



Presentation
on
Investment
Opportunities and Doing
Business in Bangladesh

* Bangladesh: A corridor for connecting Asia (1/2)

- Geo-strategic Advantage : Bridge connecting South Asia and South East Asia with Bay of Bengal as 3rd neighbour
- Foreign Policy focus on connectivity for economic growth and development : South Asia , ASEAN and China (BCIM, AHH, BIMSTEC/SARC Multimodal Transport) .
- Sustained Growth leadership despite financial crisis: 6%, remittance, export
- Demographic dividend: young workforce until 2040, competitive wage, strong middle-class consumers, firm BOP
- Top political liberal focus on FDI and Public-private partnership: Vision 2021



* The World is Talking About Bangladesh

(1/2)

Bangladesh economy is a rising star of economic growth and fiscal discipline

Goldman Sachs

Bangladesh is in 'Next 11' list after the BRICS nations



McKinsey & Company

Clearly the preferred next stop for the sourcing caravan

Resilient export and remittance flows have bolstered growth and external stability of the economy



JPMorgan Chase

The country ranks fourth in growth in economically active population.

* The World is Talking About Bangladesh (2/2)

- * **Citi Investment Research & Analysis** : Bangladesh along with China, India, Indonesia,, Mongolia, Nigeria, Philippines, Sri Lanka and Vietnam most promising growth prospects.
- * **Goldman Sachs**: Bangladesh Next Eleven(growth leadership since 2007),
- * **Morgan Stanley**: Frontier Five(For Telecommunication growth and investment, 11.5 million)
- * **HSBC** : ‘The World in 2050’, lists Bangladesh as one of the top 7 countries expected to deliver the fastest growth en route to 2050.
- * **UN’s “World Economic Situation and Prospects 2013”** terms Bangladesh as “ ...strong growth performances continued”.
- * **The Global Competitive Report 2013”** of World Economic Forum (WEF) : Bangladesh has elevated to 8 stages point this year.
- * **The Deutsche Bank AG, Germany** comments Bangladesh having robust economic growth pattern, comfortable buffer against external shocks, favorable external liquidity profile.
- * **S & P Sovereign rating** for
- * **New York Times** terms Bangladesh as having strong promise of growth.

* Bangladesh: An emerging economy (1/3)

Sustained economic growth: Bangladesh has registered steady and consistent growth over the last decade even during the global economic meltdown.

- GDP growth rate over 6.0%, FDI stands at around US\$ 7.0 billion, export earning reached US\$ 30 billion in 2013-2014, inward remittance over 14.0 billion in 2013-2014 and foreign exchange reserve stands at US\$ 22 billion.
- Economic growth is underpinned by strong domestic demand (nearly 80% of GDP), competitive wage and productivity and young workforce
- Garment industry drives growth (14% of GDP).
- RMG, leather and leather goods, frozen fish are the main drivers of export.

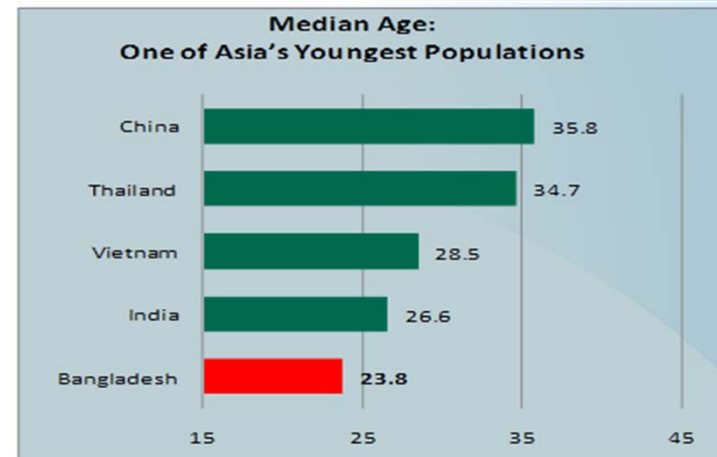


* Bangladesh: An emerging economy (2/3)

Demographic dividend: Population (160 million) with larger size of middle class(90 million), lowest wage in the world (US\$ 65 dollar per month) and sustained supply of hard-working young labour force.

An IT-based society: Cell phone user 119 million, internet users 43 million, website 25000, more than 9000 information centers at the grass-root level.

Commendable success in social development : Over achiever in health, education, sanitation, women empowerment. Most of the MDGs achieved.



Bangladesh: Sustained infrastructure growth for FDI ^(3/3)

- * **Sustained power generation capacity:** Current power generation capacity over 13,000 MW (more than 300% increase over the last 5-year period), projected generation 24,000MW by 2021and 40000 MW by 2030; daily gas supply 2,450 million cft (50% increase over the last 5-year period).
- * **Vibrant capital market:** Well-functioning capital market. Demutualized stock exchanges (Dhaka Stock Exchange and Chittagong Stock Exchange).
- * **Sustained focus on national connectivity infrastructure:** widening of national highways and rails ways to establish road connectivity with South and South East Asia.
- * **Double tracking of rail lines** connecting Chittagong and Mongla ports with Dhaka.
- * **Construction of Padma Bridge** by 2018 to connect Mongla port and South-western Bangladesh with Dhaka for eventual linking up with the Asian Highway.

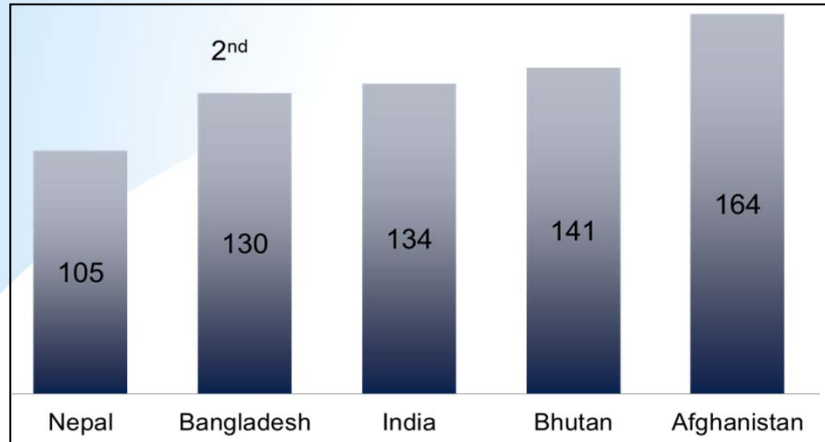
Ports of Bangladesh: Smooth and efficient operation of shipment

- **Chittagong port** handles over 90% of external trade. In 2013, it handled 35 million metric tons of cargo, 1.5 million TEUs containers and 4,495 vessels. Berth -6, Container berth -11 Cargo storage space: 93772+25179 sq.m open area: 90000+200000 sq.m
- **Mongla port:** In 2013-14, Mongla port handled 3.5 million metric tons of cargo and 43,000 TEUs of containers. Mongla port is widely used by Bhutan, Nepal and the eastern states of India.

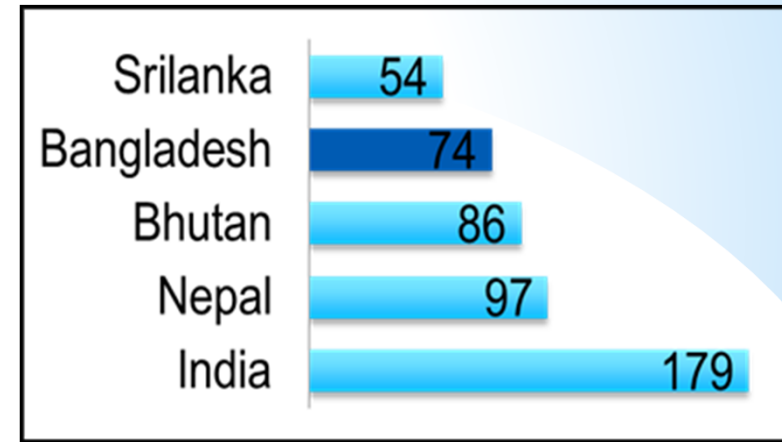


Doing Business in Bangladesh (1/2)

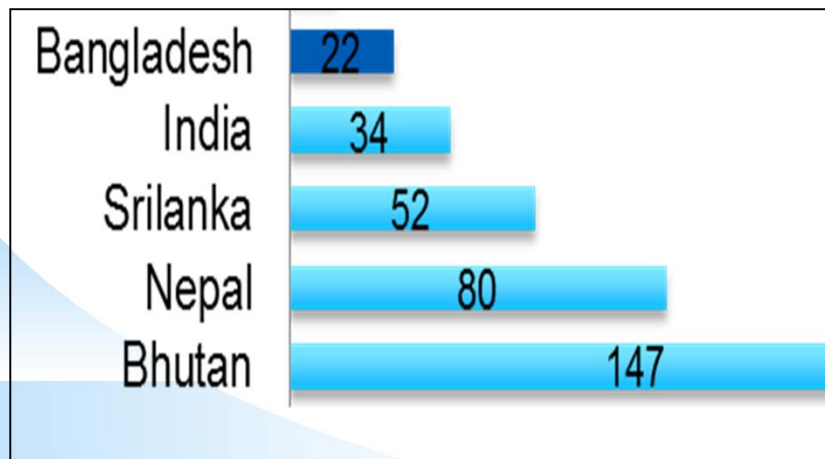
2nd easiest place in the region to do business



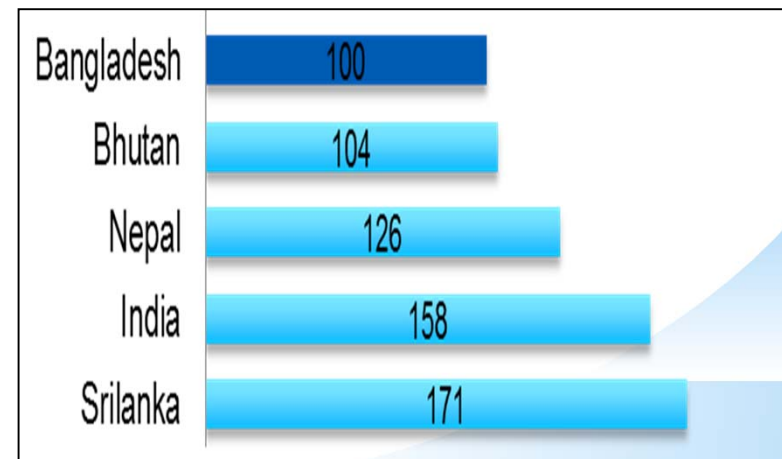
2nd in region on 'starting a business'



1st in region on 'protecting investors'



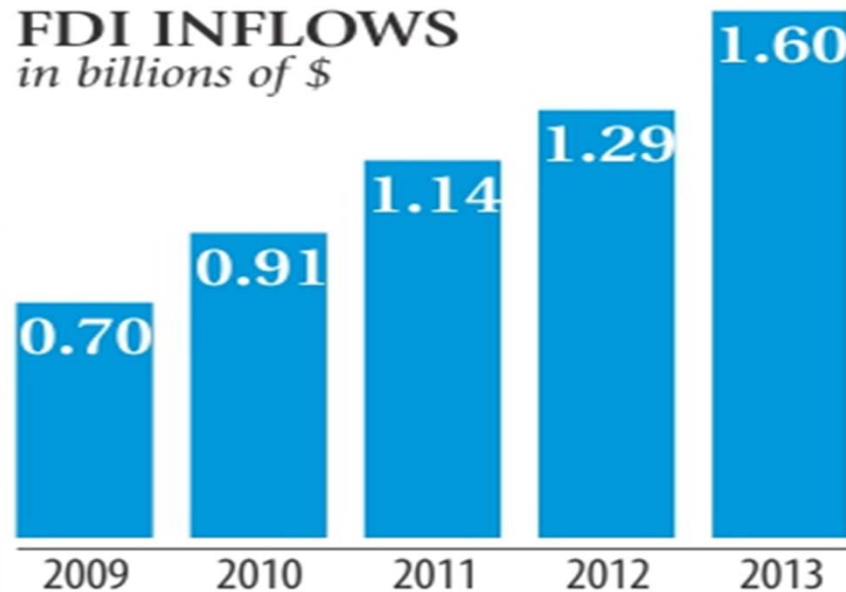
1st in region on 'ease of paying tax'



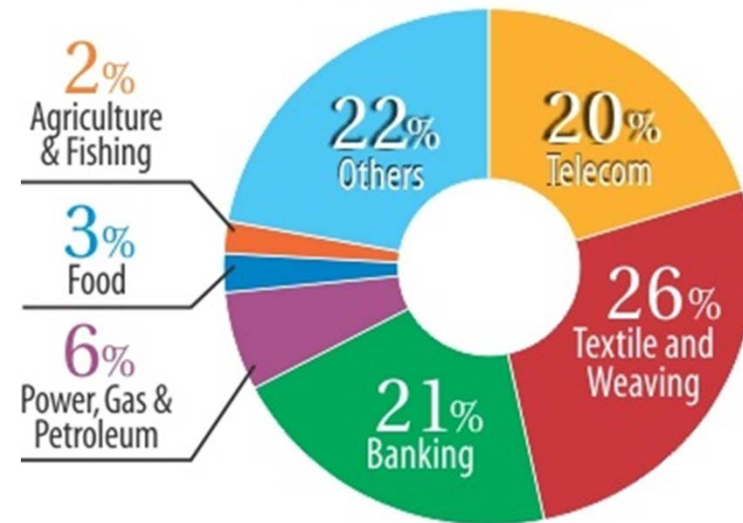
* Doing Business in Bangladesh (2/2)

- * Last year FDI rose by US\$ 1.6 billion (24% rise over the previous year).
- * Investors from Japan, China and India are lining up to invest in Bangladesh.

FDI INFLOWS
in billions of \$



FDI BY SECTORS



* Why Invest in Bangladesh (1/3)

Bangladesh offers competitive investment-friendly environment and attractive investment incentives

- Strategic location between South and South East Asia with regional connectivity and worldwide access through land and sea ports.
- Resilient policy framework
- Strong local market and growth
- DFQF market access under GSP to the EU, Canada, Japan, Australia, Republic of Korea, New Zealand, Switzerland, etc. and under preferential tariff to India, China, etc.
- Abundance of skilled, semi-skilled and unskilled industrious workforce
- Low cost of energy
- Competitive wage
- Proven export competitiveness
- Competitive incentives
- Export Processing Zones (EPZs) and Special Economic Zones (SEAz) close to sea ports.

* Why Invest in Bangladesh (2/3)

- * Foreign investment in Bangladesh is secured by law against nationalization and expropriation.
- * Equal treatment to local and foreign investment.
- * Protection of investment by bilateral and multilateral investment agreements. Bangladesh is a signatory to ICSID, UNCITRAL, OPIC, MIGA, WAIPA, WIPO and WTO.
- * **Bilateral investment treaties with 31 countries** including Thailand, Belgium, Republic of Korea, UK, Canada, Malaysia, USA, China, Pakistan, France, Vietnam, Germany, Singapore, Indonesia, Switzerland, Denmark, Netherlands, India, Italy, Philippines, UAE, Japan, Turkey, etc.
- * **Avoidance of double taxation treaties with 28 countries including** Thailand, Canada, Norway, China, Turkey, Denmark, Singapore, Vietnam, France, Republic of Korea, Philippines, Germany, Sri Lanka, Indonesia, India, Sweden, Switzerland, Italy, Oman, Japan, Netherlands, Malaysia, UK, etc.

Why Invest in Bangladesh ^(3/3)

- * 100% foreign equity is allowed along with unrestricted exit.
- * All sectors except 4 (arms and ammunition, nuclear power, security printing and minting, forestation and mechanized extraction within the boundary of reserved forest) are open to foreign investment.
- * Attractive fiscal incentives including tax holiday (10 years) for investment in infrastructure development, corporate tax holiday for selected sectors, accelerated depreciation on cost of machinery for new industries, tariff concession on import of capital machinery, tariff concession on import of raw materials for export oriented industries, bonded warehouse facility, etc.
- * Attractive financial and other incentives including cash incentives and export subsidies on selected products, funds for export promotion, export credit guarantee scheme, remittance of royalty, technical know-how and technical assistance fees, citizenship on investment of minimum US\$ 500,000, permanent residence permit on investment of US\$ 75,000, etc.

Institutional framework for FDI in Bangladesh

- * Board of Investment under Prime Minister's Office
- * Bangladesh Export Processing Zones Authority under Prime Minister's Office
- * Bangladesh Economic Zones Authority under Prime Minister's Office
- * National Board of Revenue
- * Bangladesh Bank
- * Office of the Registrar of Joint Stock Companies and Firms
- * Ministry of Foreign Affairs
- * Ministry of Industries

Bangladesh Export Processing Zones Authority(BEPZA)

- * BEPZA has provided land and other facilities to 100% export oriented 560 industrial units from 37 countries including 245 100% FDI and 65 joint venture in its eight Export Processing Zones in Dhaka, Adamjhee Comilla ,Chittagong, Karnaful , Mongla, Iswardi and Niphamari
- * It provides **infrastructural facilities** including fully serviced plots, factory build on rental basis, business support services ,C&F agent ,shipping agent medical center ,amusement club and sports complex.
- * **Special incentives including** duty free import & export, exemption from dividend tax and recommendation for resident ship /citizenship .
- * Support service facilities including issuing work permits, IP &EP (same day), No UD, IRC, ERC, renewal of bond license required ,customs clearance at factory site, inter/intra zones subcontracting &transfer of goods allowed.
- * World's Brands in Bangladesh : Nike, Rebook, Adidas, GAP, Walmart, Kmart, J.C. Panny, Nissan, Mitsubishi, Hino,Toyota, Sony Ericsson,, Konika, Nikon, Fuji, Olympus, Philip Maurice, Miles (Germany) and many others are in operation in EPZs

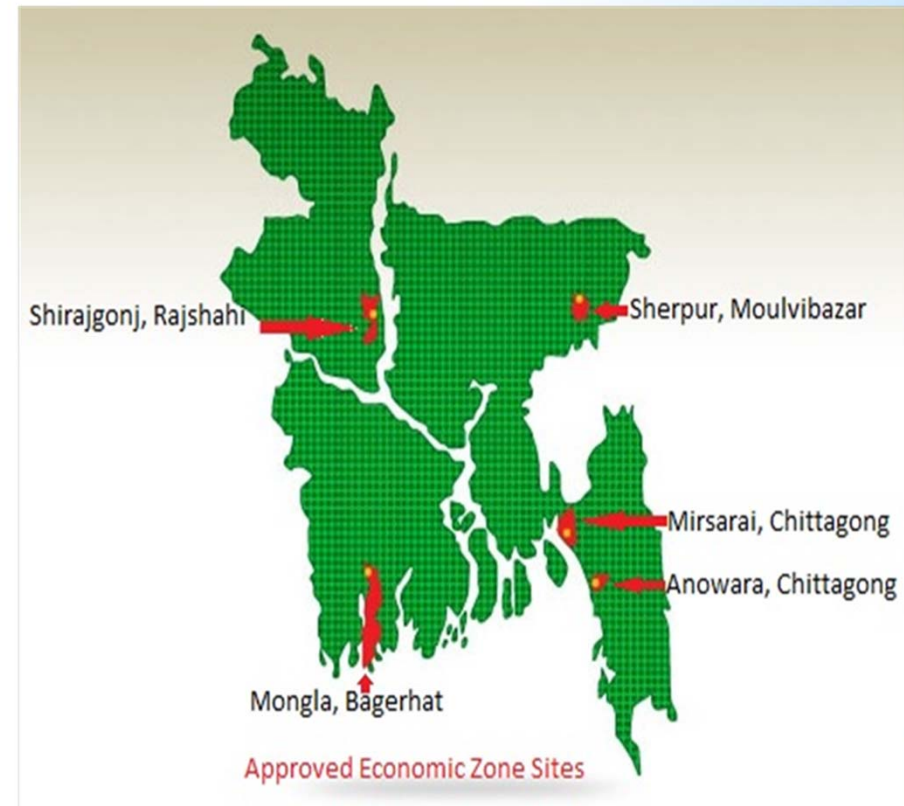
Economic Zones Authority (BEZA)

- BEZA will establish economic zones through Public-Private Partnership (PPP), Private economic zone, government economic zone, special economic zones and economic zones under G2G agreement .

Approved economic zones (5)

Mongla (205 Acres) Sirajgonj (1041 acres), Miresarai 7716 (acres), Anowara (635 acres) and Moulvibazar 352 (acres).

Planned Economic Zones (21) including a exclusive tourism zone in Cox's Bazar



* Bangladesh-Thailand Economic Relations

- * In 2013-14, Bangladesh exported goods of US\$ 39.6 million to Thailand and imported goods of US\$ 741 million from Thailand.
- * The major export products from Bangladesh to Thailand include knit and not-knit articles of apparel, electrical and electronic equipment, iron and steel, fish and crustaceans, etc., while major import products from Thailand include plastics and articles thereof, man-made staple fibers, machinery and parts, cotton and cotton fabrics, etc.
- * As many as 96 projects (48 with 100% foreign investment and 48 with joint-venture investment) have already been registered with the BOI of Bangladesh with a total investment of US\$ 605 million in areas of poultry and poultry meals, fish meal, electronic, power generation, food processing, etc.
- * Bangladesh and Thailand have trade agreement (signed in 1997), MOU on account trade arrangement (signed in 2002), bilateral payment arrangement agreement between (signed in 2003), and maritime agreement (signed in 1988) to promote bilateral trade; and agreement for the promotion and reciprocal protection of investments (signed in 2002) and convention on the avoidance of double taxation (signed in 1997) to promote bilateral investments.
- * Bangladesh and Thailand are the signatory to the Framework Agreement on the BIMSTEC FTA.

Potential sectors for FDI

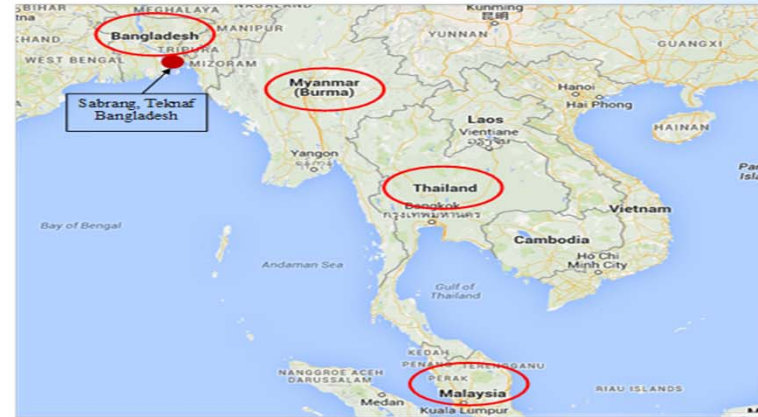
- * Power industry
- * Renewable energy
- * Pharmaceutical Industry
- * Readymade garments
- * Food processing industries
- * Frozen foods
- * Infrastructure construction
- * Light engineering.
- * Agro machineries
- * Jute and textiles industries .
- * Tourism
- * ICT and business services

Bangladesh : Your dream investment destination in Tourism

- Bangladesh and Thailand are close neighbor.
- Thailand is one of the top destination of tourist of the world and it has skill in tourism management.
- Bangladesh has established an exclusive tourism zone in Cox's Bazar which is only an hour flight from Chiangmai .
- The zone may be dedicated for the Thai investors.
- That can be a profitable market niche for the Thai investor by linking up the two countries and exchanging tourist .

Sabrang Exclusive Tourist Zone – The potential for right tourist attractions....

Teknaf , Cox's Bazar



* Bangladesh : Calls your investment in its vibrant RMG sector.

- RMG is Bangladesh's signature product and choice of the world's renowned apparel buyers .
- 80% of Bangladesh's export comes from RMG.
- 3.5 million people are working in this industries.
- We are the suppliers of the major Brand of Europe and America .
- World's lowest wage is in Bangladesh
- DFQF access in Europe Australia, Canada and Japan
- Most competitive in the world market



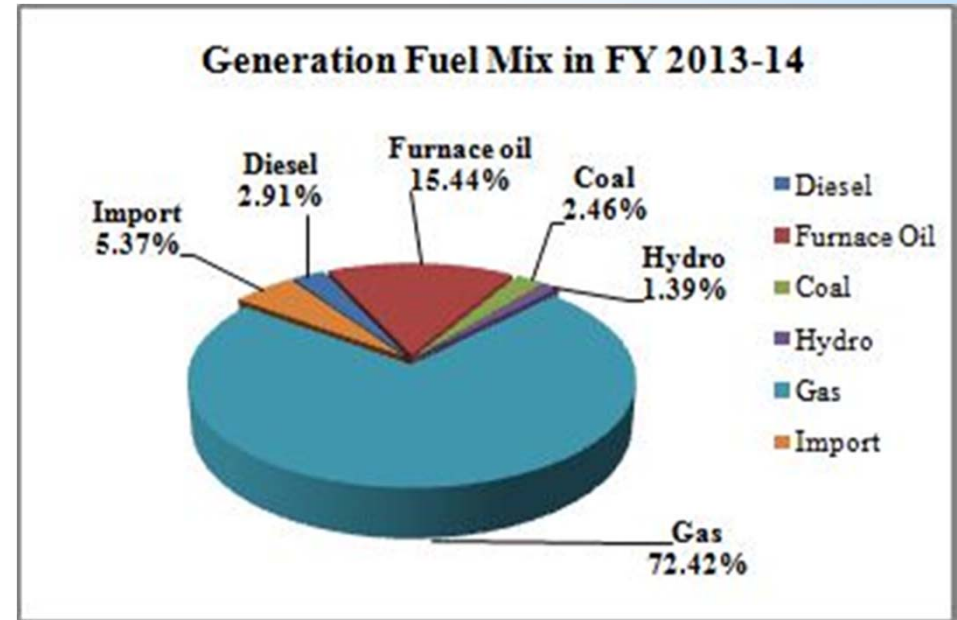
* Bangladesh welcomes investment in Power sector

Bangladesh's projected generation in 2021 is 24000 mw and in 2030 40000 mw.

Current generation is 13283 mw

Bangladesh welcomes foreign investment and offers an excellent package of Incentives including

- Tax Exemption 15 years (start Com production within 30 June 2016 and company start Commercial production after June 2016 will get 100% for ist 5 years 50% for next 3 years 25% for next 2 years .
- VAT, customs duties import permit fees exemption on import of equipment for 12 years (10% plant value).
- Equity and dividend repatriation.
- Tax exemption for foreign lenders.
- Stamp duty exempted .



- No restriction on issuance work permit.
- Transfer of share to local investors.
- Reinvestment of remittable dividend
- eligible for declared all other concession applicable for foreign investors .
- Tax exemption on royalties, technical know-how and technical assistance

* Why you will invest in renewable energy?

- Bangladesh has set target to generate green energy of 800 MW in 2015 and 2000 MW in 2020. Current capacity is 403 MW. It's a big step forward to clean energy initiative .
- Market size : 6 million households for Solar Home Systems (SHS)

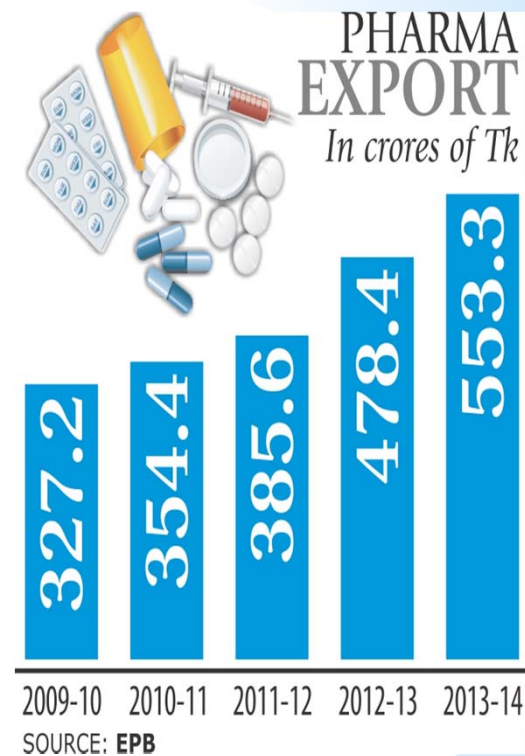
Incentives

- Implementation Support
- Equipment and raw material exempted from VAT corporate tax
- Incentives tariff 10% higher than other generator .
- Fiscal Incentives for Project Investors and Operators
- Import Duty Exemption (Full/ Partial) for certain technology and equipment



*Pharmaceuticals; a lucrative destination for Thai investors.

- 269 Pharmaceutical Cos
- Export rise 15.65% year-on-year
- Exports in 88 countries of Asia, Europe and Africa including Sri Lanka, Afghanistan, Bhutan, Vietnam, Cambodia, Philippines and African nations
- For high quality and competitive price, Bangladeshi medicine is now being exported to Europe, which is known for stringent regulatory standards,
- Domestic annual demand at around \$ 2 billion



*What we offer to Thai Investors ?

- * We have the world's lowest wage (\$ 70 in a month) which is lower than the minimum wage of Thailand (\$300 attractive)
- * We offer an attractive package of incentives to Thai investors.
- * Bangladesh is ready to provide a considerable amount of land to set up a Thai industrial park in Chittagong and a Thai exclusive tourism zone in Cox's Bazar under G2G agreement .
- * We have a huge domestic market of 160 million people with 90 million middle class which is equal to the total population of Malaysia and Thailand.
- * We have an expansive international market that enjoys DFQF access in EU, Canada, Australia and Japan.

Opportunities for Thai investors to harvest in Bangladesh .

- * Greater profit margin than to operating in elsewhere of the world
- * Potential labor at the lowest wage
- * Competitive price
- * Huge domestic market
- * Attractive package of incentives
- * And last but not the least the wide horizon of DFQF access in International Market

*Thank you



