

## **Investment Opportunity in Bangladesh**

Bangladesh offers the most congenial and investors friendly investment climate in Bangladesh. almost all the sectors are allowed for investment without any capping on amount or percentage of equity.

Foreign investment in Bangladesh is secure vis-à-vis nationalization and expropriation. The Foreign Private Investment (Promotion and Protection) Act 1980 ensures full protection to foreign investors. Furthermore, Bangladesh is a signatory to MIGA, OPIC, ICSID, WAIPA, WIPO and WTO. Bangladesh also has signed bilateral investment treaties with 32 countries for promotion and protection of investment.

To ease the investors from paying double tax Bangladesh has signed Avoidance of Double Taxation Treaty (DTT) with 32 countries. and another 18 countries is under negotiation.

According to the studies on the factors of production done by JETRO Dhaka, Bangladesh is most competitive among the 33 cities in Asia.

The Foreign Direct Investment (FDI) has registered healthy growth since 2009 starting from 900 million USD reaching 3.61 billion USD in 2019. Major portion of this FDI constitutes of the reinvested earnings which the investors retains rather than taking back to home country.

The market of Bangladesh is vibrant and growing. Bangladesh enjoys privileged market access globally as well as having a growing local market of around 170 million consumers with strong brand consciousness.

Bangladesh is an emerging economy hugely in need of infrastructural development. This has created billion-dollar investment opportunities. All the policies and institutions are in place and govt. is keen to develop these in world class standard.

The Industrial policy (2016-2021) has delineated the available sectors for investment. these includes sectors in Energy & Infrastructure, ICT & Electronics, Textile & Clothing, Pharma & Chemicals, Healthcare & Others, Agribusiness & Food processing sector.

The country is growing around 6-7% for the last decades the real sectors are also growing in the same scale. As such one can invest in any sectors of Bangladesh with comfort.

To ease the Doing Business government of Bangladesh has taken massive reform initiatives to improve the investment climate of Bangladesh. Based on the World Bank's Rating of 'Doing business in Bangladesh' focused agency-wise reform activities are undertaken. We have targeted to attain rating below 100 among the 189 economies by 2021. It is expected that in the coming years Bangladesh will be able to reach the goal.

In terms of easing client service deliveries BIDA has introduced the OSS (One Stop Service). Almost all the services of BIDA are given online.

To further ease the client services the OSS Act is passed in the parliament. Under its auspices BIDA with the support of all stakeholders has selected 150 services of 34 agencies to be delivered online. The process mapping is completed and they are under implementation at phases and enable the client to obtain services at minimal intervention.

Bangladesh is considered as one of the attractive destinations for business and investment opportunity due to presence of abundant low-cost labor, investment friendly environment, diversified natural resources and strong macro-economic fundamentals.

Bangladesh has been maintaining steady GDP growth of more than seven percent over the last decade. It has been possible due to government firm commitment to patronize private sector and prudent fiscal policy.

### **Why Bangladesh:**

- ▶ Attractive business and investment climate :
  - The Foreign Investment Act of 1980 guarantees the right of repatriation of invested capital, profits, capital gains, post-tax dividends, and approved royalties and fees.
  - Creation of BEPZA , BEZA and BIDA
  - Creation of Public Private Partnership Authority.
  - Apart from commercial banking separate non-bank financial institution for infrastructure financing
  - Improvement in tax paying system (online tax payment system)

- Young workforce: 59.3 % ( 25-35 Years ) of the population are economically active Improving education and skills
- Investment friendly regime
- Market of around 170 million people
- ▶ Reduced import duty on machinery & spares
- ▶ Bonded warehousing facility for export oriented industries
- ▶ 90% loan against LC ( by banks )
- ▶ Funds for export promotion
- ▶ Export credit guarantee Scheme
- ▶ Cash incentives from 5-20%
- ▶ Corporate tax holiday from 5 to 10 years in certain sectors
- ▶ Accelerated depreciation on cost of machinery of new industries
- ▶ Avoidance of double taxation
- ▶ Tariff concession on import of raw materials
- ▶ DFQF EU & other 12 countries
- ▶ 100% foreign equity is allowed
- ▶ Unrestricted exit policy
- ▶ Full repatriation of dividends and capitals allowed

### **Major Sectors**

- ▶ Apparel- Global garment demand will increase by 65% within the 11years as the global population will increase by 16% at that time
- ▶ Pharmaceuticals
- ▶ Electronics
- ▶ IT
- ▶ Frozen food

- ▶ Leather
- ▶ Light engineering
- ▶ Automobiles
- ▶ Agro based industries
- ▶ Construction material including steel Plant
- ▶ Ship building
- ▶ Energy & Power

### **Bangladesh Investment & Development Authority**

- ▶ **BIDA Act 2016**
- ▶ **Promoting & facilitating Investment**
- ▶ **Policy Advocacy**
- ▶ **June 23, 2019 BIDA & BEZA opened One Stop services ( OSS )**
- ▶ **BIDA to provide 150 services of 35 organizations through the integrated OSS centre**