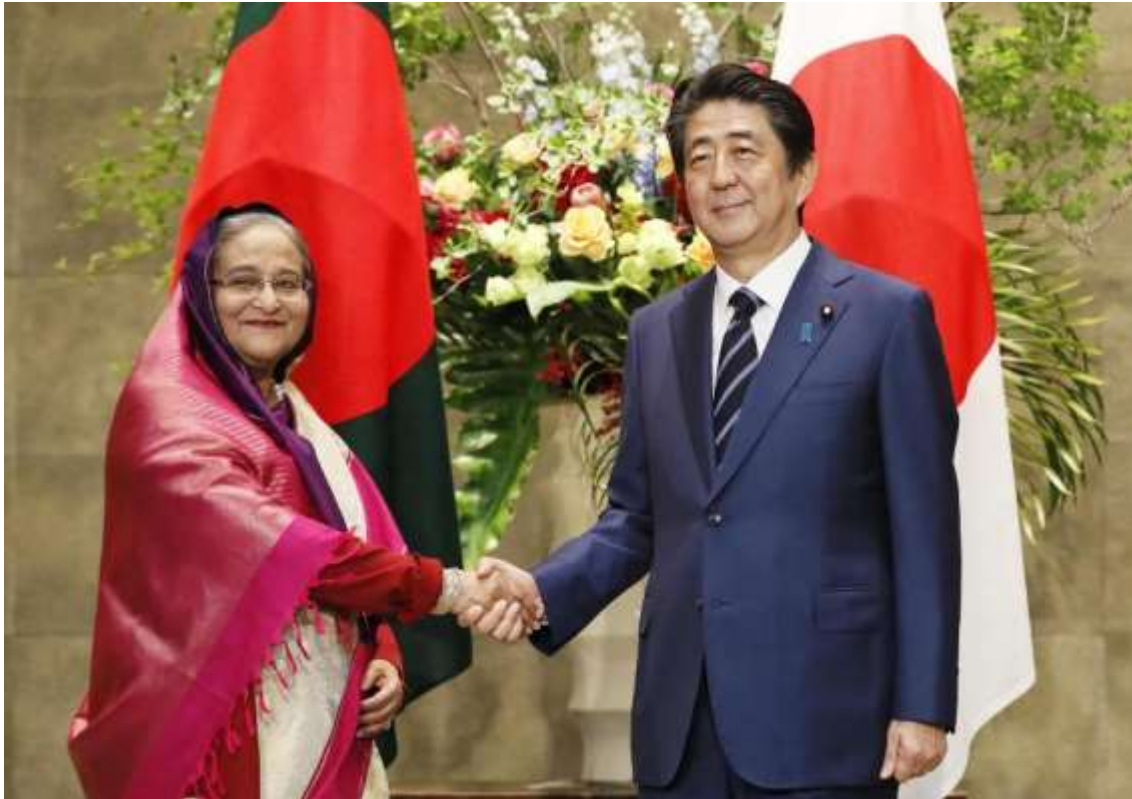
- BIDA launched online-based OSS facility in Feb. 2019 (remain **ACTIVE** during the COVID period).
- Covering 41 licensing services (timebound) by 12 agencies and continues to expand the coverage.
- Goal is to make business process and licensing fully serviced online requiring NO physical document submission.



The screenshot displays the BIDA Online Licensing (One-stop Service) portal. At the top, it identifies the Bangladesh Investment Development Authority as part of the Prime Minister's Office, Government of the People's Republic of Bangladesh. A red banner below the header reads "Portal for One Stop Service". The main content area is divided into two columns. The left column features a green sidebar with Bengali text and a list of services, including "EoDB", "Investment", and "Licensing". The right column contains a green "Login" button, a red "Create OSSPID account" button, and a "Need help? Contact us" section with icons for chat, email, and social media. Below these are logos for "Powered by OSSP" and "Managed by business automation". A "What's new?" section at the bottom right highlights the "company registration service of RJSC" with an illustration of a hand holding a smartphone.



# Japan-Bangladesh Economic Partnership



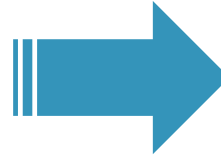
HPM Sheikh Hasina with HPM Shinzo Abe during her 2019 visit to Japan

- **50 years** of relationship in Feb. 2022
- A significant source of **Development Assistance** to Bangladesh
- **7<sup>th</sup> largest export market** (garment, prawn, leather) of Bangladesh
- **11<sup>th</sup> largest source of FDI stock** (USD 390.2 mil. as of Sep. 2020) / **annual inflow** (USD 48.1 mil. on average during last 5 years)
- Japanese manufacturers see Bangladesh as **highly prospective nation** (ranked-up from 21<sup>th</sup> to 13<sup>th</sup>, by JBIC 2020 survey)

# Investments from Japan

## Features so far

- **Export-oriented sectors** of garment/ its allied services, labor-intensive parts production
- Followed by **power, gas, construction/ its materials**, leather goods, plastic toys, etc.
- Highlighted by the recent FDI from **motorcycle** (*HONDA*), **software/ IT-enabled service** (*Monstar Lab*)
- Increased number of **branch/ liaison office establishment**



## Expectations

- **Export-oriented sectors** of software/ ITeS, medical equipment, shipbuilding, etc.
- **Domestic-market oriented sectors** of automobile-motorcycle/ parts, processed foods, steel products (for construction), medical service/ equipment, etc.
- **Services for digital transformation** of local public and private sectors
- **PPP projects** of logistics-related infrastructure
- **Skills development opportunity** for local workforce

Bangladesh Investment Development Authority (BIDA)  
Prime Ministers' Office  
Government of the People's Republic of Bangladesh

Web: [www.bida.gov.bd](http://www.bida.gov.bd)  
e-mail: [info@bida.gov.bd](mailto:info@bida.gov.bd)



**Your Dream Investment Destination**

**Contact for foreign investors:**

Mr. Shah Md. Mahboob, Director of Registration & Incentives (Foreign industry)  
e-mail: [dir.rifi@bida.gov.bd](mailto:dir.rifi@bida.gov.bd)

**Japan Desk:**

Mr. Ariful Hoque, Director of Registration & Incentive (Commercial)  
e-mail: [dir.rifc@bida.gov.bd](mailto:dir.rifc@bida.gov.bd)