



# FDI in Bangladesh: current status and progress



Bangladesh Investment  
Development Authority

## ***Presentation Outline:***

- Economic Vision of Bangladesh
- Achievements of Bangladesh
- Investment Climate of the country
- Regulations
- Incentive Structure
- Sector to Invest
- Global brands in Bangladesh
- Investment facilitation: Agencies
- Recent investment climate improvement in Bangladesh
- One Stop Services
- Bangladesh Investment Climate Improvement Program (BICIP)
- FDI Performance

# Investment is a National Priority

## ***POLITICAL COMMITTMENT***

*“We are committed to providing all policy support, including infrastructure, to create an investment friendly environment”*

**Sheikh Hasina**  
Hon'ble Prime Minister  
Of Bangladesh

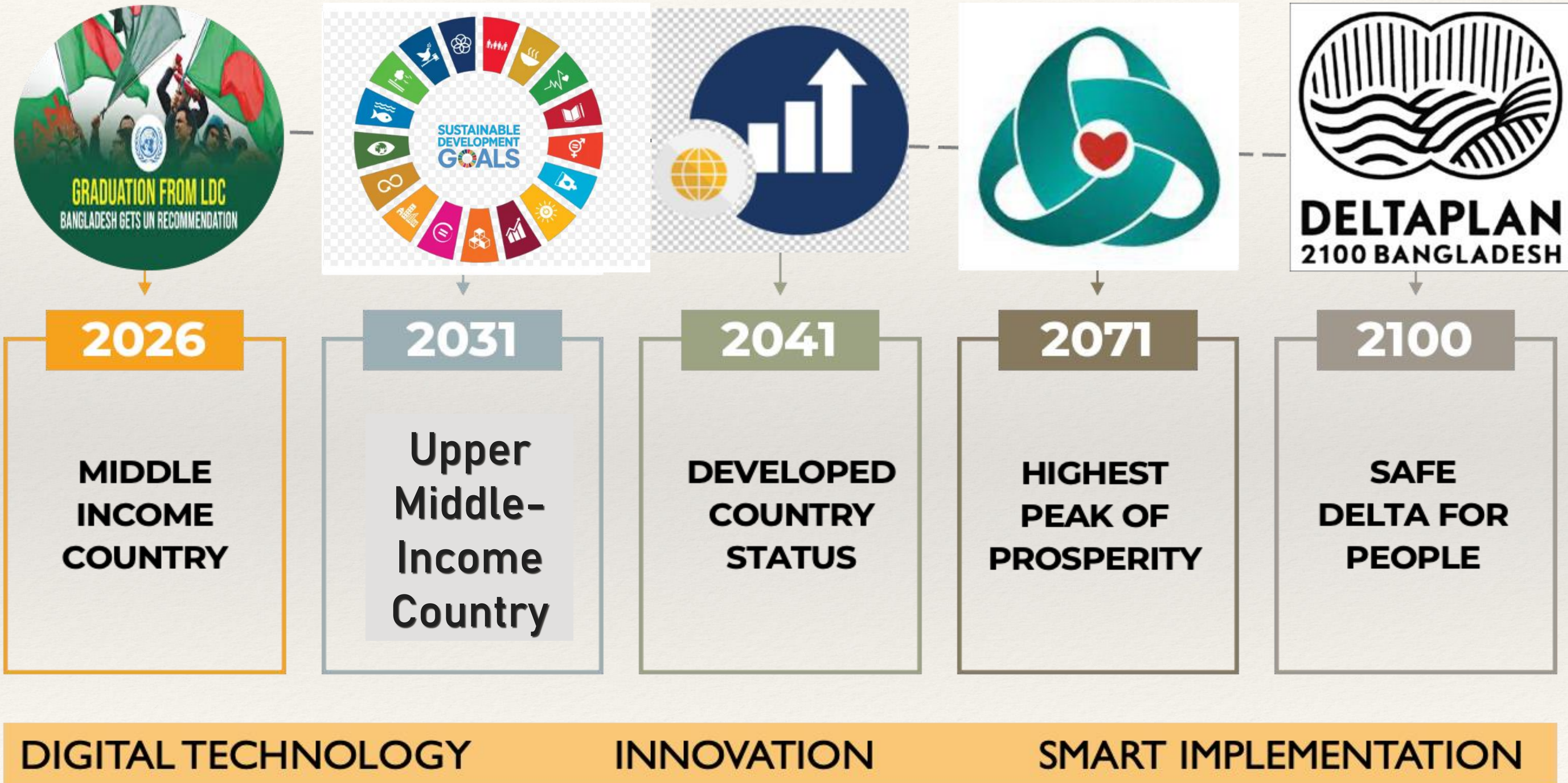


# **Economic Vision of Bangladesh**

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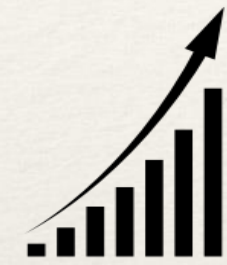
# Towards Vision 2100



# Perspective plan (2021-2041)

Upper Middle-Income country by 2031  
Developed Country by 2041

9.0% > 2031  
9.9% > 2041



GDP growth

USD 150 bn > 2031  
USD 300 bn > 2041



Export earnings

USD 12500 > 2041



Per capita income

**Economy of Bangladesh will be 25th largest in 15 years (in 2034)**

USD 40.6% > 2031  
USD 46.9% > 2041



Investment to GDP

4.5% > 2031  
3.9% > 2041



Inflation rate

USD 19.0% > 2031  
USD 24.1% > 2041



Revenue to GDP

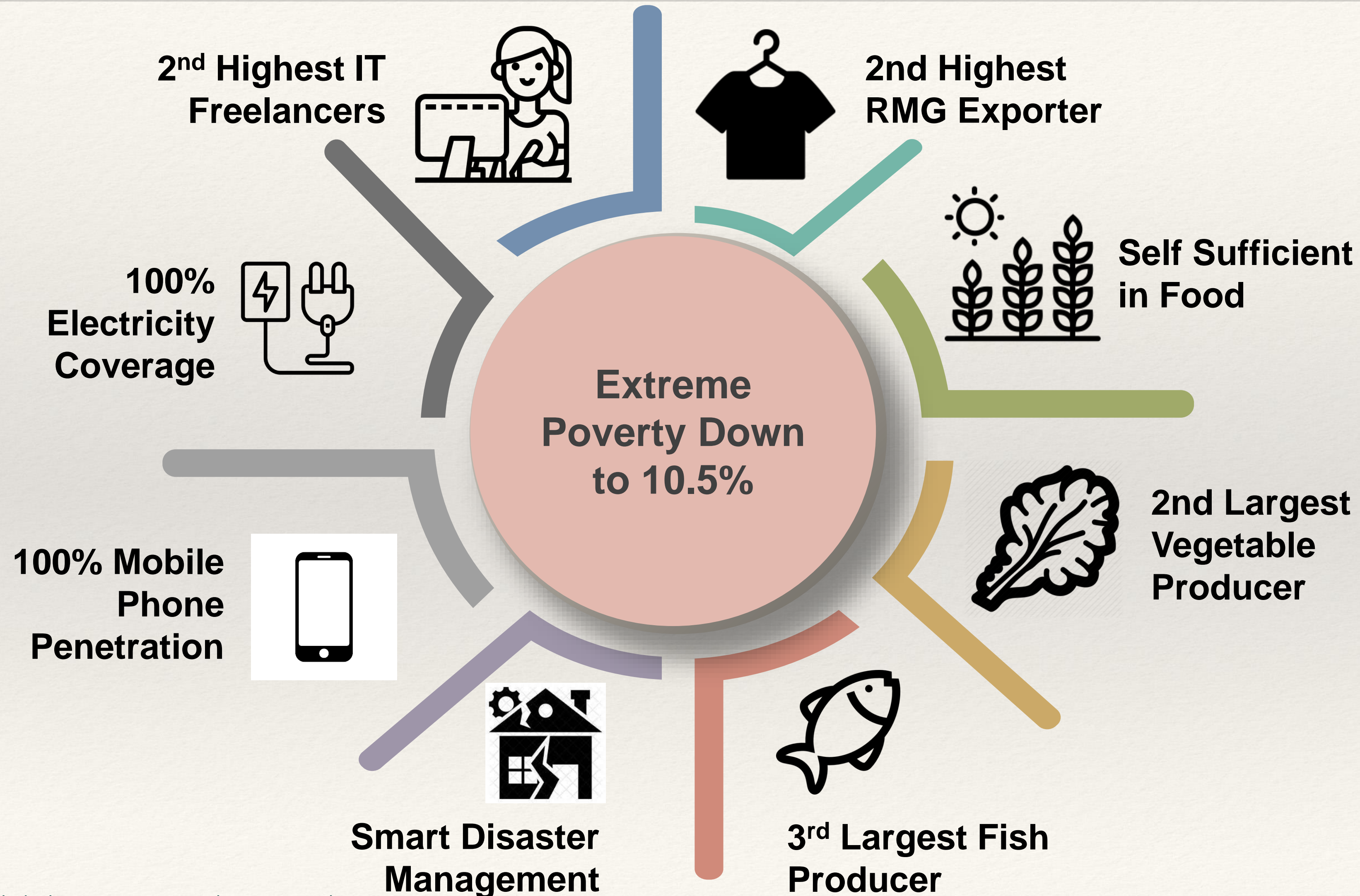
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# **Achievements of Bangladesh**



# A New Bangladesh Awaits You



### GDP of Bangladesh

**408% Growth in 15 years**

**462 Billion USD in 2022**

↑

**91 Billion USD in 2008**



# Flagship Projects for Facilitating Investments

## Matarbari Integrated Development Initiative (MIDI)



**Matarbari Power Plant**  
Cost \$ 4.40 Billion



**Matarbari Deep Sea Port**  
Cost \$ 3.7 Billion

JICA is providing loan support of about \$ 2 Billion for construction



**Rooppur Nuclear Power Plant**  
Cost \$ 12.65 Billion



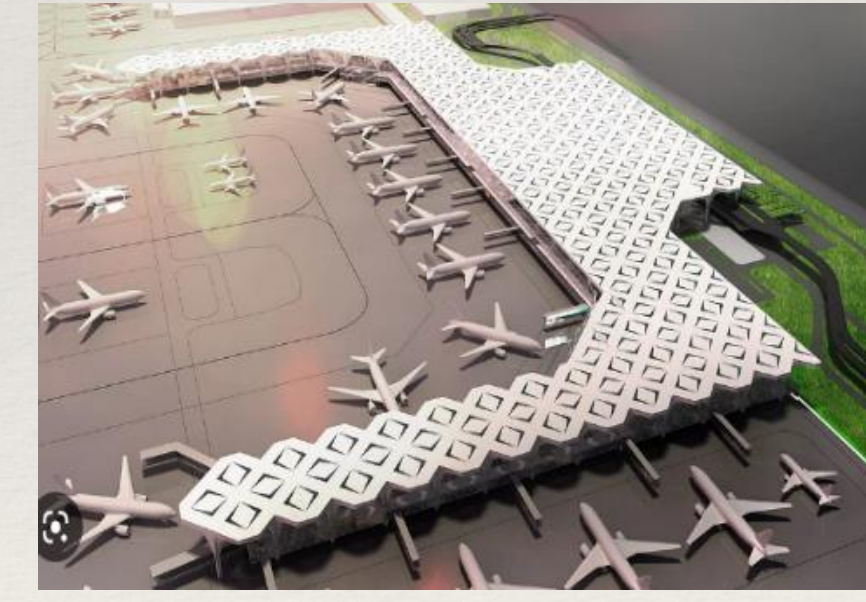
**Padma Multipurpose Bridge with Rail Link**  
Cost \$ 8.28 Billion



**Moheshkhali LNG Terminal**  
Cost \$ 0.18 Billion



**Dhaka Metro Rail**  
Cost \$2.82 Billion



**3<sup>rd</sup> Terminal at Dhaka Airport**  
Cost \$2.14 Billion



**Rampal Coal Power Project**  
Cost \$ 5.00 Billion

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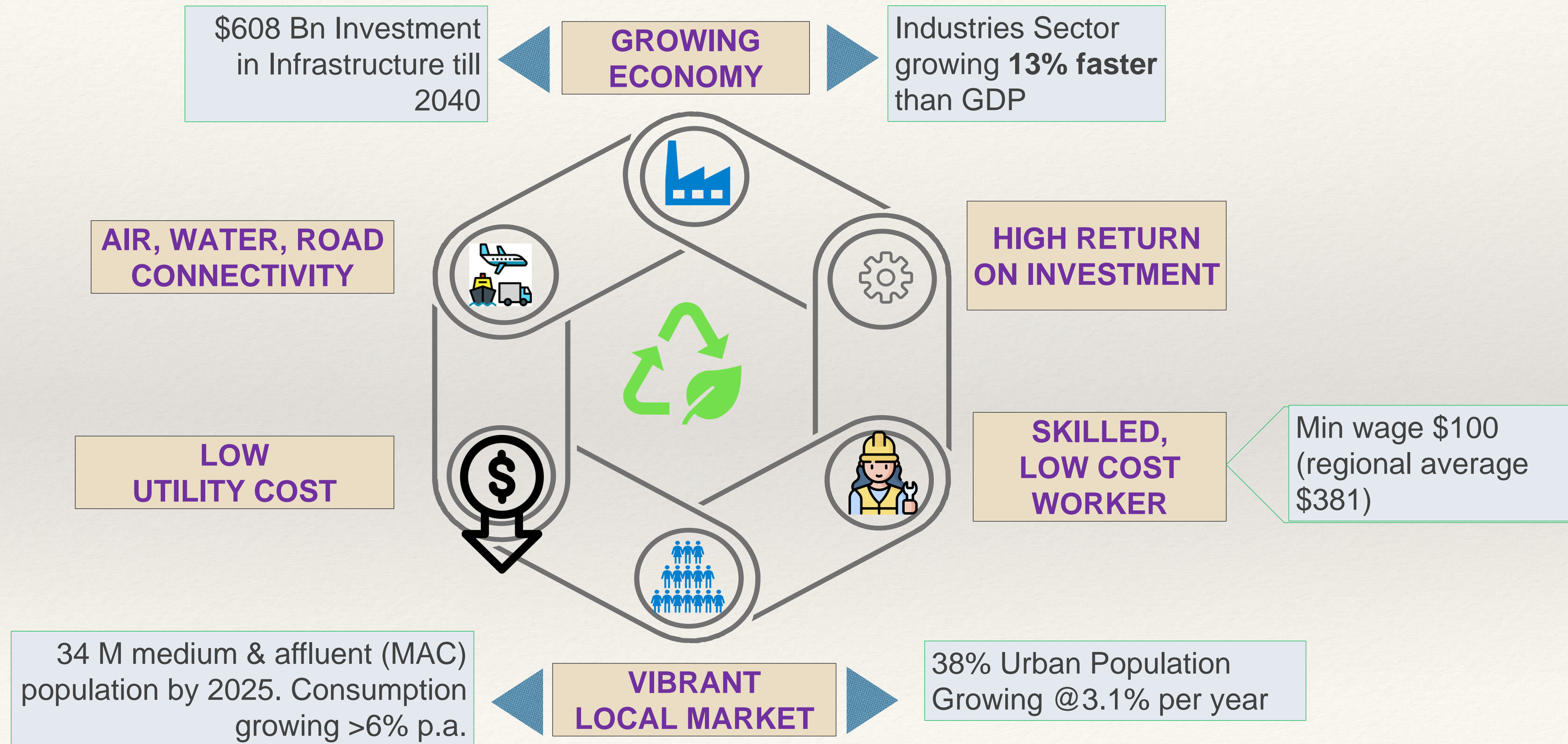
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# Investment Climate

# Investment Climate of Bangladesh

Secured by law against nationalization and expropriation	Local and Foreign investments are given equal treatment	100% foreign equity is allowed along with unrestricted exit	Almost all industrial sectors are open for foreign investors
Bilateral Investment treaties (BITs) signed with 32 countries	Double taxation treaties with 28 countries including Sri Lanka	Bangladesh is a signatory to ICSID, UNCITRAL, OPIC, MIGA, WAIPA, WIPO and WTO	All laws, regulations are conducive to investment

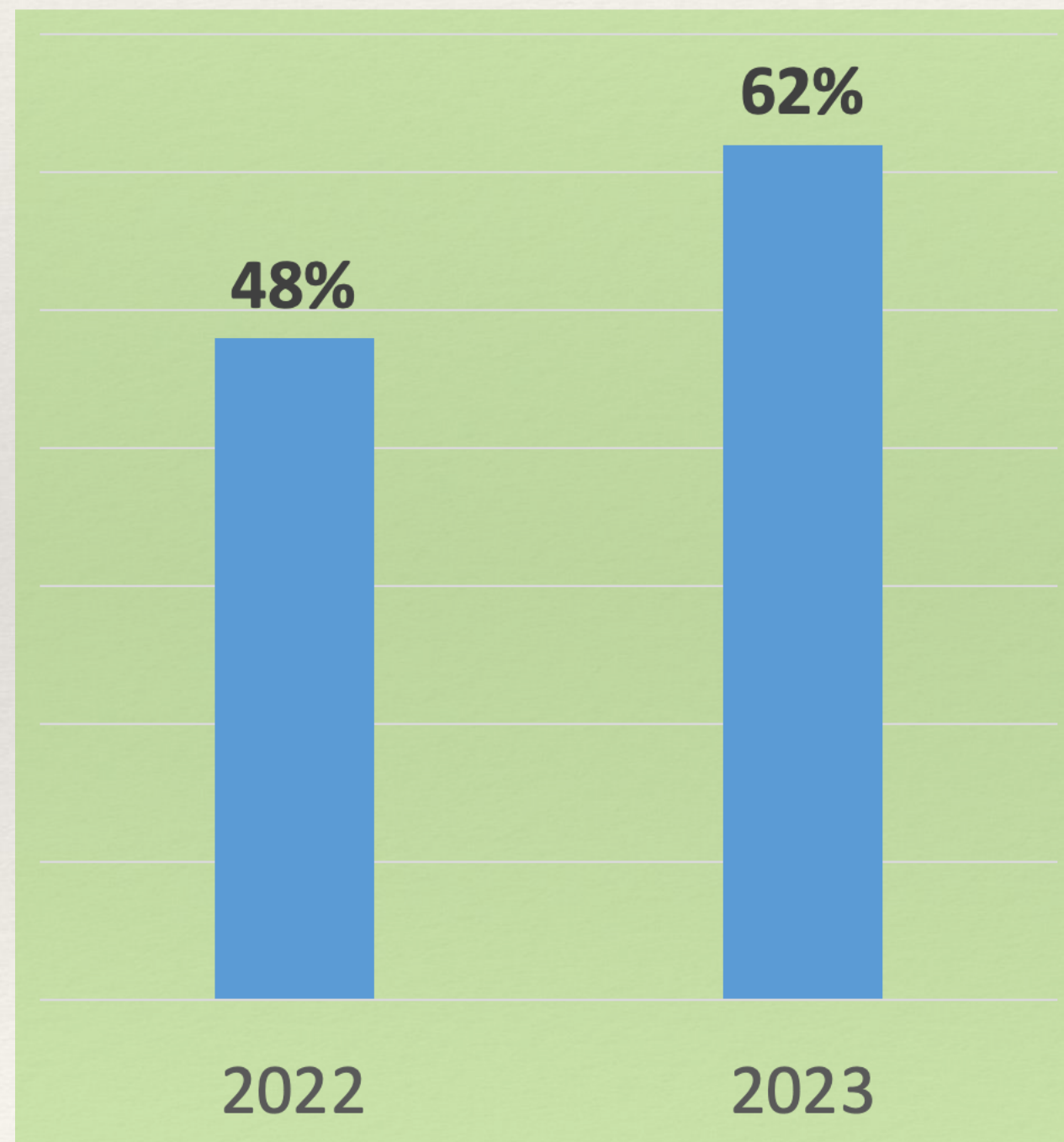
# Investment Climate in Bangladesh



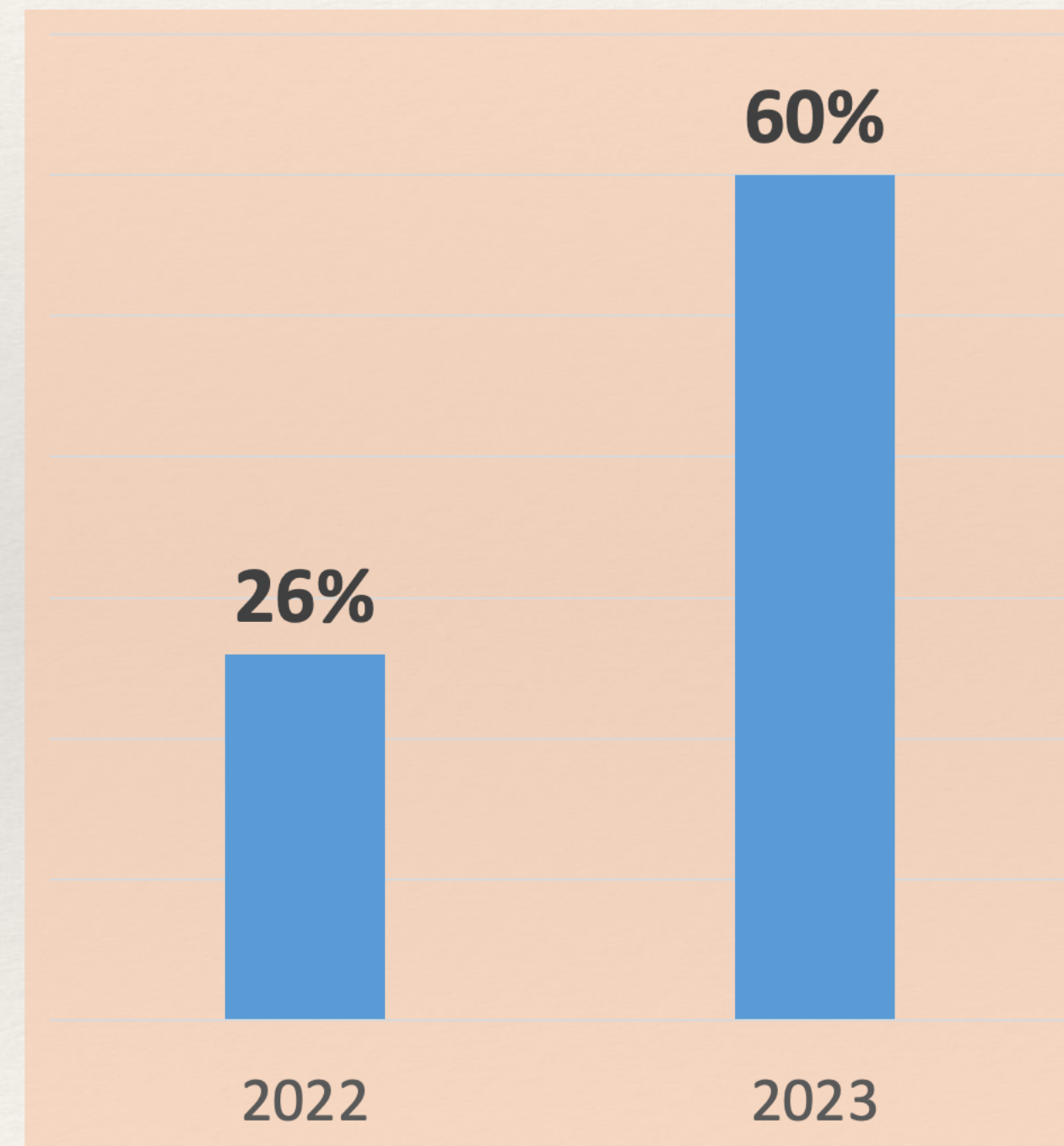


# Land of profitability, business confidence

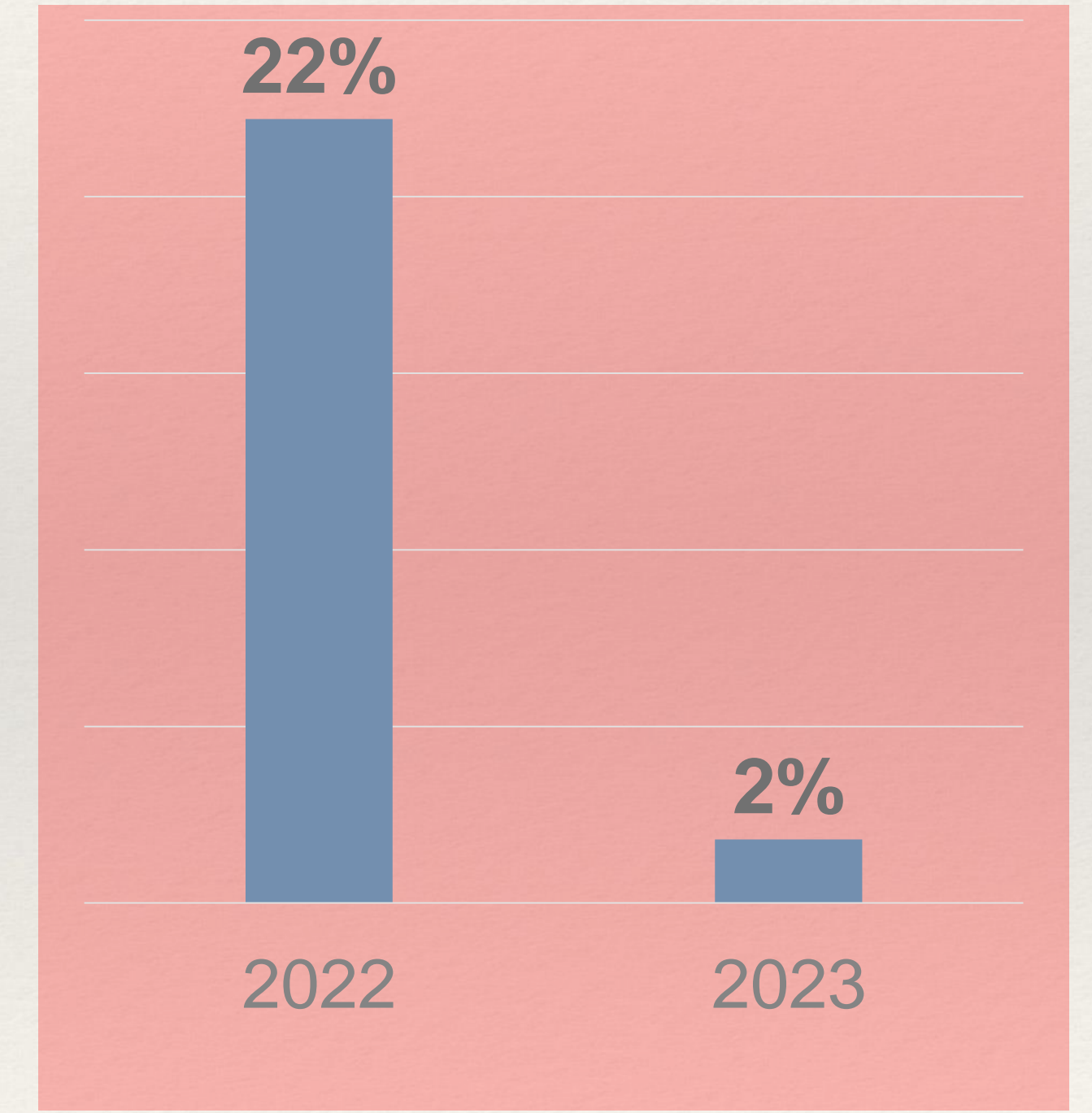
## JETRO Survey on Business Conditions of Japanese Companies Operating Overseas (Asia and Oceania) 2022



**Profitability Forecast**



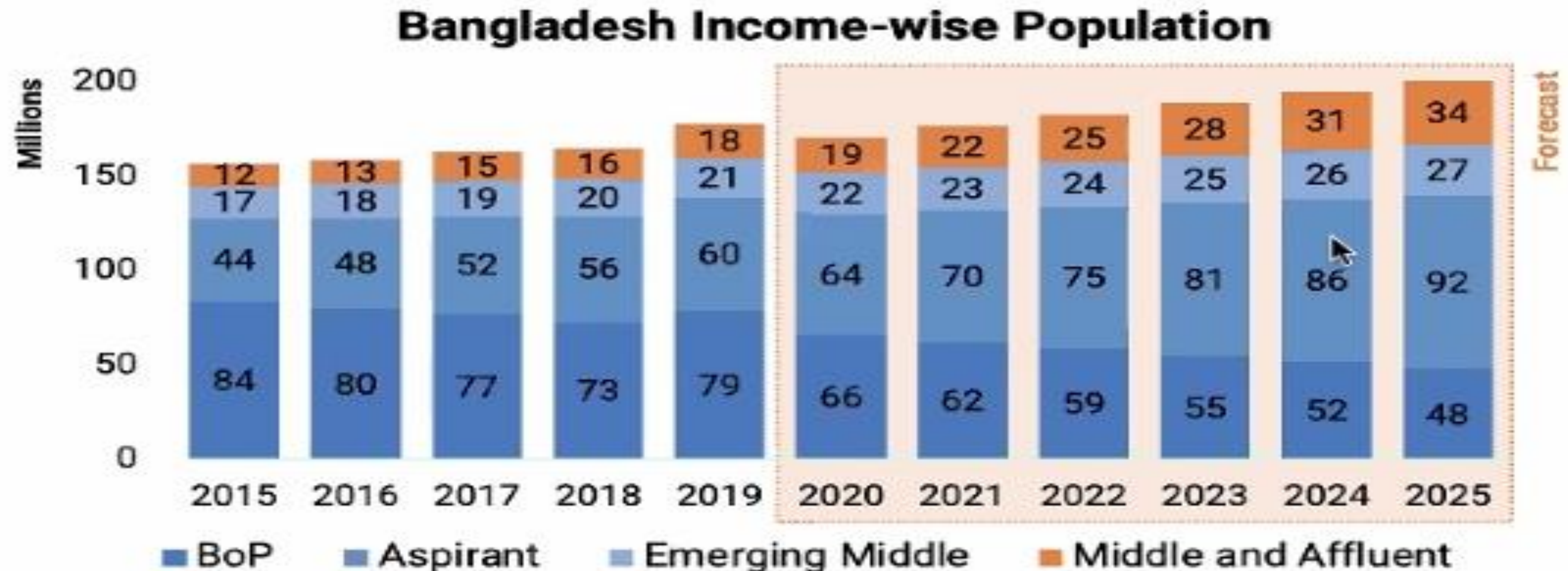
**Business Confidence Forecast**



**Loss Making Forecast**

# Our consumer class is swelling

- Median age of 28 years and 62% of population is below 35
- MAC population projected to grow at 10% to reach 34 million by 2025
- Women are more employed creating buying power for consumer goods



Source: Boston Consulting Group

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# Regulations

# Investment Policy Framework & Incentives

The broader FDI policy & regulatory framework include, among others, the following:

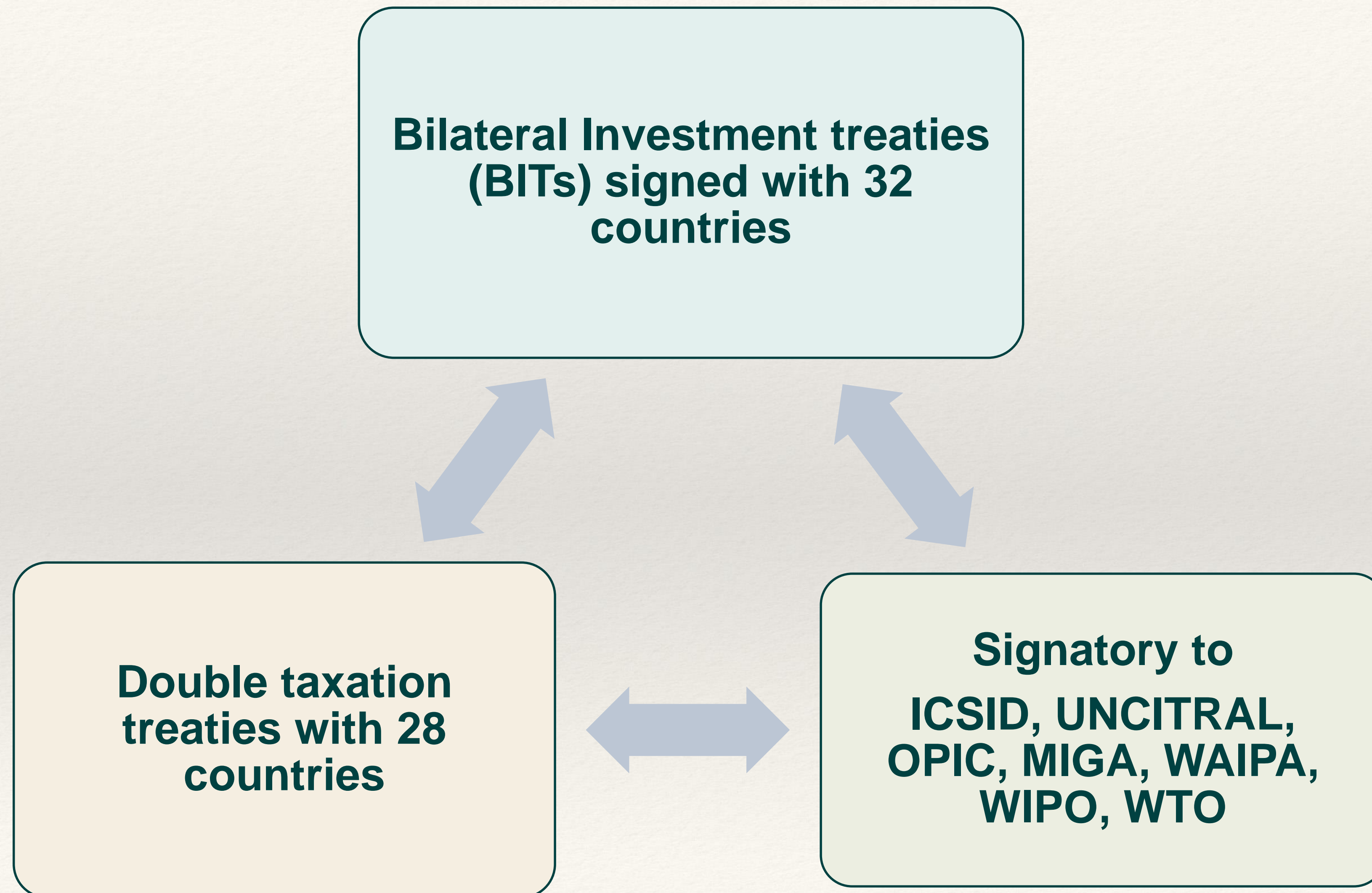
<b>Business Stage</b>	<b>Policy &amp; Regulation</b>
<b>General</b>	- Bangladesh Industrial Policy (as undertaken from time to time)
<b>Business start-up</b>	- The Companies Act, 1994 - Securities and Exchange Commission Act, 1993
<b>Protection</b>	- The Foreign Private Investment (Promotion & Protection) Act, 1980
<b>Industrial Zones</b>	- Bangladesh Export Processing Zones Authority Act, 1980 (for EPZ) - Bangladesh Private Export Processing Zones Authority Act, 1996 - Bangladesh Economic Zones Act, 2010 (for Economic Zones)
<b>Facilitation</b>	- The Bangladesh Investment Development Authority Act, 2016
<b>Corporate / Personal Taxation and incentives</b>	- Income Tax Act 2023 and related rules and SROs - National Budget - The Finance Act/Bill
<b>International Trade (Export &amp; Import)</b>	- Bangladesh Export Policy (as undertaken from time to time) - Bangladesh Import Order (as undertaken from time to time)
<b>Sectoral</b>	- Bangladesh Energy Regulatory Commission Act, 2003 (BERC) - Bangladesh Telecommunication Regulatory Commission Act, 2001 (BTRC) - The National Drug Policy, 2005 - PPP Policy and Guidelines 2010
<b>Foreign Exchange</b>	- Bangladesh Foreign Exchange Guidelines (issued from time to time)



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# International Treaties: for Protection and Promotion of Investment

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# Policy Provisions for Incentives

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## NON-FISCAL INCENTIVES

- **100% Foreign Ownership or Joint Venture Allowed**
- **No Minimum or Maximum limit on Investment**
- **Bonded Warehouse License**
- **Full Repatriation of Capital/ Profit/ Dividend**
- **Virtual Approval of Visa and Work Permits**

# Policy Provisions for Incentives

## FISCAL INCENTIVES

### Tax Exemption/reduction on:

- on export income
- Tax on interest of foreign loans
- Remittance of Royalty and other fees
- Avoidance of Double Taxation

- Reduced import Duty Importing Capital Machineries
- Reduced duty for import of raw materials
- Duty Drawback Facilities
- Cash Incentives on export-oriented industries

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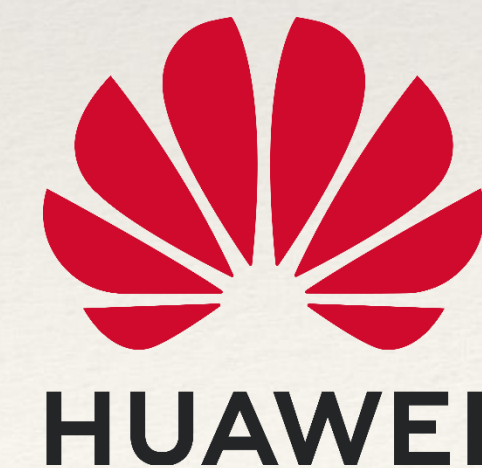
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# Global brands

# Existing Major Investors



SINGER



MARKS &  
SPENCER

# Existing Major Investors



# Global players joining our journey



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# Investment facilitation: *Agencies*



# Bangladesh Investment Development Authority (“BIDA”)

BIDA created under Bangladesh Investment Development Authority Act 2016 as the apex IPA of the country

**Facilitate Foreign Direct Investment as well as Domestic Investment in Bangladesh**

## Vision

To be a leading agency contributing towards Bangladesh’s achievement of high income status

## Mission

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

Functions  
of  
BIDA

- **Investment Promotions**
- **Investment Facilitation**
  - *Pre-investment consultations*
  - *Registration of industrial projects*
  - *Permission for branch/liaison/rep office*
  - *Visa Recommendations and Work Permits*
  - *Import permits for capital machineries and raw materials*
  - *Approval of foreign loans and suppliers credits*
- **Investment Aftercare**
- **Policy Advocacy Activities**
- **Improvement of Investment Ecosystem**

# Our Functions at BIDA



**Facilitate Foreign Direct Investment as well as Domestic Investment in Bangladesh**

- **Investment Promotions**
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# BIDA: Services to Investors

## Promotional activities

## Facilitation services

<b>First 'point of contact'</b> guidance on doing business in Bangladesh	Registration of new industries
<b>Responding to</b> investment-related queries	Facilitation for getting work permission
Investment <b>guidance and advice</b> in sectors	Support for importing machineries and raw materials
Facilitating potential foreign investors to <b>match</b> with local investors	Support for obtaining external financing
Organize <b>visits, meetings</b> with various govt. and private offices	Facilitation of setting up commercial offices
Support in forming <b>statutes policies</b> and regulations	Addressees Issues relating to individual companies on their smooth operation

# Economic Zones of Bangladesh

- 100 Economic Zones planned
- Country specific allocation
- 4 Zones under operation
- BSMSN is the Flagship Economic Zone
- 1 Special Zone for Japanese Investors
- Special and additional incentives for investors

## Investment underway...

- HealthCare Pharma 40 acres
- Bangladesh Auto 100 acres
- SQ Cable 40 acres
- Modern Syntax 20 acres
- Nippon 100 acres
- Berger Paints 30 acres
- And many others

**BSMSN - Countries first  
Green, Smart Economic Zone!  
30,000 acres**



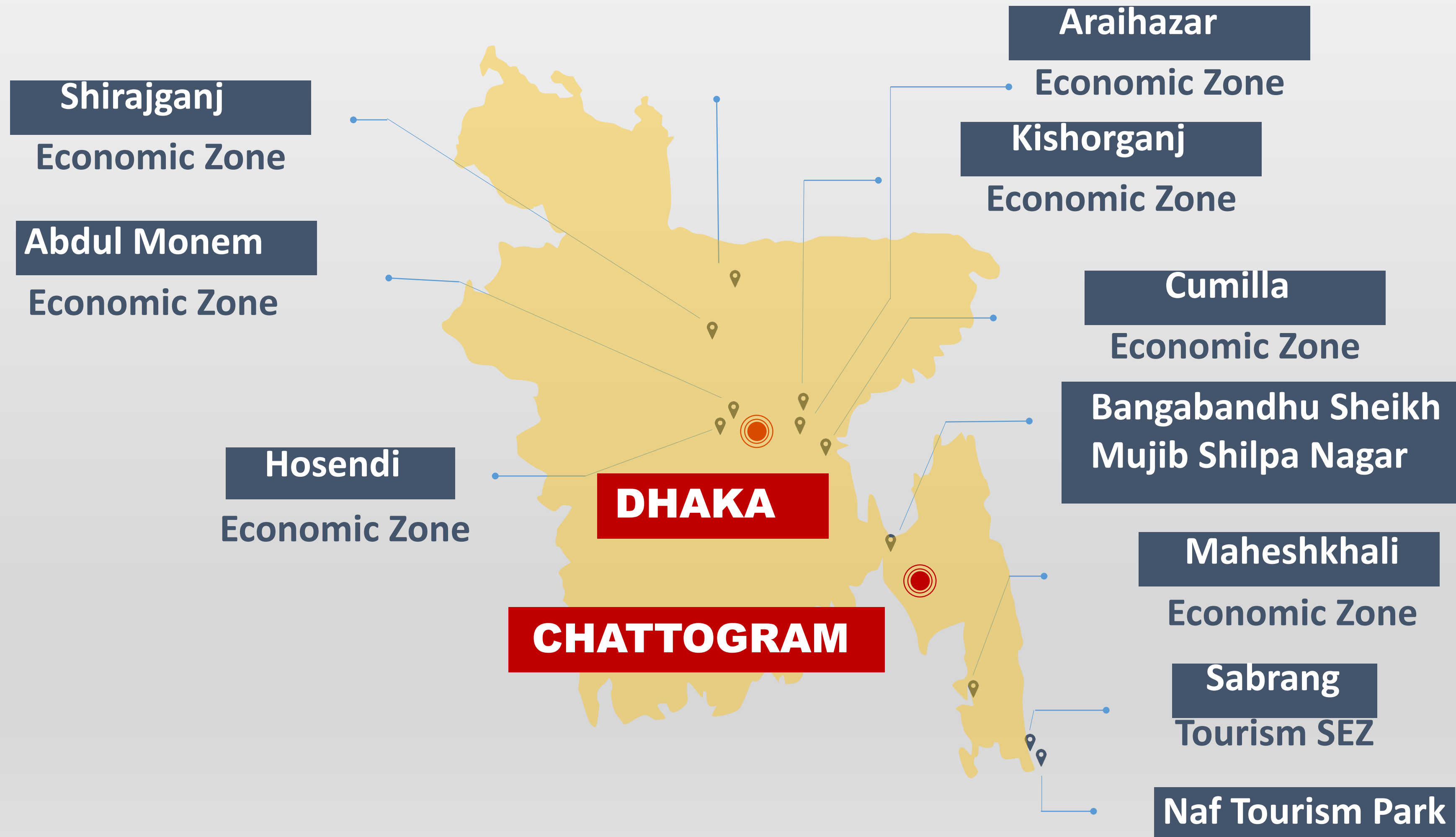
# Economic Zones of Bangladesh

10

Zones  
Operating

90

underway



# Export Processing Zones of Bangladesh



- **452** Companies Existing
- **95** Implementation
- **1** Central ETP

- Total Investment **\$6.29 Bn**
- Total Export **\$101.23 Bn**



**9 Zones**  
Export Oriented Industries

**2 Zones:** Upcoming

1 USD  
investment  
has created 16  
USD of  
Revenue

# Hi-Tech Parks of Bangladesh



Target  
109 Parks

Reality  
28 Parks

- Ready land and space for setting up new industries
- Infrastructure and other facilities
- Mix of nature with technology

## SOFTWARE TECHNOLOGY PARKS

- Rentable ready office spaces for IT/ITES companies
- Co-working facilities for startups
- Software firms, e-commerce companies, BPO's are currently operating

## Operational Hi-Tech Facilities Nationwide



Vision 2021 Tower – 1 Software Technology Park,  
Dhaka (1100+ Employments)



Sheikh Hasina Software Technology Park, Jashore  
(1500+ Employments)



Heroic Freedom Fighter Lieutenant Sheikh Jamal  
Software Technology Park, Chottogram  
(1200+ Employments)



Oryx Bio-tech (Country's First Bio-Tech Company)



Solaris Building, Kaliakoir  
(1000+ Employment)



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# Sectors to invest

# Sectors Open for Investment



## Energy & Infrastructure

- Power
- Ports and Logistics
- Economic Zones

- Oil and gas
- Tourism
- Transport Infrastructure



## ICT & Electronics

- ICT and ITES
- Computer software & ICT

- Electronics
- Light engineering incl. automobiles

## Textile & Clothing

- Home Textiles
- Textiles industry

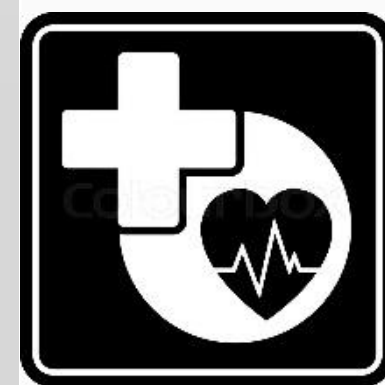
- Readymade garments industry
- High value added RMG



## Agribusiness & Food processing

- Agro-based/processing
- Jute & Jute goods
- Flower cultivation
- Commercial plantation

- Silkworm & Silk Industry
- Furniture & Handicrafts
- Integrated shrimp cultivation
- Frozen Food & Horticulture



## Pharma & Chemicals

- Pharmaceuticals
- Herbal medicines
- Plastics & Ceramics

- Leather & leather goods
- Textile Dye & chemicals
- Basic chemicals

## Healthcare & Others

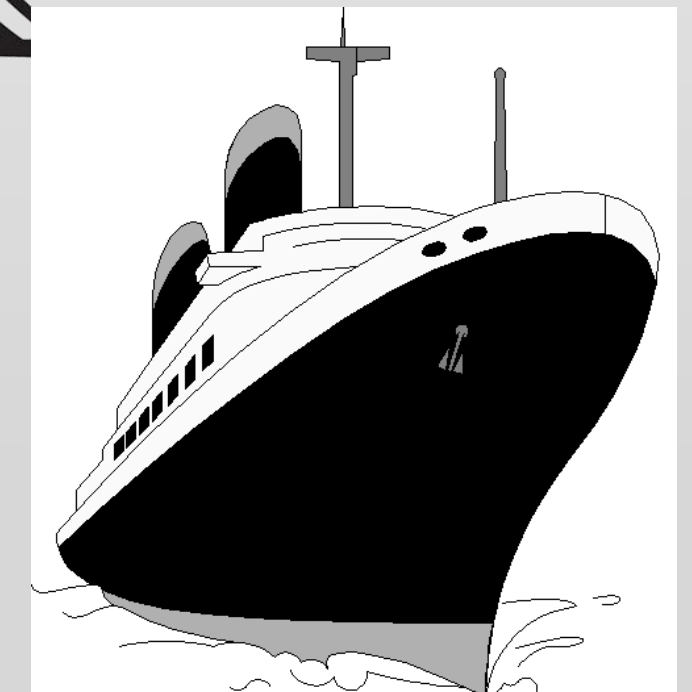
- Health care
- Footwear

- Jewelry and diamond cutting polishing
- Cosmetics and toiletries

*Reserved Sectors: Arms & ammunitions, Nuclear Power, security printing and minting, afforestation and mechanize extraction within the boundary of reserved forest*

# Industries Separately Regulated

- Fishing in the deep sea
- Bank/financial institution & Insurance (Private Sector)
- Generation, supply and distribution of power in the private sector
- Exploration extraction and supply of Natural gas/oil, coal and other mineral resources
- Large-scale infrastructural project (e.g. flyover, elevated expressway, monorail, economic zone, inland container depot/container freight station)
- Crude oil refinery (recycling/refining of lube oil used as fuel)
- Medium and large industry using natural gas/condensate and other minerals as raw material
- Telecommunication Service (mobile/cellular and land phone)
- Satellite channel
- Cargo/passenger vessels
- Sea bound ship transport
- Sea-port/deep sea-port
- VOIP/IP telephone
- Industries using heavy minerals accumulated from sea beach



# Agribusiness | *Achieving Next Level Growth*



# Agribusiness: *Achieving Next Level Growth*

1 of 2

- Agribusiness market in Bangladesh will grow to US\$ 8 billion by 2023.
- Over 3,600 new agriculture professionals enter the job market every year
- The agro-processing market is worth US\$ 3.5 billion and is growing at 8%.
- Bangladesh's jute has an export market worth US\$ 1.2 billion and growth rate is 6.5%.
- The seed market, currently valued at US\$ 500 million, is growing annually by 6%.
- The fertilizer market is worth US\$ 1,600 million and is import dependent.
- Farm mechanization market is worth US\$1.35 billion (machines/spare parts/services) and 50%-70% subsidy is available.

# Agribusiness: *Incentives & Key Players*

2 of 2

- 50% of income derived from export is exempted from tax
- 15-100% tax exemption depending on crops
- 5-20% export subsidies/cash incentives



# IT & ITeS | *Building Smart Bangladesh*



# **IT & ITeS: *Building Smart Bangladesh***

1 of 2

- Bangladesh is one of the world's fastest growing digital economies.
- 89% mobile phone penetration, 181 million registered MFS clients and average daily transaction of USD 319 million
- 4<sup>th</sup> in affordable internet service in South Asia and 18th globally. 5th in terms of internet usage in Asia.
- Bangladesh has the world's 2nd largest pool of IT talent with 700,000 active professionals. 22,000 CSE professionals graduate every year.
- IT/ITeS market size is \$200 million (domestic) and \$800 million (export). IT/ITeS market set to double in next 5 years.
- E-commerce market will reach US\$ 5 billion by this year.



# IT & ITeS: *Incentives & Key Players*

2 of 2

## Fiscal incentives

- Tax holiday for software development, telecommunication transmission, ITeS until 30th June 2024
- 10-year tax holiday for producers of computer hardware (if COD before 30 Jun 2030)
- 5-10 year tax exempt for automation and robotics design/Nanotechnology (if COD before June 30, 2024)

## Export/cash incentives

- 10% export subsidy is available for the export of Software, ITeS, and hardware.
- Locally owned Software, ICT and hardware industries at the high-tech park will get 4% incentives for product and market diversification (if value addition is at least 30%)

NTT DATA

tcs

wipro

IBM

# RMG & Textile | *Weave the Way Forward*



# **RMG & Textile: *Weave the Way Forward***

- Bangladesh has the world's 2<sup>nd</sup> largest RMG exporter, exporting to 167 countries.
- Highest number of green factories, with 150 LEED-certified factories and another 500 in pipeline.
- Employs 5 million workers, 60% of whom are women
- Apparel exports earned USD 46 billion in FY 2022-23, recording a growth of 10.27%
- 99% accessories are sourced locally.
- 73% of Bangladesh's exports enjoy duty free access as LDC.
- Top buyers are US, Germany, UK, Spain, France, Poland etc.

## **RMG & Textile: *Incentives***

- **10% corporate tax for RMG factories with green building certification**
- **Duty free import of raw materials for 100% export oriented RMG industries**
- **0.5% reduced tax deducted at Source from Export earnings**
- **50% cash incentive is available against the export amount.**
- **another 4% incentives as expansion support.**
- **another 4% incentives as expansion support for producing a new item or can export to a new destination.**
- **additional 1% special cash incentive from the above-mentioned export incentives**

# Pharma & Medical Device | *Affordable Wellbeing*



## **Pharmaceuticals: *Affordable Wellbeing***

- **Bangladeshi pharmaceuticals meet nearly 98% of domestic demand**
- **Exported to over 131 destinations, including USA, Europe and Australia**
- **Bangladesh's domestic market for pharmaceuticals will reach US\$ 5 billion by 2024.**
- **Proven capabilities in diverse dosage delivery systems and growing capability in bio-similiars, vaccines, oncology drugs etc.**
- **API Park established to promote domestic production**
- **15% lower production cost than India and China**

## **Medical devices: *Affordable Wellbeing***

- **85% of medical equipment and devices are imported.**
- **10.2% CAGR for importing of medical equipment and devices during the last five years.**
- **USD 442 million domestic market will reach USD 820 million in 2025, with a CAGR of 13%.**
- **Market dominated by the instruments/appliances segment and diagnostic imaging equipment.**
- **More than 4,000 types of medical devices & equipment used.**

## **Pharma & Medical devices: *Incentives***

- For 5 API molecules producers 100%, and 3 API molecules producers will get 75% tax holiday.
- If API molecules produced domestically, API and laboratory reagent producers, will enjoy tax holiday
- No AIT will be applicable for import of chemical compounds (Technical Grade/Chemically pure).
- Eligible for phased or partial tax exemption from 5 up to 10 years for
- Concessional import duty on raw material import of medical equipment
- 50% tax exemption for income derived from export
- No VAT imposition on export of goods
- 10% cash incentive on export value



# Tourism and Hospitality | Discover Serenity



# Tourism and Hospitality | **Discover Serenity**

- **World's longest beach in Cox's Bazar, world's largest mangrove forest the Sundarbans, forests and swamp forests, hills and island, archaeological sites, religious landmarks etc.**
- **Tourism contributes 3.02% to the GDP and 8% of total employment.**
- **International hotel chains expanding business include *Hotel Sheraton, Holiday Inn, JW Marriott, Swissotel, Hyatt Regency, Element Hotel, Saint Regis Hotel and Dusit Hotels.***
- **Bangladesh Tourism Reserved Area and Special Tourism Zone Act, 2010 focus on creating tourism protected areas and special tourism zones.**
- **BEZA is developing tourism parks at Sabrang, Naf and Sonadia**

**Leather and Leather goods | *Step it Up***

A close-up photograph of several leather goods, including bags and shoes, in various colors (black, white, and red) and textures. The items are arranged in a row, with some showing detailed stitching and patterns. The lighting is dramatic, highlighting the texture and sheen of the leather.

# **Leather and Leather goods | *Step it Up***

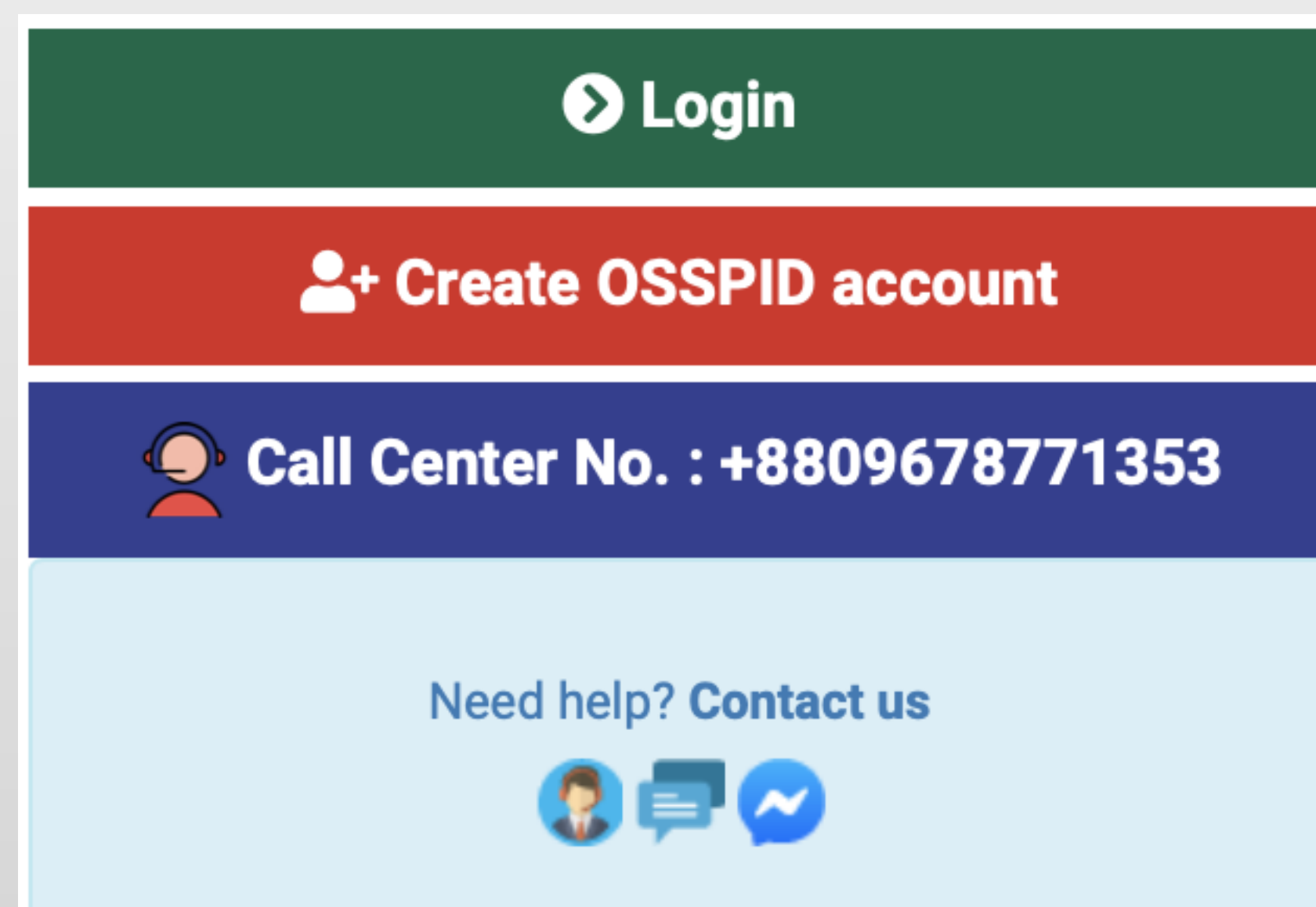
- **Growing domestic market of USD 2 Billion.**
- **Footwear is the major product segment. Per capita consumption is 3 pairs, up from 1.7 pairs 5 years back.**
- **220 tanneries, 3500 SMEs, 105 Big Enterprises**
- **12th highest cattle population in the world.**
- **Bangladesh produces 310 million sq. feet of raw hides annually.**
- **Over 450,000 pieces of rawhide sold during Eid-ul-Azha in 2023**
- **Scope of producing and exporting wet blue leather by establishing appropriate industries.**

# **Recent govt initiatives to improve Investment**

# BIDA One Stop Service: OSS Act 2020

- ✓ Digital document submission
- ✓ End-to-end online service
- ✓ Time-bound service delivery
- ✓ E-payment enabled
- ✓ No physical visit required

[www.bidaquickserv.org](http://www.bidaquickserv.org)



**67**  
services  
available

**23**  
agencies  
integrated

**100,000+**  
services  
delivered

**99%**  
Time  
efficiency

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# **BICIP Structure: 7 Pillars after EODB**

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- 1. Business Entry, Exit, and Technology Adoption**
- 2. Industrial Infrastructure and Logistics**
- 3. Cross Border Trade and Business**
- 4. Commercial Dispute Resolution and Labor Regulations**
- 5. Tax Regime**
- 6. Financial and Non-financial incentives**
- 7. Access to Finance**

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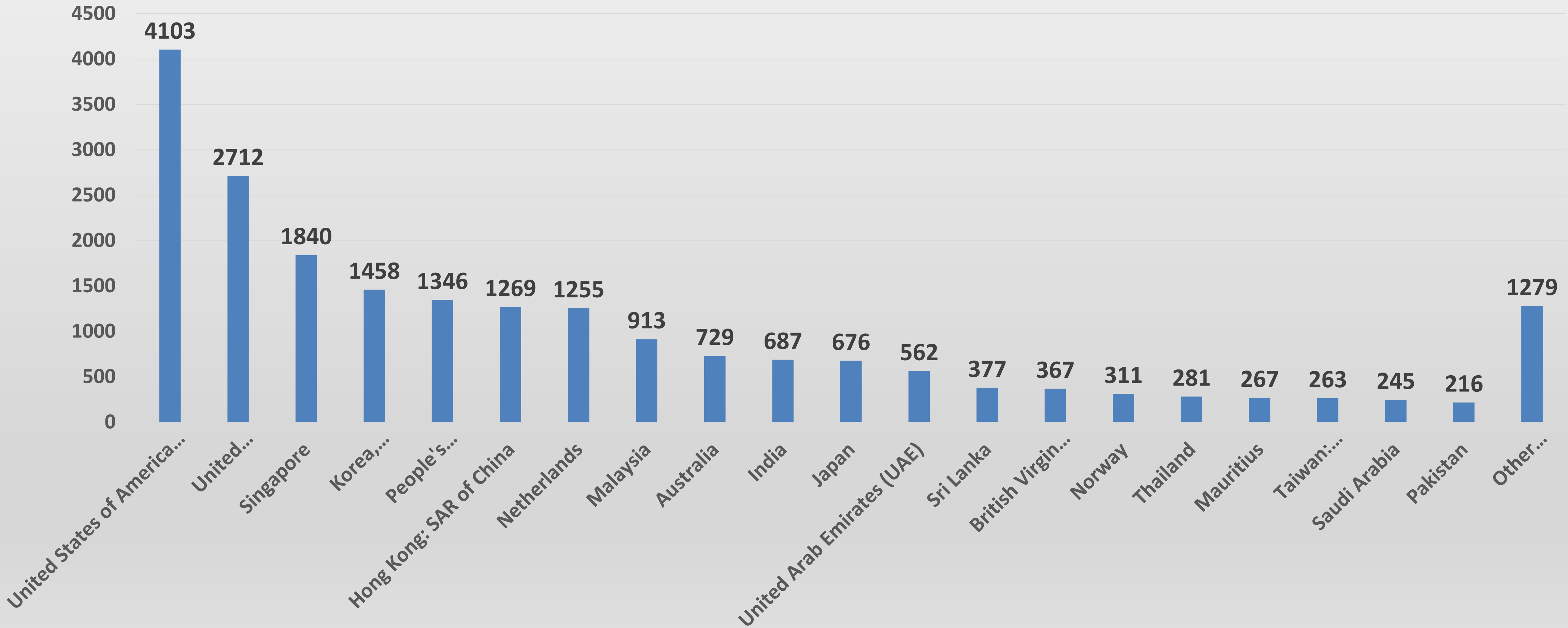
# **FDI Performance**



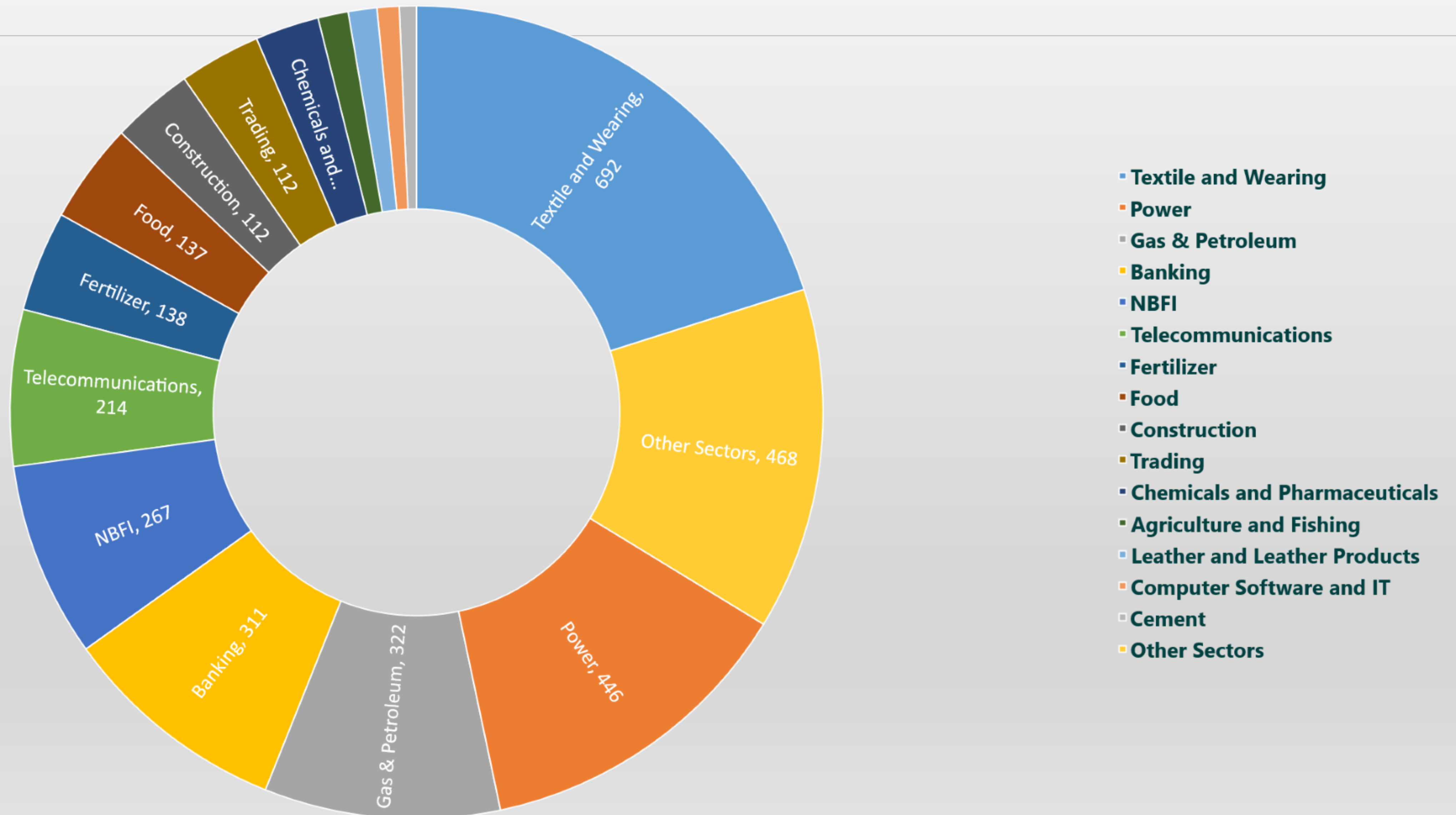
## FDI Inflows (Net) by Areas and Components

	Non-EPZ				EPZ				EZ				Total
year	Equity Capital	Reinvested earnings	Intra-company Loans	Sub-Total	Equity Capital	Reinvested earnings	Intra-company Loans	Sub-Total	Equity Capital	Reinvested earnings	Intra-company Loans	Sub-Total	
2021	1105	1277	119	2501	34	285	75	394	0	0	0	0	2896
2022	997	2084	-8	3074	25	431	-52	404	0	0	2	2	3480

# COUNTRY WISE FDI STOCK (in million USD)



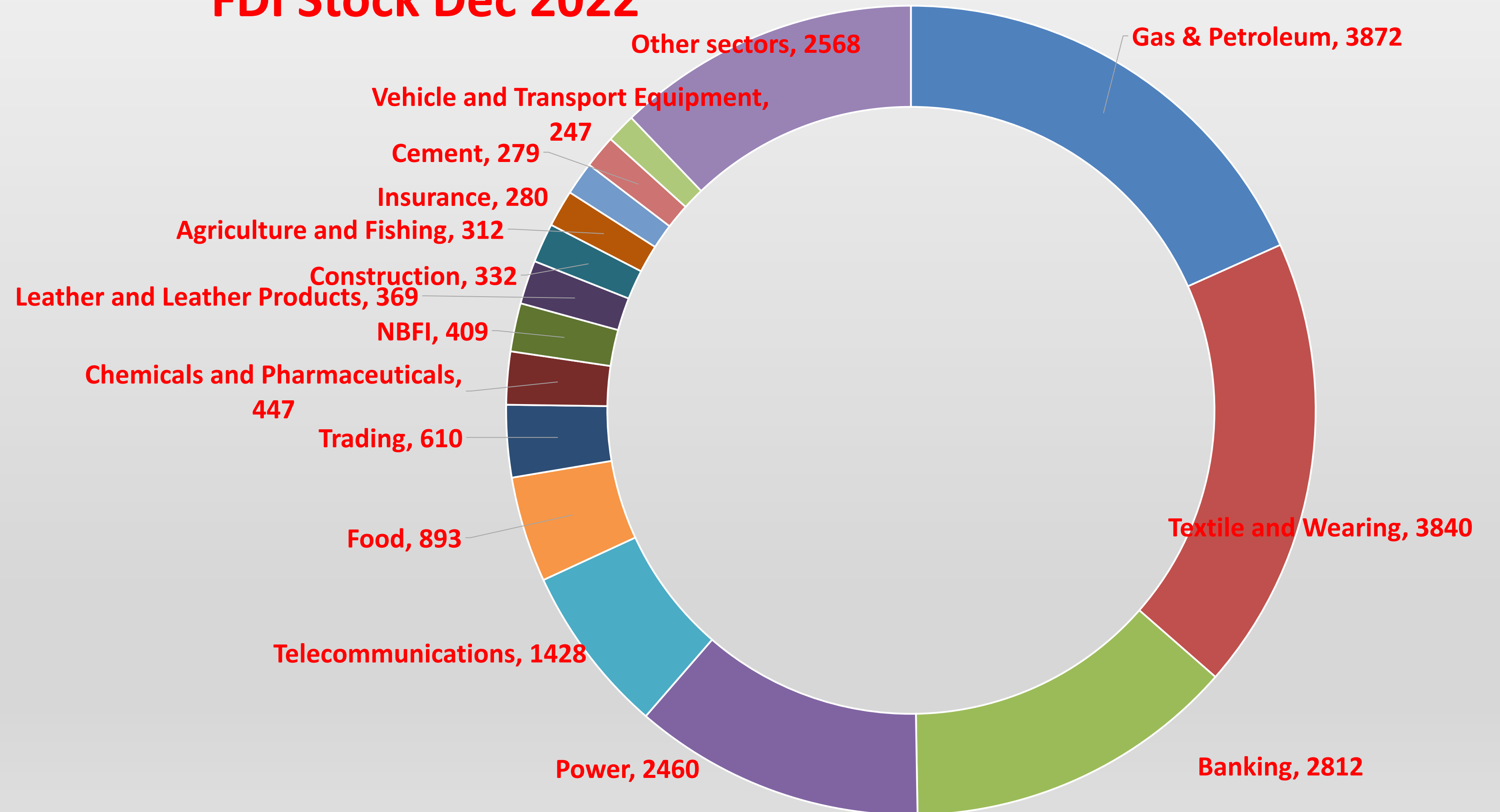
# FDI Performance –Inflow 2022



# FDI Performance – Stock 2022

- Gas & Petroleum
- Textile and Wearing
- Banking
- Power
- Telecommunications
- Food
- Trading
- Chemicals and Pharmaceuticals
- NBFI
- Leather and Leather Products
- Construction
- Agriculture and Fishing
- Insurance
- Cement
- Vehicle and Transport Equipment
- Other sectors

## FDI Stock Dec 2022



# THANK YOU!



Bangladesh Investment  
Development Authority



[www.bida.gov.bd](http://www.bida.gov.bd)