

WHY Bangladesh

2023

Bangladesh
Poised for
New Phase of
Development

Highlights:
BANGLADESH BUSINESS
SUMMIT 2023

Accelerating to a
TRILLION Dollar
Economy by 2041

- GRADUATING TO A MIDDLE-INCOME ECONOMY
- VISIONARY LEADERSHIP THAT DRIVES THE JOURNEY TO SUSTAINABLE ECONOMIC DEVELOPMENT
- REAL-TIME GROWTH THROUGH DIGITALISATION
- INVESTMENT OPPORTUNITIES
 - A RELIABLE SUPPLY CHAIN SOURCE
 - ENTERPRISESG ON DOING BUSINESS IN BANGLADESH



SingHealth

Congratulations to the Government and people of Bangladesh on their 52nd Anniversary of Independence



Singapore Health Services (SingHealth) is a healthcare group in Singapore with four hospitals, five national specialty centres, three community hospitals, and a network of primary healthcare clinics. With over 40 medical specialties and a faculty of 3,700 doctors, the group offers integrated care in a multidisciplinary setting.

SingHealth institutions have earned a reputation for setting standards in healthcare for the region. Patients enjoy the benefit of treatments with solid diagnostic and treatment medical technology in a wide range of medical procedures.

SingHealth Hospitals



Singapore
General Hospital



Changi
General Hospital



Sengkang
General Hospital



KK Women's and
Children's Hospital

National Specialty Centres



National Cancer
Centre Singapore



National Dental
Centre Singapore



National Heart
Centre Singapore



National
Neuroscience Institute



Singapore National
Eye Centre

Partner in Academic Medicine

WHY Bangladesh

2023

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**PUBLISHER
& EDITOR-IN-CHIEF**
Nomita Dhar

**EDITORIAL
& RESEARCH**
Ranee Sahaney
Gadiz Liberty Namira
RA Andariesta Putri Pramesti

DESIGN & LAYOUT
Chairunnisa Nurul
Syed Jaafar Alkaff
Muhammad Nur Ichwan

**ADVERTISING
& MARKETING**
Amarosa Putri

PHOTOS
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Chancery: 19 Keppel Road #04-00 & #10-00 Jit Poh Building
Singapore 089058

Tel: (65) 6255 0075

Email:

mission.singapore@mofa.gov.bd



SUN MEDIA PTE LTD

20 Kramat Lane
#01-02 United House
Singapore 228773

TEL: (65) 6735 2972 / 1907, 2986

FAX: (65) 6735 3114

E-MAIL: admin@sunmediaonline.com

WEB: www.sunmediaonline.com

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VISIONARY LEADERSHIP THAT DRIVES THE JOURNEY TO SUSTAINABLE ECONOMIC DEVELOPMENT

Bangladesh is celebrating the 52nd anniversary of its independence. The nation looks back on a journey helmed by the charismatic leadership of its Father of the Nation - Bangabandhu Sheikh Mujibur Rahman - who laid the first building blocks for its economic development. Today, Prime Minister Sheikh Hasina carries forward that incredible legacy which has resulted in Bangladesh's significant presence on international platforms buoyed up by the high priority on economic diplomacy

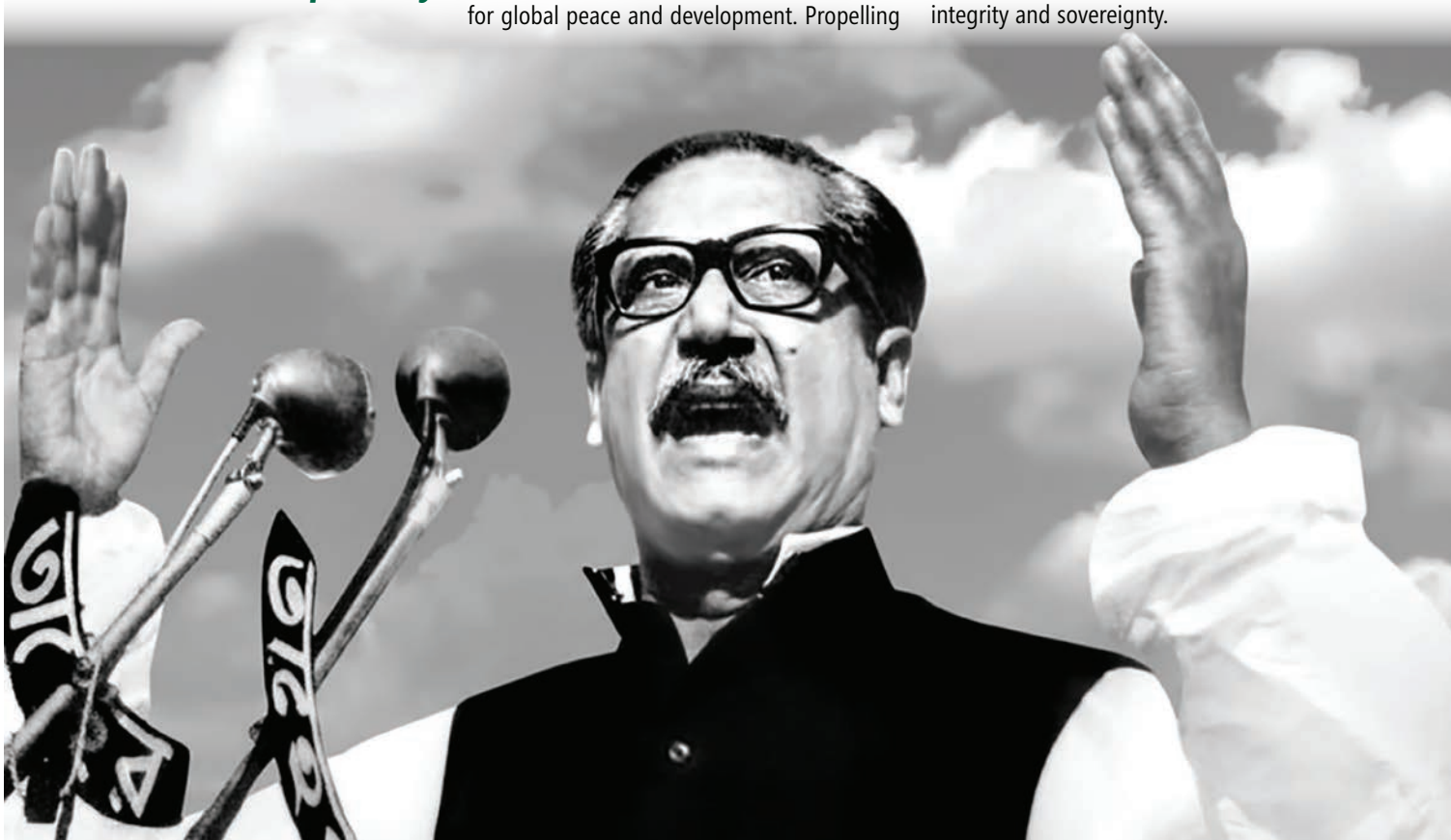
Bangabandhu Sheikh Mujibur Rahman had a great deal of clarity for his vision for an independent Bangladesh. On his way back to Dhaka from London, after being released from internment in Pakistan, he described his journey to a free Bangladesh as 'a journey from darkness to light, from captivity to freedom, from desolation to hope'. He emphasised he was returning to an independent country 'not with hatred in his heart for anyone, but with the satisfaction that truth has at last triumphed over falsehood, sanity over insanity, courage over cowardice, justice over injustice and good over ill'.

Illuminating Vision for a New Country

On 25th September 1974 the historic address of Bangabandhu Sheikh Mujibur Rahman at the 29th session of the United Nations General Assembly carved in stone his enduring ideals on the onward journey of an independent nation state. His maiden speech in the presence of the highest global congregation did not fail to highlight Bangladesh's major foreign policy objectives for pursuing international relations by remaining a constructive partner for global peace and development. Propelling

this vision was the cavalcade of fresh ideas and policies to build a brave new world free of economic inequalities, social injustice, military aggression and threats of the nuclear war. Bangabandhu pointed out that the struggle of Bangladesh epitomized the universal struggle for justice and peace.

"The Bengali nation is dedicated to building such a world order in which will be reflected people's desire for achieving peace and justice," he said, emphatically underpinning his firm belief in a better world order for his country to flourish. Bangabandhu played a pivotal role in not only incentivising the reconstruction of a war-raged country but also in strategizing Bangladesh's position in world affairs with a responsible and proactive foreign policy. His gratitude for the support of the nations in consolidating the newly earned independence of the country found voice in his determination to establish friendly relations with its neighbouring countries and beyond. Sheikh Mujibur Rahman was a vigorous proponent of secularism and adherence to the basic tenets of non-alignment, peaceful co-existence, cooperation, non-interference in internal affairs, and respect for territorial integrity and sovereignty.



“With our pragmatic policies and Vision, Bangladesh is guaranteed to emerge as a regional hub for investment, industrialization and exports to diverse destinations in the region and beyond”

- Hon. Sheikh Hasina, Prime Minister People's Republic of Bangladesh

“Bangladesh has been pursuing a non-alignment policy since its inception. The main idea of this policy is peaceful coexistence and friendship with all. Our complete allegiance to peace has emanated from the realization that only in a peaceful environment, we will be able to enjoy the fruits of our hard-earned national independence and employ all our resources and energy to fight hunger, poverty, disease, illiteracy and unemployment,” he said.

In the very first year of the country's independence, Bangabandhu's proactive engagement with world leaders gave deeper credence to Bangladesh as an independent nation and helped establish many important links in the global arena. As a member of the Non-Aligned Group, the Commonwealth, the ILO and the WHO, it positioned itself to be a significant protagonist in the diplomatic stage.

The United Nations recognised Bangladesh as its 136th member on September 17, 1974, during its 29th session. It was a red-letter day in the annals of the young nation when Bangabandhu addressed the United Nations General Assembly in his mother tongue. What was also significant about this

Significant National Milestones

Under Sheikh Hasina's steerage, the country has moved from strength to strength, both domestically and as well as in the global arena: Amongst the key achievements ascribed to her visionary leadership are:

- **Steady economic growth:** Bangladesh has achieved an average annual growth rate of around 6% to 7% in the last decade, making it one of the fastest-growing economies in Asia. Even during the pandemic years, the growth was maintained around 5.5%
- **Poverty reduction:** The poverty rate has declined significantly from 31.5% in 2010 to 20.5% in 2020, because of various social safety net programs and pro-poor policies. “A House is a Farm” and “Ashrayan (ensuring home for the homeless)” projects are two well reputed endeavors taken up by her government to uplift the people living below the poverty line.
- **Boosting exports:** Bangladesh's export sector has been booming, with exports increasing from US\$18 billion in 2010 to US\$50 billion in FY 2021-2022. The government has taken steps to diversify the export basket and expand market access. In the last fiscal year, the bilateral trade volume with Singapore had crossed the mark of US\$4 billion.
- **Infrastructure development:** The government has invested heavily in infrastructure development, including building new highways, bridges, airports, and seaports. This has improved connectivity and reduced transportation costs, boosting trade and investment.
- **Investment promotion:** The government has created a business-friendly environment to attract foreign investment, including offering tax incentives and simplifying procedures for setting up businesses.
- **Digitalization:** The government has launched several digital initiatives to promote e-governance, e-commerce, and financial inclusion, which have contributed to the growth of the digital economy. An announcement had been made to build 50 hi-tech cities across the country to boost the ICT industry and enabling the country to experience the highest levels of e-services.

historic speech is that he recapitulated his belief in, “Friendship to all, malice towards none”.

Later this ‘powerful’ dictum was adopted by the Bangladesh Government as an integral element for describing country's foreign policy, and it was also incorporated in an UN General Assembly resolution as well.

In the context of the global economic upheaval caused by the COVID crisis and the current geopolitical scenario of South Asia, the words of Bangabandhu seem even more relevant when he stated: “We should take immediate measures to work towards building an equitable

international economic system against the backdrop of the economic disaster that has recently occurred in the world.”

Bangabandhu Sheikh Mujibur Rahman was not only the architect of Bangladesh's independence but also a far-sighted global leader. Even in the early 70's, he appeared to be very much in tune with the present-day SDG goals which UN had prescribed for the world in 2015, when he pointed out that the challenge was to harness the power of reasoning to build an equitable international economic system. This system will ensure the sovereignty of each country over its natural resources. The system will build international

Bangladesh Prime Minister
Sheikh Hasina

Continued next page...

The country's foreign policy priorities emanate from a very basic wish-list of the Government for the welfare of its people and optimal utilization of the country's resources. They emanate from a deep-rooted wish for synchronizing its efforts with its neighbours and partners in the geo-sphere that it shares.

- **Hon. Dr A.K. Abdul Momen**, Foreign Minister People's Republic of Bangladesh

...continued previous page.

cooperation, practical framework, the basis for which would be the recognition of the common interests of all countries in the world in a stable equitable economic system, he shared.

Sheikh Hasina's Commitment

Bangabandhu's daughter Sheikh Hasina, the current Prime Minister of Bangladesh, has been deeply committed to the incredible legacy left behind by her father. She first served as Prime Minister of Bangladesh from 1996 to 2001 and was sworn in for another term in 2009. There has been no looking back since as she continues to lead the country from the front with a series of socio-economic reforms. Her liberalised policies have opened up avenues for foreign investment across many segments of the economy and provided the impetus for robust partnerships between the private and public sector—to further galvanise development in the country.

Her visionary outlook and economic policies have played a significant role in transforming Bangladesh's economy into a more dynamic and diversified one, with a focus on inclusive growth and poverty reduction.

Bangladesh has grown from a 70-billion-US dollar economy into a 460.8-billion-US dollar economy (according to the IMF) in just 14 years. The country is currently one of the fastest growing economies of the world and is emerging as an ideal place to invest in a favourable investment climate.

Sheikh Hasina said her government has made private investments, including Foreign Direct Investment (FDI), a prime strategy to attain a high growth rate in line with vision 2041. "With our pragmatic policies and Vision, Bangladesh is guaranteed to emerge as a regional hub for investment, industrialization and exports to diverse destinations in the region and beyond," she said while opening the Bangladesh Investment Summit in Tokyo.

Sheikh Hasina's growing stature as a leader and her ability to shoulder the weight of her father's legacy have been pivotal in its progress from a Lower Developing Country to a Developing



Dr. A. K. Abdul Momen

Country Middle Sized Economy. This rapid growth puts Bangladesh in touch of a trillion dollars by 2040 at an average growth rate of ~5% and earlier if the growth rate continues at the current rate.

As gauged by the United Kingdom's Centre for Economics and Business Research (CEBR) Bangladesh's economy would become the 28th largest in 2030 and the 25th largest in 2035 globally. The nation is also projected to have real GDP growth above 6% year on year according to International Monetary Fund's (IMF) latest world economic outlook in 2022.

Foreign Policy Strategies

Inspired by the tenets of Bangabandhu, Bangladesh pursues a value-based foreign policy. Centric to this is the sharing and leveraging of resources in a symbiotic and synergistic manner to create a better future for all of humanity, avoiding confrontations and provocations. Inherent to the foreign policy has been its zero-tolerance to terrorism approach, while stabilizing the economy and poverty alleviation remains its foremost priority.

In line with these aspirations, two specific programmes have been launched by the Ministry of Foreign Affairs. It has a consolidated 'Economic Diplomacy' as a foreign policy vertical—and 'Public Diplomacy' as a priority project.

Dr. A. K. Abdul Momen, M.P. Hon'ble Foreign Minister of Bangladesh, has been a vocal advocate for economic diplomacy as a vibrant vehicle

to pursue the country's objectives on various platforms where matters of the economy are at stake. One core area of its Economic Diplomacy is the focus on the ICT sector. The Blue Economy is another thriving sector. During the Mujib Year (2020-21), Bangabandhu Corners have been set up in each of Bangladesh's missions abroad, which are tasked to promote Public Diplomacy in collaboration with stakeholders.

In past interviews, Dr. A. K. Abdul Momen has highlighted that the country's foreign policy priorities emanate from a very basic wish-list of the Government for the welfare of its people and optimal utilization of the country's resources. They emanate from a deep-rooted wish for synchronizing its efforts with its neighbours and partners in the geo-sphere that it shares. He had also said then that the country sees the regional and sub-regional cooperation at the political level as having a strong impact in the social and economic evolution of all the people and see a great possibility of synergy in the ways that they can connect, reconnect and network in meaningful subsistence.

Bangladesh, a "development miracle" in terms of sustainable GDP growth and socio-economic parameters, envisages its engagements with the complex political theatre of the world in the thematic framework of technology, markets, and organizations which encapsulates the common threads of economy and ecology to secure governance priorities.

WHY Bangladesh QUOTES TO NOTE



"In 2026, Bangladesh is going to graduate from a LDC category to a developing country. We are working towards transforming Bangladesh into a knowledge-based developed country by 2041 and building a prosperous and climate-resilient delta by 2100."

Hon. Ms Sheikh Hasina,
Prime Minister
People's Republic of Bangladesh



"Bangladesh will become a trillion-dollar economy much before 2040 because of infrastructural developments, economic growth momentum and confidence and indomitable spirit of local entrepreneurs."

Mr Md Jashim Uddin
President
Federation of Bangladesh Chambers of Commerce and Industry



"The most important thing for a private business is the political stability and security. Second, Bangladeshi business owners have absolutely no doubts about the growth of this country and the economy. And that is just, incredible."

Mr Takeshi Mamiya
Regional CEO ASEAN & Southwest Asia,
Managing Director
Marubeni Corporation



"As a company, we are extremely happy to say that by June, we will accomplish 14 megawatts rooftop solar power to supply all of our sewing economy here. We are heading to add another 25 megawatts in a few years. Youngone itself would have a hundred megawatts, and we have saved a lot of money there"

Ki Hak Sung
Chairman
Youngone Corp



"Hon'able Prime Minister has allocated a hundred special economic zones, 10 already completed their work. I will also take an hundred acre land in a special economic zone. If I apply for land, I will get electricity, gas, and get all these permissions from one table"

Mr. AK Azad
Founder and Managing Director
Ha-Meem Group

RELATIONS AT THEIR ZENITH: SINGAPORE AND BANGLADESH CONNECTING AT ALL LEVELS

Singapore and Bangladesh have maintained a close and mutually beneficial relationship for over 50 years. Bilateral relations have grown stronger in Government, Business and People-to-People ties



*Photo right:
In a long line of high-level visits by
Bangladeshi officials: Prime Minister Sheikh
Hasina met with PM Lee Hsien Loong at the
Istana on 12th March 2018 on an Official Visit
to Singapore at the invitation of
Prime Minister Lee*

*Photo opposite page:
Bangladesh Commerce Minister, Mr Tipu
Munshi, and Singapore Minister for Transport
& Minister-in-charge of Trade Relations,
Mr S Iswaran, exchange MOC documents
at the Ministry of Commerce at Bangladesh
Secretariat on 16th November 2022.
(Photo: Press Information Dept,
Bangladesh Ministry of Information)*

Government-to-Government Relations

Singapore and Bangladesh established diplomatic relations in 1972, shortly after Bangladesh's independence. Since then, the two countries have maintained close and friendly ties, with high-level visits from both sides. In 2015, Singapore's Prime Minister, Lee Hsien Loong, visited Bangladesh to strengthen the bilateral ties and explore new areas of cooperation.

In 2019, Bangladesh's Prime Minister Sheikh Hasina reciprocated by paying a 2-day visit to Singapore. The two countries have also signed several agreements, including the Avoidance of Double Taxation Agreement (DTA) and the Bilateral Investment Treaty (BIT), to facilitate trade and investment. Last year, they inked a Memorandum of Cooperation on Trade and Investment envisaging a future free trade agreement. Both countries celebrated 50 years of establishing diplomatic relation through yearlong celebrations in 2022.

MoC on Economic Cooperation

Singapore's Minister-in-Charge of Trade Relations, S Iswaran signed a Memorandum of Cooperation (MoC) on Trade and Investment (MCTI) with Bangladesh Minister of Commerce, Tipu Munshi. The MCTI outlines plans to establish a senior

officials bilateral working group to identify initiatives to increase trade and investment flows in areas such as renewable energy, logistics, trade facilitation, and standards. Iswaran noted that the MCTI is a significant milestone in economic cooperation between Singapore and Bangladesh, and will help Singapore companies diversify their markets by tapping into Bangladesh's fast-growing economy, which is expected to be among the 30 largest economies in the world by 2030. The visit was complemented by a business mission jointly organized by Enterprise Singapore and the Singapore Business Federation.

Bilateral Visits

High-level visits have taken place between Singapore and Bangladesh to strengthen bilateral ties. They included:

- In 2015, Singapore's Prime Minister Lee Hsien Loong visited Bangladesh to explore new areas of cooperation.
- In 2017, the two countries signed agreements to boost cooperation in trade, investment, and tourism.
- In 2019, Bangladesh's Prime Minister Sheikh Hasina visited Singapore to enhance cooperation in trade, investment, and education.
- In 2022, Bangladesh's Foreign Minister Dr. A.K. Abdul Momen visited Singapore in April and held bilateral meetings with his counterpart Foreign Minister Dr. Vivian Balakrishnan. He also



paid a courtesy call to the Hon'ble President of Singapore. Later that year, Singapore's Minister-in-Charge of Trade Relations S Iswaran visited Bangladesh from 15 to 17 November 2022 to sign the MCTI.

Trade and Investment

There have been several Memorandums of Understanding (MoUs) signed between Bangladesh and Singapore over the years. These MoUs cover a range of areas including trade, investment, education, and defense. Here are some examples:

- In 2007, the Bangladesh Investment Development Authority (BIDA) signed an MoU with the Singapore Economic Development Board (EDB) to promote investment and trade between the two countries.
- In 2016, the Bangladesh Bank and the Monetary Authority of Singapore signed an MoU to enhance cooperation in the area of financial services.
- In 2018, the Bangladesh Navy and the Republic of Singapore Navy signed an MoU to enhance maritime security cooperation.
- In 2019, the National University of Singapore (NUS) signed an MoU with the University of Dhaka to promote academic and research cooperation.
- In 2022, Singapore's Minister-in-Charge of Trade Relations, S Iswaran signed a Memorandum of Cooperation on Trade and Investment (MCTI) with Bangladesh Minister of Commerce, Tipu Munshi.

People-to-People Relations

The people of Singapore and Bangladesh share a deep connection, with a significant number of Bangladeshis living and working in Singapore. According to the Ministry of Manpower, as of June 2021, there were over 212,000 Bangladeshis living and working in Singapore. Many of them are employed in the construction industry, where they have contributed significantly to the building and infrastructure development of Singapore. In fact, the Bangladeshi community has played a critical role in the construction sector, which

is a key pillar of Singapore's economy. Besides construction, the Bangladeshi workforce has contributed significantly in Singapore's marine and conservancy sectors.

Bangladeshi workers are often employed in areas such as carpentry, painting, steel fixing, and other construction-related jobs. They have been praised for their hard work and dedication, often working long hours in tough conditions to complete projects on time. Their contribution to Singapore's infrastructure development can be seen in the many landmark buildings, bridges, and roads across the city-state.

In addition to their work in the construction industry, Bangladeshi nationals in Singapore are also employed in other sectors such as manufacturing, services, and hospitality. They have contributed to the growth and development of Singapore's economy through their hard work, skills, and expertise. The Bangladeshi community has also been involved in various community initiatives and cultural

DBS Bank Officially Launches Dhaka Representative Office

DBS, Southeast Asia's largest bank, has established a presence in Bangladesh as part of the country's efforts to expand external trade and accelerate inflows of foreign investment and remittance. Bangladesh's economy is supported by a young population, increasing labour force participation, and a growing middle class. DBS CEO, Piyush Gupta, believes Bangladesh's proximity to India and China puts it in a good position to receive sustained trade and investment inflows from these rising regional giants. Sectors such as telecommunications, gas and petroleum, power, textiles and apparels present attractive business opportunities.

events in Singapore, promoting cross-cultural understanding and appreciation.

Business-to-Business Relations

The economic ties between Singapore and Bangladesh have grown significantly over the years, with Singapore being one of the largest investors in Bangladesh. Singapore has invested in various sectors such as energy, infrastructure, and tourism, and the two countries have signed agreements to facilitate trade and investment. In 2019, the bilateral trade between Singapore and Bangladesh was valued at US\$2.5 billion, with Singapore being Bangladesh's second-largest trading partner. During the last fiscal year, the figure had reportedly touched the US\$4 billion mark.

Singaporean companies such as Keppel, Sembcorp, DBS, and Mapletree have invested in various projects in Bangladesh, including the Dhaka Mass Rapid Transit System and the Payra Sea Port. In addition, Singaporean companies have also invested in the ICT sector in Bangladesh, with companies such as Garena setting up operations in the country. Renowned Bangladeshi companies such as Pran-RFL and the Summit Group have already been able to print their footsteps in Singapore. Bangladeshi RMG owners are eyeing the tiny island country to utilize its strategic position to make further penetration in the global and regional markets with their quality products.

The wide spectrum of bilateral engagements that have taken place augurs well for a close and collaborative future between both nations built on friendship as well as mutual interests and benefits.



(From left to right: Tan Su Shan, DBS Group Head of Institutional Banking; Ahmed Jamal, Bangladesh Bank Deputy Governor; Piyush Gupta, DBS Chief Executive Officer; Lokman Hossain Miah, Bangladesh Investment Development Authority Executive Chairman (Senior Secretary); Tahsina Banu, DBS Dhaka Chief Representative)

BANGLADESH A **TOP CHOICE** FOR INVESTORS



Mr Lokman Hossain Miah, Executive Chairman of Bangladesh Investment Development Authority (BIDA), explains to Nomita Dhar, the Publisher and Editor-in-Chief, WHY Bangladesh leads as one of the top destinations in the competitive world of foreign direct investments

Photo above right Investment summits abroad: Mr Lokman Hossain (far right) accompanying PM Sheikh Hasina to the "Potentials of Trade and Investment in Bangladesh" investment summit in Doha organised by BIDA in March 2023



PM Hasina mentioned there are now 100 EPZs. Could you give us more details about them.

Bangladesh is planning to build 100 economic zones across the country to attract diverse domestic and foreign industries, provide them with serviced land with attractive incentives and create new employment, as per the vision of the Honorable Prime Minister. These are Economic Zones, not export processing zones or EPZs.

At present, 12 economic zones are ready for the establishment for industries. Development work is underway for 29 economic zones. For example, the Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN), a flagship economic zone with over 33,000 acres of land, is strategically located at Dhaka-Chattogram industrial corridor. Many foreign and local investors have already established industries there and some have started production already.

Economic Zones are under the jurisdiction of Bangladesh Economic Zones Authority (BEZA), while export processing zones are under the jurisdiction of Bangladesh Export Processing Zones Authority (BEPZA).

Does that mean there has been a tremendous growth in EPZs and you have found them very useful in attracting foreign investors? And the 100% tax exemption is still in effect?

Export Processing Zones (EPZ) are contributing to export diversification and employment creation, which are core strategic objectives of the Bangladesh government.

BEPZA has been actively creating opportunities for export-oriented industries for the last 42 years. Investors from 38 countries have chosen Bangladeshi EPZs as their investment destination. The investment to revenue ratio is USD 1:16, which is very lucrative.

As many as 450 industries have invested US\$ 6.43 billion and employing 487,759 locals in eight EPZs. Another 93 projects are being established.

Development work for three more EPZs is underway. 100% tax exemption can be availed, but it is for a period of time depending upon the location of the EPZ. All details are available on the BEPZA website under incentives and facilities.

Total exports earnings from 456 enterprises located in 8 EPZs reached US\$ 96 billion as of June 2022. In FY 2021-22, exports from EPZs increased by 30.41% and investment by 20% compared to previous year. Exports reached US\$ 8.6 billion in FY 2021-22, setting a new record.

Is it correct to say that BIDA is a "one stop shop" for international investors? If yes, can you describe the range of services and facilities that BIDA can offer potential investors that are particularly useful?

It is, of course, correct to say that BIDA is a "one stop shop" for both international and domestic investors. As apex IPA under the Prime Minister's Office, our services span across the entire investment life cycle, covering attraction, entry/establishment, retention/expansion, linkages/spillover phases through marketing, information, assistance and advocacy services.

Any project outside economic zones, export processing zones, hi-tech/software parks and outside the jurisdiction of Bangladesh Small and Cottage Industry Corporation (BSCIC), must be registered with BIDA. A BIDA-registered industry is eligible for financial and non-financial incentives declared by the government. They can also get business licenses and approvals from BIDA and other regulators and the facilitation services of BIDA. As regulator, BIDA provides key services which are as below:

- Pre-investment counseling
- Registration and approval of private industrial projects
- Approval of branch/liaison/representative offices
- Visa recommendations and work permits for foreign nationals
- Approval of royalty remittances, technical know-

BIDA Investment Focus



how, technical assistance Agreements

- Facilitation of import of capital machinery and raw material
- Approval of the foreign loan and supplier credit
- Aftercare

BIDA services are delivered online through the 24/7 One-Stop Service Portal – better known as BIDA OSS. These services are time-bound as per law and the majority of services are delivered in 24-72 hours. BIDA OSS is the country's first interoperable platform providing end-to-end digitized investor services for BIDA and other regulators in Bangladesh.

It currently has 63 services of 23 agencies including BIDA. BIDA is working with investor service providers of Bangladesh to streamline and integrate their services with BIDA OSS.

Do you have for any potential Singaporean investor advice or essential steps to take to get the business up and running in Bangladesh?

Singaporean investors are adding unique value to our economy, and as per data from last fiscal Singapore is 2nd in equity inflow, 3rd in FDI stock and 4th in net FDI inflow. Singapore's FDI stock is USD 1617.04 million. They are working in power, food, textile and apparels, banking, agriculture etc. BIDA has registered proposed investment from Singapore worth US\$446 million (BDT 47469680610).

BIDA has dedicated liaison officials for promoting and facilitating investment from Singapore. We also systematically partner with Enterprise Singapore and Singapore Business Federation to create more opportunities of Singaporean investors in Bangladesh.

3b. Is Bangladesh looking for any particular profile or sector of investors it hopes to attract from Singapore?

We are very interested in diversifying the current investment portfolio of Singapore in Bangladesh. IT-ITES, agro/food-processing, leather, pharmaceuticals, logistics have a bright future in this country.

In particular, any industry in the value additive

manufacturing and service sectors are welcome. As the GDP of this country has grown more than 6.6% in the last decade all the sectors will have growth potential.

4. Can you share with us the latest FDI investment figures and statistics?

(See figure 1) FDI figures are regularly published online by Bangladesh Bank.

Which countries have you received highest investment from?

In terms of FDI stock as of June 2022, our largest sources of FDI are:

1. United States of America
2. United Kingdom
3. Singapore
4. People's Republic of China
5. Netherlands

Does BIDA compile a registry of projects as well as potential partners/companies that Singapore companies can bid for and meet respectively?

Yes, we have company level-information, and can make them available upon request. BIDA provides matchmaking services to interested investors.

Can you highlight what are the competitive advantages a potential investor should know Bangladesh possesses compared to other countries in the region i.e. why should they consider Bangladesh instead?

Under the leadership of the Honorable Prime Minister Sheikh Hasina, Bangladesh has emerged as a nation brimming with confidence.

- Bangladesh is set to become the 28th largest economy in the world by 2030.
- We will be the 9th largest consumer market globally by 2030, leaving behind UK and Germany.
- Our Middle and Affluent Consumers (MAC) population will reach 34 million by 2025 and consumption is growing more than 6% per annum.
- We are growing faster than our Asian peers and our dynamic private sector will fuel our emergence

as a trillion-dollar economy by 2040.

- The country offers a vibrant local market with 38% living in urban areas and urban population growing at more than 3% per year.
- Our landmass is a natural hub, connecting China, India and the ASEAN countries through which you can access another 3 billion regional consumers.
- Over 65% of the population is within working age.
- There are 45 million youths in Bangladesh, who are skilled and talented. 28% of the population is between the ages of 15 and 29.
- We are one of the world's top four fastest-growing digital economies. With 650,000 IT freelancers, we have the 2nd largest IT workforce in the world.
- Bangladesh has also proven its resilience during the pandemic, being one of the few countries to achieve positive growth. We became 1st in Asia and 5th in the world in Covid management.
- We are ensuring 100% electricity coverage, building the country's first deep-sea ports, adding a state-of-the-art third terminal to Dhaka airport, 100 special economic zones, 39 software and hi-tech parks, three more export processing zones and improving connectivity across Bangladesh.
- We are the 2nd largest textile/RMG exporting country after China. Eight out of the world's Top-10 Platinum-certified LEED factories are in our country.
- Bangladesh is also the 3rd highest grower of freshwater fish, 4th in vegetable production and many more.

How would you rate the conditions on the ground in terms of ease of doing business, eradication of red tape and cases of corruption; how does BIDA answer these queries and help ease such concerns for the new investors?

Every country has challenges, and we are a developing country. But what sets us apart is that we are committed to deliver an enhanced business environment for all our investors, both foreign and domestic.

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total FDI US\$ M	1136.4	1292.6	1599.2	1551.3	2235.4	2332.7	2151.6	3613.3	2874	2563.6	2895.6

Figure 1

INTERVIEW

The Honorable Prime Minister has established BIDA as the lead agency for cooperating business climate reforms. We implemented 44 reforms and became a Top-20 reformer in 2020 in the World Bank's Doing Business index.

After its discontinuation we have developed our own reform program – called the Bangladesh Investment Climate Improvement (BICI) programme to continue reforms. Our objective is to implement holistic reforms with close cooperation with the private sector.

The Honorable Prime Minister has already expressed her strong support for this programme, the 7 pillars of which are Business Entry and Exit, Industrial and Infrastructure Logistics, Cross Border Trade, Commercial Dispute Resolution, Tax Regime, and Access to Finance.

In your personal opinion why do you think Bangladesh is especially good for investors?

Firstly, Bangladesh has a uniquely stable and resilient economy. Biniyog Bikash or Investment Promotion is a Special Initiative of the Honorable Prime Minister.

Diversifying our industry and exports through facilitation of high-quality global capital ahead of LDC graduation (2026) is on the top of her Government's agenda. The Government is already

providing attractive incentives for emerging sectors and will include more in the coming days.

Bangladesh is the land of high corporate profitability. This is evident in our re-investment figure, which has risen above 70% of total FDI. Bangladesh is 3rd in terms of profit growth in all of Asia and Oceania, according to JETRO. We are 4th in terms of business confidence. These rankings will only get better as our economy grows.

As we move towards our future as a developed 'Smart Bangladesh', which we will achieve by 2041, we will create limitless growth opportunities for global investors who will choose our location. So this is the right time to come to Bangladesh to take advantage of these opportunities, and BIDA is here to support investors at every step.

Could you share what are the sectors that have been getting the most attention from investors and at the other end of the spectrum what are the sectors that are overlooked by Singapore companies, and they should be paying more attention to?

Gas & Petroleum, Textiles and Clothing/Garments Wearing, Banking, Power, Telecommunications, Food, Trading, Chemicals and Pharmaceuticals, NBF, Construction, Leather and Leather Products, Agriculture and Fishing, Cement, Insurance, Fertilizer etc.

Singapore investors can consider IT-ITeS, Logistics, Agro/Food-Processing etc. which are priority sectors as per Industry Policy 2022.

With the improvement in the investment climate and increased investment flows into the country, what are the resultant effects and opportunities for Bangladeshi citizens?

The objective is to provide higher value economic opportunities for our citizens through industry diversification, enhanced connectivity and productivity.

We want to create knowledge-based employment sectors and develop linkages between global players and our successful local companies so that they may become a comprehensive part of global value chains. Our goal is to achieve Shonar Bangla – the Land of Peace and Prosperity, as envisioned by the Father of the Nation Bangabandhu Sheikh Mujibur Rahman, where every citizen will have the resources necessary to flourish.



For more information visit:
www.bida.gov.bd



INVESTMENT DECISION: COST FACTORS FOR BANGLADESH

When considering investing in a country, it is useful to have its cost profile to evaluate the expenses that can significantly impact a business' profitability and success. They include labour, raw material, transportation, taxes, tariffs, and infrastructure costs. It's crucial to thoroughly analyze these costs and compare them to the potential returns on investment before making a decision.

Bangladesh, as a developing country, boasts lower labour costs, utility costs, and many other business-related expenses compared to its neighbouring countries. This makes it an appealing investment destination for companies that are seeking cost-efficient locations. By choosing to invest in Bangladesh, businesses can benefit from lower production costs, which can lead to higher profit margins.

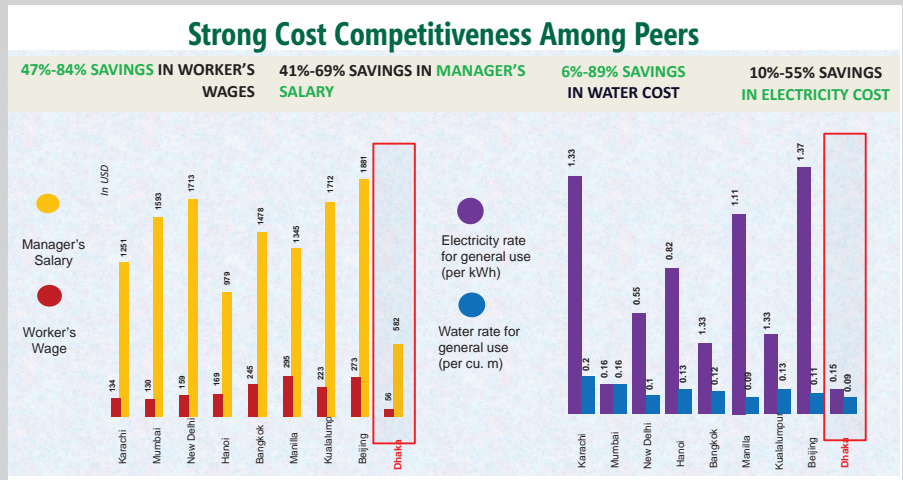
Labour Cost

The labour cost in Bangladesh is relatively lower compared to many neighbouring countries. According to a 2021 report by the International Labour Organisation (ILO), the average monthly wage for a garment worker in Bangladesh was US\$144, which is lower than Sri Lanka (US\$161), Philippines (US\$218), Cambodia (US\$250), Vietnam (US\$275), and Thailand (US\$362). Additionally, the minimum wage in Bangladesh is BDT 8,000 (approx. US\$95) per month for unskilled workers, which is lower than the minimum wage in India, Nepal, and Pakistan.

It is important to note that labour costs may vary depending on various factors such as industry, skill level, location, and job type. In some industries, such as software and IT services, the labour costs in Bangladesh may be higher compared to other neighbouring countries due to the availability of a skilled workforce. However, overall, Bangladesh remains a cost-competitive destination for labour-intensive industries such as garments, textiles, and light manufacturing.

Utility Cost

The cost of electricity in Bangladesh is relatively cheaper than some of its neighbouring countries, including India and Pakistan. As of 2022, the average electricity tariff in Bangladesh was around USD 0.05 per kilowatt-hour, while it was USD 0.07 in India and USD 0.08 in Vietnam. Similarly, the cost of natural gas in Bangladesh is also comparatively lower than that of India and Pakistan. These lower utility costs in Bangladesh can be attractive



to businesses as it can help them lower their overall production costs and increase profit margins.

Taxes and Tariffs

When it comes to taxes and tariffs for investing in Bangladesh compared to its neighbouring countries, Bangladesh offers a competitive advantage due to its comparatively lower tax rates and investment-friendly policies. The corporate tax rate in Bangladesh is 25%, which is lower than many of its neighbouring countries. Additionally, the government of Bangladesh offers various tax holidays and exemptions for certain types of investments and industries. The Value Added Tax (VAT) in Bangladesh is also lower than many neighbouring countries, making it a cost-efficient location for businesses.

In terms of tariffs, Bangladesh has been actively lowering its tariff rates to attract foreign investment. Bangladesh is a member of the World Trade Organisation (WTO) and has gradually reduced its tariff rates in line with WTO requirements. As of 2021, Bangladesh's average applied tariff rate was 12.45%, which is lower than many of its neighbouring countries.

Transportation Costs

Transportation costs are another important consideration for businesses looking to invest in a country. Compared to its neighbouring countries, Bangladesh has relatively lower transportation costs due to its strategic location and well-developed transportation infrastructure, including highways, railways, and ports. Additionally, the government has made significant investments in the transportation sector, which has further improved the efficiency and affordability of transportation in the country. In contrast, neighbouring countries like India and China have higher transportation costs due to their

vast geographical size and infrastructure challenges. Overall, lower transportation costs in Bangladesh can help businesses reduce their overall operational costs and improve their competitiveness in the global market.

Infrastructure Costs

Infrastructure costs for investing in Bangladesh are generally lower compared to its neighbouring countries. Bangladesh has been investing heavily in its infrastructure in recent years, particularly in transportation and energy sectors, with the aim of attracting more foreign investments. The government has undertaken several initiatives to improve the country's infrastructure, such as the construction of new highways, ports, and airports, and the expansion of its energy capacity through the development of power plants and renewable energy projects.

In comparison to neighbouring countries like India and Pakistan, Bangladesh's infrastructure costs are relatively lower due to its smaller size and lower levels of development. This can be a significant advantage for businesses that require reliable and efficient infrastructure to operate, as it can reduce their operating costs and increase their overall competitiveness.

Bangladesh has been globally recognised as one of the biggest development success stories of recent decades. At the same time there is a growing awareness that large investments need to be poured in for it to overcome development gaps and continue growth. Investors will have to take into account ground realities while evaluating expenses that would drive profitability and long term benefits of the businesses they wish to pursue in the country.

Bangladesh's Business Summit 2023

Potential for a Trillion-Dollar Economy



The flagship Business Summit of this year served as an excellent platform for showcasing the country's promising outlook and paves the path for a trillion dollar economy by 2040

(Photo top)

Key organisations at the Summit:

- Federation of Bangladesh Chambers of Commerce and Industry (FBCCI)
- Bangladesh Ministry of Foreign Affairs
 - Bangladesh Ministry of Commerce
 - Bangladesh Investment Development Authority (BIDA)

Held by apex trade organisations of the country in partnership with the Bangladeshi government the 3-day Bangladesh Business Summit 2023 in Dhaka reflects the country's concerted push to drive trade, commerce and investment.

From 11th -13th March 2023 Dhaka's Bangabandhu International Conference Center (BICC) was the venue of the Bangladesh Business Summit 2023 under the aegis of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), in association with the Ministry of Foreign Affairs, the Commerce Ministry, and the Bangladesh Investment Development Authority (BIDA).

The glittering event hosted senior ministers from seven countries including Britain, Saudi Arabia, China, Bhutan, the UAE and senior officials of 12 multinational companies. Also attending the Summit were over 200 foreign investors and business leaders from 17 countries.

As shared by FBCCI, the Summit was envisaged to become Bangladesh's flagship business event, being tasked to highlight the country's economic and market stature, along with the gamut of solid trade and investment opportunities by bringing together national and global business leaders, investors, policymakers, practitioners, policy and market analysts, academia, and innovators.

The event also hosted the best of Bangladesh Expo and FBCCI Business Awards 2023. It featured three plenary sessions on strategic issues, 13 parallel technical sessions, B2B

Meets, Networking Sessions, an Open House Reception and Guided Tours for International Delegates.

Ahead of the Summit, FBCCI President Md. Jashim Uddin shared that it is time to set the strategic path of progress to achieve the goal to be a developed nation and to make the country a Golden Bengal. He said, "It's time to accelerate the trillion-dollar journey".

Dr M Masrur Reaz, Technical Adviser of the summit opined that: "The Summit seeks to highlight Bangladesh's economic and market strengths, and concrete trade and investment opportunities in Bangladesh."

Inaugurated by Prime Minister Sheikh Hasina the Summit commemorated the celebration of the Golden Jubilee of the FBCCI.

FBCCI President Md Jashim Uddin in his welcome address invited global business leaders to join in Bangladesh's mega initiatives and to take the advantage of South Asia's fastest-growing economy with a regional manufacturing hub for supply chains and demographic dividends. Earlier, the FBCCI President had shared that the Summit will play an important role in tapping Bangladesh's full economic potential, expanding trade and attracting investments.

In her inaugural address as Chief Guest, Prime Minister of Bangladesh H.E Sheikh Hasina said: "I call upon you all to join our journey towards making Bangladesh a high income generated, developed, prosperous and innovative Smart Bangladesh by 2041." She extended her congratulations to the



FBCCI for carrying 50 years of the golden path with the smooth and vibrant representation of the private sector in the development of Bangladesh. She added: "I am deeply amazed at FBCCI organizing this summit at a time when the world trade is experiencing a critical time." Furthermore, she shared that the summit will pave a platform to forge a long-term productive relationship with participants from around the world through investment, technology, a smooth and predictable supply chain, and integration with Global Value Chain for common benefits.

She said her government would ease the investment process by simplifying the procedures while highlighting the importance of the country, and it's achieving the status of a developing country and a role model for development in the world.

Ahead of the Summit, Prime Minister Sheikh Hasina had shared that it would be an instrument to highlight Bangladesh's status of progress in the economic and social fronts to the global arena and also successfully identify the pressing needs of Bangladesh's economy through their deliberations and discussions. She further shared that the country had achieved the Millennium Development Goals (MDGs) in time and is heading towards achieving the Sustainable Development Goals (SDGs) by 2030.

MoU and Agreements Signed

Commerce Minister Tipu Munshi had several meetings with attending delegations, amongst them Saudi Arabia, China, and Bhutan. The FBCCI also signed a memorandum of understanding with China Council for the Promotion of International Trade (CCPET).

Bangladesh also inked two MoUs with Saudi Arabia for developing Rangpur Sugar Mills

and Patenga Container Terminal. A MoU was signed with China for infrastructure development. The agreement with a Saudi Company involved setting up gas pipelines through India and Bangladesh under Public-Private Partnership (PPP) mode.

Investor Interest

Chinese investors showed interest in investing in Bangladesh in the energy, agro-based industry, food processing, and infrastructure development sectors. China has also expressed interest in further increasing ongoing trade and investment with Bangladesh, Munshi shared.

Saudi Arabia is interested in investing in the agro-based industry and food sector. Bhutan has expressed interest in increasing trade with Bangladesh which can be accelerated by the elimination of various problems of sea and land ports, the commerce minister said.

Minister Tipu Munshi said: "The development of Bangladesh is now visible and the economy is stronger than ever. Different countries are coming forward to increase trade and investment with Bangladesh."

A host of ministers, parliament members, bureaucrats, business leaders, economists, and local and foreign business delegations who attended different plenary and parallel sessions on strategic themes at the Summit shared their thoughts on developing business in Bangladesh. Mr Hasan Al-Huwaizi, Chairman of the board of directors of the Federation of Saudi Chambers of Commerce and Industry (FSCI) was of the opinion that Prime Minister Sheikh Hasina's visit to Saudi Arabia gave a huge boost to the bilateral relations, when the premier also urged Saudi businesses to invest in different sectors of Bangladesh, including energy, ICT and petrochemicals.

Saudi Arabia's Commerce Minister, Majid bin Abdullah Al-Qasabi while attending the Summit said: "Through this visit, we exchange opportunities and ideas, and enhance communication. Our bilateral trade is around \$970 million, which is not to the level that our people want and our leaders want. It's the objective of this trip to enhance this target." Speaking to reporters at the summit's venue he shared: "We have explored a lot of areas of investment, especially in power, agriculture and logistics."

"None other than China and India and western world is as good as Bangladesh in pharmaceuticals. So, Bangladesh has tremendous opportunity here," pointed out Abdul Muktedir, chairman and managing director of Incepta Pharmaceuticals Ltd during a session at the Bangladesh Business Summit 2023. "The potential for agribusiness is tremendous," said Ahsan Khan Chowdhury, chairman and CEO of Pran-RFL Group, the country's largest agro-processor, who firmly believes in the investment opportunities that could accrue from the country's high ranking in the global scenario for producing items such as rice, potato, mangoes and fish.

According to Robert Simpson, country representative of the Food and Agriculture Organisation, Bangladesh has become a food surplus country from a food deficit country. "The production of high value crops is growing and agribusiness is poised to continue to be a growth industry," he added. As observed by Pierre Failler, a professor of economics at the University of Portsmouth, UK, Bangladesh has potential in seaweed cultivation.

Post the Summit FBCCI President Md Jashim Uddin pointed out the aim of the event was to highlight Bangladesh's economic potentials and said, "Bangladesh will become a trillion-dollar economy much before 2040 because of infrastructural developments, economic growth momentum and confidence and indomitable spirit of local entrepreneurs."

The Bangladesh Business Summit showcase ended on high note with the signing of several MoUs and the interest generated for foreign investments in potentially lucrative sectors such as infrastructure, healthcare, education, ICT and apparel – both at the government level and business venturers. Md Jashim Uddin, President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) on the concluding day of the Summit shared that potential foreign investors have been convinced that Bangladesh has the capacity to attract significant FDI due to its large young workforce, strategic geographical location as a gateway to South and Southeast Asia, and a growing domestic market of 170 million consumers.

For more reports on the summit visit:
www.bdbusinesssummit.com

DEMOGRAPHICS AND YOUTH: POWERFUL COMBINATION FOR ECONOMIC DEVELOPMENT

*Bangladesh's image and reputation is on the rise with consistent economic growth that is underlined by its strategic location and a young population dividend - with almost 46 million youths aged 15 to 29**

* According to the Bangladesh Bureau of Statistics 2022

Bangladesh Youths - Future of the country flying high: Participants, mostly youths, flying kites of various colours and varieties during a traditional kite festival on Cox's Bazar Sea beach, Bangladesh



An important consideration that has reaped many international investors rich dividends in Bangladesh is its location and young population. Located between two very large markets, China and India, it also is a gateway to ASEAN and SAARC, giving investors a large access to these markets.

For investors looking to tap into a new market, Bangladesh offers a compelling case for investment due to its demographics and youth population and comparative advantages.

In his address to the foreign investors, Mr. Salman Fazlur Rahman, MP, Private Industry and Investment Adviser to the Honourable Prime Minister of the Government of the People's Republic of Bangladesh, said: "If you invest in Bangladesh, you are not only getting access to a large domestic market, but you also have access to a very large international market, especially India and China. Both in China and India, we've got preferable market access. If you were to manufacture in Bangladesh, you would get preferable access to both the Chinese and Indian market as Made in Bangladesh goods."

Strategic Location & Preferential Access

Bangladesh's strategic location makes it an attractive investment destination. The country is located between two massive markets, China and India, providing investors with access to a large international market including ASEAN and SAARC. Additionally, the country enjoys preferred market access in both China and India. This means that investors who manufacture goods in Bangladesh can enjoy preferable access to these markets.

Bangladesh Trade 2020-21 with...		
(Value in US\$)		
Country	Export	Import
China	664m	12.6b
India	1.06b	9.9b

Bangladesh gives access to a large export base and a large domestic market. Bangladesh is projected to become the 8th largest consumer market globally by 2030, with over 34 million people in the middle-income and affluent

class. This is an opportunity for investors to tap into the growing market and reap the benefits.

Youth Power

Another significant factor for investors to consider is Bangladesh's young workforce.

Youth & Wages Comparisons

Youth Population: Bangladesh has a significantly larger youth population than its neighbouring countries, with 34% of its population aged 15 years and below. In comparison, India's youth population is 28%, Pakistan's is 32%, and Myanmar's is 26%.

Wages: Bangladesh has one of the lowest labour costs in the region, making it an attractive destination for investors looking to keep costs low. The minimum wage in Bangladesh is currently around US\$94 per month, which is lower than India's minimum wage of US\$165 per month, Pakistan's minimum wage of US\$151 per month, and Myanmar's minimum wage of \$103 per month.



(Above): Young workforce with their boss in a Dhaka office, Bangladesh

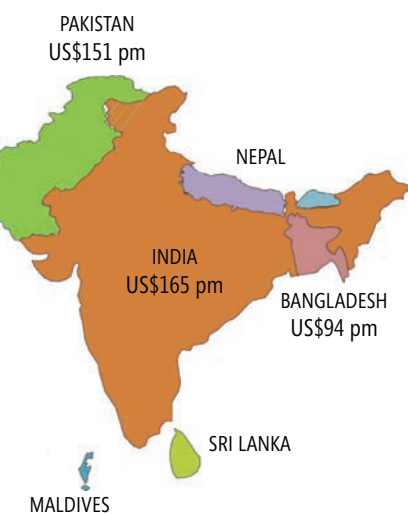
According to the Bangladesh Bureau of Statistics, the total population now is 169.8 million and 27.96 percent of them are aged between 15-29 years. For the benefit of the youth, the government is actively investing in education and infrastructure to ensure that the population's youth demographic

dividend is channeled to achieve sustainable development goals and create a very favorable environment for foreign investors. With a median age of 28, Bangladesh has a significant demographic dividend. This provides an excellent opportunity for

investors to invest in the country's growing economy, where the workforce is both young and energetic. As the population continues to grow and the economy continues to develop, the youth population will be the driving force behind the country's progress.

Bangladesh also offers strong competitiveness in terms of workers' wages, manager's salaries, water and electricity costs. With the enormous infrastructure development, including railways, roads, nuclear power plants, and bridges, the country has significantly improved its connectivity, making it easier for investors to transport goods and services. The country is self-sufficient in electricity, and there are currently over 100 economic zones available for investors to invest in.

Minimum Wage Comparisons



Country Statistics - At a Glance

Population Age Structure: As of 2020, Bangladesh's population was around 169.8 million, with 34% of the population aged 15 years and younger and 5% aged 65 years and older.

Working Age Population: Over 65% of Bangladesh's population is between 15 and 64 years of age, which means there is a large and growing pool of workers available for businesses to employ.

Labour Force Participation Rate: The labour force participation rate in Bangladesh was 58.2% in 2021, indicating a large and active workforce.

GDP Growth: Bangladesh has been one of the fastest-growing economies in the world over the last decade, with an average annual growth rate of 6.5% between 2011 and 2020.

Poverty Reduction: The poverty rate in Bangladesh has been steadily declining over the last decade, from 31.5% in 2010 to 20.5% in 2020.

Manufacturing Sector Growth: Bangladesh's manufacturing sector has been growing rapidly over the last decade, with an average annual growth rate of 10.2% between 2011 and 2020.

Ease of Doing Business: Bangladesh has made significant improvements in its business environment in recent years, with the World Bank ranking it 168th out of 190 economies in its 2021 Ease of Doing Business report, up from 176th in 2020.

HISTORIC MILESTONE: GRADUATING TO A MIDDLE-INCOME ECONOMY

With graduation to a middle-income country, Bangladesh is surely and firmly set on its journey in transforming itself to a fully developed nation by 2041



(Top row, from left):

- **Latest LDC Conference:** Prime Minister Sheikh Hasina delivering her speech at the 5th United Nations Conference on Least Developed Countries in Doha, Qatar on March 2023 championing people-centric diplomacy. (Source: The Centre for Bangladesh & Global Affairs)
- Mr. Roland Mollerus, Chief, UN Secretariat of the Committee for Development Policy (CPD) handing over an official letter to the Permanent Representative of Bangladesh Ambassador Masud Bin Momen on Bangladesh's fulfilling graduation criteria for the first time on 16 March 2018

Bangladesh has recently achieved a significant milestone by graduating to a middle-income country. It is a testament to the country's consistent economic growth over the past few years, which has propelled it forward in its journey towards fulfilling the commitment of Sustainable Development Goals (SDG) by 2030. By graduating to the upper-middle-income country by 2031, Bangladesh will be taking another step towards realizing the dream of 169.8 million people to become a developed nation by 2041.

Five decades after having been included in the group of Least Developed Countries (LDCs), in December, 1975, Bangladesh will be graduating out of the group in 2026. With the adoption of the United Nations (UN) General Assembly resolution of 24 November 2021, Bangladesh, along with Nepal and Lao People's Democratic Republic, has been set on track to graduate from the LDC status in 2026 (United Nations, 2021).

Since the LDCs were recognized as a unique subgroup among developing countries in 1971, Bangladesh is the first significant nation to pass the test. In contrast, Bangladesh's population alone

is more than 169.8 million, while the six LDCs that have graduated up until now have a combined population of about 5.5 million. Bangladesh holds the distinction of meeting all three of the graduation requirements among the 16 LDCs that are currently expected to graduate. This demonstrates how effectively Bangladesh's economy has met the cutoff points for the various socio-economic indicators included in the three LDC graduation criteria (namely Gross National Income Per Capita, Human Assets Index and Economic and Environmental Vulnerability Index). It is also true that Bangladesh is one of the very few LDCs that has been able to significantly benefit from the International Support Measures (ISM) that have been put in place to help the LDCs.

Bangladesh Journey Towards Graduation

The journey towards graduation started in March 2018, when Bangladesh met all three criteria for graduation for the first time. The following *Figure 1* shows that Bangladesh marginally crossed the thresholds at that time. The country came out in a bigger way in 2021 for the

Criteria	Threshold for 2018 Review	Bangladesh Scores (2018)	Threshold for 2021 Review	Bangladesh Scores (2021)
Gross National Income (GNI) Per Capita	US\$1230 or more	US\$1274	US\$1222	US\$1827
Human Assets Index	66 or more	73.2	66 or more	75.4
Economic & Environmental Vulnerability Index	32 or less	25.2	32 or less	27.0

Figure 1: Bangladesh met the LDC graduation thresholds twice – in 2018 and again in 2021

Bangladesh has accomplished remarkable things in terms of export performance. Exports earnings increased by more than 116 times between FY1972-73 and FY2018-19, going from only US\$348 million to US\$50 billion FY2021-22. This rapid expansion of exports has also been highlighted by the Vulnerability Profile, which describes this expansion as having “skyrocketed”



Ready for Graduation

The Government of Bangladesh has taken several actions in preparation for the country's graduation from the LDC category.

- **The 8th Five-Year Plan (2021-25)** has been created to meet the demands of a smooth graduation and a graduation with momentum.
- **A high-level committee** has been formed under the direction of the Prime Minister's Office to develop suitable plans of action for sustainable LDC graduation.
- **Seven subcommittees** have been formed under the auspices of the high-level committee with the participation of the main parties involved. These committees are expected to make specific recommendations to ensure a successful graduation from the LDC category.

second triennial review by meeting all three criteria with a further improved and comfortable margin. The achievement within three years manifests clearly the government's commitment towards realizing its goals, targets and strategies for an inclusive and sustainable development agenda.

The Bangladeshi economy has demonstrated its resiliency by growing by 5.5% and 5.4% respectively in the midst of the world recession in 2008. Bangladesh managed to maintain a 4%–5% growth rate despite the COVID-19 pandemic. All

prospective investors can rely on Bangladesh's promise to realize investments of up to US\$100 billion with sufficient financial returns because Bangladesh has proven its capacity for success. Bangladesh, which currently aims to become the next manufacturing and digital hub of Asia and has the second-largest economy in South Asia and the 35th-largest economy overall, offers a remarkable investment opportunity worth hundreds of billions of dollars across many different industries.

International Trade Performance

According to the United Nations Conference on Trade and Development (UNCTAD) Vulnerability Profile of Bangladesh, the country values trade as a means of growth and development, creating income, jobs, and economic activity. The ready-made garments sector, which accounts for about 85% of exports, has been especially beneficial for job creation and socio-economic development, as many industries and services have developed around it. This labour-intensive sector has created jobs for millions, mostly women, and has helped meet graduation criteria and indicators.

Over the past few decades, Bangladesh has accomplished remarkable things in terms of export performance. The amount of money made from exports increased by more than 116 times between FY1972-73 and FY2018-19, going from only US\$348 million to US\$50 billion FY2021-22. The rapid expansion of Bangladesh's exports has also been highlighted by the Vulnerability Profile, which describes this expansion as having “skyrocketed.” The government's numerous initiatives and the duty-free and quota-free (DFQF) market access that many international trading partners have provided have both contributed to this remarkable progress. In fact, all exports from Bangladesh are granted DF-QF market access, with the exception of those of ready-made clothing to the United States. Bangladesh has also been able to benefit significantly from the LDCs' exemption from the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) for pharmaceuticals, due in large part to this exemption.

Pharmaceuticals Success Story

Bangladesh has been able to develop a robust pharmaceutical industry that meets 98% of domestic demand and contributes to low prices for essential medications. In the fiscal years 2021 and 2022, Bangladesh exported pharmaceutical products worth about US\$168 million; a sizable portion of this was intended for other LDCs and low-income nations that benefited from affordable medicines. Bangladesh has also benefitted from the latitude it has in enforcing trade and tariff policies and providing subsidies as an LDC.

As far as Bangladesh is concerned, there is a growing recognition that LDC graduation, whilst opening new opportunities for the country, will also entail formidable challenges. Bangladesh is expecting that its international credit rating will improve thanks to the graduation; this will be helpful in raising funds under favourable terms from the global financial markets. The country is also hoping that the new image and branding, as a non-LDC developing country, will help attract more foreign investment to the country.

Membership and Affiliations

From a geopolitical perspective Bangladesh is part of several regional and international organisations such as the South Asian Association for Regional Cooperation (SAARC) whose member countries include Afghanistan, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka with a combined population of over 1.8b and GDP over US\$3 trillion, making it an important economic and political bloc in the region. Bangladesh is also a member of the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) that promotes regional economic cooperation, technological development and cultural exchanges. BIMSTEC members include Myanmar and Thailand. In 2006 Bangladesh became the 26th member of the ASEAN Regional Forum (ARF) and total trade with ASEAN is at US\$12 billion.

FASTEST GROWING ECONOMY WHAT THE FIGURES SAY...

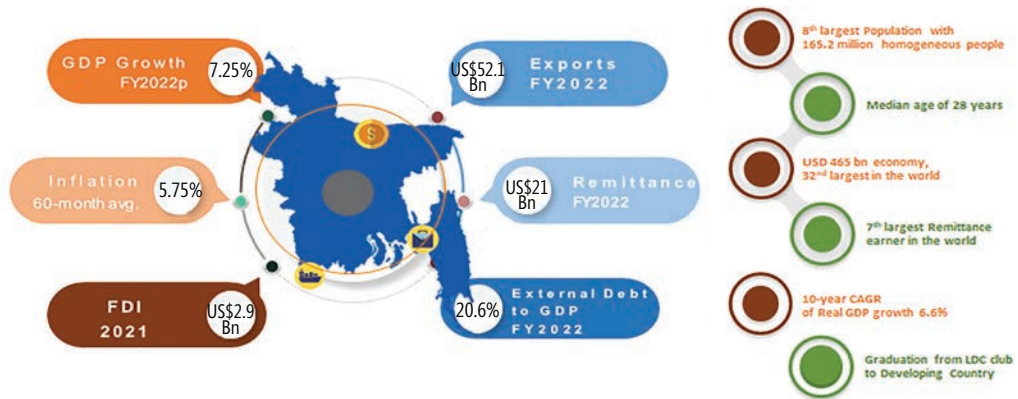
Bangladesh is currently the second largest economy in South Asia and the 35th largest economy in the world. The government's goal is to transform the country into the next manufacturing and digital hub of Asia, presenting a promising investment opportunity across a broad range of sectors worth hundreds of billions of dollars.

Over the past decade, Bangladesh has sustained a GDP growth rate of over 6%, and per capita income has increased from US\$128 in 1971 to approximately US\$2800. The country's annual exports have grown from \$0.55 billion to over \$60 billion. Bangladesh's remarkable growth trajectory demonstrates the government's and people's commitment to further progress.

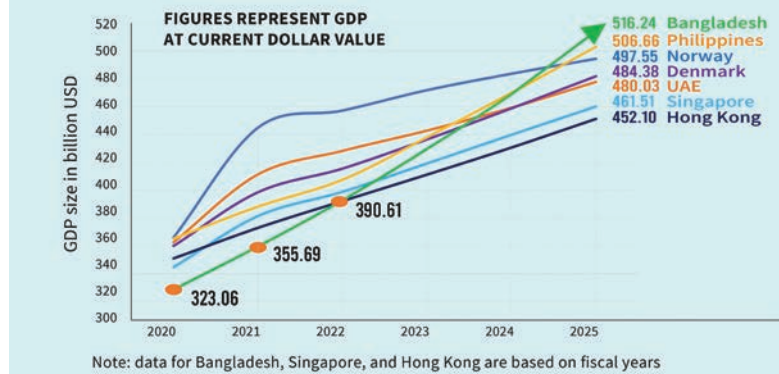
During the global recession of 2008, the resilience of Bangladesh's economy was tested, and it achieved growth rates of 5.5% and 5.4%, respectively. Similarly, during the COVID-19 pandemic, the country managed to sustain a growth rate of 4%-5%. A robust and regular inflow of remittance, sent by the expatriate workers, remains a key pillar for the sustainability of the country's exchequer. Bangladesh has proven itself to be a dynamic and resilient economy, which investors can rely on for realizing their investments with adequate financial returns in a relatively short time frame.

Bangladesh is the 9th largest consumer market globally and is projected to remain so in 2023, with an estimated 34 million people in the middle income and affluent class by 2025, according to the Boston Consulting Group. The government has increased private sector engagement, and its policies have promoted greater economic liberalization,

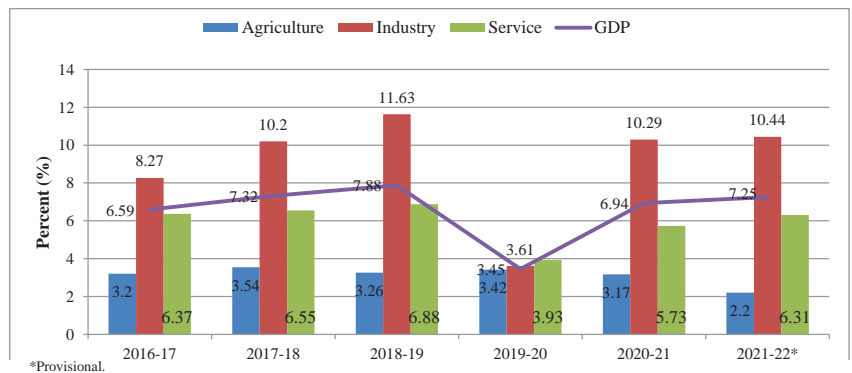
Bangladesh Offers Strong Macro-Fundamentals An Essential Precondition for Private Investment



How IMF Sees Countries' Economic Outlook



Broad Sectoral GDP Growth at Constant Prices



Countries	External Debt, 2021 (as percentage of National Income)	Global Rank
Maldives	86.85%	1
Sri Lanka	68.62%	2
Pakistan	38.17%	3
Nepal	24.27%	4
Bangladesh	20.87%	5
India	19.62%	6

Source: The World Bank

deregulation, and trade integration. Prudent fiscal management has kept public debt low at 36% of GDP. In the financial year 2021-22, trade amounted to US\$141.4 billion, with exports totaling US\$50 billion.

A special note has to also be added on how Bangladeshi women have been contributing to

the national economy. According to a World Bank report from 2003 to 2016, Bangladesh increased the female labour participation rate by 10 percent to 36 percent, thanks to the readymade garments (RMG) and livestock sectors. In fact, today over 70 percent of rural women are small-holder farmers and own poultry and other livestock.

BANGLADESH: A RELIABLE SUPPLY CHAIN SOURCE

In the wake of the COVID-19 pandemic, there has been a growing demand for reliable supply chain sources, and Bangladesh is emerging as a key player in this regard



Bangladesh's strategic location, coupled with its low shipment costs and growing manufacturing sector, has made it an attractive destination for global buyers seeking reliable supply chain partners.

Despite the challenges posed by the pandemic, Bangladesh's export sector has shown resilience and continued to grow, with some sectors experiencing significant growth in the post-COVID world. For instance, the textile and garment industry, which is the backbone of Bangladesh's export portfolio, has recovered from the initial shock of the pandemic and is now seeing strong demand from global buyers. This is in part due to the country's ability to offer competitive prices, coupled with its focus on producing eco-friendly and sustainable products, which is a growing trend in the global market.

The leather industry, which is another key export sector for Bangladesh, is also experiencing growth in the post-COVID world, thanks to the rising demand for high-quality and sustainable leather products. Similarly, the frozen seafood industry is seeing increased demand from global buyers as people continue to work from home and cook more meals at home.

Supply Chain Facilitators

Key players in Bangladesh's transportation industry include State-owned Bangladesh Road Transport Corporation, Bangladesh Railway and Chittagong Port Authority as well as private logistics companies such as Grameen Logistics, United Parcel Service (UPS) and DHL.

Advantages Sourcing from Bangladesh Compared to Neighbouring Countries

- **Modern infrastructure**, including ports, highways, and airports, that enable efficient and cost-effective transportation of goods.
- **Favourable business environment** with lower taxes and fees, and fewer bureaucratic hurdles compared to neighbouring countries, resulting in lower costs for businesses operating in Bangladesh.

- **Policy measures** aimed at attracting foreign investment and promoting export-oriented growth, resulting in the development of special economic zones, tax exemptions, and other incentives that make it easier and more cost-effective for businesses to set up operations in the country.
- **Low shipment costs** due to Bangladesh's location and infrastructure, resulting in more affordable transportation of goods compared to other countries in the region.

Record Exports

In November 2022, Bangladesh's exports of goods exceeded US\$5 billion, the highest ever recorded in a single month. The increase in exports was driven by a surge in demand for ready-made garment items.

Compared to the same month in the previous year, the November's exports were 26.01% higher.

During the first five months of the current fiscal year (July 2022-June 2023), Bangladesh's total

exports amounted to almost US\$21.95 billion, which was a 10.89% increase year-on-year.

Ready-made knitwear and woven garment items contributed significantly to this increase, with earnings of US\$18.33 billion during the cited period.

Bangladesh's total exports rose by more than over 32.6% to US\$50 billion during the 2021-22 fiscal year as per official data.

The movement of goods in Bangladesh has improved in recent years due to government investment in infrastructure and the expansion of private sector logistics services. Several mega projects have been implemented that are featured in this issue (see page 20).

Overall, Bangladesh's ability to adapt to changing global trends and provide reliable

supply chain sources is proving to be a key competitive advantage. As the world continues to grapple with the aftermath of the pandemic, countries that can offer reliable supply chains and competitive prices will be well-positioned to meet the demands of the global market.

INFRASTRUCTURE PROJECTS: CREATING AN INVESTOR-FRIENDLY ENVIRONMENT



Infrastructure development has received much attention both from the Government and investors. It is indeed a game changer in growth and development of the country. Together, with the improved business environment and the simplification of regulations, it is on its way to help develop Bangladesh into a haven for investors

Photos above

● **PADMA BRIDGE** (Main picture): The 6.15km long road and rail bridge was opened in June 2022. (Inset): First span of the 41 spans installed starting Sept 2017

Photo opposite page right

● **PAYRA SEAPORT**: The first terminal project will be completed in 2023.

The construction of the Payra port is expected to come with a host of other infrastructure inputs, including a coal terminal, a coal power plant, a railroad, bridges and roads and a township (Photo: Symbiotic Architects & Associates)

There are several large scale mega projects that include the transportation-logistics sectors such as bridges, rail, airports and ports, clubbed with the ambitious target of a hundred economic zones announced by the Prime Minister, the future for this sector looks bright with many opportunities for investors to grab. Possibilities that come with this thrust is a major reason why Bangladesh is a top investor's choice.

The Government of Bangladesh has been actively investing in developing its infrastructure with the aim of promoting economic growth and attracting foreign investment. Bangladesh has been experiencing remarkable infrastructure growth over the past decade. It has also started several mega projects that are changing the country's infrastructure landscape and bringing opportunities to the people of Bangladesh.

The international investors have shown positive feedback on the progress and prospects of these projects. They see the projects as an opportunity to expand their businesses in Bangladesh, and also as a way to contribute to the country's economic growth. Moreover, the projects have created a positive impact on the lives of the people by providing them with better transportation facilities, improving energy supply, and creating job opportunities. Let's take a closer look at some of these projects.

The 6.15-km-long Padma Bridge is one of the longest in the world and was financed entirely by Bangladesh without any foreign aid and has already started to contribute to the country's annual national GDP by 1.23%!

Padma Multipurpose Bridge

The Padma Multipurpose Bridge is a long-awaited project that has been in the pipeline for decades. The bridge, which is being constructed over the Padma River, will connect the southern part of Bangladesh with the northern part, providing a vital link for transportation and trade. The 6.15-kilometer-long bridge is set to be the longest bridge in Bangladesh, and one of the longest in the world. It was completed in June last year and was financed entirely by Bangladesh without any foreign aid and has already started to contribute to the country's national GDP. It is estimated to have boosted the country's annual GDP by 1.23%!



Dhaka Metro Rail Project

Dhaka, the capital of Bangladesh, is one of the most densely populated cities in the world, with a population of over 20 million. The Dhaka Metro Rail Project is a much-needed initiative to alleviate the city's traffic congestion problems. The project involves the construction of six metro lines covering a total length of 120 kilometers. The first line of the metro is already functional and running successfully. The Uttara-Agargaon Route became operational in December 2022. The entire project is expected to be completed

by 2026.

Rooppur Nuclear Power Plant

Bangladesh is heavily dependent on fossil fuels for its energy needs, which has resulted in a high level of air pollution and greenhouse gas emissions. The Rooppur Nuclear Power Plant is a mega project that aims to provide a sustainable solution to the country's energy needs. The power plant is being constructed in Rooppur, and it will have a capacity of generating 2,400 megawatts of electricity. The construction of the power plant is progressing rapidly, and the first two reactors are expected to be operational by 2024.

Continued next page...

Payra Sea Port

Bangladesh is located at the crossroads of South and Southeast Asia, making it an important hub for international trade. The government of Bangladesh has recognized the importance of developing its sea ports to promote trade and economic growth. The Payra Sea Port is a mega project that aims to transform the underdeveloped southern region of Bangladesh into a major economic zone. The sea port will have a capacity of handling 30 million tonnes of cargo per year, and it will be connected to the Padma Multipurpose Bridge. The construction of the sea port is progressing rapidly, and it is expected to be operational by 2024.

Singapore Companies Helping to Build Bangladesh's Infrastructure

Singaporean companies have also played a vital role in the infrastructure development of Bangladesh. Some of the notable projects involving Singaporean companies in Bangladesh:

- **Summit Power International:** Summit Power International, a Singaporean company, is the largest independent power producer in Bangladesh. The company operates various power plants in the country, contributing significantly to the energy sector.

- **Sembcorp Industries:** Sembcorp Industries is a leading energy and infrastructure company in Singapore. The company has been involved in several projects in Bangladesh, including the Sirajganj Unit 4 Combined Cycle Power Plant and the Dhaka Water Supply and Sewerage Authority (DWASA) project.

- **Keppel Corporation:** Keppel Corporation is a multinational conglomerate based in Singapore. The company has been involved in various infrastructure projects in Bangladesh, including the construction of the Bangladesh Navy Submarine Base and the Bangladesh-India Friendship Power Company Limited.

- **Surbana Jurong:** Surbana Jurong is a leading global urban, infrastructure, and engineering consulting firm based in Singapore. The company has been involved in various infrastructure projects in Bangladesh, including the development of the Padma Multipurpose Bridge and the Dhaka Metro Rail Project.

- **PSA International:** PSA International is a leading global port operator based in Singapore. The company has been involved in various port-related projects in Bangladesh, including the development of the Chittagong Port, the country's largest seaport.

The involvement of Singaporean companies in the infrastructure development of Bangladesh has helped create job opportunities, improve the country's energy and transportation sectors, and boost economic growth. The collaboration between Bangladesh and Singapore has been fruitful, and the partnership is expected to continue in the future.

Photo right
● ROOPPUR NUCLEAR PLANT



...continued from previous page



● **KARNAPHULI UNDERWATER MULTI-LANE ROAD TUNNEL:** The tunnel will help boost the country's rapid industrialisation and will be the region's first river tunnel; it opened late last year

Karnaphuli Underwater Tunnel

The Karnaphuli Underwater Tunnel is a mega project that aims to connect the southern part of Bangladesh with the Chittagong port, which is the country's main seaport. The tunnel will be 3.5 kilometers long, and it will be the first underwater tunnel in Bangladesh. The project is expected to be completed by 2025.

Dhaka Elevated Expressway

The Dhaka Elevated Expressway is a mega project that aims to ease the traffic congestion in the capital city. The expressway will be 19.73 kilometers long, and it will have eight lanes. The Dhaka Airport-Banani section of the expressway was opened last December 2022 and the whole project is expected to be completed by this year.



● **DHAKA ELEVATED EXPRESSWAY:** The already opened Airport-Banani section (Photo: Bangladesh Bridge Authority)

Other Investment Infrastructures to Support Business

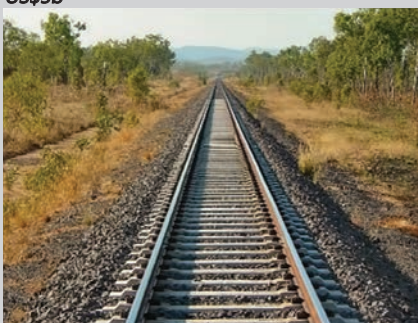
Some of the infrastructure projects to create synergy with 100 economic zones, that are being established within the next 15 years



● **RAMPAL COAL POWER PROJECT;** total cost: US\$5b



● **MOHESHKHALI LNG TERMINAL;** total cost: US\$0.18b



● **CHATTOGRAM-COX'S BAZAR RAILWAY;** total cost: US\$2.13b



● **DHAKA AIRPORT THIRD TERMINAL;** total cost: US\$2.30b

Employment and Economic Growth

The mega infrastructure projects in Bangladesh have attracted significant international investments from countries like China, Japan, and India. For example, the Dhaka Metro Rail Project has received financial support from the Japan International Cooperation Agency (JICA).

The projects have already generated a significant number of job opportunities in different sectors such as construction, engineering, and transportation. Moreover, the improved infrastructure has attracted more foreign investors, leading to increased economic growth and creating more employment opportunities in other sectors as well.

The feedback from the people of Bangladesh has also been positive. They see the projects as a much-needed initiative to improve the country's infrastructure and create a better future for themselves and their children. The people of Bangladesh are hopeful that the completion of these projects will lead

to better living standards, improved access to education and healthcare, and overall economic development.



Photos above & above right:
 ● Bangladeshi workers have been involved in many Singapore infrastructure projects like Changi Airport and its extension Jewel Changi (Photo above right source: Singapore Jobs for Indian/Bangladeshi Workers Facebook)

Bangladeshi Workers Helping Build Singapore

The Bangladeshi workforce in Singapore has been an essential contributor to the country's economy and society. According to the Ministry of Manpower, as of December 2021, there were approximately 210,000 Bangladeshi foreign workers in Singapore, making them one of the largest foreign worker groups in the country.

The Bangladeshi workers in Singapore have been involved in various sectors, including construction, manufacturing, and service industries. They have played a crucial role in the construction of various infrastructure projects, such as the Changi Airport expansion project, the Marina Bay Sands Integrated Resort, and the Singapore Sports Hub.



The Bangladeshi workers are known for their hard work, dedication, and resilience. They have brought their skills and expertise to Singapore, helping the country to achieve its economic and social development goals. They have also contributed to the cultural diversity of Singapore, bringing their unique customs and traditions to the country.

Moreover, the Bangladeshi workers in Singapore have helped to address the country's labour shortage, particularly in the construction and service industries. They have filled the gaps in these sectors, allowing the projects to be completed on time and within budget.



**Congratulations and Best Wishes to
 The People's Republic of Bangladesh
 52nd Anniversary of Independence**



MOHAMED MUSTAFA & SAMSUDDIN CO. PTE LTD

Mustafa Centre
 145 Syed Alwi Road Singapore 207704

Tel +65 6295 5855
Fax +65 6295 5866
Email mms786@mustafa.com.sg

Log on to
www.mustafa.com.sg

INVESTMENT OPPORTUNITIES IN BUSINESS SECTORS IN BANGLADESH

A closer look at sectors with significant potential for investment



(Photo: Square Pharmaceuticals Ltd)

Pharmaceuticals

Bangladesh's pharmaceutical industry is growing at an impressive pace, with a projected Compound Annual Growth Rate (CAGR) of 14.4% from 2020 to 2025. The country has a large pool of skilled labour, low-cost production, and a thriving domestic market. The industry has also benefited from the Government's favorable policies and regulatory reforms.

Artificial Flowers and Floriculture

A fresh impetus to Bangladesh's floriculture sector has been triggered off by the rising demand amongst domestic consumers. It has also given a lift to the artificial flowers business. Bangladesh's floriculture industry has undergone rapid expansion with an annual growth of 10-15 per cent. According to the state-run Horticulture Foundation the local cut flower and foliage sector generates an annual turnover of Tk 1,600 crore. The robust potential of Bangladesh's floriculture industry is also rooted in its favourable weather conditions, suitable soil and terrain, access to cheap labour and low capital investment.



(Photo: The Business Standard www.tbsnews.net)

In FY2020-21, alone flower cultivation in Bangladesh was carried out over 3,930 hectares; this has been a huge leap from the land use of 931 hectares in FY 2009-10. A large part of its production needs is being met domestically. The country only needs to import 5 % of its floral requirements, which the country is sourcing from India, China and



(Photo: Bangladesh Discover blog)

Malaysia. The rise in flowers and ornamentals has resonated well with the farmer community in the country. As ascertained by the Department of Agricultural Extension (DAE) over 28,000 farmers are engaged in the floriculture sector. Tech innovations, largely driven by the youth, have given a fresh lease of life to the industry's growth.



(Photo: Bdtask, Inc. www.bdtask.com)

Software and Electronics

Bangladesh's software and electronics industry has grown exponentially in the last few years. The country has a large pool of talented software engineers and IT professionals. The Government has also provided a range of incentives, such as tax holidays and duty-free import of equipment, to promote the growth of the industry.

Frozen Food

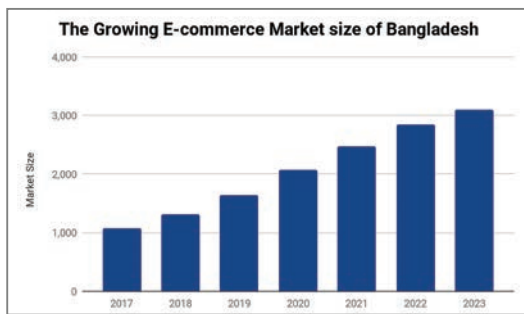
The demand for processed frozen foods in Bangladesh is largely being driven by burgeoning urbanization and rising consumer spend in a rapidly developing economic environment. Fast moving products in supermarkets, convenience stores, specialty stores and online include frozen fruits and vegetables, frozen meat and fish including shrimp, frozen-cooked ready meals, frozen desserts and frozen snacks. The market is said to have crossed USD 95 million or around BDT 800 crore. In 2019-20 (July-January), the frozen food sector generated USD 337.33 in

exports, 1.47% of the total export value, beating the export figures of cotton and cotton products, leather and plastic products. While Bangladesh Frozen Food Exporters Association (BFFEA), reveals that shrimp cultivation across the country is 300 tons per hectare, it is seen as a growing imperative that owners are now seeking to enhance efficiency in production with fresh innovations and techniques such as semi-intensive culture systems that will be parallel to the efficiency levels of China, Vietnam and Thailand, which produce around 2500 tons of shrimp per hectare.



(Photo: databd.co)

Foreign and local investors are picking up pace in establishing tech-driven freezing and processing industries within the country. The Government has also provided various incentives to promote investment in the frozen food sector. The sector offers opportunities for both import substitution and export.



(Source: databd.co)

Jewellery and Diamond Cutting

Bangladesh's jewellery and diamond cutting industry has grown significantly in recent years. One of the country's looking at tapping into the assets of the industry— its skilled workforce and access to raw materials is neighbouring India. Given the right business environment conducive for potential investors like India which does not produce diamonds, but, depends on import of rough diamonds from producing nations and employs 3 million workers to engage in cutting and polishing, Bangladesh could well be mining an expanding market as a major country for diamond-cutting in the region. The Government has also provided various incentives, such as tax holidays and duty-free import of raw materials, to promote investment in the industry.

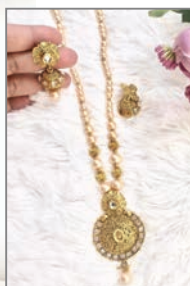


Photo above Khimar diamond cut jewellery

Photo left Jaigirdar Diamonds

Opportunities to Leverage US\$100 Million Investment Prospects

Infrastructure (Annually)	US\$ 25 Bn
Green Investments (Annually)	US\$ 14.3 bn
-Renewable energy (US\$0.27 bn)	
-Green Buildings (US\$9.3 bn)	
-Renewable energy (US\$0.27 bn)	
-Transport infrastructure (US\$1.98 bn)	
-Climate Smart Urban Wastewater (US\$1 bn)	
-Municipal Solid Waste Management (US\$0.33 bn)	
PPP investment (Annually)	US\$ 24 bn
Logistics (Annually)	US\$ 15 bn
Apparel (Annually)	US\$ 4.7 bn
SME Finance (Annually)	US\$ 2.8 bn
Housing Finance (Annually)	US\$ 2.5 bn
Agribusiness (Annually)	US\$ 1.4 bn
Health	US\$ 4 bn
Transmission	US\$ 4 bn
Leather	US\$ 2 bn
Electronics	US\$ 2 bn
Petro-chemical	US\$ 3 bn
Total	US\$ 99.4 bn

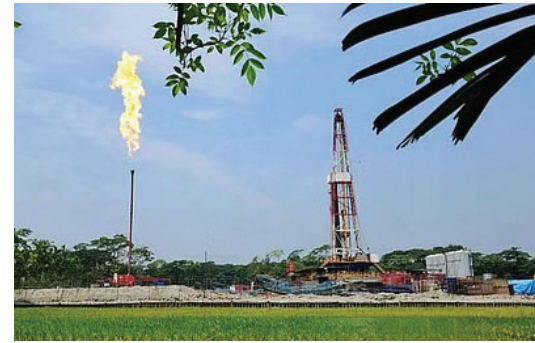
Sources: PPA, World Bank, International Trade Administration, The Business Standard, Star Business Report, BIDA

Oil and Gas

Bangladesh's oil and gas sector offers significant investment opportunities for both upstream and downstream activities. The country has a favourable regulatory environment, a skilled workforce, and access to natural resources. The Government has also provided various incentives, such as tax holidays and duty exemptions, to promote investment in the sector.



Titas Gas Field (Photo: Bangladesh Gas Fields Co. Ltd)



Gas field in Bhola (Source: bdnews24.com)

Health Sector

Dhaka is the primary hub in Bangladesh for high-end medical institutions and facilities; it's also the nucleus from where medical service dissemination is expanded across the country. According to the World Health Organisation, with regard to its quality health care standing, Bangladesh ranked 88th, which is better than any of the SAARC countries. While the country has been making major headway in socio-economic developments in recent years, the healthcare sector has still a long way to go to achieve its full potential. That said, the ongoing reform

policies coupled with innovation and investment by the private sector will play a significant role in transforming – and adding fresh impetus to the growth of the sector. The Government is firmly committed to build a healthy, energetic and active nation by providing quality health, nutrition and family welfare (HNP) services as part of its constitutional obligations. Changes sweeping through the industry – especially post the COVID pandemic, Government initiatives, private sector developments and potential investment from home and abroad are set to lead the way forward.



(Source: evercarebd.com)

Education and Technical Training

Bangladesh has the potential to emerge as a destination for quality and affordable education for children of non-resident Bangladeshis, from around the globe. It is already pulling in students from the African, Middle Eastern and South Asian countries. The cost of higher education in Bangladesh is cheaper by 40-60 percent; the average cost of an MBBS degree is around US\$40,000. Presently Bangladeshi universities, medical, dental and general colleges support around 4.6 million students. Apart from operating one of the world's largest government-run primary education systems, Bangladesh is already one of the world's largest private-run primary education systems. Annually, 30 million students are groomed by the country's education sector— making it one



Dhaka University convocation (Photo: thedailystar.net)

of the largest education service industries in the world. With an average annual cost of US\$1,000 per year, this translates to a higher education market size of US\$4.6 billion in Bangladesh. The Government has set aside US\$8.14 billion (Tk814.49 billion) for the education sector in the current financial year ending June 2023, of which US\$3.99 billion (Tk399.61 billion) has been allocated for higher education. The Government remains committed

BANGLADESH HIGHER EDUCATION SNAPSHOT	
Value	Subject
30	Million students currently studying in Bangladesh
4.6	Million students currently studying in Universities and Colleges
163	Total Number of Universities in Bangladesh
55	Number of Public Universities
108	Number of Private Universities
115	Number of Medical Colleges
US\$8.14 billion	Bangladesh Education Budget, 2022-2023
US\$3.99 billion	Bangladesh Higher Education Budget, 2022-2023
60%	Cost-Competitive Compared to India
US\$40,000	Average Cost of MBBS Degree

to improving the quality of education and applying Information and Communication Technologies (ICT) in all spheres of public life to build a 'Digital Bangladesh'. The Ministry of Education's Master Plan for ICT in Education in Bangladesh 2012–2021 has aimed at revolutionising the education system through the use of ICT and promoting technology-based teaching and learning.

River-Islets Development Plan



(Photo: www.futurestartup.com)

In Bangladesh hundreds of islands lie scattered around the coastal areas and estuaries of major rivers such as the Meghna. For example, the delta has newly emerged river islets or 'char' islands resulting from the deposition of silt brought down from the Himalayas by the flood waters. Bhola Island at the mouth of Meghna River is the largest in Bangladesh and is bigger than Singapore! The silt also transforms

the chars into the most fertile land in the Bengal delta, and these newly created coastal islands can site agricultural farms, raise livestock, establish plantations as well as other industries and businesses. There is potential for investors to develop these new islands into centres of production, in fact, potential investment is welcomed to spark innovative use of char lands for even non-traditional areas of development (away from agriculture, livestock and farmland) to establish industries and tourism. Opportunities also abound for financial services institutions to invest and offer their services to the char communities already established there.

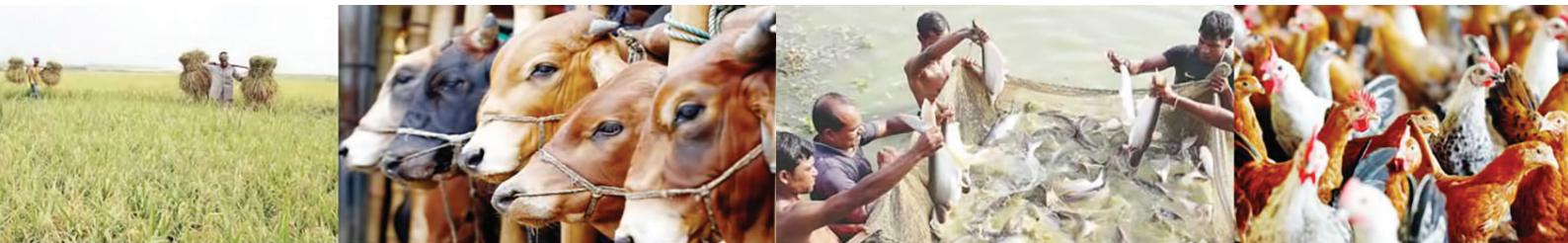
Coastal Shipping Lines



(Photo: Journal of Commerce www.joc.com)

The Chattogram and Mongla seaports handle over 90 percent of the Bangladesh's international trade; they also provide the neighbouring countries an access to the sea for trade and connectivity. Bangladesh can assist the landlocked Himalayan countries of Nepal and Bhutan, and India's Northeast region by providing them an access to the sea through its seaports. The coastal shipping service which was launched in 2016 between Bangladesh and India at the New Mooring container terminal at Chittagong port illustrates the great potential of Bangladesh's speedily developing

maritime sector. The two nations want to use the seas for development of transporting commercial cargo through coastal shipping routes. Bangladesh's seaports are important maritime gateways for its neighbours, especially those landlocked, with the potential to boost their trade and possibly even the movement of passengers too in six of the seven the Bay of Bengal Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) member countries. This can set Bangladesh at the centre of regional trade by ensuring it becomes deeply embedded into inter-regional and global value chains.



(Photos: Syed Zakir Hossain and Mehedi Hasan www.dhakatribune.com)

Agro-Business and Livestock Projects

As revealed by the Bangladesh Bureau of Statistics for FY 2020-21, crops, livestock, fisheries, and forest products accounted for about 12.5 percent of Bangladesh's total GDP and employed approximately 40 percent of the total population. Agricultural production here is largely characterized as traditional subsistence farming with staples like rice, wheat, corn, legumes, fruits, vegetables, meat, fish, seafood, and dairy products. Though it needs to import bulk commodities like wheat, soybeans,

and pulses, Bangladesh offers niche segment opportunities for high-value agricultural product imports, targeted particularly for affluent urban hubs like Dhaka and Chittagong. The National Agriculture Technology Program (NATP-II) helps the Government increase productivity and food security, encourage climate change adaptation, and enhance nutrition through safer and more diversified foods. The Modern Food Storage Facilities Project (MFSFP), expands and improves grain storage infrastructure and strengthens the management of grain stocks. Investment in and expansion of the rural non-farm enterprises (or

RNFEs) is a parallel priority for Bangladesh. RNFEs can help households become more resilient to climate shocks through income and livelihood diversification. Opportunities are available aplenty in agricultural equipment and technology; agriculture inputs, including feed, seeds, pesticides, and fertilizer; dairy processing equipment; fish processing equipment; packaging and canning equipment and technology; agriculture infrastructure consulting services and solutions, including silos and cold chain/cold storage facilities. Livestock and fisheries also offer tremendous potential for reducing malnutrition and increasing incomes and jobs.

Retail Business

There are two modes of operation in the retail business in Bangladesh: the smaller organized retail side and the massive unorganized retail sector. The pace of the industry towards the organized retail format is steadily growing, driven by the rising consumerism in recent years. The rise of the middle and affluent class (MAC) segment has been an integral contributor to the country's growth trajectory. While the unorganized sector's local mom and pop style stores continue to have a robust position in this ecosystem, the spiralling introduction of super shops is changing the retail landscape by luring many of those customers into their value chain.

The Bangladesh Superstores Owners' Association (BSOA) indicates that some 30 companies with over 160 outlets are currently in business across the country, mostly, however, in cities and urban areas. The potential for investors in the domestic and global markets is an alluring factor given how in the past 13-14 years there's been a retail revolution which is speedily transforming Bangladesh's retail arena with swanky 'superstores' becoming the next developing industry. Though the organised retail sector comprises only over 1.0 per cent of the total retail sector its growth potential is immense and offers enormous opportunities for investors.



Bangladesh is presently categorized as one of the next 11 emerging market middle income economies and a frontier market (Photo: www.waterhousewade.com)

Chemical Industries and Refineries

The Office of the Chief Controller of Imports and Exports of Bangladesh records that imports of organic chemicals worth Tk6,192 crore and exports is to the tune of Tk877.20 crore. In the fiscal year 2019-2020, Bangladesh imported organic chemicals worth \$665 million from various countries; its exports of chemicals were to the tune of \$61 mil-

lion. During the pandemic crisis in 2020-21, the import of organic chemicals rose to \$720 million and exports increased to \$86 million. The boom in the organic chemical market in Bangladesh has attracted several local and foreign investors. Experts see a huge potential in the production of organic chemicals in the country as the market has been expanding rapidly in recent years. The



Bangladesh Chemical Industries Corp Chittagong Urea Fertiliser plant

Continued next page...

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petroleum refining industry plays a significant role in the national economic activities of Bangladesh, though potential environmental hazards related to petroleum and petrochemical factories have caused increased concern for peoples near them. Hence, it is essential to take measures to control pollution management from the use of petroleum and petrochemicals. Opportunities are aplenty for investors in the management of the pollutions of the petroleum refinery industries through innovative technologies.



Machine Tools

An integral part of Bangladesh's manufacturing processes the machine tool industry has shown a steady growth in recent years. This is also reflected in its subsectors including metalworking machinery, woodworking machinery, and plastics machinery. Though challenges still remain in terms of inadequate infrastructure, funding and paucity of skilled labour, which are a hurdle in it reaching its full potential, the machine tool industry continues to be incentivised by the government's initiatives to promote industrialization and attract foreign investment.

The industry is largely dominated by small scale players so the potential for bigger players to enter the arena in the sizeable market should certainly be explored. What is driving the burgeoning demand for machinery and equipment are textiles, leather goods, and pharmaceuticals sectors. With the rapid development of infrastructure, and growth of the power and transportation sectors the market potential for the machine tools industry is envisaged to grow apace over the coming years.



(Photos top left and above: Bangladesh Machine Tools Factory www.bmtf.com.bd)

Leather

Bangladesh's leather industry is a significant contributor to the country's economy, with a CAGR of 10% envisaged from 2019 to 2024. As the second most potential export earner after the Readymade Garment (RMG), the leather industry it serves as an excellent resource for domestic and foreign investment. The government is looking to increase the leather sector's export earnings to \$10-\$12 billion by 2030. The sector offers opportunities for both import substitution and export to the international market. The big advantage is that the country has a large supply of raw materials and a skilled workforce. In the fiscal year 2021, the total exports of



Bangladesh's Total Exports Leather & Leather Products



leather goods were valued at US\$ 941.6 million, with over 900,000 people employed in the sector. In recent years modern technology has given a boost to production and the quality of footwear, a key export for the country. With the government support and investment in technology and infrastructure the leather industry has great potential for enhanced growth in the years to come.



(Photo: Brac www.brac.net)

Sericulture

Bangladesh's sericulture industry has significant potential for investment due to its favorable climate, access to raw materials, and skilled workforce. The country has a long tradition of silk production, and the industry offers opportunities for both import substitution and export.



(Photo: The Business Standard www.tbsnews.net)

Toys

Bangladesh's toy industry is growing rapidly with an envisaged CAGR of 15% from 2020 to 2025. The country has a skilled workforce and access to raw materials. The sector offers opportunities for both import substitution and export to the international market.



(Photo: Ha-Meem Group - www.hameemgroup.net)

Textiles

Bangladesh's textiles industry is the largest contributor to the country's economy, accounting for more than 80% of its export earnings. The country has a large pool of skilled labour, access to raw materials, and a favorable regulatory environment. The sector offers opportunities for both import substitution and export to the international market.

Tourism

Bangladesh's tourism sector has shown rapid growth, with a projected CAGR of 7% from 2019 to 2028. The country has a rich cultural heritage, diverse natural beauty, and a rapidly developing infrastructure. As ascertained by the Bangladesh Parjatan Corporation, the country has 1,400 tourist destinations. The masterplan aims to give a fresh impetus to the growth of the sector. In line with this the Government has set in place various incentives to stimulate investment in tourism as a promising catalyst for the economic development of the country. The Bangladesh Tourism Board (BTB) has formulated 10 development project proposals (DPPs) which will require around \$1.18 billion investment in the next 15 years. It expects a lot of this to come from the private sector.

Opportunities for investment in the industry involves constructing star hotels, resorts, amusement parks and other luxury facilities, for the development of tourist zones in Kuakata, Padma Bridge, Shahpori Dwip, Sundarbans, Shalbon Bihhar, Sompura Mahabhihara, Lawachara, Tanguar Haor, Padma Char and Nazirtek areas. An added allurement for



private investors is the government's foray in infrastructure development on a mass scale, including improvement in airport facilities. Of prime interest are the three tourist parks being constructed in Cox's Bazar, where the airport is being transformed into an international airport.



(Top): Heritage site: Lalbagh Fort in Dhaka; (above): Pan Pacific Sargoan (source: bdbeautifulbangladesh.gov.bd)

(Above from left): Beautiful tea gardens of Sylhet (source: unb.com.bd); Sundarbans - world's largest mangrove forest (source: *The Conservation Atlas of Tropical Forests Asia and the Pacific*)



Live more,
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More like a springboard, less like a bank.

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your business digitalise for the next big leap.

Find out more



World's Best: 
5 Years Running

Best Bank in the World 2018 – 2022,
Global Finance, Euromoney, The Banker

REAL-TIME GROWTH THROUGH DIGITALISATION

DIGITAL BANGLADESH



The Government of Bangladesh has made extensive plans towards digitalisation and actualizing the dream of Sonar Bangla (Golden Bangladesh). The thrust is on creating reliable cyber access at grassroots-levels, developing IT-based human resources and accelerating growth.



5G has been available in Bangladesh since 2021 for greater and faster connectivity

Bangladesh has been making significant progress in the field of information and communication technology (ICT), with a vision to become a digital economy by 2021. The “Digital Bangladesh” Government plan was launched in 2009 to promote the development and use of digital technology across the country. The plan aims to provide better services to citizens, create employment opportunities, and increase economic growth.

One of the major initiatives of the Digital Bangladesh plan is the e-government project, which aims to provide Government services online. The project has been successful in reducing bureaucratic processes, improving efficiency, and increasing transparency in Government services. Citizens can now access Government services from their homes or offices, reducing the need for physical visits to Government offices.

Another significant achievement of the Digital Bangladesh plan is the expansion of 5G connectivity across the country. The Government has been working to increase access to high-speed internet in rural and remote areas, which has helped to bridge the digital divide between urban and rural areas. The increased connectivity has also contributed to the growth of the ICT industry in Bangladesh.

The ICT industry in Bangladesh has seen tremendous growth in recent years, with the country becoming a hub for software development, outsourcing, and business process outsourcing (BPO). The industry has been creating job opportunities for young and talented individuals, contributing to the country's economic growth. The Government has also been working to establish tech parks and software parks to provide infrastructure and facilities for the industry.

The Government has been providing various incentives for investors in the digital economy, such as tax exemptions, reduced tariffs, and subsidies. The government has also been

working to create a favourable business environment for investors, such as simplifying procedures for investment, improving infrastructure, and providing training programs for skilled workers.

There are several companies and countries that have shown interest in investing in Bangladesh's digital economy. Some of the notable companies that have already invested in the country's ICT sector include:

- **Huawei** - a Chinese multinational technology company that has invested in 4G and 5G network infrastructure in Bangladesh.
- **Samsung** - a South Korean multinational conglomerate that has set up a manufacturing plant in Bangladesh to produce smartphones.
- **Alibaba** - a Chinese e-commerce giant that has acquired Daraz, a leading e-commerce platform in Bangladesh.
- **Telenor** - a Norwegian telecommunications company that has invested in the country's mobile network infrastructure.

Apart from these companies, several other companies from countries such as Japan, Malaysia, and Singapore have also expressed interest in investing in Bangladesh's digital economy.

In addition to companies, several countries have also provided support for the development of Bangladesh's digital economy. For example, the World Bank has provided funding for the government's e-government project and the establishment of digital service centers in rural areas. The United States and the European Union have also provided funding for the development of the ICT sector in Bangladesh.

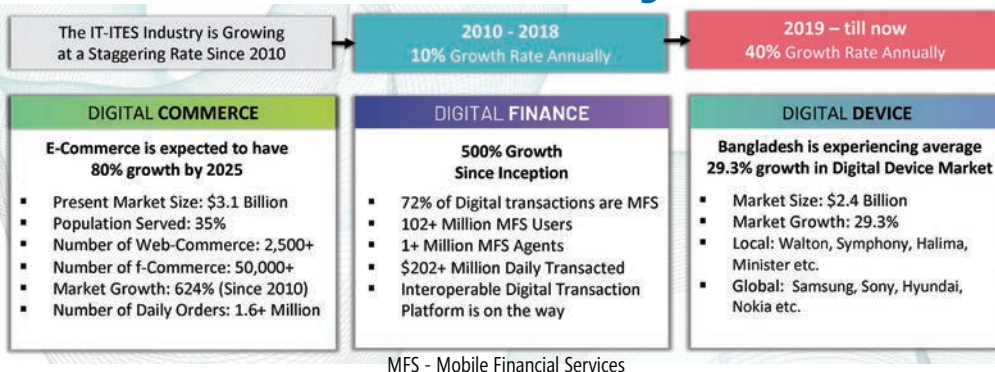
Moreover, the Government of Bangladesh has been working to create a favorable business environment for foreign investors in the digital economy. The Government has established special economic zones and provided various incentives, such as tax exemptions and reduced tariffs, to attract foreign investment in the sector.

Government Intends to Establish Hi-Tech Infrastructures to Foster Industrial Growth



Operational ICT facilities in Bangladesh (Above row from left): Sheikh Kamal IT Business Incubator at Chittagong University of Engineering and Technology; Joy Silicon Tower in Bangabandhu Sheikh Mujib Hi Tech Park in Rajshahi and Solaris Building in Kaliakoir

Key Drivers of the Investment Readiness in the ICT Sector in Bangladesh



Singapore-Bangladesh Digital Collaboration

Singapore has been one of the countries that have shown interest in the digital transformation of Bangladesh. There are several Singaporean companies that have invested in or partnered with Bangladeshi companies to support the country's digital transformation. Some of the notable Singaporean companies involved in digital transformation of Bangladesh are:

- **Grab** - a ride-hailing and delivery company that has expanded its services to Bangladesh. The company has been working to digitize the country's transportation sector and provide employment opportunities for drivers.
- **ST Engineering** - a technology and engineering company that has partnered with local Bangladeshi companies to provide digital solutions for the country's infrastructure development. The company has provided solutions for smart cities, transportation, and security.

- **Singtel** - a telecommunications company that has invested in Bangladesh's mobile network infrastructure. The company has been working to expand 4G and 5G connectivity across the country.
- **Ascendas-Singbridge** - a property developer and manager that has invested in the development of technology parks in Bangladesh. The company has established the Singapore Ascendas IT Park in Dhaka, which provides facilities and infrastructure for IT and tech companies.

Apart from these companies, several other Singaporean companies have also shown interest in investing in Bangladesh's digital transformation. The Singaporean Government has also provided support for the development of Bangladesh's ICT sector, such as through the provision of training and capacity building programs.



Prime Minister Sheikh Hasina
The Dreamer of Digital Bangladesh and the Architect of Modern Bangladesh

"If you want to go fast and far, innovate together"



Sajeed Wazed
Architect of Digital Bangladesh and SMART Bangladesh and Hon'ble Adviser to the Hon'ble Prime Minister on Information and Communication Technology

**"Find your own niches
Find new Technologies
Find your own innovations
Do not Imitate, Innovate!"**

ENTERPRISE SINGAPORE: ON DOING BUSINESS IN BANGLADESH



Mr G. Jayakrishnan, Executive Director for South Asia, Middle East & Africa, Enterprise Singapore

Executive Director for South Asia, Middle East and Africa, Mr G Jayakrishnan shares his insights on why Bangladesh is poised to generate many investment opportunities

What are the strongest pull factors that make Bangladesh such an attractive potential investment destination for Singapore companies?

Bangladesh has been growing consistently at around 7% per annum over the past decade. It navigated the pandemic and emerged as one of the few economies with positive GDP growth in 2020. It is on track to become an upper-middle-income country within the next decade.

The country's population is projected to increase from 170 million today to 240 million by 2050. Almost 60% of its population will live in urban centres. Ongoing projects such as the Terminal 3 International Airport, Dhaka Metro and Dhaka Ring Road are expected to enhance connectivity and unlock investment opportunities in urban infrastructure.

Bangladesh's youthful population will continue to be a driver for the country's economic growth over the next 15 years. The country will have approximately 60% of its population in the working-age group, and over one-third of its population under 20.

What is the growth trajectory of bilateral trade and investments between both countries in the recent and coming years?

Singapore and Bangladesh are long-standing partners in economic cooperation. Both nations have signed an Avoidance of Double Taxation Agreement (DTA), and a Bilateral Investment Treaty (BIT). The bilateral relationship continues to grow from strength to strength. As of 2020, Singapore's cumulative stock of investments in Bangladesh was S\$1.66 billion. Bilateral trade



The new Terminal 3 of Hazrat Shahjalal International Airport will be completed in 2024 and will increase the airport's passenger handling capacity from 8 to 20 million per annum to increase connectivity and investment opportunities

in goods has also recovered strongly since the pandemic, increasing 46% in 2021 to reach S\$5.1 billion.

In 2022, Singapore's Minister In-Charge of Trade Relations, Mr S Iswaran signed a Memorandum of Cooperation on Trade and Investment (MCTI) with Bangladesh Minister of Commerce, Mr Tipu Munshi, marking a significant milestone in economic cooperation and celebrating 50 years of diplomatic ties between Singapore and Bangladesh. The MCTI sets out the scope for the deepening of Singapore-Bangladesh economic relations and will identify key initiatives in areas such as renewable energy, logistics, trade facilitation and standards.

Which are the Singapore companies that are presently operating in Bangladesh and are prime examples of success?

Singapore firms have been growing their presence in Bangladesh over the years. For example:

Sembcorp completed construction of 426MW gas-fired power plant in Sirajganj in 2019, and

What are the industrial/ technological sectors suited for Singapore companies to expand in Bangladesh?

There are opportunities in the following sectors:

Logistics and Trade

Bangladesh is formulating its National Logistics Policy to enhance competitiveness of its exports. This would complement Singapore's strengths in the logistics sector. It is timely for our players to explore opportunities to develop logistics infrastructure and to offer solutions in master planning, multi-modal integration, and digitalisation of trade services.

Sustainability and renewables

Singapore's experience in industrial resource optimisation and renewable technologies adoption, especially with limited land, presents potential opportunities for technology partnerships, as well as private sector-led project development and financing to accelerate green energy supply.

In alignment with Singapore's net zero targets by 2050, our green building approach in standards, adoption of water and energy efficiency solutions can also serve as use cases for Bangladeshi companies looking for pathways towards net zero adoption.



(Top): Nov 2022 – Minister-in-charge of Trade Relations, Mr S Iswaran visit to Bangladesh in November 2022 with participants of the SBF Overseas Market Workshop to Bangladesh. (Above): Breakfast Roundtable hosted by Enterprise Singapore for the Prime Minister's Private Industry and Investment Advisor Salman F Rahman in August 2022

earlier secured a 15-year concession to supply 250MW of power from its Andhra Pradesh power plant in 2018.

PSA first entered Bangladesh through a marine services contract in 2018. They are currently in active discussions with Government of Bangladesh to develop the container terminal in the Bay Terminal Project. This will be the first public-private partnership investment in the port sector for Bangladesh and is expected to enhance Bangladesh's competitiveness for its manufacturing exports and global shipping connectivity.

SMJ Furnishings, a supplier of premium flooring solutions, gained traction with established in-market corporations in Bangladesh such as

The ongoing projects such as the Terminal 3 International Airport, Dhaka metro developments and Dhaka Ring Road construction are expected to enhance connectivity and create more investment opportunities in urban infrastructure

Continued next page...



The Bay Terminal at the Port of Chittagong (now known as Chattogram) will comprise two container terminals and one multipurpose terminal. Singapore's PSA with its partners are keen to develop the next generation port facility there. (Above): Industries along the Port of Chittagong on the Kamaphuli River



(Above): The Singapore-Bangladesh Business Mixer held in April 2022
(Right): The digital life Partnering Startups in Bangladesh for Growth at SWITCH 2021



...continued from previous page.

BGMEA, an established trade organisation of garment manufacturers located in Bangladesh's capital city of Dhaka.

Working with partners and leveraging Enterprise Singapore's support to gain in depth knowledge of the Bangladesh market, SMJ Furnishings successfully connected with local developers and clients, catering to demand for modern furnishing options and increasing its business growth.

The growing economy in Bangladesh also spurred the rise of middle class with greater discretionary spending power. These developments create new demand for lifestyle and consumer companies. Some of the companies that have made inroads include KOI (F&B), Fish & Co (F&B) and Oakwood (Hospitality).

Does Bangladesh pose any unique challenges when it comes to attracting Singapore companies to invest there? Is there a large gap between their perception of the market and reality on the ground?

Companies may face challenges in navigating the operating environment in Bangladesh including the tax, legal and licensing framework. We work closely with partners such as the Singapore Business Federation, banks and trusted in-market advisors to share insights and networks. We also organise workshops and business missions.

The growing economy in Bangladesh also spurred the rise of middle class with greater discretionary spending power. These developments create new demand for lifestyle and consumer companies. Some of the companies that have made inroads include KOI (F&B), Fish & Co (F&B) and Oakwood (Hospitality).

SINGAPORE INVESTORS' EXPERIENCES

PSA INTERNATIONAL Paving the Way for Greater Collaborations

PSA International is a leading global port operator and trusted supply chain partner to cargo stakeholders. In 2018, PSA Marine Bangladesh, a wholly owned subsidiary of PSA International, was awarded a long-term service contract with Summit LNG to provide port vessel services at their Floating Storage and Regasification Unit ("FSRU") LNG import terminal located off Moheshkhali at Chattogram.



*Mr Alfred Sim
Vice President
Group Business Development
PSA International*

"By leveraging on the Public-Private Partnership framework, Bangladesh has attracted several foreign strategic players and Multilateral Development Banks to support the financing needs of Bangladesh's large and important infrastructure projects. PSA is presently pursuing the Bay Terminal Project in Chattogram and is committed to working closely with the Bangladeshi Government to invest in and develop this iconic project. When completed, we expect the Bay Terminal Project to transform the port sector. Its success will pave the way for greater collaboration between Bangladesh and Singapore on energy, logistics and other infrastructure projects"

APECO (ASIA PROJECTS ENGINEERING PTE LTD) Rich in Human Resource

APECO was incorporated 53 years ago in Singapore as a project and maintenance company, serving mostly customers in the power sector and utilities. It has been involved in various power plant outage works in Bangladesh since 2007.



*Mr Jaspreet Singh
Bangladesh Country Manager
APECO*

"As Bangladesh has a large young workforce ready to work, it is an ideal place to train the future workforce for both Singapore and Bangladesh operations. ... our long-term plan is to assign our Bangladeshi employees who have gained experiences in Singapore to key local roles in the BD Branch office. We want them to share their knowledge, guide other locals, and shift their mindset towards quality and safety benchmarks like Singapore."

SMJ FURNISHING Introducing Products in a New Market

SMJ was established in Singapore back in 1988 and specialises in manufacturing of carpets and luxury vinyl tiles. With an ongoing presence in India, Bangladesh with a population of over 160 million, it became a natural choice to expand into and tap on opportunities there.



*Mr Lincoln Lim
Business Director
(Global Markets)
SMJ Furnishings (S) Pte Ltd*

"Bangladesh will be a key market for SMJ within the South Asia region as a high growth market... The market is beginning to be more open with the use of other alternative floor covering materials and SMJ hopes to be one of the early pioneers to offer these high-quality flooring products to the commercial office space in Bangladesh"

Bangladesh Market Entry Structures & Incentives for Foreign Investors

By **Asia Investment Research** May 2022 Issue - Special Economic & Trade Feature: Bangladesh www.asiainvestmentresearch.org
Joint Publication from China Investment Research and Dezan Shira & Associates

In Bangladesh, foreigners can begin their businesses and further investments by establishing any of the allowing entities

Branch or Liaison Office

While Bangladesh has shown vast improvement financially, it still has a long climb ahead in rankings of doing business: it is ranked 105th out of 141 countries in the 2019 World Economic Forum's Global Competitiveness Index and 168th out of 190 countries in the World Bank's 2020 ease of doing business index. A significant component of this relates to bureaucracy and lack of ability to drive cooperation across.

A recent example of this involves Japan and Bangladesh. In August 2020, Japan raised a list of 27 issues relating to investment in Bangladesh which found its way to the Prime Minister's office. Some 15 months later, only 3 of these 27 issues had been sorted. While some of blockage was related to major infrastructure projects not being completed (only 22% of the new airport had been completed), many of them were related to inter-agency mixed communications-which has arisen at a time when Japan is relocating some manufacturing from China to Bangladesh. In the views of some observers, this blockage could also risk the continued presence of the existing players.

Wholly owned subsidiary

A wholly owned subsidiary (WOS) is allowed, with foreign equity ownership up to 100 percent in most sectors. WOS companies require no prior government approval to incorporate in Bangladesh, can freely access the market, and can be formed as a private limited or public limited company. The incorporation process is handled by the Registrar of Joint Companies & Firms, beginning with name clearance. There is no minimum investment requirement for WOS-entities; however, companies that employ expatriates are required to invest a minimum of US\$50,000. Incorporation of subsidiary companies by foreign investors does not require prior regulatory approval but some formalities must be cleared with the Bangladesh Investment Development Authority (BIDA) and the Bangladesh Economic Zones Authority, after the type and location of the company has been decided. The newly formed WOS company must

obtain a trade license and secure income tax and VAT registrations. Additional permits, no-objection certificates (NOCs), and licenses, such as import-export licenses, may also be required depending on the nature of the business. Bangladesh is yet to approve the formation of a one-person company as a wholly owned subsidiary.

Joint venture company

Foreigners can incorporate a joint venture company (JV) with either its Bangladeshi subsidiary, a local investor, or another foreign entity. It is recommended that foreigners first enter into a joint venture agreement before incorporating a JV, as the agreement will address all the intricate details that are to do with conducting a business in Bangladesh.

Special purpose vehicle

A JV with a local investor, or another foreign company that owns existing projects is preferred most of the time, as foreign entities may want to invest in a specific project and not be stakeholders to other projects and their assets or liabilities. In such a scenario, foreign investors opt for incorporating a project company or a special purpose vehicle (SPV), which will focus on investing and participating in a specific project.

Acquisition of shares

Another market entry option is via the acquisition of shares in a Bangladeshi company. To do this, a share purpose agreement (SPA) is drawn up that details every aspect of the share acquisition. However, if the foreign investor does not want to acquire all the shares of the target Bangladeshi company, they can either acquire a portion of the company's existing shares from its existing shareholders or inject capital into the company in the form of a share money deposit for the issuance of new shares. In fact, regardless of which option foreign entities go for, the involved shareholders must enter into a shareholders' agreement (SHA) and the articles of association of the Bangladeshi company must be accordingly amended.

Where to Locate Investment

According to the Central Bank of Bangladesh, foreigners may invest in all of Bangladesh's sectors (except those reserved for the Bangladesh government).

To better facilitate incoming FDI infows, the Bangladeshi government has several facilitating agencies, out of which BIDA is the principal authority for promoting and supervising private investment and the Bangladesh Export Processing Zone Authority (BEPZA) is the principal investment supervisory authority of the EPZs.

Countries with a significant investment presence in Bangladesh include China, Japan, Malaysia, Egypt, South Korea, UAE, and the UK – with India being the largest presence.

Export Processing Zones

To attract foreign investors, the Bangladesh government has set up export processing zones (EPZs) since 1980. Initially, three special zones were set up in Chittagong (Halishahar), Dhaka (Savar), and Khulna (Mongla) with favourable facilities provided to Bangladeshi and foreign investors. The Chittagong Export Processing Zone (CEPZ) started in 1983-84 while the Dhaka Export Processing Zone (DEPZ) started operations from 1993-94. Later, EPZs were classified into three types, that is, A-type (100 percent foreign investment), B-type (joint venture between Bangladeshi and foreigners), and C-type (100 percent Bangladeshi enterprises). These EPZs are located in: Chittagong, Dhaka, Mongla, Ishwardi, Comilla, Uttara, Adamjee, and Karnaphuli.

As of end June 2020 according to figures by the Bangladesh Export Processing Zone Authority there were 24 EPZs running 675 operations with total investment of US\$5,290 million employing 461,460 local and 2,214 foreigners. The Bangladesh government provides up to 100 percent tax exemptions for operations in export-processing zones.

52nd Anniversary BANGLADESH Independence Day

Congratulations to the Government
and People of the Republic of Bangladesh
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Dhaka office

Address: Suite B-3, Level 4, Road No. 53, House 10, Gulshan 2
Dhaka 1212, Bangladesh
Main line: +88 017 3600 0000
24-hour helpline: +88 017 1143 8877
Email: dhaka.bd@ihhhealthcare.com

Chattogram office

Address: Level 1, Annex Block, Radisson Blu Chattogram Bay View
S S Khaled Road, Chattogram, Bangladesh
Main line: +88 019 6677 7711 / +88 019 6677 7722
24-hour helpline: +88 019 4974 7474
Email: chattogram.bd@ihhhealthcare.com

Sylhet office

Address: 4th Floor, Manru Shopping City, Chowhatta, Sylhet-3100,
Bangladesh
Main line: +88 019 8877 7733 / +88 019 8877 7744
24-hour helpline: +88 019 8877 7711
Email: sylhet.bd@ihhhealthcare.com

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 Mount Elizabeth Hospitals – Bangalore Office

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