

BANGLADESH

The Best Kept Secret in Asia

26th

**Largest Economy
by 2030**

Source: HSBC Estimates & Predictions

N-11

**The Next 11 Top
Economy by 2030**

Source: Goldman Sachs Report

Trillion Dollar

**Economy
by 2040**

Source: Boston Consulting Group



Bangladesh Demonstrates Strong Economic Growth Drivers

With Increasing Economic Activity and Labor Force Participation



Strong vitals throughout the pandemic and global unrest show **economic resilience**

Size of Economy
35th Largest
In 2022

Set to become
26th Largest
By 2030

Total GDP
USD 460 Bn
*Second highest in South Asia
2022*

GDP per Capita
USD 2,734
*Surpassing the South Asia Average
2022*

GDP Growth Rate
5.5%
*Higher than the South Asia Average
2022*



A growing middle and affluent class (MAC) population and a young demographic driving the workforce

Median Age
28 Years
*With 62% under the age of 35
2022*

Labor Force
74.5Mn
2022

Labor Force Participation Rate
61%
South Asia has an average of 52.5% labor force participation in 2022

Female Labor Force Participation Rate
42.7%
South Asia has an average 26% labor force participation in 2022



Aspiring factors futureproofing the country prospects

Annual MAC population growth
10.5%
*34 MN middle and affluent population
By 2025*

Total Debt to GDP Ratio
38%
In 2021

Trillion Dollar Economy by 2040

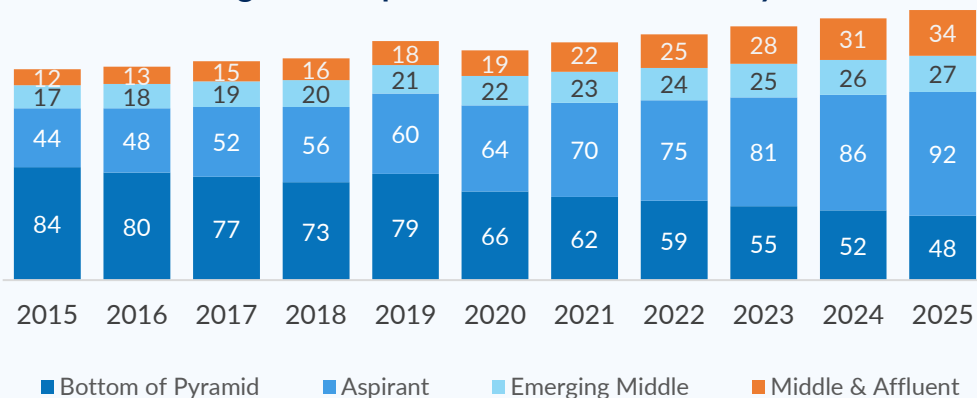
Bangladesh: A Tale of Unveiling Resilience

Empowering the Growing MAC Population for Enhanced GDP per Capita

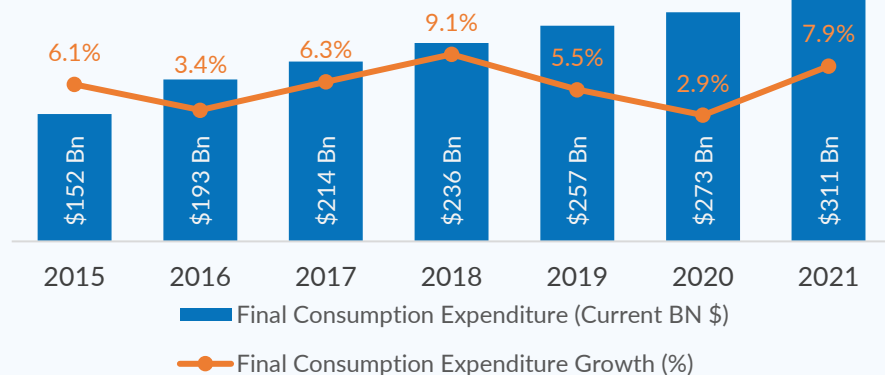


The MAC Population Surcharge Fueling Economic Consumption

Growing MAC Population to Reach 34 Mn by 2025

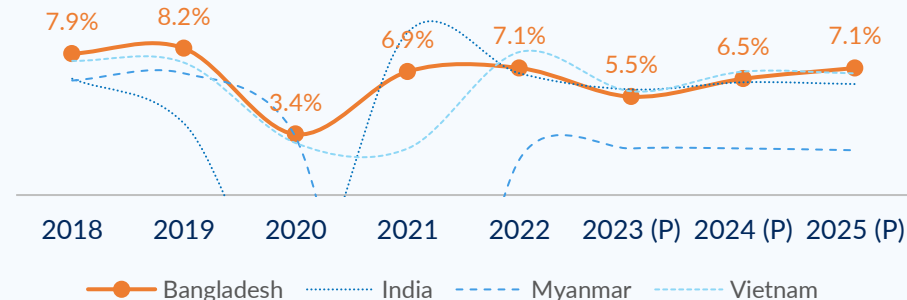


Increasing Final Consumption Trend

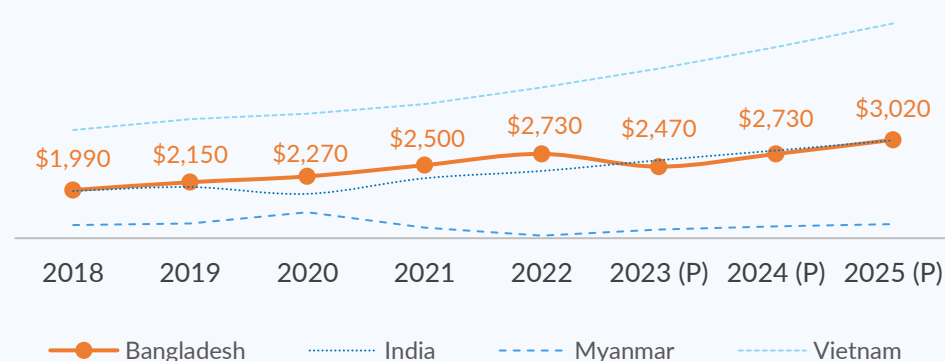


Bangladesh Showing Consistent Growth Amid Shifting Global Norms

Sustained GDP Growth Resilient Amidst the Pandemic (in %)



Consistent GDP Per Capita Surpassing India (\$)





FDI Inflow on the Rise

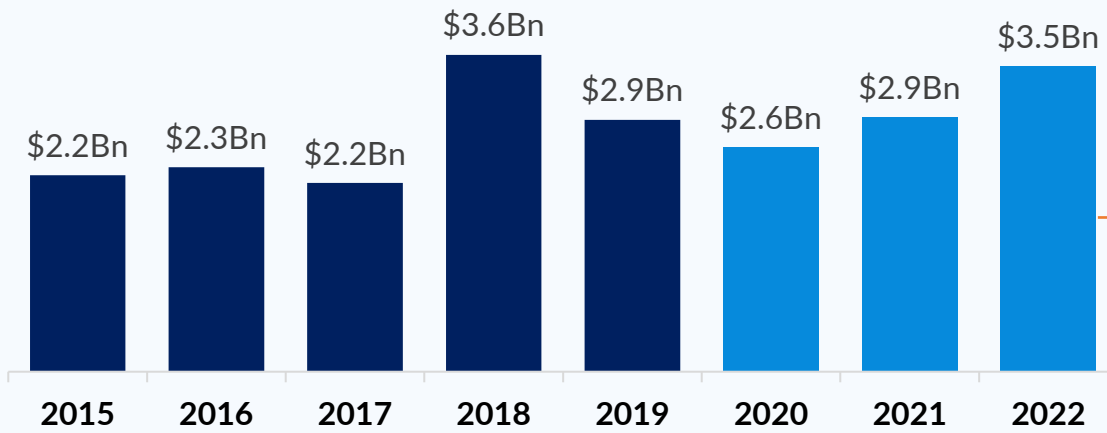
With Major Investments in Manufacturing, Energy, and Trade Services

- Boasted by a rapidly growing and thriving businesses which are attracting more investments year on year, the net FDI inflow is on the rise.
- The Government of Bangladesh is also taking significant steps to increase FDI Inflow across different sectors of the economy.

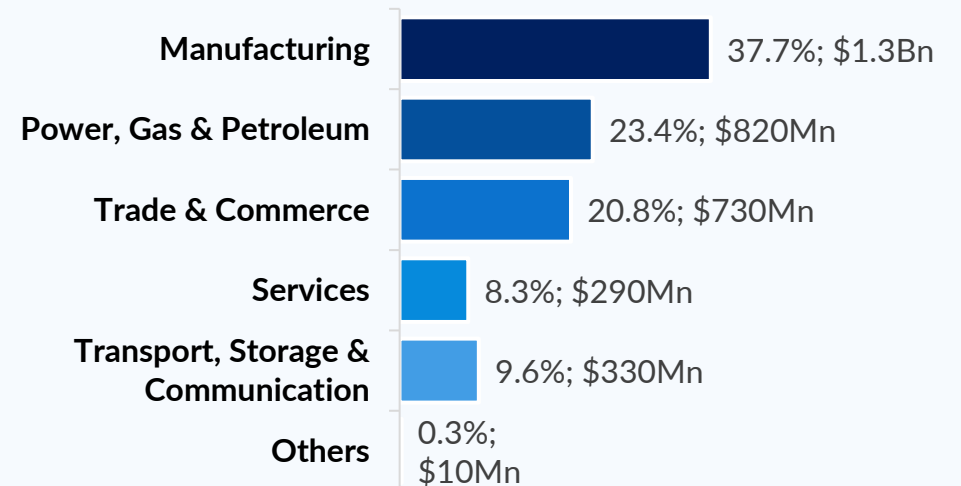
Foreign Currency Reserve
USD 31 Bn
Reserve as of Mar'23

Investment Proposal
230+
Under BIDA in Q1'23

Consistently Recovering from Pandemic Shock, Bangladesh Sees USD 3.5Bn Net FDI inflow in 2022







Manufacturing Industry Represents the Lion Share of Net FDI Breakdown (2022)



Strong Geopolitical Ties

Bangladesh Maintains Strong Diplomatic and Trade Relations with Global Economic Powers

- Bangladesh's Diplomatic Principle: **"Friendship Towards All, Malice Towards None."**
- Bangladesh has effectively steered her economic aspirations and ties with both India and China, irrespective of geo-political realities.
- Strong trade relations with the 4 countries of the Quadrilateral Security Dialogue.
- Alongside, Bangladesh has maintained an environment of political stability over the last decade.

Countries	Import Payment 2021-22 (MN \$)	Top Imports	FDI Stock End of Jun'22 (MN \$)	Sectors with the highest FDI in 2021-22
India 	13,500+	<ul style="list-style-type: none"> ■ Cotton ■ Cereals ■ Vehicles ■ Nuclear Reactors ■ Mineral Fuels 	650+	<ul style="list-style-type: none"> ■ Power ■ Textile & Weaving
Japan 	2,400+	<ul style="list-style-type: none"> ■ Iron and Steel ■ Ships ■ Vehicles ■ Nuclear Reactors ■ Optical Parts 	480+	<ul style="list-style-type: none"> ■ Fertilizer ■ Gas & Petroleum
Australia 	1200+	<ul style="list-style-type: none"> ■ Edible Vegetable ■ Iron and Steel ■ Oil Seeds ■ Fertilizers ■ Copper 	770+	<ul style="list-style-type: none"> ■ Gas & Petroleum
China 	19,000+	<ul style="list-style-type: none"> ■ Nuclear Reactors ■ Cotton ■ Machinery ■ Plastics ■ Man-made fibers 	1,470+	<ul style="list-style-type: none"> ■ Power ■ Textile & Weaving



Exporting Across The Globe

Infrastructural Developments & Economic Zones Across the Country

Major Infrastructure Projects & Timeline of Completion



2022

Padma Bridge



2024

Rooppur Nuclear Power Plant



Dhaka Airport Third Terminal



Matarbari Deep Sea Port



2026

Dhaka Ashulia Elevated Expressway

- Major infrastructural developments across the country to help increase connectivity.
- Special Economic Zones, Export Processing Zones throughout the nation are augmenting the ease of doing business.

Special Economic Zones

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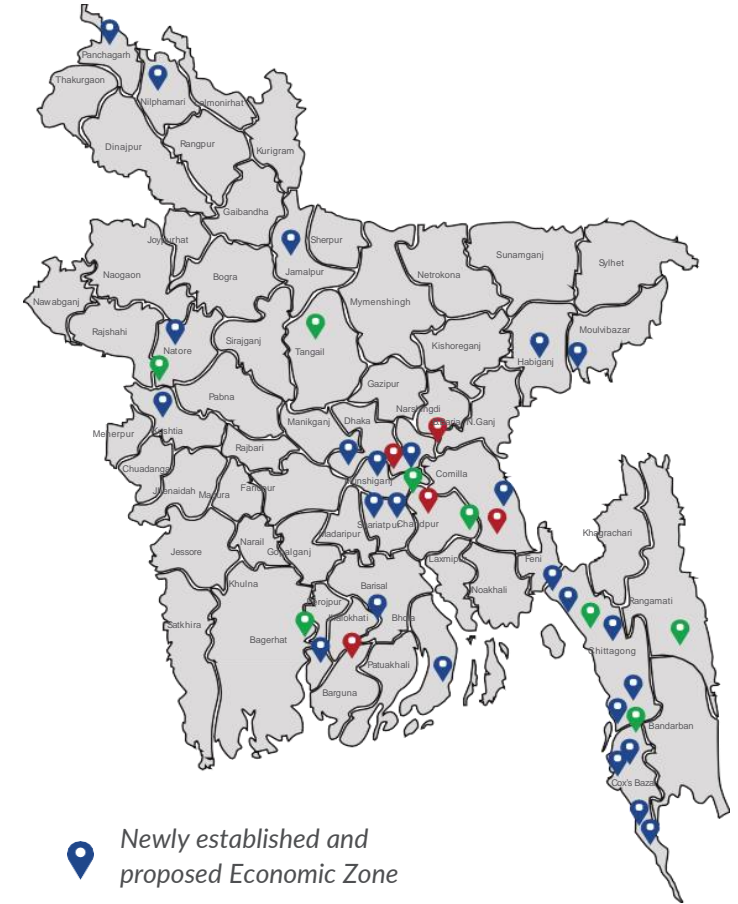
55 Govt Owned, 11 Privately Owned

Operational Hi-Tech Park

3

39 Under Construction led by the Govt

Economic Zones and Export Processing Zones in Bangladesh



Newly established and proposed Economic Zone

Non-government Economic Zone

EPZ (Export Processing Zone)

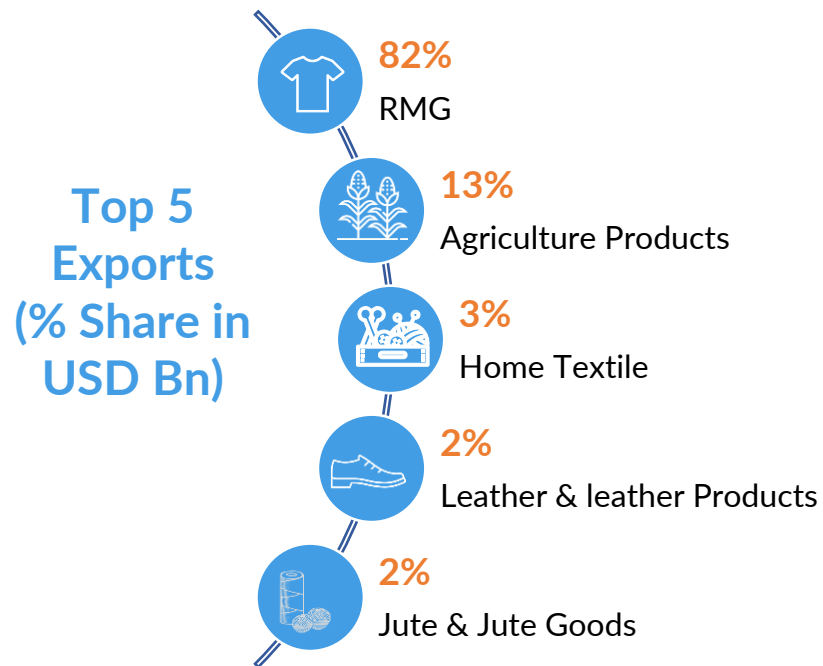
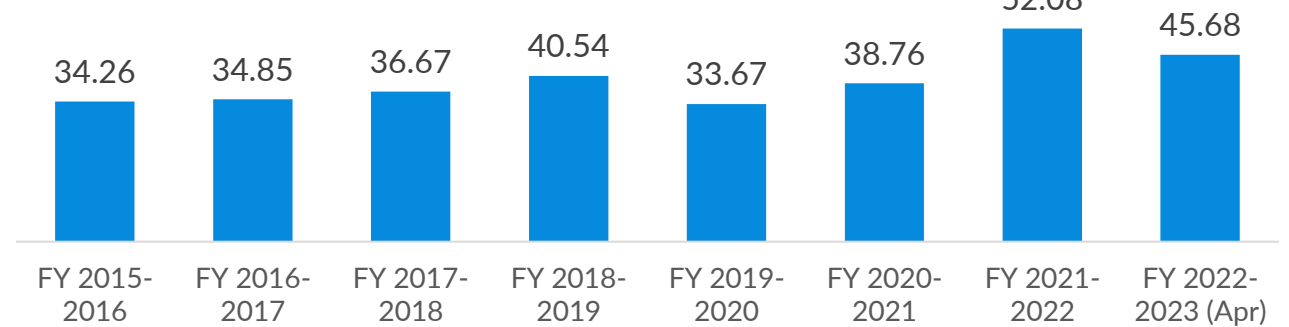
Connecting Progress



Year-on-year Growth of Export with RMG Export Being Second Highest in the World

- With a growing export volume year on year, Bangladesh has steadily kept pace with its neighbors in economic growth.
- Bolstered primarily by RMG sector, making up for around 82% of the export volume (2023).
- Between 2022-Feb 23, Bangladesh exported to 181 countries across the globe.

Bangladesh's Export Volume (USD BN)



Bangladesh Exported \$ 1.8 BN to Netherlands in FY'22, 3.4% of total export

Share of Export	Country	Amount Exported (USD Billion)
20.0%	United States	10.4
14.6%	Germany	7.6
9.3%	Great Britain	4.8
6.1%	Spain	3.2
5.2%	France	2.7
4.1%	Poland	2.1
3.8%	India	2.0
3.4%	Netherlands	1.8
3.3%	Italy	1.7
2.9%	Canada	1.5

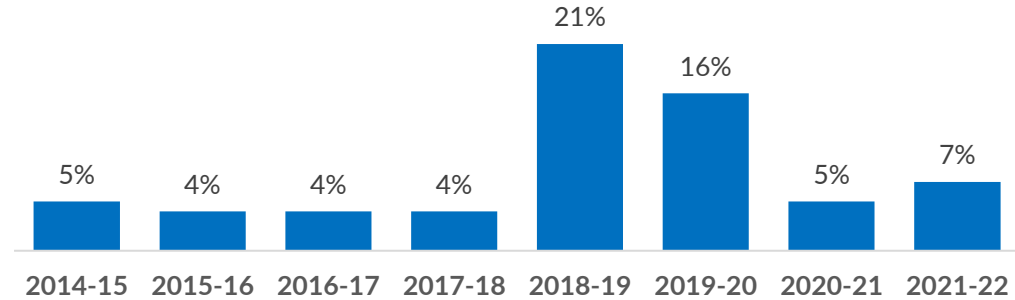
Strong Dutch Participation in Bangladesh's Economy

Investments Have Been High Historically, with Strong Exports and Imports

- Dutch investors have been at the forefront of Bangladesh's investment scene: in 2018-19, 21% FDI was from the Netherlands.
- Bangladesh also has a Double Taxation Avoidance Agreement (DTAA) with the Netherlands.
- Bangladesh exported \$ 1.77 BN goods (July-June) in 2021-22 to the Netherlands – top exports were RMG, Footwear & Crustaceans.
- The Dutch have also invested in equities in Bangladeshi private companies and ventures e.g.



Netherland's Share of FDI inflow (%)



Top Exports to the Netherlands 2021-22



Top Imports from the Netherlands 2021-22



Trade Agreements



Multiple Regional Trade Agreements, Preferential Trading Areas & Generalized System of Preferences Facility

RTAs in Force

Import Payment 2021-22 (MN \$)	Sectors with the highest FDI in 2021-22
Asia Pacific Trade Agreement (APTA)	China, People's Republic of India, Korea, Republic of Lao PDR, Mongolia, Sri Lanka
Preferential Tariff Arrangement-Group of Eight Developing Countries	Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan, Turkey
South Asian Free Trade Arrangement (SAFTA)	Bhutan, India, Maldives, Nepal, Pakistan, Sri Lan

Bilateral PTAs

Indonesia <i>Under Negotiations</i>	Nepal <i>Under Negotiations</i>	Pakistan <i>Under Negotiations</i>	Sri Lanka <i>Under Negotiations</i>	Bhutan <i>Signed</i>
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GSP inclusion in 15 countries including

Australia	Japan	Canada	United Kingdom
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Ease of Doing Business in Bangladesh

Various Steps Taken by BIDA to Support Businesses

- Actions to improve the ease of doing business include Bangladesh Investment Development Authority (BIDA)'s One-Stop Service, infrastructure investments, and the building of Economic and Export Processing Zones.
- Economic Zones offer residency visa for an investment of USD 75,00 and citizenship for an investment of USD 1 Million.

One-Stop Service at BIDA: Services Available Online

- Registration
- Company Registration
- Office Permission
- Outward Remittance Approval
- Tax Identification Number
- Visa Recommendation
- Work Permit
- Slew of Competitive Fiscal, Non-Fiscal Incentives




Special Incentives at Economic Zones

- 100 income tax exemption for the first 3 years
- Duty-free import of machinery
- Loan from external sources and no cap on FDI
- Up to 5% of total workers can be foreigners in an industrial unit
- 100 tax exemption on dividends, capital gains, and royalties for 10 years
- Full extent of FC accounts for EZ enterprises
- Dedicated customs procedure

Challenges for Investors and Exporters

Available Ways to Mitigate the Commonly Perceived Challenges



Challenges	Pain Point	Mitigation Strategies
 Road and Transport	7 Km/H Average Road Speed in Dhaka <i>1/3rd of Hanoi, Vietnam</i>	10+ Ongoing Infrastructure Mega Projects <i>Incl. Dhaka Metro Rail</i>
 Internet Connectivity	98 / 181 Broadband Speed Ranking <i>India Ranks 70</i>	146 Fiber-Optic Cables being Installed <i>BTCL's Expansion Project</i>
 Labor Productivity	USD 4,000 Per Hour Labor Productivity <i>2/3rd of Vietnam</i>	28 Hi-Tech Parks & IT Training Centers <i>Transition to Knowledge-Driven Economy</i>

Opportunity Landscape

To Strengthen Bangladesh-Netherlands Relationship



Dutch Capabilities

- Managerial expertise
- Technical expertise
- Knowledge management
- Science and technological efficiency

Bangladesh Opportunities

- Strong macroeconomic outlook & inclusive growth
- Strategic geographic location
- Large and young population
- Rapid & Expanding Digitization

Key Sectors to Invest in Bangladesh



Agriculture



Jute and Floriculture



Water



Health and Pharmaceuticals



Financial Services



Handicrafts



Shipbuilding



RMG



Livestock and Fisheries



Leather



Blue Economy



IT & ITES



Power and Energy



Circular Economy

Setting up Business Entity in Bangladesh

A Quick Look at the Process





Setup of Subsidiaries, Joint Ventures and Liaisons

A Quick Look at the Process

Subsidiaries

Step 1

Clear your desired company name with RJSC

Step 2

Open bank account and transfer value of share capital

Step 3

Register company with RJSC

Step 4

Acquire trade license, TIN and other required licenses

Step 5

Register your company with the Factories Act

Step 6

Obtain environmental clearance

Step 7

Obtain work permits for foreign staff

Step 8

Start operation

Joint Ventures

Step 1

Clear your desired company name with RJSC

Step 2

Submit MoA and MoU

Step 3

Submit scan pages of subscriber's details and form IX duly signed

Step 4

Submit Joint Venture Agreement to RJSC for proposed company details

Step 5

Provide encashment certificate to RJSC for the proposed company

Step 6

Pay registration fees to a scheduled commercial bank

Step 7

Start operation

Liaisons & Branches

Rules for Setting up Office

- Office must follow the foreign exchange guidelines of BIDA.
- No outward remittance is allowed unless permitted by the central bank.
- Offices are required to bring in at least USD 50,000 inward remittance.
- Security clearance from Ministry of Home Affairs

Invest Bangladesh

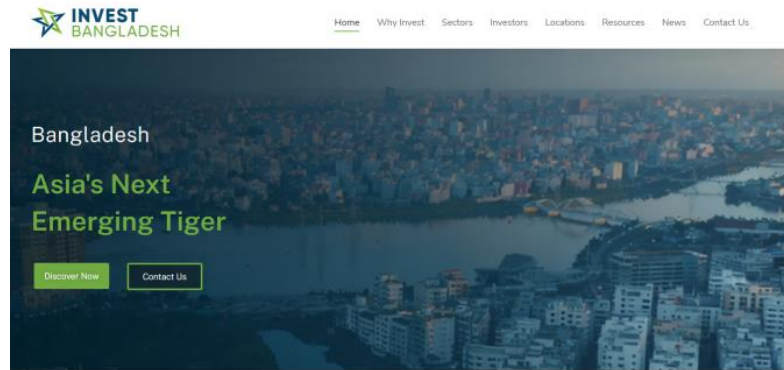
Navigating Global Capital Towards Bangladesh



Facilitates inflow of foreign investments by connecting our ecosystem partners with international investors

<https://investbangladesh.co/>

Powered By: LightCastle Partners



Invest Bangladesh

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[Connect](#)

- 1 Map out the macroeconomic, industry and regulatory landscape for identifying market entry opportunities
- 2 Develop connections with industry players, academia, government stakeholders, and market entry enablers
- 3 Receive end-to-end market entry support services via ecosystem partners

WHY INVEST IN BANGLADESH?

Bangladesh, the 37th largest economy and one of the fastest growing economies, remains an untapped digital goldmine at the heart of South Asia.

[Learn More](#)

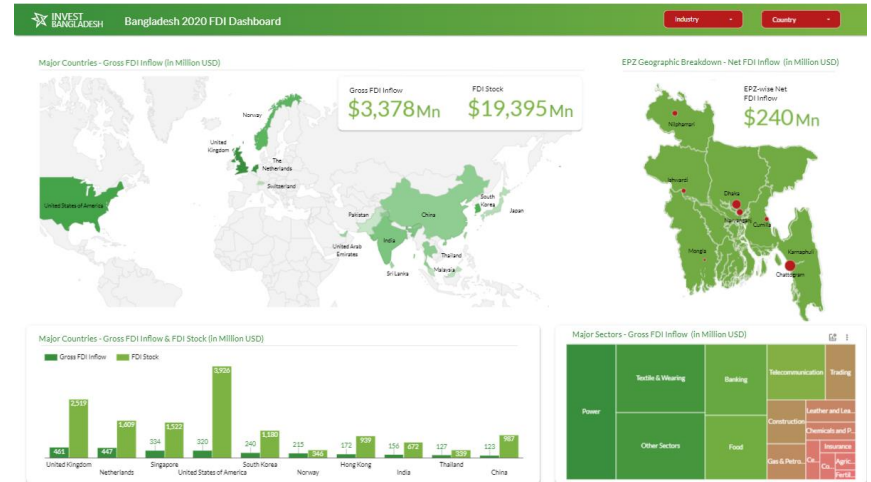
Gross Exports

US\$45 bn

52nd in the world
FY 2020-2021

Bangladesh exports are expected to grow by an **average annual rate of 10% over the next decade.**

Source: UNCTAD, Trading Economies



Latest Updates

Potentials of a \$400 Billion Small Ships' Market for Bangladesh

Shipbuilding Industry

The shipbuilding industry of Bangladesh has a long string of history attached to it. However, the global financial crisis in 2007-08, combined with the...[Read more](#)



Foreign Ministry Statement Highlights Norwegian Interest in Investments for Offshore Renewable Energy

New Garment Waste Recycling Facility in Bangladesh

HSBC Highlights Bangladesh's Investment Prospects to the US Private Sector

MIGA Investment to Stand as Guarantor to Raise Investment in Bangladesh's Infrastructure

Thank You



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