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FICCI
QUARTERLY

FISCAL POLICY & REGULATIONS: IMPACTING INVESTMENT


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আপনাদের ভালো রাখতে, আপনাদের সাথে থাকতে
নেস্‌লে বাংলাদেশ নিশ্চিত করে
আধুনিক প্রোডাকশন কোয়ালিটি
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It all starts with a NESCAFÉ
Nestlé NIDO FortiGrow
KoKo Krunch
Nestlé EveryDay
Nestlé Ceregrow
JUNIOR CEREAL WITH MILK
Nestlé MILO
KitKat
Good food, Good life

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Editorial

Foreign Investor's Chamber of Commerce & Industry Bangladesh (FICCI), a notable institution synonymous with the powerhouse of Bangladesh's development, has been playing a major role in the evolution of successful businesses since its inception in 1963. The members of FICCI, the change makers of Bangladesh economy have been constant contributors in making the country one of the fastest growing in the world.

With the ongoing COVID-19, the world is still recovering and adjusting with the post the global outbreak. This is the time for businesses to seek out and seize the opportunities emerging in the recovery. It involves conducting an "after-action-review" to collect data and insights on lessons learned from the pandemic followed by prioritising actions to enhance business value today and build strategic resilience for tomorrow.

The recent external factors such as the Russian invasion of Ukraine has elevated the global economic outlook and amplified uncertainty in the world economy. At the same time, aggressive monetary policy tightening in the United States may also lead to financial instability. Keeping these global risks in mind, it is crucial that we proceed with a positive outlook as we enter the 2nd quarter of the year and take actions for developing Asia, where the growth is forecasted to be 5.2% in 2022 and 5.3% in 2023.

Bangladesh has an impressive track record of growth and development. The country made a strong economic recovery from the COVID-19 pandemic and so far more than 75% of the population has been vaccinated with the 1st dose. As stated by Country Director for Bangladesh, Asian Development Bank, Mr Edimon Ginting, "Bangladesh economy is now moving to a higher growth trajectory with projected growth of 6.9% in fiscal year 2022 and 7.1% growth in FY2023". Expansion in exports grew significantly in the last 7 months with sharp increases in garments, agro-products, leather, ocean-going vessels, software and engineering products. A number of notable pharmaceutical companies are exporting medicines to 119 developed and developing countries.

With just a few months left for the budget 2022-2023 to be announced, we picked the perfect time to cover this issue on Fiscal Policy and Regulations: Impact Investment. What are the factors that may be discouraging FDI in Bangladesh? What is the impact on the Investment? These are some of the burning questions which have been highlighted in this issue.

The good news is Bangladesh is striving to achieve its vision of attaining upper middle-income status by 2031. In order to do that the country needs to create jobs and employment opportunities through a competitive business environment, increased human capital and skilled labour force, efficient infrastructure and a policy environment that attracts private investments.

Other development priorities include deepening the finance sector, making urbanization more sustainable, strengthening public institutions and addressing infrastructure gaps. Facing the challenges of climate change and natural disasters will also help Bangladesh build resilience to future shocks.

In conclusion, businesses need to take these steps now to be well-placed to capitalize more effectively on the opportunities rising in the post-COVID-19 recovery and to continue winning in their marketplaces as greater certainty and stability return.

About FICCI

Drawing strength from our vision to sustain our advocacy of a better Bangladesh with a brighter future, we are focused on championing causes and facilitating policies that enhance the vibrant participation of the diverse private sector.

FICCI, as a key economic partner of Bangladesh, has embraced a number of spirited actions that express our core priorities, and we aim to continue to engage in bringing forth purposeful change through working more closely with the Government, through streamlining and enabling cross-border trade and investment, through disseminating useful research-driven market intelligence and through supporting regulation that benefits our membership and the wider mercantile ecosystem.

Hence, with an eventful past, an energetic present, and an exciting future, we are focused on bolstering our reputation and position as a key developmental partner of Bangladesh and growing with our glorious nation.

Mission

- To promote and protect the business interest of FICCI members
- To render assistance and advocacy to the relevant ministries and regulatory agencies/authorities to promote the growth of trade, commerce, and industrial base both for the local and foreign investors
- To support or oppose, as the case may be, legislative or other measures of the Government affecting trade, commerce, and industrialization of the country related to the interest of foreign investors
- To help establishment of just and equitable principles in the domain of trade, commerce and industry of Bangladesh
- Ensure Public-Private partnership and effective collaboration with the relevant Government agencies to serve the interest of FICCI members
- Facilitate the technological transformation for sustainable manufacturing base and entrepreneurship development
- Liaison with national and international public and private sector representatives to attract Foreign Direct Investment (FDI) in Bangladesh

Our Genesis

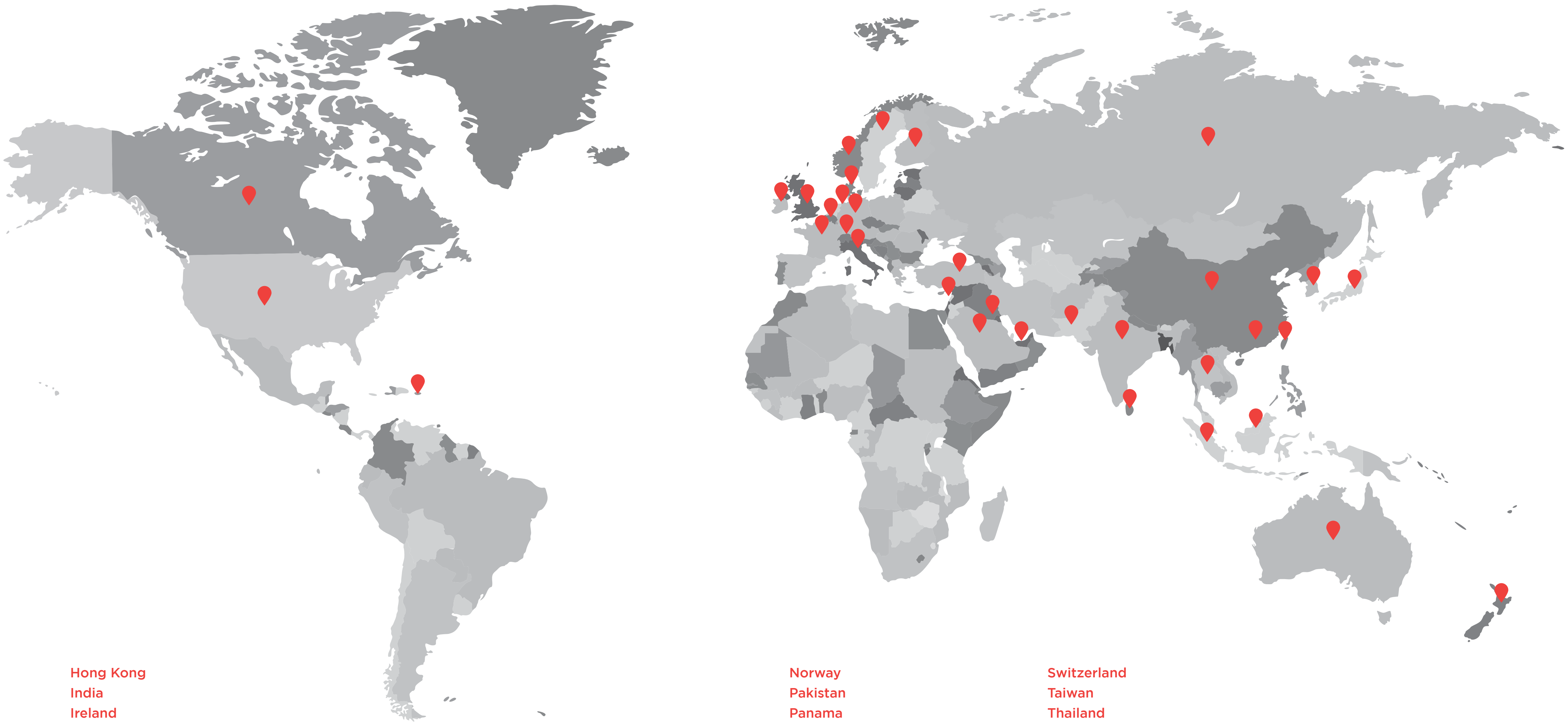
The Foreign Investors' Chamber of Commerce & Industry (FICCI) was established on the 1st of July 1963 in the port city of Chattogram, under the name of the 'Agrabad Chamber of Commerce & Industry'. Interestingly, at that point in time, most of the foreign companies, primarily British, had their establishments located in the coastal region of the country.

Subsequently, after the emergence of Bangladesh as a sovereign and independent country in 1971, it was felt that FICCI's office should be shifted to Dhaka, the capital city of Bangladesh, for practical reasons, and that the name of the Chamber should be suitably modified to reflect the evolved identity, taking into account the inclusion of foreign companies located outside the Chattogram region. Consequently, in June 1987, the Chamber assumed its present name, i.e. the Foreign Investors' Chamber of Commerce & Industry (FICCI), and had its office shifted to Dhaka from Chattogram.

FICCI REPRESENTING 21+ SECTORS OF BUSINESS & INDUSTRY

23 Members Banking & Financial Sector	**6** Members Cement Industry	**3** Members Ceramics Industry
7 Members Chemical	**7** Members Construction & Real Estate	**6** Members Consultancy & Research
3 Members Fertilizer & Agriculture	**21** Members FMCG	**13** Members Freight Forwarding
5 Members Hospitality	**12** Members ICT, Software & Telecommunication	**1** Members Leather & Leather Goods
4 Members Paints Manufacturing	**15** Members Pharmaceutical & Healthcare	**28** Members Power & Energy
31 Members RMG & Textiles	**3** Members Tea Industry	**6** Members Testing/Inspection/Utility Service & Consumer Durable
3 Members Tobacco	**7** Members Trading	**7** Members Others

FICCI is Proudly Representing Investment from 35 Countries



Australia
Belgium
Canada
Cayman Island
China
Denmark
Finland
France
Germany

Hong Kong
India
Ireland
Italy
Japan
Kuwait
Lebanon
Malaysia
New Zealand

Norway
Pakistan
Panama
Russia
Saudi Arabia
Singapore
South Korea
Sri Lanka
Sweden

Switzerland
Taiwan
Thailand
The Netherlands
Turkey
United Arab Emirates (UAE)
United Kingdom (UK)
United States of America (USA)

FICCI Members Contribution to the Bangladesh Economy

90%
FDI IN BANGLADESH
ARE GATHERED BY FICCI'S MEMBERS

80%
GAS EXPLORATION PROJECTS
THAT CONTRIBUTES SUBSTANTIAL EXTRACTABLE GAS RESERVE TO THE NATION

5
MILLION EMPLOYMENTS
DIRECTLY AND INDIRECTLY

ENTREPRENEURSHIP DEVELOPMENT
THROUGH ESTABLISHING IMPORT-SUBSTITUTE INDUSTRIES

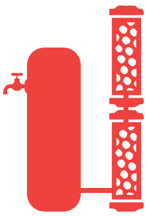
25%
CONTRIBUTION
ON TOTAL DSE MARKET CAP

SKILL DEVELOPMENT
FOR BOTH WORKERS AND MID-LEVEL MANAGEMENT

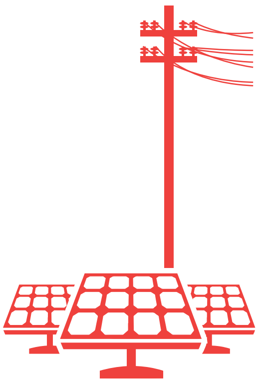
FICCI Members Contributing to the Social and Community Development

SUPPLIED
50,000
SETS OF PROFESSIONAL GRADE MEDICAL PPE TO
12 HOSPITALS
AND
1,000
HIGH-QUALITY ICU PPE

MORE THAN
300,000
INDIVIDUALS IN
31 DISTRICTS
GOT CLEAN DRINKING WATER, RELIEF, AND MEDICAL CONSULTATION WITH FREE MEDICINE



INSTALLED
102 FILTRATION PLANTS
PURIFY AROUND
530,000 LITRES
OF DRINKING WATER SERVING AROUND
260,000 PEOPLE
EVERY DAY



INSTALLED
2,590 UNITS
OF SOLAR HOME SYSTEMS IN AROUND
29 VILLAGES
OF BANDARBAN, KHAGRACHARI AND RANGAMATI DISTRICTS AND MORE THAN
13,000 PEOPLE
HAVE THE ACCESS OF ELECTRICITY

75
CHILDREN LEARNING CENTERS
AND PROVIDING EDUCATION TO
3,000
SCHOOL CHILDREN IN THE MELANDAH UPAZILA OF JAMALPUR DISTRICT

GENERATED EMPLOYMENT FACILITIES TO MORE THAN
4,000
DISABLED WORKERS

BOARD OF DIRECTORS 2022-2023

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Bata Shoe Co.Bangladesh Ltd

Message from the President

As the President of one of the country's oldest and most prestigious chambers of the country, indeed, this is my honour and immense pleasure to welcome everyone to the FICCI Quarterly Newsletter, March 2022. Since its inception, the FICCI Newsletter has successfully become the platform to transfer the Chamber and its member company's stories and news to the relevant stakeholders, ranging from the Government regulatory agencies, development partners, current and potential foreign investors, and foreign embassies and missions etc. At present, the FICCI Quarterly is established as the voice of foreign investors in Bangladesh.

As a Chamber, we represent and aim to protect the interest of the foreign investors in Bangladesh. The Chamber and its member companies are effortlessly working not only on the socio-economic development of Bangladesh but also actively making meaningful impact directly on 21 industries directly and many more indirectly. FICCI members proudly contributing more than quarter of internal revenue of the Government and are directly responsible for more than 90% of inward FDI in Bangladesh. Furthermore, the FICCI member companies are the proud partners and associates in implementing the Government's vision of Digital Bangladesh. Most importantly, the Chamber not only contributes to the economy but also promotes and encourages its member companies to contribute to the societies more actively as part of their sustainable business strategies and practices.

Despite the unprecedented challenges of the global pandemic, the economy of Bangladesh remained resilient in the last two years, with the economic growth being the highest amongst the South Asian countries during the 2020-2022 period. The sign of post pandemic economic recovery is evident through significantly accelerated economic activities in both industries and services sectors, which in turn is mobilising greater private sector investment to cope with growing demand. However, the elevated structural risks and uncertainty in the global economy may have a short to medium term impact on our economic progress. It is important to enhance efficiency and expand productivity to remain resilient amidst this period of volatility.

One of the key pillars for enhancing private sector contribution to economic growth is optimising cost of doing business. FICCI is actively engaging with key regulators and policymakers with specific recommendations for an enabling business climate. There has been a series of such engagements during the first quarter of 2022 with following regulators, authorities, and key stakeholders. Expectation on expanding the economic contribution of foreign investors and how it can be enabled were exchanged through these engagements.

- Minister of Planning
- Minister of Industries
- Minister of Agriculture
- Private Industry and Investment Adviser to Hon'ble Prime Minister
- State Minister of Planning
- Principle Secretary to Hon'ble Prime Minister
- Finance Senior Secretary
- Chairman of National Board of Revenue
- President of The Federation of Bangladesh Chambers of Commerce & Industry (FBCCI)

Thought leadership as the eminent representative of foreign investors in Bangladesh has enabled FICCI to be a critical partner to the Government's vision of driving FDI contribution to GDP. FICCI has partnered with Bangladesh Investment Development Authority (BIDA) to showcase Bangladesh as a preferred destination for foreign investments in target sectors, and to drive advocacy for business-friendly policies. FICCI is also integrated with BIDA's One Stop Services (OSS), where our members and potential investors can avail investor services of both BIDA and FICCI.

To enhance FICCI's role as an advocate for enabling policy framework, we had pursued with the Ministry of Commerce to continue recognising the chamber as a full member. I am very happy to share that the draft Trade Organisation Act 2022 was amended to recognise the Chamber as a full member and as the sole trade organisation to represent foreign investors in Bangladesh. Our policy advocacy role was also extended to the realm of the draft Income Tax Act, where we provided consolidated recommendation from our members. In addition, we have also shared the collective recommendation of FICCI members on the National Budget in multiple forums.

FICCI represents foreign investors who are actively participating and leading in more than 21 economic sectors. The true potential of FICCI lies within global best practices and intimate knowledge of the local market of our members, which can enable significant growth opportunities across these sectors. In order to focus our efforts to drive advocacy and through leadership, we have established the following nine committees.

i) Governance and Operation Committee
ii) Membership, Branding, and Marketing Committee
iii) Banking and Financial Services Committee
iv) Investment and Trade Promotion Committee
v) Tariff, Taxation and Regulatory Affairs Committee
vi) ICT, Telecommunication and Digital Economy Committee
vii) Diversity, Inclusion, Environment, and Sustainability Committee
viii) RMG, Textile, and Footwear Committee
ix) FMCG Committee

Our objective is to leverage the depth of our broader membership through these committees, so that we can incorporate the valued feedback of our members to form impactful policy actions. We will need active participation from all our members to establish FICCI as the undisputable leader in representing foreign investors by creating unique value for all our members.

We will soon circulate a survey to get the views from all our members in this regard. I would be grateful to my fellow members for their active participation in this survey.

I would like to thank all the industry leaders and experts for their excellent contributions that greatly enriched the Newsletter. I also want to thank the patrons and sponsors of the FICCI Quarterly for their assistance and support. Finally, I would like to thank the FICCI Secretariate for their tireless effort in publishing the Newsletter on time.

I am looking forward to the feedback, comments, and invaluable inputs from our esteemed member companies to enrich the upcoming FICCI Newsletter.

With Thanks and Regards,

Naser Ezaz Bijoy

President, FICCI

Fiscal Policies Regarding Revenue Budget, Analogue Tax Management System, Poor Enforcement of Laws: Are These Discouraging FDI in Bangladesh?

1.0 Background Reality:

• Bangladesh has been doing significantly well in terms of economic growth over the years, surpassing most of the comparator countries in the world while comparing based on the key economic indicators. The journey of this very steady and strong growth trajectory has been achieved despite a very low Foreign Direct Investment (FDI) (~0.5% to GDP), Tax to GDP ratio (less than 10%) and poor ratings in the ease of doing business index (168th out of 190 economies, when measured last time). This has been possible because of an extraordinary resilience mindset of Bangladeshi people, large contribution from manufacturing sector, exports (largely from RMG sector) and service sector creating several million low-skilled jobs, which resulted in increasing private consumption and growing middle class as well. However, this situation may not be sustainable in this VUCA world, hence ignoring the cause for insignificant contribution of FDI or low Tax to GDP ratio or poor rating in ease of doing business maybe very costly for Bangladesh unless we initiate immediate measures to explore tapping all the missing opportunities in those areas.

• Low contribution of FDI will come first as one of the biggest missing opportunities for Bangladesh as we have been continuously ignoring it, which could make a shift change towards our journey to be a Developed Nation by 2041 as envisioned by our Hon'ble Prime Minister, the daughter of the Father of the Nation, Bangabandhu Sheikh Mujibur Rahman.

• So, what are the reasons for very low FDI in Bangladesh, why FDI to GDP ratio is so poor or what further achievement Bangladesh could make if it's FDI contribution was similar to comparator country like Vietnam (6.15% to GDP in 2019). Before finding answers as to what are the roadblocks for FDI in Bangladesh, we need to understand the existing dynamics on the fiscal policies of Government in terms of revenue budgeting process, tax management system and other factors, which may have been the reasons for very poor FDI in Bangladesh.

2.0 Existing Dynamics:

A. Fiscal policies on revenue budgeting process:

In Bangladesh, the annual budget is prepared by the Ministry of Finance and presented to the Parliament for approval each year generally during the first week of June, which is passed by end of June for implementation from the next fiscal period starting from 1st July. This annual budget is divided into a revenue budget and a development budget. The revenue budget pays for the normal functioning of the Government and is intended to be fully financed from domestically generated sources.

The fiscal year 2021 revenue budget was based on anticipated receipts of about Tk. 3,890 billion, or approximately US$45.2 billion, which is approximately 11% of GDP. Out of the total revenue budget, tax revenues accounted for almost 89% i.e., Tk. 3,460 billion where contribution of direct tax is Tk. 1,050 billion (30.3%), VAT is Tk. 1,280 billion (37.0%), Supplementary duty is Tk. 545 billion (15.8%) and Customs duties is Tk. 380 billion (11.0%).

Out of total tax revenue budget, the National Board of Revenue (NBR) collects the maximum tax revenues. For the fiscal year 2021, it amounts to Tk. 3,300 billion i.e., almost 95% of the total tax revenue budget, which has been formulated by NBR based on historical data and estimated growth projected for the next year. When we talk about historical data as a base for crafting the tax revenue budget of NBR, here comes all the issues. For example, our direct tax revenue collections are highly dependent on withholding taxes (~61% of total direct tax revenue).

B. Existing tax management system:

In Bangladesh our tax management system has not been fully automated or digitized. In other words, we follow mostly an analogue system for managing our taxes. We all know managing taxes through analogue system has inherent limitations and tax dodgers always take advantage of this. Consequently, there has been an extremely a large number of eligible taxpayers not paying their taxes properly, which indicates one of the key reasons as to why our Tax GDP ratio is so poor. All these, while creating huge doubts on the overall tax management system, also creates mistrust between taxmen and taxpayers. This is because, in the absence of an effective tax management system supported by automation, taxmen generally blame all the taxpayers irrespective of whether they're compliant or non-compliant, and on the other hand compliant taxpayers see this as they are being discriminated by introducing higher tax rates through fiscal laws and harassed through excessive charges or arbitrary assessments.

C. Number of eligible taxpayers vs actual taxpayers:

Based on the 2020 budget speech of the Hon'ble Finance Minister, the number of persons capable of paying taxes was around 40 million and in FY2020-2021 the number of persons filed tax return was around 2.54 million i.e., only around 6.3% of the eligible taxpayers filed their tax returns and paid their taxes accordingly. This gives an idea of the noncompetitive environment faced by any compliant investors in Bangladesh.

3.0 How the Existing Dynamics Contributing Towards Impediment of FDI in Bangladesh:

A. The fundamental principles followed for revenue budgeting process:

• There is no consistency in the revenue policies. Almost every year, there are fundamental changes made for the sake of increasing Govt. revenues.

• Govt. follows cash method while crafting revenue budget based on historical data. Hence, what has been collected in the last fiscal year, that is considered a base and a mindset is already there that "no change" is to be made there which will result in decreasing tax revenues, irrespective of whether there are valid reasons or rationalization required.

• Direct tax collection systems are heavily depended on withholding tax (WHT) mechanism (~61% of total direct tax revenue). The principles that a portion of legitimate taxes shall be collected through WHT is often ignored, as there are numerous examples where we can see, WHT are much higher than the legitimate tax liability and due to minimum tax provision, the assessee cannot get refund of the excess tax paid. All compliant taxpayers have to absorb/bear this additional load of WHT for the sake of continuance of their operation as it is simply impossible for the vendor to afford it. This raises question on the very fundamentals whether **income tax is applicable on income or payments.**

• Due to the minimum tax provision applied on gross receipts ignoring the actual income, sometimes taxes are to be paid even if there are losses. This is mostly painful for any startup company and also raises question on the very fundamentals whether income tax is applicable on income or receipts.

• If the overall revenue policies are reviewed, it will be identified that existing system supports trading business more than manufacturing business.

• There are numerous examples, where there is no difference on duty rates (i.e., basic duty and supplementary duty) whether it is used as ingredient in manufacturing operation or traded as finished goods.

• Under VAT laws, all the complexities are there if one starts manufacturing operation in Bangladesh. On the other hand, without making any investment, if anyone wants to do trading business in Bangladesh, it is a lot simpler and hassle free.

• Likewise, imposition of supplementary duty at local supply stage for locally manufactured goods, indirectly discourages investment in Bangladesh.

For corporate, the Effective Tax Rate is very high (additional 7% to 15%) compared to the Marginal Tax Rate, which is mainly due to inadmissibility of various legitimate business expenses, which are never highlighted in the Bangladesh Investment Development Authority (BIDA)'s Investment guide offered to the investors. Some examples of inadmissible expenses are given below:

• For Royalty, technical service fees, technical know-how fee BIDA guidelines allow remittance of 6% of turnover. Whereas as per Tax Law, only 8% to 10% of the profit are considered admissible expenses. Consequently, for a profit making company almost 50% to 70% of the Royalty, technical service fees, technical know-how fees become inadmissible, which increase the effective tax rates. On the other hand, for start-up companies who cannot make profit in the initial years, the entire expenses become inadmissible, adding to another burden on top of losses.

• As per Tax Law, there is inadmissible expenses due to excess perquisite. Any amount paid to employees as perquisite in excess of Tk. 550K per employees per year, is considered excess perquisite and the company has to pay taxes on the excess perquisite, although this is already taxed in the hand of employees. This is doubly taxed to the employer, and this is the way it has been applied.

• Inadmissible expenses due to promotional expenses exceeding 0.5% of the business turnover. Depending on the profitability the additional impact on the effective tax rate is huge.

C. Other Factors:

i. Uneven competition:

Currently, FICCI members are providing around 30% of the Government's internal revenues, standing among top five revenue generating sectors across the country. As per the last tax card giving ceremony organized by Bangladesh Govt, it was seen that in most of the sectors, FICCI members were there among the top taxpayers, despite them not being in the top lists in terms of top line revenues. As per Registrar of Joint Stock Companies & Firms (RJSC), there are 110,000 entities registered with RJSC, which means among this 110,000 around 210 FICCI members are contributing this ~30% of the government internal revenue!! All these are evidencing a serious level of uneven competition faced by the compliant companies, i.e., mostly by the foreign investors and maybe because of this, the effective tax rates are comparatively higher in Bangladesh. The point is, all potential investors find all these during their feasibility study on any potential investments in Bangladesh and no investors would invest in Bangladesh if taxes are higher here than in competing countries.

ii. Ease of Doing Business:

When measured last time , we were ranked 168th among 190 economies in terms of ease of doing business, which we have been continuously ignoring by saying despite this, we have been doing good in Bangladesh. However, from investors' point of view, we have to keep in mind that before making any conscious investment decision, all potential investors look into this factor seriously. Hence, unless we attempt to find out the root cause of such poor ratings, our attempts to attract foreign investment will be a failed venture only. The point is, if we do not look this through the eye of the potential investors, it will be a difficult exercise to find out these root causes.

iii. Poor enforcement of laws and regulations:

Apart from very poor tax compliances by a significant number of the capable taxpayers, there are rampant non-compliance of laws and regulations in marketing of products as well, which are posing serious threats to the existing foreign investors who made significant investment in Bangladesh. Infiltration of illegal parallel imports and marketing of non-compliant/counterfeit products upon non-compliance of applicable laws and regulations are very common in Bangladesh and has been happening due to lack of enforcement of laws in front of all the regulators. Imported FMCG products marketed in Gulshan DCC1 Dhaka, Moulavi Bazar Dhaka and Reazuddin Bazar, Chattogram are live examples of such rampant lack of enforcement of laws, where violation of Import Policy Order, Customs Laws, BSTI Laws, Food Safety Laws, Breast-Milk Substitute Laws, Money Laundering Laws etc., are very common but no one bothers or dares to touch them. Potential foreign investors are fully aware of this.

iv. Industry voices are mostly ignored:

As part of the revenue budgeting process, Govt. invites different Chambers to share their views on various aspects of fiscal laws. As part of this, different Chambers provide many constructive proposals, which can create a conducive investment environment, however over the years these sessions have become a mere formality only, as most of the constructive suggestions are ignored. Similarly, enforcement of existing laws and regulations indiscriminately to ensure a level playing field has been a demand from all complaint investors, but it has been ignored taking a myopic view to protect small unscrupulous traders/importers only ignoring the bigger interest.

4.0 Concluding Remarks:

If we think, potential foreign investors are not aware of all these challenges faced by the existing foreign investors and continue to ignore these, we may have to pay a bigger price by giving away the opportunities to our comparator countries. Hence if we are serious about making a big leap in FDI, we may have to consciously acknowledge the challenges and try to make serious attempts to address those. For this, at first, we have to look at the issues faced by the existing foreign investors, who have been serving as the beacon for any future investment in Bangladesh.

Lastly, we're hopeful, under the able leadership of our Hon'ble Prime Minister, the issues will be addressed soon for creating a highly conducive FDI environment leading towards our aim to eradicate poverty on the way to becoming a developed nation by 2041.

Fiscal Policy and Regulation: Its Impact on Investment

The effectiveness of the use of fiscal policy and regulations derived from those policies for controlling economic factors that affect investment in the economy are often debated. Whether the classical model of correlation between tax, public spending and investment still works in the modern globalized economy is also a question.

Fiscal policy is based on the theories of British economist John Maynard Keynes, which hold that increasing or decreasing revenue (taxes) and expenditures (spending) levels influence inflation, employment, and the flow of money through the economic system. Fiscal policy is often used in combination with monetary policy, which is set by the Central Bank to influence the direction of the economy and meet economic goals.

These three factors are used as tools for fiscal policy implementation:

▪ Business tax:

Taxes that businesses pay to the government affects profits and the amount of investment. Lowering taxes increases aggregate demand and business investment spending.

▪ Individual taxes:

Taxes on individuals, such as income tax, affects their personal income and how much they can spend, injecting more money back into the economy.

▪ Government spending:

Aggregate demand is increased by the government's own spending.

Through imposition of higher tax on businesses in certain industries the government discourages consumption and flow of investments in those industries e.g. socially undesirable product . The opposite may be achieved through tax cuts for certain industries which are considered vital to economic growth or to encourage export e.g. light engineering. The imposition of higher tax on individuals results lower disposable income, thus reduces consumption in the whole economy. Ultimately, this effects the investments of individuals, and growth of industries. Higher government spending leaves more in the hands of the public, which ultimately leads to higher consumption and investment. Thus, spending is used as a tool for fiscal policy to drive government money to certain sectors needing an economic boost. Whoever receives this fund will have extra money to spend – and, as with taxes, the government hopes that money will be spent on other goods and services.

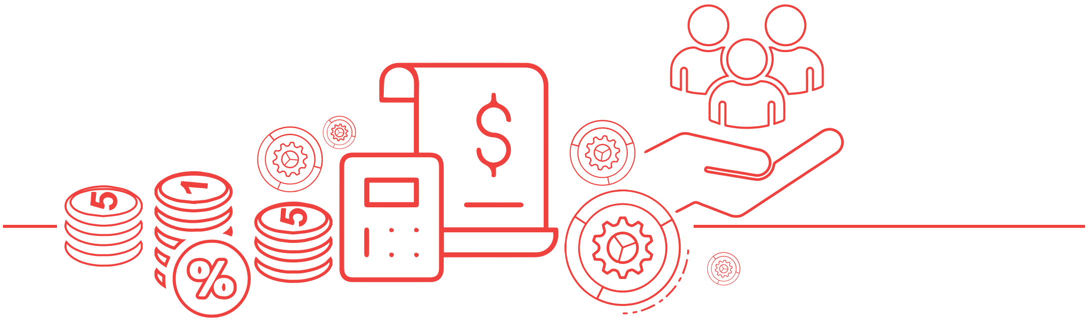
Fiscal policy and regulations effect the profitability of business and ultimately the flow of investment in the following ways:

1. Investment opportunities:

Businesses can see investment opportunities from government spending as well as private investment. This commonly happens during an expansionary policy, when more money is flowing into the economy from the government and from other sources since taxation is low. When there is a balance between price and demand, businesses expect to thrive.

2. Slower growth:

A contractionary financial policy leads to reduction in inflation. Businesses typically rein in their growth due to rising taxes and take measures to stay afloat with less money flowing through the economy. As a result, investment reduces to bare minimum.



3. Taxation changes:

Depending on the nature, businesses face several levels of direct and indirect taxation. Businesses must contend with how the Government taxes them and how it interweaves with the national fiscal policy. Sector-specific tax policy directly impacts the growth of industries in those sectors. In Bangladesh, telecom service providers have been hardly hit due to high corporate tax rate and introduction of minimum tax regardless of profit. This has forced the companies to re-consider plans for expansion and investment in newer technology. The Government has recently introduced long-term tax exemptions for automobile, agribusiness, light engineering, hospital, IT hardware manufacturer and home-appliance manufacturers. We are likely to see new investment in these industries. Reduction of tax will also enable existing businesses in these industries to remain competitive and expand for future growth. Similarly, imposition of advance income tax on imported fruits will discourage imports and give some protection of local producers, thus encouraging further investments in this industry.

4. Unemployment:

A major objective of fiscal policy is to minimize unemployment. For example, the Government can lower taxes to put more money back in consumers' pockets. As such, people will be able to spend more money, and companies may face increased demand. With increased demand additional production requirement is created, and businesses can respond by creating more jobs and hiring more employees. With proper fiscal policy in place, a low unemployment rate may gradually increase. A reduction of unemployment sometimes inhibit the growth of small industries that have to compete with large corporates for attracting and retaining employees. Such a situation has been observed in post-COVID North American economies recently.

In case of resource-scarce countries like Bangladesh, regulatory support in the form of cohesive tax policy, stable interest rate and foreign exchange rate plays a vital role for creating conducive environment for local investment and attracting foreign direct investment.

A least discussed aspect of fiscal policy is the impact of stability and continuity on the investment. The feasibility of an investment may become invalid due to abrupt change in the regulatory environment. An investment-friendly regulatory environment can be achieved through continuity in tax laws and monetary policy.

Written by **Sazzad Chowdhury,**
Chief Financial Officer, Berger Paints Bangladesh Ltd.

Fairness in taxation regime: An Outcry of the Business Community

Nobody loves to pay tax- be it in Bangladesh or any other country. But we do, as we must! Governments always strive to stimulate socio-economic growth in a country. In order to do that it needs to secure sustainable sources of funding for public sector investments. The challenge for the Government is that it has to not only set the right level of tax rates, but also consider the implications of the rate on the target tax base.

In short, Governments need to uphold the tax principles and design a tax compliance system that will encourage taxpayers to participate in national building exercises, not discourage them. Towards this end, it needs to be examined whether the taxation regime is fair and whether it deviates from the taxation policy. Unfortunately, in case of taxation regime for the telecom sector in Bangladesh, we are not only having an unfair taxation regime, but also one that deviates from the taxation policy.

While we also have a situation of heavy taxation, the existing unfairness and the deviation from the policy are far more alarming for the industry. With regards to the unfairness of the taxation regime, the telecom sector is taxed at a rate that is unmatched by any other. This is quite perplexing when you consider that the telecom sector is the core enabler for the digital economy that is unfolding before us.

The sector creates one million job opportunities every year and contributes 7 per cent to the GDP right now. It is the key enabler for the blossoming mobile financial service (MFS) sector, e-commerce and the digital start-up community like Uber, Pathao and Shohoz. Literally, the digital economy is emerging on the back of the telecom infrastructure.

Besides, studies show a direct link between GDP growth and the growth of telecom and internet penetration. A study conducted by the International Telecommunication Union (ITU) in 2019 shows a 10 per cent increase in mobile broadband penetration yielded a 1.8 per cent increase in GDP for middle-income countries. Therefore, it is very clear that more fiscal space for the telecom operators can turbocharge the economic growth. In this context, the unfairness in the taxation regime is simply baffling.

With regards to the deviation from the taxation policy, it is commonly understood that a company will pay tax based on the revenue it generates. But in case of the telecom sector, we have a situation where telecom companies pay 2% of their revenue to the tax authorities whether they make any profit or not.

Let's suppose an operator's revenue in a year was Tk 100 crore. That means the operator will have to pay Tk 2 crore as the minimum turnover tax for the year. The operator has to finance the tax from the profit it had made. If the operator were to report losses, it would still have to pay the minimum 2 crore taka from its capital or through borrowing. This is outrageous! It is not that other countries don't have minimum tax, but they impose in an adjustable format, unlike us.

Just imagine, we are forcing the foreign investors of the sector who had brought the highest amount of foreign direct investment into the country over many years to park 2 per cent of their revenue as minimum tax payment. This is a clear deviation from the standard taxation policy. It certainly does not serve the country when it goes to the global market to look for potential foreign investors.

The minimum tax rate is sucking the oxygen out of the smaller operators who are striving hard to eke out a meagre profit. We hope that the tax authorities will acknowledge this predicament of the industry and relieve the small operators from this choke-hold.

Written by **Shahed Alam**,
Chief Corporate and Regulatory Officer, Robi Axiata Limited

Proposal for Budget 2022-23

The way Bangladesh has managed its economic recovery during this pandemic is better than the comparable economies. As per the GDP forecasts for FY 2022-2023, Bangladesh will be one of the faster growing nations in the near future. However, tax GDP ratio is still lowest in the region and tax collections might not increase as proportion to growth of economy when the SEZ becomes fully operational coupled alongside the fear of new Covid variants and geopolitical tensions which have already increased cost to the business. I would like to put forward some specific proposals keeping in mind the forthcoming budget for 2022-2023.

A. Rationalization of TDS rate

Last year, the Government reduced the company tax rate from 32.5% to 30%. Corporates have been claiming for a long time that Bangladesh's tax rate is significantly higher than its neighbors and competitors. Corporates demanded a further decrease in the tax rate this year as well. Higher tax rates create a reluctance on the part of corporates to pay taxes, which is considered to be one of the reasons for lower tax-GDP rates.

I would like to thank the Prime Minister and the Finance Minister for their courage in reducing the corporate tax rate from 35% to 30% in the last two years. There is a growing demand to reduce it further to 25%. But in reality, will the tax burden of corporates be reduced if the tax rate is reduced? Will Bangladeshi businessmen be able to compete with neighboring and competing countries?

At per latest annual report (AY 2019-2020) of NBR, almost 60% (41,804 cr) income tax is being collected by way of tax collection/deduction at source. Out of this, approximately 60% tax is collected under section 52, 53 and 53F

The importer has to pay 5% income tax at the time of importing the goods, i.e., if the importer of the goods sells it ready-made and if the net profit is more than 16.67%, then he can adjust the tax paid at the source. In addition, if the company imports raw materials, manufactures finished goods and supplies, its customer will maximum 7% tax from the source as per section 52, which is the minimum tax as per section 82 (c). In order to adjust the tax deduction, the company has to earn a further 23.33% net profit. In reality, most companies could not make such a profit under normal circumstances, and it is impossible in the case of Covid 19.

An example will perhaps better illustrate the scenario:

Suppose a company imported raw material worth BDT 30 crore in a year. At the time of import, the company had to pay 5% import tax amounting to Tk 1.5 crore. These products are manufactured and sold to its customers for BDT 50 crore. Out of this sale, Tk. 20 crore is sold to corporate customers whose taxes are deducted at the source. Under the earlier provision, another Tk. 1 crore is deducted at source and according to the current provision, Tk. 1.4 crore will be deducted at source. The remaining BDT 30 crore worth of products are sold normally. So, if the tax rate for such traders is reduced from 32.5% to 30%, will the tax burden of corporates be reduced?

Import dependent and supplier

Formula	Description	2020-21	2021-22
A	Sale	50	50
B	Purchase	30	30
C	Expenses	15	15
D = A-B-C	Profit	5	5
E	Tax rate	32.5%	30%
F = D X E	Tax on profits	1.63	1.5
G	Tax at source		
G-1 = B X 5%	At the import stage	1.5	1.5
G-2 = 20 cr X 5% & 7%	At the supply stage	1	1.4
Total	Tax burden	2.5	2.9
H = Total G/D X 100	Effective Tax rate	50%	58%

It is evident from the table above that in the case of such corporates, if the sales and profits remain unchanged, their tax will not be reduced but the effective tax rate will be increased from 50% to 58% because of increase in the rate of withholding tax. The reverse tax burden is increasing due to unchanged source tax collection at the import stage and increase in the source tax rate at the supply stage.

Hence, it is very important for the Government to reduce the tax collection at source to at least 3% from 5%. Recently there is a significant growth observed in terms of import of goods. There is also an upward trend of devaluation of USD. Hence, overall collection from import is unlikely to fall even if the tax at source is reduced. This will give a big relief to the local manufacturer.

Construction company

Suppose a company does construction work worth BDT 100 crore a year. The cost of that company is BDT 75 crore per year. According to the earlier provision, a withholding entity deducts Tk 5 crore from the source and according to the current, Tk 7 crore will be deducted from the source. So, if the tax rate for such construction company is reduced from 32.5% to 30%, will the company's tax be reduced? Let us have a look.

Formula	Description	2020-21	2021-22
A	Revenue	10	10
B	Expenses	8	8
C = A-B	Profit	2	2
D	Tax rate	32.5%	30%
E = C X D	Tax on profit	0.65	0.60
F	Tax at source		
F-1 = A X 10%	At the supply s	1	1
Toral F	Tax burden	1	1
G = Total F/C	Tax burden rate	50%	50%

It is evident from the table above that in the case of a service provider, even if their revenue and profits remain unchanged, their tax burden will not be reduced but will remain unchanged even though the proposed tax rate reduction should have reduced their tax burden.

Currently, DVS (Document Verification Systems) has been introduced through joint initiative by NBR and ICAB. The tax authorities can easily identify the profitability of the industry by analyzing the income and profit before tax information available in DVS.

Therefore, if the rate of collection and deduction at source, especially in sections 52, 52AA, 53 of the Income Tax Ordinance, 1984, is not reduced, the corporate tax rate will not be reduced, and the tax burden of corporates will not be reduced.

Are we still comparable?

Although the current corporate tax rate has been reduced, let us see what the difference is with neighboring and competing countries:

Country	Tax rate
India	25%-30%
Indonesia	22%
Malaysia	25%
China	25%
Vietnam	20%
Thailand	20%

The table above shows that our tax rates are still high which reduces the net income of the companies and leaves them behind in the competition. Increasing income will increase investment which will create new employment in Bangladesh and will assist in generating revenue. Reducing tax rates will encourage companies and increase transparency in financial statements. As a result, it will help increase the revenue collection of Bangladesh. Many people think that reducing the tax rate will reduce the revenue collection. However, it can be seen that in the tax year 2013-14 to 2014-15, the tax rate was reduced from 37.5% to 35% but the revenue collection increased from Tk 125,000 crore to Tk 135,028 crore. Although the tax rate was reduced from 35% to 32.5% last year due to the prevalence of corona, the revenue collection has increased by 12.87% from July 2020 to April 2021.

B. Some sections need to be gradually withdrawn from section 82C

Currently tax deducted or collected at source under section 52, 52AA, 53, 53E is considered as minimum tax. Income tax is a tax leviable only on the income of a taxable entity not on the sale or receipt of a transaction.

A corporate taxpayer is required to keep accounting and compliance in accordance with the International Financial Reporting Standards. Audited financial statements are verified through DVC. A corporate taxpayer is required to submit a single audited financial statement to the lending banks, NBR, RJSC, the Securities Exchange Commission, the Financial Reporting Council. Hence, reliability on audited financial statement will increase. As such it is recommended to exclude the deductions / taxes levied at the source under Section 52, 52AA, 53, 53E from minimum tax u/s 82c.

C. Treatment of disallowances (Over burden of tax)

As per current provision under section 30B, the amount of disallowances under section 30 shall be treated separately as "Income from business or profession" and tax will be payable thereon at the regular rate.

The introduction of section 30B in the Income Tax Ordinance 1984 is not consistent with the principles of the Income Tax Act. Under this section, a company has to pay tax at regular rate on those expenses if there is any unauthorized expenditure under section 30, even if the company incurs loss. Section 30 of the Income Tax Ordinance applies to unapproved expenses. But there are some provisions under section 30 under which companies voluntarily pay taxes, such as:

- Excess perquisite u/s 30 (e),
- Royalty, technical fees u/s 30 (h),
- Incentive bonus u/s 30 (j) and
- Foreign travelling u/s 30 (k).

It is, therefore, more reasonable to apply the provisions of section 30B, only for non-compliance under section 30 for matters relating to:

- Non deduction of tax at source
- Not obtaining ETIN
- Non-payment through banking channel

D. Increase Tax net

We have recently witnessed the benefit of integration between BRTA and NBR. Now undisclosed vehicle can be traced with the ETIN. Specific proposals for increasing the tax net are as follows:

- Integration of NBR server with Land records office server to run and reconciliation of both of the servers on yearly basis. This will confirm the disclosure of land assets to the tax file the assessee.

While processing the tax return it will automatically generate exception report to the assessing officer if an assessee does not report the buy/sell of property in their tax return.

Section 184 (3) (vii) requires submission of TIN for registration of land, building or apartment. Many do not disclose land purchase / sale information in their tax files. As there is no link between the Land Records Office and the NBR, the tax authorities are unable to identify such transactions and the scope for undisclosed assets remain. If the amount / account of undisclosed land can be calculated by coordinating with the server of the Land Records Office and the income tax return filed with the NBR, then the amount of tax payable on undisclosed income and income can be determined. This will increase the revenue of the Government and reduce the number of undisclosed lands in future.

In this case MOU with NBR and LGRD Ministry will be able to prevent tax evasion by checking the taxpayer's return through the tax inspector with the account of land / property registration against TIN.

- It is also recommended to insert in section 184A of the ITO, 1984 that submission of ETIN mandatory at the time of filing holding tax returns. This will confirm the disclosure of assets to the tax file the assessee.

Those who have land or building in City Corporation area are required to pay holding / municipality tax. There is a tendency that an assessee pays holding tax to City Corporation but do not disclose the asset in the income tax return despite having property in the area and the Government is deprived of the due revenue. It is presumed to have taxable income if you have property in City Corporation area. Therefore, it should be made compulsory for the person who is paying holding tax to submit TIN. NBR may collect the information centrally and circulate zone-wise record so that the same can be reconciled with the tax return submitted by the assessee.

E. Increasing number of return filing

As per the news published in the newspaper approximately 42% ETIN holder submitted their tax return for the assessment year 2020-2021 and the percentage is declining on year by year although return submission has been made mandatory from AY 2020-2021.

AY	No. of assesse submitted tax return	No. of ETIN Holder	Percentage
2019-20	2.2 million	3.82 million	57.65%
2018-19	2.1 million	3.5 million	60%
2017-18	1.82 million	2.8 million	65%
2016-17	0.965 million	1.2 million	80.42%

Those data revealed to us that no. of assessee submitted tax return has declined based on the no. of TIN holder. A question may come why such trend was happened.

The underlying reason for such deviation is that through Finance Act 2017, NBR inserted a new section 184A where NBR accommodated a provision that in certain cases it is mandatory to show proof of TIN Certificates to get the services as mentioned in section 184A. After insertion of this section many individuals and corporate houses collected TIN Certificate to avail those services hence the number of TIN holder was increased substantially in that year.

NBR will remind/inform ETIN holder to submit their return over cell phone (by messaging/calling). Mobile numbers of all non-filers need to be collected centrally and can be used for sending SMS and subsequent follow up through the concerned circle. NBR can also outsource the communication to a call center. In extreme cases NBR may request BTRC to cancel SIM cards and not to issue new SIM cards to non-filers.

These activities will help increase the rate of return submission. Currently, many taxpayers do not file income tax returns even after taking TIN. Many taxpayers will be tempted to file returns if the NBR provides notification to the taxpayers through text messages or emails from time to time. Taxpayers are now asked to file VAT returns with future penalties through regular messages or emails from the VAT circle. In this way the taxpayers are informed about the return submission and submit the return. If the NBR informs the taxpayer through various communication with the mobile number from the taxpayer's database, the amount of return submission will increase.

Currently Bangladesh Investment Development Authority (BIDA) requires a company to file tax clearance certificate of the company while issuing/renewing work permit of expatriates. However, all companies are not required to be registered with BIDA and all companies do not employ foreign national.

(i) chambers not to renew membership of a member failing to file copy of the acknowledgment receipt of tax return.

(ii) require the professional bodies not to renew the practicing license to the professional accountants, doctors, engineers if they fail to submit proof of tax return filing.

F. Digitization of legal activities

Although the Income Tax Ordinance, 1984 introduced electronic filing for returns as a step towards digitization, the present Income Tax Ordinance, 1984 does not provide for any method of hearing, appeal, and tax assessment through electronic means. Online hearings have been introduced during the covid epidemic in the High Court and elsewhere. This system has been introduced in the neighboring country, India. The introduction of electronic means of appeal and hearing will reduce the embarrassment of both the taxpayer and the revenue officer.

Written by **Snehasish Barua,** FCA, ACA (ICAEW), Partner, Snehasish Mahmud & CO. (SMAC)

Regulatory Framework, Covid-19 Pandemic and Sluggish Rate of Inward FDI in Bangladesh

Despite the severe hit of the Covid-19 pandemic on the economy, Bangladesh's economy is enjoying a rapid and stable growth rate of around 6% per annum during the last two decades, making Bangladesh the next Asian Tiger and one of the fastest-growing economies globally. On 24th November 2021, the United Nations General Assembly adopted the resolution and announced the graduation of Bangladesh from the Least-Developed Country to the Developing Country category. The graduation from the Least-Developed country to the current Developing Country status widens the golden opportunity to grow rapidly as the Developing Country status of Bangladesh will create more credibility and confidence in the foreign investors to invest in Bangladesh. The country needs massive foreign investments, particularly in improving multimodal connectivity ranging from road, rail, and river to sea connectivity, building appropriate infrastructure, ensuring sustainable and renewable power and energy base, and establishing modern technology-based industrialisation and ICT-based service industry.

However, historically, the stable economic development of Bangladesh did not convert to a significant amount of Foreign Direct Investment (FDI). As a result, the share of Foreign Direct Investment in the GDP is comparatively low compared to regional partners and competitor countries. Before the Covid-19 pandemic hit, Bangladesh received an amount of US$2.874 billion FDI in 2019, significantly lower than China (US$141.22 billion), Brazil (US$65.37 billion), India (US$ 50.56 billion), Turkey (US$9.29 billion), and Cambodia (US$3.62 billion). Bangladesh's inward FDI growth rate in 2019 was negative (-20.46%). On the other hand, the subsequent growth rate of the competitor countries was positive, 9.34% for Brazil, 14.16% for Cambodia, 2.11% for China and 19.93% for India.

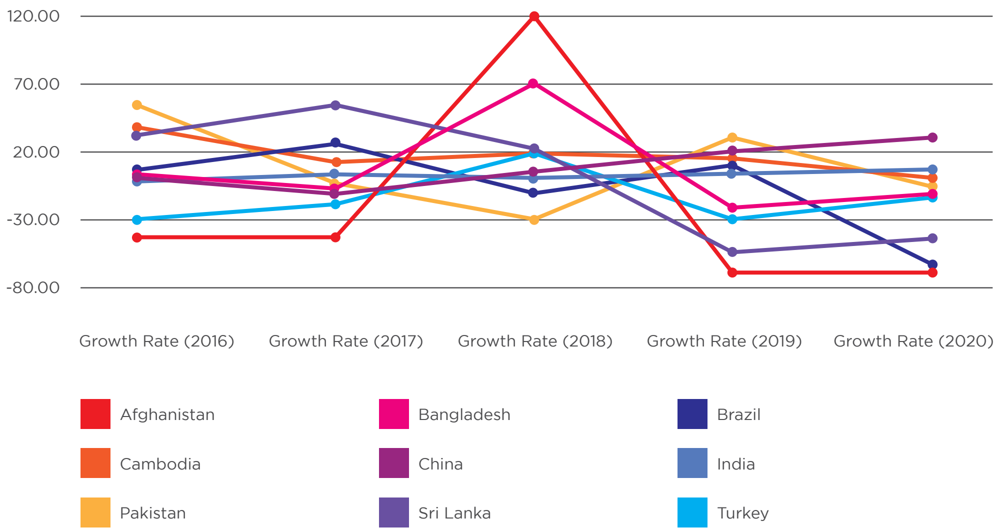
Table: The Trends and Subsequent Growth Rate of Inward FDI in Bangladesh and its Competitor Countries.

Country	2015 (in million US$)	2016 (in million US$)	Growth Rate (in %)	2017 (in million US$)	Growth Rate (in %)	2018 (in million US$)	Growth Rate (in %)	2019 (in million US$)	Growth Rate (in %)	2020 (in million US$)	Growth Rate (in %)
Afghanistan	163.10	93.59	-42.62	53.39	-42.95	119.44	123.71	38.53	-67.74	12.97	-66.34
Argentina	11758.99	3260.16	-72.28	11516.86	253.26	11872.86	3.09	6663.06	-43.88	4122.73	-38.13
Bangladesh	2235.39	2332.72	4.35	2151.56	-7.77	3613.30	67.94	**2873.95**	-20.46	2563.58	-10.80
Brazil	49961.37	53700.38	7.48	66584.93	23.99	59802.41	-10.19	65386.04	9.34	24777.73	-62.11
Cambodia	1822.80	2475.92	35.83	2785.73	12.51	3207.59	15.14	3661.93	14.16	3624.64	-1.02
China	135577.00	133711.00	-1.38	136315.00	1.95	138305.00	1.46	**141225.00**	2.11	149342.00	5.75
India	44064.10	44480.57	0.95	39903.84	-10.29	42156.19	5.64	50558.33	19.93	64061.91	26.71
Pakistan	1673.00	2576.00	53.97	2496.00	-3.11	1737.00	-30.41	2234.00	28.61	2105.00	-5.77
Sri Lanka	679.66	897.05	31.99	1372.72	53.03	1614.04	17.58	758.19	-53.03	433.87	-42.78
Turkey	18976.00	13651.00	-28.06	10965.00	-19.68	12840.00	17.10	9290.00	-27.65	7880.00	-15.18

Source: Calculation based of the data collected from UNCTAD.

The statistics show that, even before the Covid-19 pandemic, the inward FDI in Bangladesh had a downward trend. Moreover, the statistics state that the downward trend of inward FDI in Bangladesh was lowered further and was the lowest among the major competitor countries during the pandemic (2022). According to the statistics of UNCTAD, the GDP-inward FDI ratio is only around one (1%), one of the lowest in Asia. Even, during the beginning of the pandemic, in 2022, most of the developing countries, such as China (US$149.34 billion), India (US$64.7 billion), Brazil (US$24.78 billion), Turkey (US$7.89 billion, Cambodia (US$3.62 billion), received more FDI, compared to Bangladesh (US$2.56 billion, where US$1.6 billion from the reinvestment of the current foreign investors).

Percentage-wise Growth Rate of Bangladesh and other Competitor countries (2016 to 2020)



Source: Calculation Based on the Data Collected from World Data Indicators (WDI), World Bank

Covid-19 Pandemic and Impact on Foreign Investment

The World Investment Report, 2021, published by the UNCTAD, predicted that the recovery of the FDI in Bangladesh would require more time than expected. In 2020, the FDI inflows in Bangladesh had declined 11 per cent to $2.6 billion. The report also suggests that the general economic activities and FDI shrank in the country's export-oriented garment manufacturing, as $3 billion worth of export orders, primarily from the United States and the European Union, were cancelled. Foreign investment inflows are shifting away from large non-renewable energy and finance projects towards fintech, the pharmaceutical industry, liquefied natural gas plants and agribusiness, which the Government is actively promoting. Although the economy is recovering gradually from the shock of the pandemic, thanks to the growth of export, particularly RMG exports and inflows of remittances, the inward FDI recovery rate is not promising. The data from Bangladesh Bank also suggest that the inward FDI in Bangladesh during the pandemic is decreasing. From January to June 2021, Bangladesh received an amount of US$ 1.13 billion in FDI, which is 4.74 per cent lower than the inward FDI from January to June 2020.

Poor Share of FDI: Limiting the Development Potential of Bangladesh

The historical trends of Foreign Direct Investment (FDI) in Bangladesh suggest that the FDI-GDP ratio is very low. Although the role of FDI in employment generation, industrialisation, and socio-economic development has a very positive impact globally, Bangladesh has failed to achieve the potential of attracting a higher amount of FDI, resulting in a sluggish rate of private sector investment. The lower rate of inward FDI and private sector investment results in lower macro-economic growth potential in Bangladesh. The below figure suggests that the share of FDI in the GDP of Bangladesh is very low, below one (1) per cent of the GDP.

The last five-year plan (7th) sets the target that the FDI should be increased substantially to US$9.6 billion by FY20. However, the country could not be able to fulfil the target and was able to attract only US$2.56 billion. The latest 8th Five Year Plan (July 2020 - June 2025) sets the target of increasing the FDI-GDP ratio to three (3) per cent to current around 1%. To achieve this aspirant level of inward FDI, Bangladesh needs to take prompt steps to reform its current complicated regulation base and investment climate to a business-friendly and simple regulatory framework and business climate.

Table: Percentage (%) Share of FDI to the GDP of Bangladesh

	FY2018-19	FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
Gross Investment (as % of GDP)	31.57	31.75	32.56	32.73	34.00	34.94	36.59
Private Investment (as % of GDP)	23.54	23.63	24.41	24.53	25.32	26.08	27.35
Share of FDI in total investment (% of GDP)	0.87	0.54	0.83	1.35	1.9	2.5	3
Public Investment (as % of GDP)	8.03	8.12	8.15	8.2	8.68	8.86	9.24

Source: 8th Five Year Plan, (FY2021-25), Bangladesh

Slow Establishment of Special Economic Zones

The Government of Bangladesh has taken initiatives to establish 100 Special Economic Zones (SEZ) across the country to encourage both local and foreign investors to invest in these zones to build their factories and operate their businesses. In November 2010, the Government established the Bangladesh Economic Zones Authority (BEZA) under the Bangladesh Economic Zones Act, 2010, aiming to establish 100 SEZs across the country by 2030.

Till the day, BEZA got approval to establish 97 economic zones, including 68 Governments and 29 private EZs. However, the number of full-phased operational SEZs is abysmal. Most of the proposed SEZs are on feasibility studies, land acquisition and identifying area-specific social and environmental initiatives stage. The establishment of SEZs are facing difficulties due to the constraints emerging from serious land shortage and the associated complex land acquisition process.

Poor Performance in Ease of Doing Business and Global Competitiveness Index

Historically, the Ease of Doing Business and the Business Enabling Environment are not up to the standard, reflecting foreign investors' lower confidence, resulting in poor foreign investments in Bangladesh. Nowadays, the annual figure of the FDI in Bangladesh is mainly driven by reinvestment from current investors. Besides, a significant share of new FDI in Bangladesh primarily comes from the G2G level investment in infrastructural development, power and energy sector. In the last Ease of Doing Business Index (2019), Bangladesh ranked 168 among 190 countries and one of the lowest-ranked countries in South Asia before Afghanistan (173). Furthermore, Bangladesh's rank on World Economic Forum's Global Competitiveness Index (GCI) was 105 out of 140 countries in 2019. Both the indexes state that the Business Environment in Bangladesh is suffering from a lower connectivity level, lack of adequate infrastructure, higher transaction costs for paying taxes, property registration, enforcing contracts and trading across borders. Besides, scarcity of serviced land with adequate utility services (electricity, water, gas, waste-water treatment plant and solid waste management facilities) hinders investment opportunities in the industrial and manufacturing sectors.

Way-forwards:

Streamlining Regulatory Framework: The Key to Attracting FDI in Bangladesh

Currently, Bangladesh receives one of the lowest amounts of FDI compared to other developing countries. However, the FDI amount received by the other developing countries states that there is a colossal potential for increasing inward FDI in Bangladesh. To untap the potential, the first and foremost initiative the Government needs to take without any delay is to streamline, reform and simplify all the regulatory and policy frameworks. For example, the country needs to reform its international trade policy and develop a comprehensive trade policy to reduce the anti-export bias. Similarly, the Government needs to develop a comprehensive FDI policy by reforming the current Foreign Private Investment Promotion and Protection Act 1980, which is outdated and needs immediate reform. The new comprehensive FDI policy to promote and facilitate the interest of foreign investors would be the key to attracting more FDI to Bangladesh.

Institutional Reformation and Strengthening of BIDA

As the country's sole and apex authority to enhance the FDI, Bangladesh Investment Development Authority (BIDA) needs to be truly functional and strengthened. Along with the BIDA officials' capacity building, it is necessary to make the BIDA One-Stop-Services accurately functional so that an investor can get all the necessary services/permissions /registrations from the BIDA to open their business in Bangladesh.

Although BIDA is providing some of the services online through the BIDA OSS system, the number of services is minimal, and some Government agencies are not cooperating wholeheartedly to provide the services through BIDA OSS. To make the BIDA OSS system fully functional, the BIDA needs to be adequately strengthened to become an effective investment promotion agency.

Besides, evidence-based research and study are needed to identify the complex and unnecessary steps for approval, which need to be removed and streamlined. Moreover, the number of permissions and regulatory regimes need to be minimized and simplified to set up new businesses and foreign investments. Implementation of ICT-based service facilities in each regulatory body must be mandatory. The service facilities of the regulatory and public offices, particularly approvals /permissions for property registration and getting utility services (electricity and gas connection), need to be streamlined and simplified. Prompt initiatives are required to formulate appropriate legal measurements for the bankruptcy law and contract enforcement regulations. Furthermore, the online payment system of tax, VAT and other fees must be simplified and less burdensome.

Patronizing the Export-led Growth Strategy rather than Import-Substitute Industrialization:

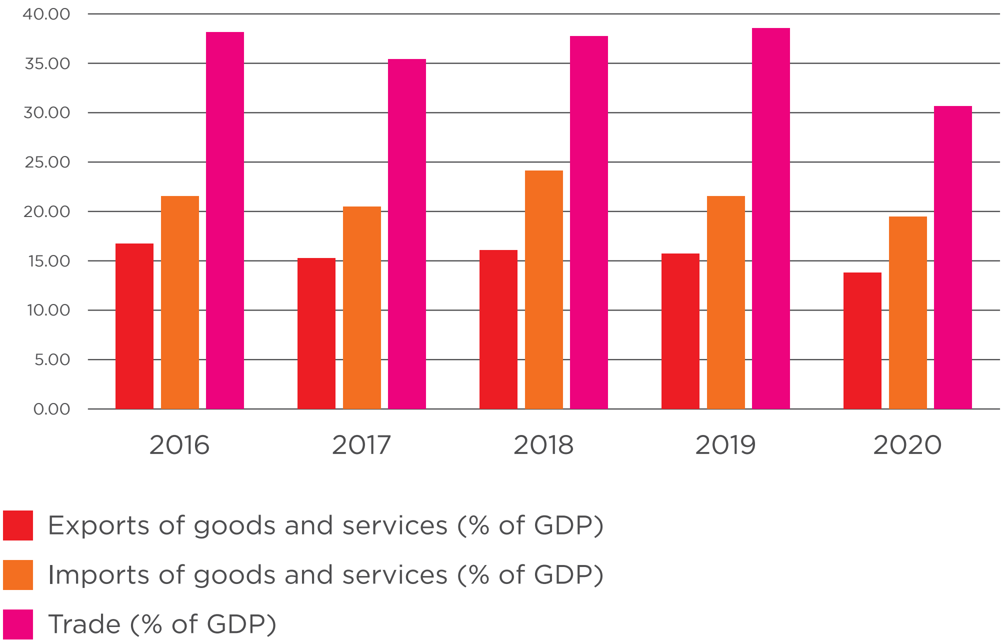
Currently, Bangladesh has taken the export-led growth strategy and encouraged businesses to go global and actively participate and be integrated into the Global Value Chain (GVC). Bangladesh needs to be more focused on attracting foreign investments into the sectors that are the part of global value chain mechanism and provide the foreign investors favourable policy support and incentives to invest in export-oriented industries rather than import-substitution production. Currently, the global value chain is more integrated than in the past, and some countries like Vietnam, South Korea, and Malaysia, driven by the export-led growth strategy, have successfully attracted massive FDI and become significant players in the global value chain. Following these success stories, Bangladesh needs to be more active and take prompt initiatives to facilitate and attract FDI in export-oriented industries.

In some cases, product diversification and export market expansion are hindered by the limited domestic capital, technology and market knowledge. On the other hand, foreign investment can promote product quality improvement and product diversification. The export-driven FDI can also promote technological renovation and up-gradation in the domestic market, and makes the products more competitive in the foreign market. This also creates a positive impact on domestic investors, as they need to compete with foreign investors and upgrade technology, making the domestic products more competitive and helping to gain access to the global market. Furthermore, with their modern technology-based production process, skilled managerial capacities and better international knowledge, foreign investors are expected to enhance the product quality and new product development, and exportation to new destinations. Domestic producers can follow the footsteps of the FDI-export firms to improve their product quality and make them globally competitive. FDI can also promote exports of domestic firms by teaching proper marketing strategies, methods, procedures, and distribution channels.

Written by **Tapas Chandra Banik**,
Manager, Policy, Research, and Regulatory Affairs, FICCI

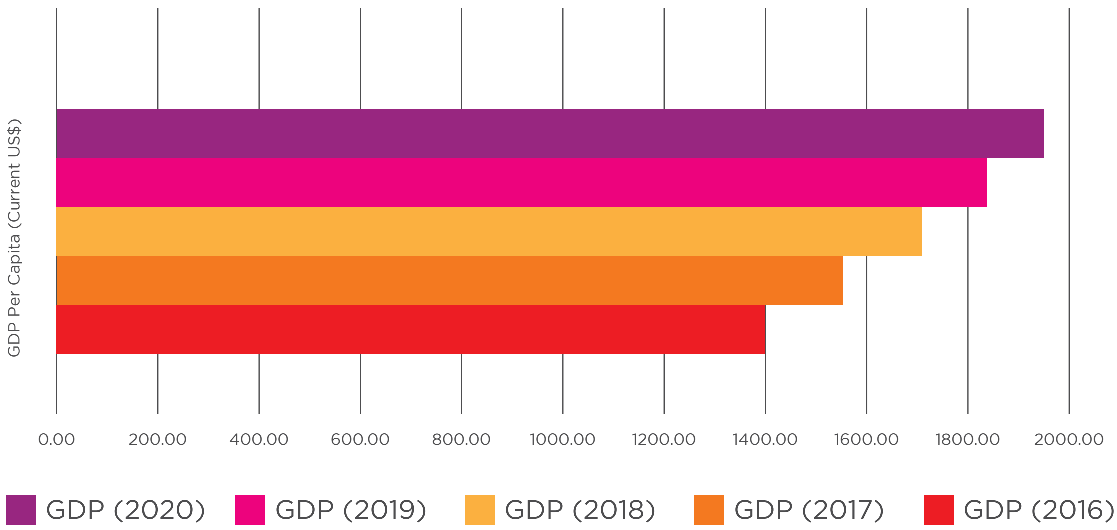
Key Economic Indicators

Share of Export, Import and Total Trade of Goods and Services to the GDP of Bangladesh



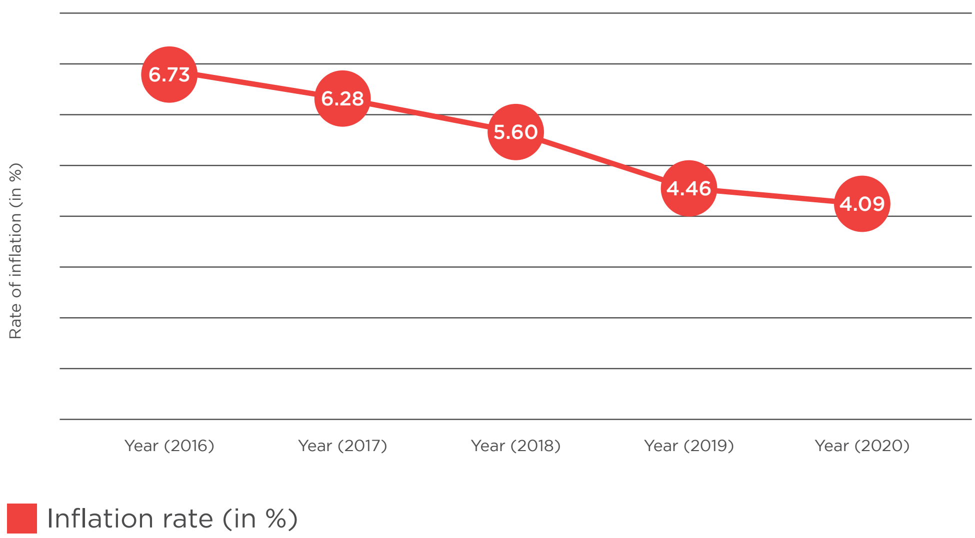
Source: Calculation Based on the Data Collected from World Data Indicators (WDI), World Bank

GDP Per Capita of Bangladesh (in Current US$) for 2016-2020



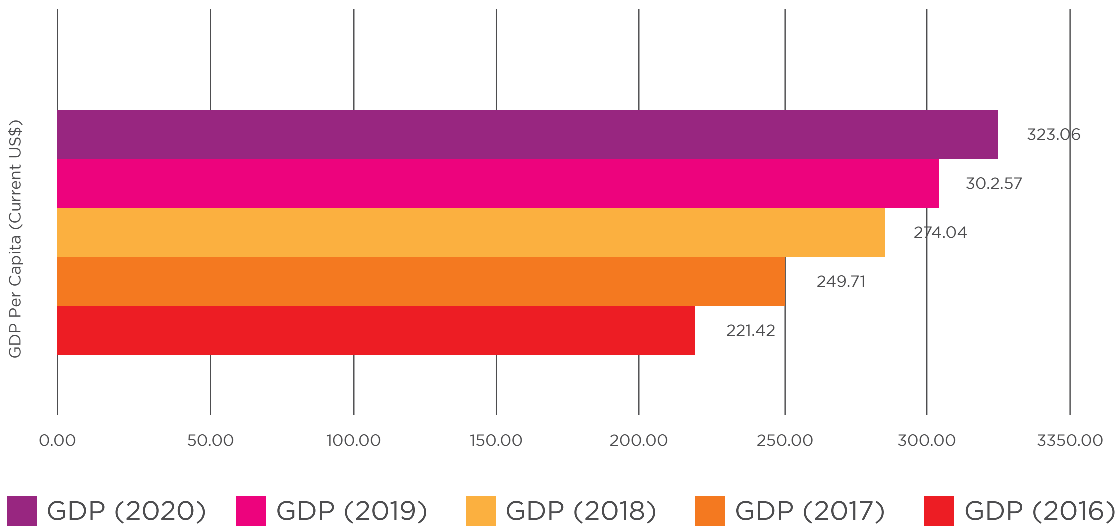
Source: Calculation Based on the Data Collected from World Data Indicators (WDI), World Bank

Annual Inflation Rate (in %) of Bangladesh from 2016 to 2020



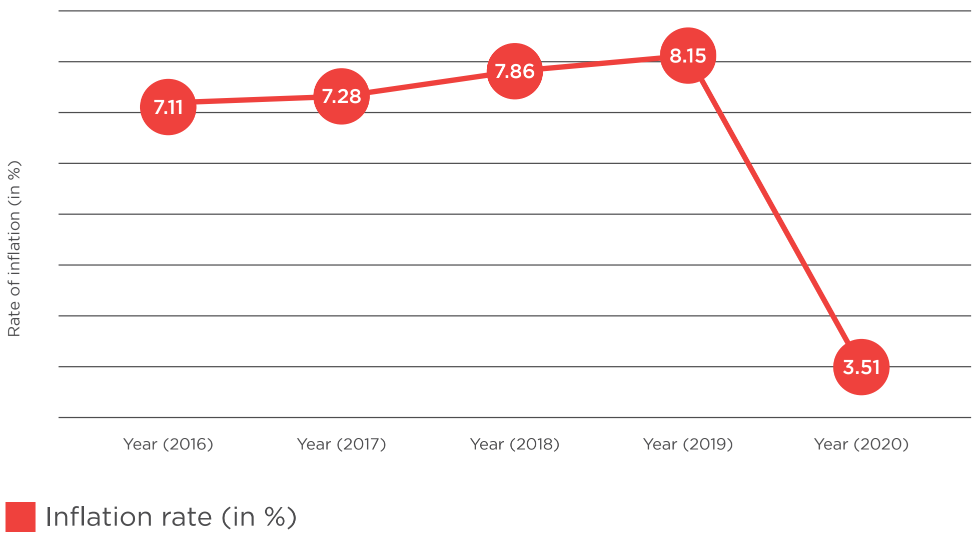
Source: Calculation Based on the Data Collected from World Data Indicators (WDI), World Bank

Annual GDP (in Billion US$) of Bangladesh for 2016-2020



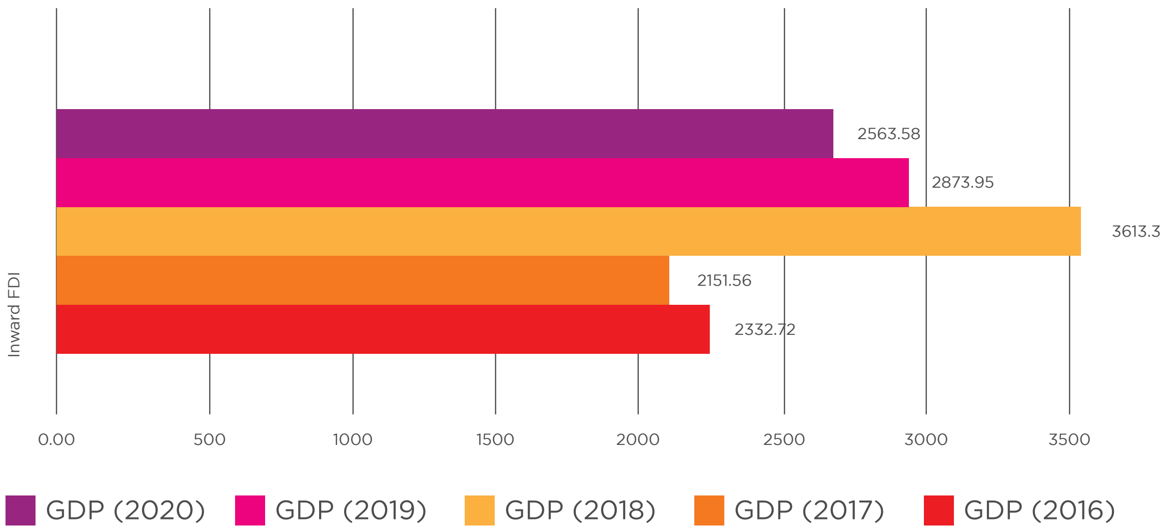
Source: Calculation Based on the Data Collected from World Data Indicators (WDI), World Bank

GDP growth Rate (in %) of Bangladesh for 2016-2020



Source: Calculation Based on the Data Collected from World Data Indicators (WDI), World Bank

Annual inwad FDI (in Million US$) of Bangladesh for 2016-2020

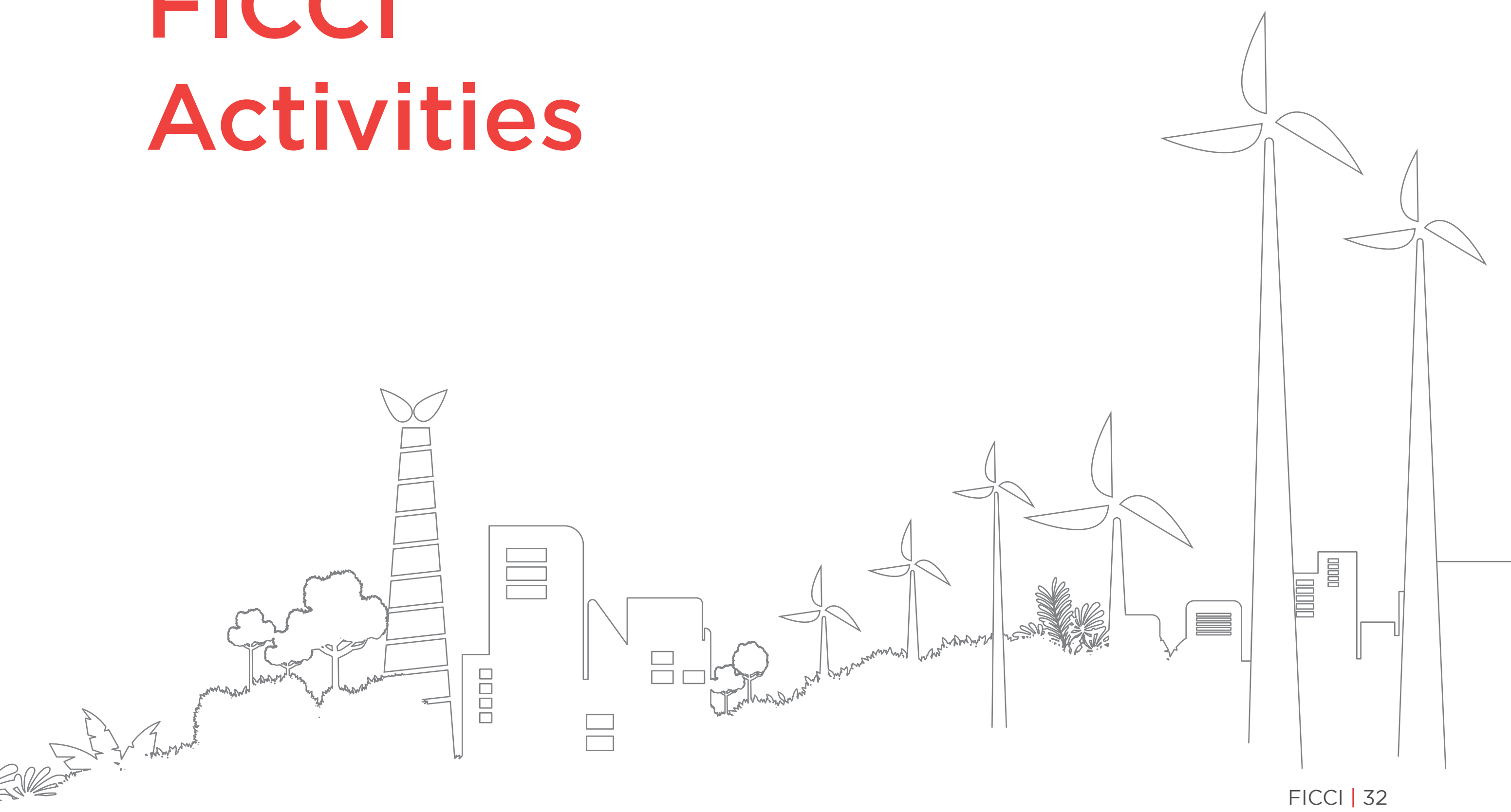


Source: Calculation Based on the Data Collected from World Data Indicators (WDI), World Bank

Our Journey Will Continue For A More Glorious Bangladesh

as we still have a long way to
go with many roads unexplored.

FICCI Activities



FICCI's celebration of 50th Year Independence of Bangladesh

FICCI Celebrates the 50th year of the Bangladesh's Independence and the Birth century of our Father of the Nation Bangabandhu Sheikh Mujibur Rahman on 21st November 2021 at Sheraton Dhaka, Banani. Hon'ble Planning Minister, Govt. of Bangladesh was the Chief Guest and Private Industry and Investment Adviser to the Hon'ble Prime Minister was the Special Guest on the occasion.


FICCI
FOREIGN INVESTORS'


FICCI


FICCI
FOREIGN INVESTORS'


FICCI
BRANDING
BANGLADESH


FICCI
CHANGING
THE LANDSCAPE OF
BANGLADESH

FICCI's Participation in Draft Income Tax Law 2022 Workshop organized by the NBR

A meeting to present the FICCI's proposal on draft Income Tax Law-2022 was held on 30th December 2021 at the conference room of National Board of Revenue (NBR). Mr. Abu Hena Rahmatul Munem, Chairman, NBR presided over the meeting. Mr. Naser Ezaz Bijoy, President, led the FICCI delegation to attend the meeting.

Pre-Summit Investment Dialogue on Private Investment Potential in Bangladesh in the context of Vision - 2041

FICCI and BIDA jointly organized the first pre-summit Investment Dialogue on Private Investment Potential in the context of Vision - 2041 on 22nd November 2021 at the BIDA Multipurpose Hall. The Dialogue was moderated by FICCI Executive Director Mr. T. I. M. Nurul Kabir. Mr. Salman F. Rahman, Hon'ble Private Industry and Investment Adviser to the Hon'ble Prime Minister, Mr. Md. Sirazul Islam, Chairman, BIDA, Mr. Md. Jashim Uddin, President, FBCCI, Ms. Rupali Haque Chowdhury, President, FICCI, Dr. Masrur Reaz, Chairman, Policy Exchange Bangladesh were the discussants of the dialogue.

Pre-Summit Investment Dialogue on Investment Opportunities in Manufacturing and Service Sectors of Bangladesh

FICCI and BIDA jointly organized the second Investment Dialogue on Investment opportunities in manufacturing and service sectors of Bangladesh on 25th November, 2022 at the BIDA Multipurpose Hall. The Dialogue was moderated by Mr. Shehzad Munim, Former President, FICCI. Mr. Zaved Akhtar, MD & CEO, Unilever Bangladesh Ltd., Mr. Deepal Abeywickrema, MD, Nestle Bangladesh Ltd., Mr. Mahbub ur Rahman, CEO, The HSBC Ltd., and Mr. Syed Nasim Manzur, MD, Apex Footwear Ltd. was the discussants of the dialogue.

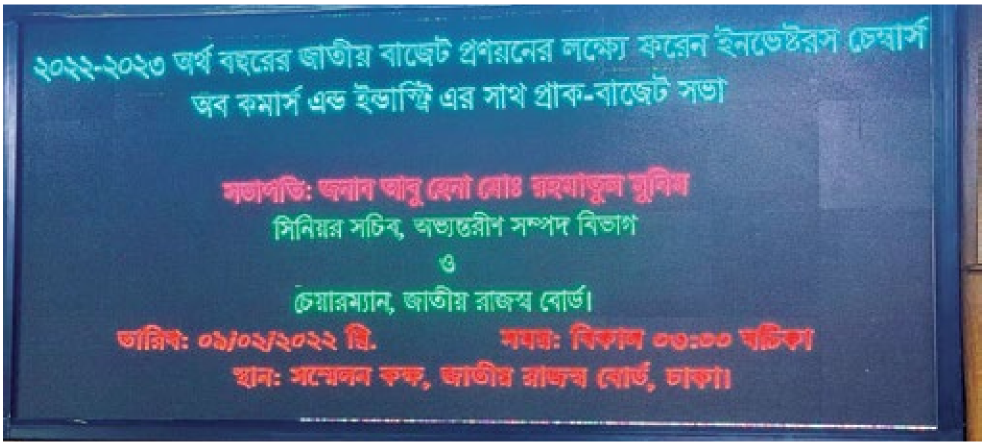
FICCI: The Proud Partner of International Investment Summit Bangladesh 2021

BANGLADESH INTERNATIONAL INVESTMENT SUMMIT 2021
DISCOVER LIMITLESS OPPORTUNITIES

FICCI was the proud partner of the International Investment Summit Bangladesh 2021 held on 28th-29th November, 2021 at the Radisson blu Water Garden Hotel Dhaka. Hon'ble Prime Minister Inaugurated the opening ceremony of this summit virtually.

FICCI's participation in Pre-Budget Consultation with NBR

FICCI President Mr. Naser Ezaz Bijoy led the FICCI delegation to present the FICCI's proposals (Income Taxes, VAT and SD, and Customs) on National Budget 2022-23 on 09th February 2022 at the NBR Conference room. The meeting was presided over by the NBR Chairman, Mr. Abu Hena Rahmatul Munem. The Chamber submitted its recommendations and proposals on National Budget 2022-23, and also presented the proposals to the NBR.



58th FICCI Annual General Meeting (AGM)

The 58th AGM of the chamber 2020-21 was held on 05th December 2022 at the Renaissance Hotel, Gulshan, Dhaka. FICCI President Mrs. Rupali Haque Chowdhury presided over the AGM.

New FICCI Executive Committee 2022-23 and Election of President, Vice President of the Chamber

The New FICCI Executive Committee 2022-23 has took place on 1st of January 2022. Mr. Naser Ezaz Bijoy, Chief Executive Officer of Standard Chartered Bangladesh was elected as the President, and Mr. Neil Coupland Managing Director of the United Dhaka Tobacco Company Ltd. was elected as the Vice President of the New Executive Committee 2022-23.

Strategic Planning Meeting of FICCI Executive Committee 2022-23

The Strategic Planning Meeting of the New FICCI Executive Committee 2022-23 was held on 30th January 2022. The meeting was presided over by Mr. Naser Ezaz Bijoy, President, FICCI.

Courtesy Call Meeting with the Honorable Minister and State Minister of Ministry of Planning

FICCI Delegation headed by Mr. Naser Ezaz Bijoy, President, FICCI, attended the courtesy call meeting with Honorable Planning Minister, Mr. M. A. Mannan M.P at his office on 17th February 2022. Delegation also met with the Honorable State Minister of Planning, Dr Shamsul Alam at his office.

Courtesy Call Meeting with Honorable Minister, Ministry of Industries.

Vice President, Mr. Neil Coupland led the FICCI delegation to attend the Courtesy Call on Meeting with the Honorable Industries Minister, Mr. Nurul Majid Mahmud Humayun on 23rd March, 2022 at his office.

Courtesy Call with the Senior Government Officials

FICCI delegation, led by Mr. Naser Ezaz Bijoy, President, FICCI attended the Courtesy Call on Meeting with the Honorable Principal Secretary, Dr. Ahmad Kaikaus on 29th March, 2022 at his office. Mr. Neil Coupland, Vice President, FICCI, and Ms. Shwapna Bhowmick, member of the Executive Committee, and T.I.M. Nurul Kabir, Executive Director were also present at the meeting.

FICCI delegation, led by Mr. Naser Ezaz Bijoy, President, FICCI, attended the Courtesy Call on Meeting with the Honorable Senior Secretary, Mr. Abdur Rouf Talukder at his office. FICCI Board of Directors, Mr. Jahangir Saadat, Mr. Zaved Akhtar, and Mr. Ala Uddin Ahmad, and FICCI Executive Director T.I.M. Nurul Kabir were also present at the meeting.

FICCI's participation in BIDA's meeting on FDI Policy Formulation

Mr. Md. Mahbub ur Rahman, Member of the FICCI Executive Committee, along with Mr. T. I. M. Nurul Kabir, FICCI Executive Director, attended the FDI Policy formulation meeting on March 06, 2022 at the BIDA conference room. The meeting was presided over by Mohsina Yasmin, Executive Member, BIDA.

Courtesy Call Meeting with Honorable Chairman and Members, Bangladesh Food Safety Authority (BFSA)

Mr. Deepal Abeywickrema, Member of the FICCI Executive Committee led the FICCI delegation to attend the courtesy call meeting with the Honorable Chairman, and Members of Bangladesh Food Safety Authority (BFSA) on 09th March 2022 at his office.

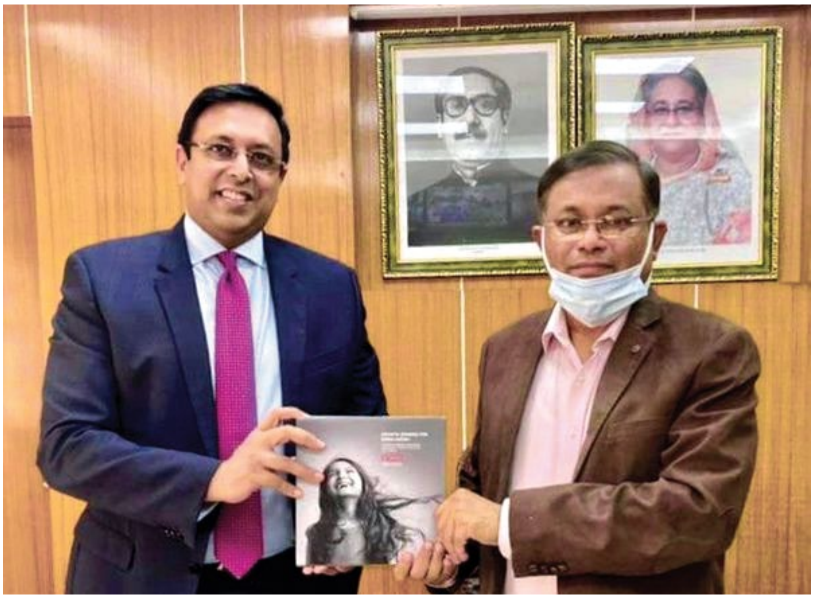
FICCI President's participation in the Post Event Workshop on International Investment Summit Bangladesh 2021

FICCI President, Mr. Naser Ezaz Bijoy attended the post event workshop on International Investment Summit Bangladesh 2021 as the Guest of Honor on 28th February 2022 at the Hotel Radisson Blu, Dhaka.

Orientation & Sensitization Program with BBDN

An orientation & sensitization program regarding building the disability confidence of FICCI Members in collaboration with BBDN was held on 06th January at 3:00pm at Police Plaza Conventional Hall, Dhaka.

President handed over the FICCI Research Book to the Honorable Information Minister of Bangladesh

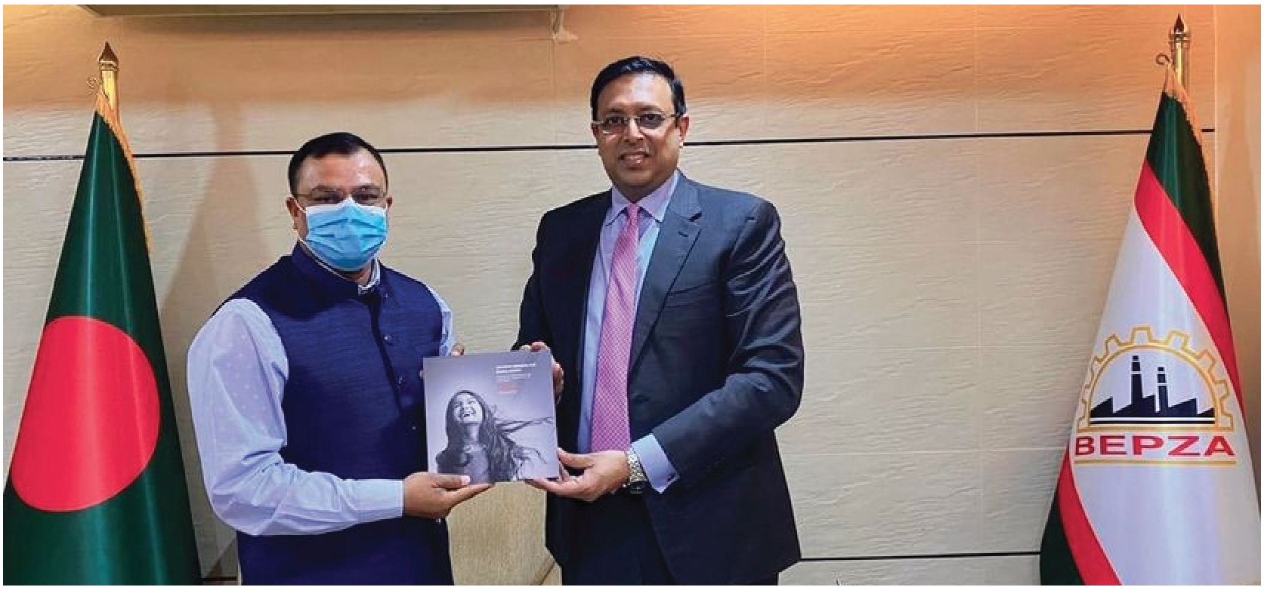


FICCI President had a meeting with Dr Hasan Mahmud MP, Honorable Information Minister of Bangladesh and handed over FICCI's research paper "New Growth Drivers of Bangldesh: Agribusiness, Digital Economy and Green Finance" to support Goverment's initiative for developed Bangladesh by 2041.

Executive Director handed over the FICCI Research Book to the Honorable Commerce Minister of Bangladesh

Mr. T.I.M Nurul Kabir, Executive Director of FICCI handing over FICCI's Research paper "Growth Drivers for Bangladesh - Accelerating Investment Opportunity in Agribusiness, Digital Economy and Green Finance" to Mr. Tipu Munshi, MP, Minister of Commerce of Bangladesh.

President handed over FICCI Research Book to the Executive Chairman of BEPZA



FICCI President Mr. Naser Ezaz Bijoy, handing over FICCI Research paper to Major General Abul Kalam Mohammad Ziaur Rahman, ndc, psc, Executive Chairman BEPZA.

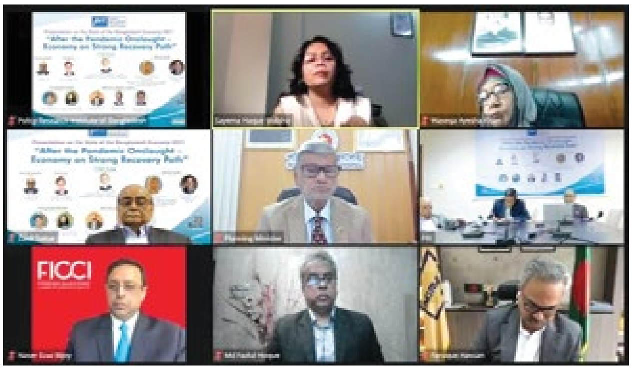
President handed over FICCI Research Book to Senior Secretary and Executive Chairman of BEZA

Mr. Naser Ezaz Bijoy, FICCI President handing over FICCI Research paper to Senior Secretary & Executive Chairman, BEZA, Mr Shaikh Yusuf Harun

President along with Executive Director handed over FICCI Research Book to FBCCI President

Mr. Naser Ezaz Bijoy, FICCI President along with Mr. T.I.M Nurul Kabir handing over FICCI Research paper to Mohammad Jashim Uddin, FBCCI President and Mr. Mostofa Azad Chowdhury Babu, FBCCI, Senior Vice-President.

FICCI President participated in the PRI Virtual Presentation on the “State of the Bangladesh Economy in 2021” as the Special Guest



Mr. Naser Ezaz Bijoy, FICCI president participated as the Special guest at the Virtual Presentation of Policy Research Institute of Bangladesh (PRI) on the State of the Bangladesh Economy in 2021. Ms. Waseqa Ayesha Khan, MP, Chairperson, Parliamentary Standing Committee on Ministry of Power, Energy and Mineral Resources (MoPEMR) attended as the Special Guest.


FICCI President joined PRI-World Bank seminar on “Incentives for Green Finance and Investment”

FICCI President Mr. Naser Ezaz Bijoy joined PRI-World Bank seminar on “Incentives for Green Finance and Investment” President handing over FICCI’s research report titled “3 Growth Drivers of Bangladesh: Accelerating Investment Opportunities in Agribusiness, Digital Economy and Green Finance to Dr Moshiur Rahman Hon’ble Advisor to HPM. Among others present in this event were Mr Iqbal Ahmed Harun - Add’l Secretary, Ministry of Environment , Dr Zaidi Sattar - Chairman PRI, Dr Sadeq Ahmed - VIce Chair, PRI, and Dr Ahsan Mansur - ED, PRI

Executive Director handed over the FICCI Research Book to the BGMEA President

Executive Director presented FICCI research paper "Growth Drivers of Bangladesh: Accelerating Investment Opportunities in Agribusiness, Green Finance and Digital Economy" to BGMEA President, Mr. Faruque Hassan.

FICCI President joined DCCI webinar on “Bi-annual Economic State & Future Outlook of Bangladesh Economy-Private Sector Perspective” as a Panel Speaker

FICCI President joined as a panel speaker in a webinar on "Bi-annual Economic State & Future Outlook of Bangladesh Economy- Private Sector Perspective" (July-Dec FY 2021-22) organized by DCCI. Governor Bangladesh Bank was present as the Chief Guest. Among other speakers was FBCCI President, MICCI President.

FICCI President joined the FBCCI Discussion Session on “Current Scenario of Circular Economy in Bangladesh: Problems and Prospects” as the Guest Speaker

Federation of Bangladesh Chamber of Commerce and Industry (FBCCI) organized an event to discuss the “Current Scenario of Circular Economy in Bangladesh: Problems and Prospects”. FICCI President Mr. Naser Ezaz Bijoy spoke as the Guest Speaker during the event.

Mr. Nurul Majid Mahmud Humayun, MP, Honorable Minister, Ministry of Industry was the Chief Guest of the event. Mr. Md Shabab Uddin, MP, Honorable Minister, Ministry of Environment, Forest and Climate Change was the Special Guest.

Extra-Ordinary General Meeting (EGM) of FICCI

The Chamber's Extra-Ordinary General Meeting (EGM) was held on Thursday, 31st March 2022, at 5:00 PM via the virtual Zoom Platform. The EGM was presided over by FICCI President, Mr. Naser Ezaz Bijoy.

Member Stories

Our member companies play a significant role in the growth of the country's economy,

but their contribution goes beyond the exchequer.

Probaho Leading the Way Towards a Safer Tomorrow

Water is inextricably linked to life. However, not just any water will suffice; it must be pure water! World Water Day is being commemorated across the country today with the goal of raising public awareness about the importance of safe drinking water. Additionally, the 1948 Universal Declaration of Human Rights recognized water as a fundamental human right, one that is protected by international law. This day is observed every year on March 22nd. Our lives would come to a grinding halt without water and similarly pure water determines the natural flow of the two most important factors that bind human life and livelihood together - Climate and Nature.

The presence of Arsenic contamination in Bangladesh was first observed back in 1993. Later on, it became widespread in shallow tube wells across numerous parts of Bangladesh. Consumption of arsenic -contaminated water resulted in significant health consequences for those exposed. Apart from arsenic contamination, the salinity of drinking water in the country's coastal regions has long been a concern. Due to the high salinity of tube well water, over 70% of coastal residents use pond water for drinking needs.

During the last 35 years, the region's water salinity has increased by 35% and continues to climb at an alarming rate each year. According to recent research by the World Bank, approximately 20% of women in coastal areas experience early miscarriages as a result of the dangerous effects of saline water, and 3% of children die prematurely. The terrible state of affairs further emphasizes the relevance of World Water Day in Bangladesh, more than in any other country.

The Government and numerous non-governmental organizations have launched a number of projects aimed at resolving the water crisis. 'PROBAHO' is one such initiative which has been establishing safe water plants in an effort to alleviate communities of clean water scarcity. PROBAHO has installed 111 water purification plants in 21 districts of Bangladesh during the past 12 years; additionally, PROBAHO has met the daily water needs of approximately 273,000 people by supplying 565,000 liters of pure water.

PROBAHO has been distributing purified water in arsenic-prone areas for more than a decade, including the tourist destination St. Martin's Island, the green city of Rajshahi, and the hilly areas of Bandarban. Istafunnesa, a 90-year-old woman from Amjhupi village in Meherpur district, described her predicament as follows: "Before this pure water project came to our area in 2011, it was extremely difficult for us to find arsenic-free drinking water." There were few sources of safe drinking water. We were forced to collect water from alternative sources such as rainwater or pond water, or from a two-kilometer-distance arsenic-free tube well. At the moment, we are protected from a variety of ailments due to our use of PROBAHO's pure drinking water."

Regrettably, the nation's salinity-prone coastal districts, particularly Satkhira, face extreme water scarcity.

Stepping into its 13th year, Probaho, in line with the government's initiative to secure access to safe drinking water in remote places, plans to establish multiple water purification plants for marginalized communities, which will primarily serve the coastal region's need for pure water.

The initiative's impact has been applauded through the bestowal of various awards such as the prestigious 'Asia Responsible Entrepreneurship Award (AREA)' in 2015 and "Bangladesh Innovation Award" 2018 by Bangladesh Brand Forum. The initiative proudly supports Bangladesh Government's aim to achieve Sustainable Development Goals (SDGs) #3 (Good Health & Wellbeing) and #10 (Reduced Inequalities) to ensure 100% population uses safely managed drinking water services by 2030. Probaho's rich legacy of 13 years provides inspiration to move forth with pride and purpose, to ensure a safer today and tomorrow for all.

Chevron Downstream is Committed to Grow in Bangladesh Through a Strategic Partnership with Rock Energy

A long-term agreement was signed recently between Rock Energy and Chevron Lubricants Lanka PLC, pursuant to which Chevron Lubricants appointed Rock Energy as its Sole Marketer in Bangladesh. This agreement entrusts Rock Energy with the marketing of Caltex branded lubricants in Bangladesh, including Chevron's proprietary Havoline and Delo-branded lubricant products. Caltex lubricants have been available in Bangladesh since 2006 and the brand enjoys high levels of acceptance and recognition in the automotive and industrial segments of the market. Consumers in Bangladesh can look forward to sustained supplies and greater availability of Caltex branded lubricants countrywide with this development.

Commenting on the venture, Najam Shamsuddin, Managing Director & CEO of Chevron Lubricants Lanka PLC stated, "We are extremely pleased to be in collaboration with Rock Energy for the distribution of Caltex branded lubricants in Bangladesh. We expect this to be the first of many synergistic partnerships with the Group in Bangladesh, with whom we look forward to a long and successful relationship."

Rock Energy is a subsidiary of one of Bangladesh's fastest-growing business conglomerates, with over thirty years of experience in diversified business operations, including their flagship business in the oil and gas sector.

Managing Director of Rock Energy, Mr. Tanzeem Chowdhury, shared his views on the partnership with Chevron, "In Bangladesh, the automotive sector has come back to full swing after lockdowns due to the pandemic. These thrust sectors, along with the on going mega infrastructure projects undertaken by the Government of Bangladesh, present fantastic opportunities to supply world class lubricant solutions. The Rock Energy Family looks forward to serving these markets with Caltex branded lubricants and developing new enterprises in the regional Oil & Gas segment jointly with Chevron."

Chevron Lubricants Lanka PLC, a part of Chevron Corporation, engages in blending, manufacturing, importing, distributing, and marketing lubricants oils, greases, brake fluids, and specialty products in Sri Lanka. The Company offers its products for industrial, commercial, and consumer applications. An established industry leader, Chevron Lubricants Lanka PLC markets global lubricant brands such as Caltex, Havoline and Delo. Sales of lubricants into Bangladesh come under the purview of Chevron Lubricants Lanka PLC as an export market. The Company was incorporated in 1992 and is based in Colombo, Sri Lanka.

Chevron Bangladesh has Awarded Scholarships to Students from Educational Institutions

As a part of its ongoing annual scholarship program for financially disadvantaged, meritorious students, Chevron Bangladesh has awarded scholarships to 783 students from 23 educational institutions near Chevron's Bibiyana, Jalalabad and Moulavi Bazar gas fields; about 64% of the scholarship recipients are female. Also included in the total are 55 scholarships for students who achieved excellent grades in the 2021 Secondary School Certificate (SSC) exams.

The average pass rate of Chevron's scholarship recipients in the 2021 SSC exam was 100%, compared to the national and Sylhet division averages of 94% and 97% respectively.

Chevron Bangladesh started the scholarship program with only a small handful of educational institutions nearly two decades ago. Aside from helping students' overall academic performance, the company's Quality Education Support Initiative also aims to improve the learning environment of schools near its three gas fields. In addition to scholarships, support is provided in the form of additional teaching, computer labs, coaching support and endowment fund for selected schools, school uniforms, sports equipment, furniture, infrastructure, sanitation facilities and potable water.

As a part of its corporate social responsibility initiatives, Chevron seeks to promote long-term human progress through its global social investment areas of focus: economic development, education, and health.

Commercial Bank of Ceylon PLC (CBC)

With an unblemished history of nearly a century in the Sri Lanka's Banking arena, Commercial Bank of Ceylon is the fastest growing bank in Sri Lanka and the most internationally-lauded financial institution. Commercial Bank has over 100 years of unparalleled growth and achievement. CBC commenced its operation in Bangladesh by acquiring the banking business of Credit Agricole Indosuez, a French multi-national Bank, in November 2003. Having made a distinctive mark in Bangladesh banking history since 2003, CBC has become the best Regional Bank in performance (deposits, advances & profitability) by providing distinctive services and commitments focusing the areas of Corporate Banking, Consumer Banking, Treasury Operations and Digital Banking.

During the past 18 years of operation in Bangladesh, CBC has established its position well above the other Regional Banks operating in the country with 11 Branches, 6 SME Centers and 2 Offshore Banking Units.

Key performances during the year, including past statistics

In core banking business areas, CBC left admirable footprints in its' robust performance and won distinctive accolades. Over the last five years (2017 to 2021) Deposits, Advances, Profit Before Tax and Profit After Tax represent a positive growth of 126%, 82%, 59% and 83% respectively

Years	Total Deposit	Gross Advances
2017	28,808.18	32,113.53
2021	65,088.99	58,395.42

Years	Profit Before Tax	Profit After Tax
2017	1,685.66	914.36
2021	2,673.13	1,673.13

Amount in BDT Million

Contribution to economy

Being a responsible and compliant bank, every year CBC contributes a good number of Govt. Revenue in the form of Direct and indirect tax.

Years	Deposits to Govt. Exchequer (Direct & indirect tax)
2017	1,117.02
2018	1,515.75
2019	1,973.81
2020	1,856.12
2021	2,117.81

Amount in BDT Million

Key Achievements during 2021

Commercial Bank of Ceylon PLC Bangladesh received the "Best Foreign Bank in Bangladesh 2021" award from the renowned UK based magazines "The Global Economics" (Second consecutive year) and the "Global Business Outlook". The Bank has been adjudged as the 'Most Sustainable Bank in Bangladesh 2021' by the Dubai-based "International Business Magazine". The bank also received "Most Recommended Foreign Bank in Bangladesh 2021" from "World Business Outlook" a Singapore-based magazine. These awards are in conjunction with the 'AAA' credit rating for the 11th consecutive year rated by CRISL.

Furthermore, CBC has been recognized by the Bangladesh Bank for achieving 100 percent disbursement of stimulus package to Covid affected CMSME businesses and CBC is the only foreign Bank awarded in this regard.

We strive for excellence in the markets wherever we operate.

EVERLAST
MINERALS LIMITED

Everlast Minerals Supports Students Financially for Their Studies

Everlast Minerals Education Support Program

Under its CSR has been launched on 14th December 2021. The program was inaugurated by Mr. Md. Anisur Rahman, Hon'ble Senior Secretary, EMRD, Ministry of Power, Energy & Mineral Resources as Chief Guest while Everlast's Managing Director Mr. Delwar H. Titu, UNO Mr. Md. Abdur Rafiul Alam, school teachers, Union Parishad Chairman and other Government Officials were present as guest.

Believing financial support to less privilege meritorious students is vital that help them to continue studies, Everlast Minerals have been giving money to students in order to help pay for their education, clothing and other essentials. First batch of 10 students has been receiving money directly from Everlast Minerals in each month via Mobile Banking (bKash).

Everlast remains grateful to DC of Gaibandha and UNO for their cooperation and contribution in the selection process of this first batch of 10 students from Syedpur Dimukhi High School, Jamila Akter High School, Manikkor High School, and Govt. Azizul Hoque College.

edotco Enabling Smart Street Furniture for 5G readiness

Our society relies heavily on information technology, connectivity, and communication. In today's digital ecosystem, telecommunication has become the foundation for businesses, governments, communities, and families to connect and share information seamlessly. Therefore, every action edotco takes is centered on the need for an improved and sustainable telecommunications ecosystem.

Bangladesh has made rapid socio-economic progress over the past few decades which is evident in their recent graduation from Least Development Country (LDC) to a developed Country by 2026. Infrastructures such as the Metrorail, the Padma Bridge, the elevated expressway, and an increasing number of skyscrapers are examples of rapid urbanization, particularly in the metropolitan areas.

Connectivity has also become a key component of Bangladesh's socioeconomic development. This has created an increased demand for advanced connectivity that is fast and reliable. Substantial technological advancements have resulted in considerable progress in the telecommunication industry in recent years that can cater for this demand. Bangladesh's digital vision has further contributed to the accelerated demand that needs to be fulfilled in connecting the unconnected.

In recent years, 5G has been the most talked-about technology in the telecommunications industry. 5G network consists of two key components: a 5G enabled device on the user end and a 5G related network infrastructure to ensure seamless smartphone connectivity. Compared to 4G network, 5G uses high-frequency waves and has a much faster data transfer rate. In Bangladesh, 5G came into reality with the experimental inauguration by Teletalk in December 2021. As the country's leading telecommunications infrastructure provider, edotco is driving this technological advancement by enabling NextGen solutions such as Smart Pole.

The demand for mobile broadband is driving the need for small-cell infrastructure solutions to supplement the microcellular layer of commercial cellular coverage in today's 4G networks and, eventually, 5G deployments. Street furniture can be used to expand the network using small cells, Distributed Antenna Systems (DAS), backhaul, and other means of transmitting and increasing RF coverage to augment microcellular tower deployments. These infrastructure solutions facilitate network densification under the microcellular layer in dense urban areas where additional capacity is required.

To capitalize on the rapid shift of technology, edotco Bangladesh, in partnership with Dhaka North City Corporation, deployed the first Street Furniture ‘Smart Lamp Pole’ in July 2020 at Banani, Dhaka. The Smart Street Pole is the first of its kind telecom infrastructure solution in Bangladesh designed by the talented engineers from the edotco Center of Design Excellence (CoDE) team. This cutting-edge modern-day connectivity solution ensures improved network connectivity and heavy data transmission in densely populated urban areas. This unique one-stop solution helps Mobile Network Operators and IoT partners to enhance their network capacity/coverage and to meet the emerging demand for increased data usage by the end consumers. In addition, this innovative and sustainable solution will reduce data congestion, provide positive customer experiences, and contribute to the nation’s digital ambitions by addressing its 5G infra readiness.

The integrated solution includes additional value-added features such as free Wi-Fi services, security surveillance, real-time air quality monitoring, and digital signage, allowing modern-day citizens to reap numerous smart city benefits in many ways.

As of today, edotco has installed one smart pole in Dhaka, two in Chattogram, and two in Sylhet city corporations. To ensure improved network connectivity and achieve the digital vision of Bangladesh, it is critical to build sharable telecommunication infrastructure suitable for both urban and rural areas. The deployment of the Smart Street Pole demonstrates edotco’s thought leadership approach in providing sustainable and efficient network connectivity across the country. edotco is determined to introduce additional next generation telecoms infrastructure solutions to ensure the nation’s 5G readiness. edotco aims to deploy these smart solutions in all major metropolitan cities in Bangladesh so that the citizens can enjoy the benefits of a smart city as well as the best connectivity experience.

JTI Bangladesh Celebrates 50 Years of Japan-Bangladesh Friendship

Japan Tobacco International (JTI) unveiled an art exhibition titled

"Embrace Friendship: Celebrating 50 Years of Japan-Bangladesh Friendship".

The exhibition is showcasing commissioned artworks by prominent artist Professor Anisuzzaman Anis, Department of Printmaking, Faculty of Fine Arts, University of Dhaka. The artworks were crafted using Japanese technique of woodcut printmaking as a homage to the union between the two countries.

His Excellency Dr. A. K Abdul Momen, MP, Honorable Foreign Minister of The People's Republic of Bangladesh was the chief guest, and His Excellency Ito Naoki, Ambassador Extraordinary and Plenipotentiary of Japan to Bangladesh was the special guest at this event. The exhibition was inaugurated on February 25 at Edge Gallery, Bay's Edgewater, Gulshan, Dhaka.

The art exhibition was open to the public from February 26 to March 5.

2022 marks 50 years of diplomatic relations between Japan and Bangladesh. Japan was one of the first countries to recognize Bangladesh as a sovereign nation soon after its independence. As a true and time-tested friend, Japan has been committed not only to the infrastructural and human development of Bangladesh, but also in the areas of education, art, and culture.

Art – as they say is not what you see but what you make others see. Embrace Friendship: Celebrating 50 years of Japan Bangladesh Friendship – the exhibition showcased beautiful nature, soulful festivities and warm culture of the two nations.

The inauguration ceremony was also attended by guests from the Government, business, art, media, and many other dignitaries in Bangladesh.

LANKAN ALLIANCE FINANCE

A Joint Venture NBFI in Bangladesh

There is an enormous vacuum within the financial market of Bangladesh, where people had a sophisticated perception of monetary institutions, and nobody was communicating to the layman and making that complex model user-friendly and understandable.

Lankan Finance Alliance Limited (LAFL) created its own niche in entering the highly competitive Bangladesh financial services industry in 2018 to be the foremost innovative, dependable, & customer-friendly financial organization. Since its inception, LAFL has climbed up the ladder and reached the top of success, adding many features to its assets.

In 2021, LAFL took a great initiative in becoming a Participating Financial Institution of Investment Promotion and Financing Facility II (IPFF II) in its pathway to becoming different from many other peer companies. IPFF II is an initiative of the World Bank and Ministry of Finance in Bangladesh, which funds the sub-projects through the PFIs while supporting clients and facilitating funding for infrastructure projects providing low-cost financing options for much longer tenor than local financing options for high potential interest-rate-sensitive projects & clients.

LAFL also entered into an agreement with the Public-Private Partnership Authority (PPP) to arrange private investors for the priority projects identified by the Government.

Further, Credit Rating Information and Services Limited (CRISL), Bangladesh, has upgraded rating of LAFL to A+ in Long-Term Credit Rating while Short Term Credit Rating remains an equivalent as ST-3 which indicated LAFL's strong capacity for timely servicing of monetary obligations, offering adequate safety to its all stakeholders.

Moreover, as a socially responsible organization, LAFL is playing its part in making Bangladesh a far better place for its future generation as a socially responsible business partner. LAFL made a donation to the Economics Study Center of the Department of Economics of the University of Dhaka for supporting the economic research among the university students to upgrade its research capabilities.

Besides, maintaining lower NPL (non-performing loan) is one of the most important challenges for any prospective financial institutes in our country. Since 2018, LAFL has maintained zero-NPL, thanks to its careful evaluation of credit proposals in growing the asset book which is far beyond the expectations in this spectrum. This operation excellence has given LAFL a foothold which resulted in tremendous growth which is clearly visible with Year-over-year Deposits Growth is 78%, and year-on-year loans & advance growth is 39% in 2021.

Additionally, the extraordinary success of the Lankan Alliance Finance Limited led to the signing of a participation agreement between Bangladesh Bank and Lankan Alliance Finance Limited for Technological Development /Upgradation Fund and Sustainable Financing Scheme.

With a view to expanding into the structured debt products market to support large businesses, LAFL launched Structured Finance Department and hired the best talent from the market to ensure better and more innovative solutions for its valued clients.

Building Financial Health among Garment Factory Workers in Bangladesh

Ready Made Garments (RMG) sector contributes around 80% of Bangladesh's total export earnings making "Made in Bangladesh" a global tag. However, RMG workers who contribute towards the economic milestone (Bangladesh being one of the top three RMG exporters in the world) face a huge challenge in their lives.

In Bangladesh, approximately 80% of garment workers are women, the majority of whom receive their salaries in cash, have low levels of financial literacy, and lack access to formal banking services. The combination can make it difficult for workers to protect their income and save for the future.

Since 2018, MetLife Foundation and Swisscontact have been partnering with a financial inclusion program that works with commercial banks and garment factories to bring workers into the formal banking system.

The program enables garment factory owners to pay their workers digitally, allowing workers to receive their pay more securely while reducing their transaction costs.

"Sarathi – Progress Through Financial Inclusion in Bangladesh"

Swisscontact is a leading organisation for the implementation of international development projects.

It promotes integrative economic, social and ecological development in order to contribute to sustainable and wide-reaching prosperity in developing and emerging nations.

In collaboration with local banks, Sarathi is also developing products that help workers receive their salaries straight in their bank accounts, save securely for their short- and long-term goals, gain access to credit products, and meet other financial needs.

Through this initiative, several partnerships have been established, including those with commercial banks who have opened banking outlets and installed ATM machines in and around garment factories so that workers can make transactions in a secure and convenient manner.

With hands-on financial literacy sessions, Sarathi works to raise awareness of how banking services can help workers take control of their incomes and improve their financial health.

Sarathi has observed that wage digitization helps Ready-Made Garments (RMG) factories achieve improved efficiency through reduced transaction costs, higher productivity through faster transactions, and more transparent business management while promoting financial inclusion of RMG workers.

Banking partners need a sustainable product model and platform to offer small scale savings accounts to these RMG workers.

Mission

Sarathi is helping to build safe and financially secured future for the RMG workers of Bangladesh who are contributing towards the economic growth of the nation.

The success of Sarathi demonstrates that we need more long term sustainable financial inclusion initiatives rather than programs which are solely focused on charity.

Sarathi has enabled four key components in building sustainable financial well-being for the RMG workers:

1. Day to day: Smooth short-term finances to meet financial obligations and consumption needs
2. Resilience: Capacity to absorb a financial shock
3. Goals: On track to meet financial goals
4. Agency: Capacity to make own decisions based on good information to evaluate services offered, seek advice as needed, and feel good about decisions made.

Sarathi increase the average monthly savings per worker by 318% from $11 (BDT 899) in 2018 to $37 (BDT 2,997) in 2019.

Sarathi in Numbers:

- 76,000 Salary accounts opened in 49 Sarathi partner factories
- 17,000 RMG workers reached through 226 financial literacy sessions
- 49 RMG factories disbursing salaries of RMG workers through bank accounts
- 4 large Commercial banks in payroll agreements with Sarathi partner factories
- USD 136M Wage mobilization

Sarathi has helped banks to develop appropriate savings and loan products, and bundle offers complementing the salary accounts of RMG workers. This collaboration model is enabling other financial market players like Mobile Finance Institutions (MFS) to explore the opportunity to get involved in wage digitalization.

Ability in Disability

Marks and Spencer a British value-for-money retailer who started as a Penny Bazaar in Leeds back in 1884, currently expanded in 1,509 stores and over 100 websites globally. As a business that's been around for 137 years, we know how important it is to look to the future. M&S has been built on a belief that caring about our impact on tomorrow's world as well as today's. We aim to enhance the lives and support the local communities of the people who work for and with us. Our Global Sourcing Principles set global supplier standards on health and safety, labor standards, environment, business ethics, equality and community human rights topics and apply across our entire business.

Aligning with the standards M&S globally started a community engagement program called Marks & Start. Through this program M&S has successfully supported more than 20,000 people around the world which includes homeless people, disable empowerment, young people and single parents. M&S started its sourcing office in Bangladesh back in 2004 and from the very beginning M&S Bangladesh is committed to work for the improvement of people, society and community. As per social commitment M&S Bangladesh has engaged projects for women empowerment, digital wage initiative, workers' rights, child rights, education, sanitation, health & wellbeing, disabled empowerment and so on.

Statistics regarding disabled people shows that 10% of total population in Bangladesh is disabled. To improve the life of these disabled peoples M&S Bangladesh started Mark & Start project collaborating with Centre for the Rehabilitation of the Paralyzed (CRP) in 2006. Standing on 16 years with Marks & Start project in Bangladesh we can now proudly declare that we have trained & employed a total of 3075 (Female:1675 & Male:1400) disabled persons in 80 sourcing factories all over Bangladesh.

Marks & Start training program is generally a three-month session for each batch. After ending of every session, the successful candidates receive employment from the factories who are committed to M&S earlier to recruit according to their capacity. These physically disabled persons aged between

18-30 are selected from different District through Disabled Development Council and trained in three different programs e.g., industrial sewing machine operation, linking machine operation and computer office application.

The training program run in CRP Ganakbari, Savar & Manikganj training center. The program is also supervised by M&S Bangladesh Office at regular interval and ensure proper training environment by arranging cultural exchange program, certificate distribution ceremony, induction kit distribution ceremony and parents meeting for all the trainees. We also encourage the factories by giving award as best contributory factory every year as well as the employees by giving best employee award among all recruited employees.

Diversity for Sustainability

At Unilever, we believe that a diversified workforce can do the unimaginable, the unthinkable, and the impossible. We believe in driving diversity of thought, backgrounds, gender, abilities, age, ethnicity and socio-cultural background. Unilever Bangladesh has always been thriving towards creating a diverse, inclusive, and equitable workplace. This year on International Women's Day (IWD), we decided to leverage the power of diversity with a view to improving the health of the planet as per our sustainability commitment.

On 2nd March 2022, we combined two of our most important agendas together- empowering women and strengthening our plastic commitments and joined hands with Narayanganj City Corporation (NCC) and UNDP Bangladesh to improve the health of the planet. The programme was also graced by Dr Selina Hayat Ivy, Mayor of NCC as the chief guest along with Yugesh Pradhanang, Project Manager, Livelihoods Improvement of Urban Poor Communities Project (LIUPCP) of UNDP Bangladesh.

We started our clean-up drive with our Unilever female managers, our partner UNDP male and female staff, community leaders and female waste workers of NCC and our friends from media. Together this diverse group of people joined hands to create awareness on plastic cleanup in Narayanganj as part of the IWD 2022 campaign that is 'Diversity for Sustainability'.

Through this one-day campaign, we spread throughout the city and collected plastic wastes from the streets. After an hour of cleanup drive, we headed back to Ali Ahmed Chunka Auditorium where the Mayor appreciated that hundred powerful women come forward with such an encouraging initiative of plastic cleanup at NCC and personally thanked the community leaders and waste workers for their contribution to the environment. To make this campaign more impactful, we went to visit consumer households to raise community level awareness on managing plastic waste and also visited plastic collection site and interacted with the women waste workers to appreciate their contribution to our environment and to the community.

With the power of 100 women, we were able to clean the city and raise awareness on plastic waste management and showed our commitment for a greener Narayanganj. We believe this campaign will set a trend and help raise awareness of the people here and across the country towards a more sustainable and clean environment.

Standards Chartered Becomes First Bank To Donate Medical Oxygen Plant In Bangladesh

Standard Chartered Bangladesh has partnered with the charitable hospital Chattogram Maa-Shishu O General Hospital to ensure reliable and adequate supply of life-saving oxygen. Supply of medical oxygen has been a dire need all throughout the pandemic.

Under this partnership, Standard Chartered Bangladesh has donated a pressure swing adsorption (PSA) Medical Oxygen generation plant, enabling the hospital to become self-sufficient with dedicated oxygen supply. The total installed capacity of the plant is 436 liters/minute.

This is the first medical oxygen plant donated by a bank in Bangladesh. Previously, the bank had announced plans to donate medical oxygen donation plants to three charitable hospitals, including Maa-Shishu O General Hospital. The total installed capacity of these plants will exceed 1700 liters/minute.

Naser Ezaz Bijoy, Chief Executive Officer and Bitopi Das Chowdhury, Head, Corporate Affairs, Brand & Marketing, Standard Chartered Bangladesh; Mahbubul Alam, President, Chittagong Chamber of Commerce & Industry; Prof. M.A. Taher Khan, President, Executive Committee, Chattogram Maa-Shishu O General Hospital (CMOSH), Professor Dr. Wazir Ahmed, Director Institute of Child Health, CMOSH, among others, were present at the inauguration ceremony held at the hospital's premises on 3 March, 2022 Naser Ezaz Bijoy, Chief Executive Officer, Standard Chartered Bangladesh, said,

"The stark realities of COVID-19 had laid bare the fault lines in our communities. Throughout the challenges faced during the pandemic, at Standard Chartered we have made it our mission to stand beside communities across Bangladesh, supporting both lives and livelihood with a range of interventions. We are thankful to Chattogram Maa-Shishu O General Hospital for partnering with us on this mission. We look forward to extending our support to more COVID impacted people of Bangladesh through diverse initiatives in the areas of health, education, employability and entrepreneurship."

Prof. M.A. Taher Khan, President, Executive Committee, Chattogram Maa-Shishu O General Hospital, said,

"The whole world is going through a severe COVID-19 pandemic and Bangladesh is no exception, with the surge of the infection every human life is at stake. The mainstay of management of COVID-19 patients is oxygen for those who are admitted in hospitals. In this regard we would like to express our heartfelt thanks and gratitude to Standard Charted Bank for coming forward and donating an Oxygen Generation Plant for our COVID-19 Unit, which will help us greatly to maintain a continuous supply of Oxygen to COVID-19 affected patients, without any interruption. We respect and acknowledge this great gesture by Standard Chartered for the cause of humanity."

The Bank's commitment to support Bangladesh's continued journey of prosperity even in the face of the COVID-19 challenge saw the bank secure 30 major international awards in the past year. To meet the immediate COVID-19 challenges faced by our communities, Standard Chartered has been working with development sector partners to deliver aid and essentials to the communities hit hard by the pandemic and supporting frontline health services. To enable longer-term recovery through skills development and workforce reintegration, the Bank is working with economically vulnerable individuals who have lost their livelihoods due to the impact of Covid-19 pandemic. In addition, Standard Chartered Bank continued regular community engagement initiatives in the areas of education, health and environment, among others.

Sarens – The Pioneer of Ground Breaking Lifting Technologies and Specialised Transport in Bangladesh

Sarens is the worldwide leader and reference in the heavy lifting and specialised transport sector. We officially entered Bangladesh in 2018 but we have been a trusted partner and contributor in the growth story of Bangladesh since 2003. In the past over a decade, we have been the pioneers in introducing some of the most modern heavy lifting technologies and specialised equipment in Bangladesh:

- In 2003, Sarens introduced the SPMTs (Self-Propelled Modular Trailer).
- In 2015, Sarens performed the first tandem lifting process with two 600-tonne cranes at the Ashuganj Power Plant.
- In 2016, Sarens also for the first time deployed a 600-tonne mobile crane at the Shidhirganj Power Plant.

Bangladesh's Government is determined to focus on significant investments in infrastructure development and industry growth and establish itself as the next ideal investment destination in South Asia. Policy reforms, infrastructure boost, and growth of the Power, Oil & Gas, Civil, and Mining sectors offer a conducive growth environment.

By establishing our presence in Bangladesh, we have been able to stay close to our clients and provide them with our global expertise and equipment. This has also helped us create local ownership, foster a feeling of belonging among our staff members, and make us more competitive because it allows us to serve more local clients, keep transport costs low, and focus on efficiency.

The Regional Director, South Asia, Arun Savanur adds,

"Flexibility remains a key focus for our organization. This means we can react and act immediately to provide the correct solutions for customers, whether they need a rental crane or a comprehensive project solution."

Before the pandemic, Sarnes was started with five people in the team with one piece of equipment. In this difficult situation, where every company is optimizing the human resources, we are expanding our business by recruiting manpower, investing in equipments, and supporting Bangladesh to their desired growth. Sarens is presently the fifth largest player in terms of fleet size and the biggest foreign player in Bangladesh. Our fleet includes the CC 2800-1, CC 2500-1, SCC 2500 C, ATF 220 G-5, AC 200-1, LTM 1160-1, QY 100 K, RT 875 E, QY 70, LTM 1050.1, ATT 400-2, and ATT 400-3.

The markets served by us include:

a. Bridges, Civil, and Infrastructure Development

b. Nuclear Power Plant

c. Thermal Power Plant

d. Mining

e. Oil & Gas

According to the Sales Director, Bangladesh, Md. Subail Bin Alam, "We offer the high-end, value-added, full-service package that includes engineering, supervisors, SHEQ services, and more to enable project management from A to Z. For the rental business, we offer standard crane rental services and provide clients with cranes ranging from 40 through 600 tonnes. We are also developing local human resources in skilled ones so that they help in the Bangladesh economic growth later."

Xiaomi Bangladesh: Making its Mark in the Local Smartphone Scene

Fortune 500 company Xiaomi is one of the leading technology companies in the world. Xiaomi officially launched its operations in the Bangladeshi market on July 17 2018. Since then, Xiaomi has come a long way in the Bangladeshi market, with its unique and innovative fan-centric business model disrupting the smartphone industry in Bangladesh.

After its inception in the market, within one of the shortest periods, Xiaomi Bangladesh embarked on its 'Make in Bangladesh' journey by launching a new smartphone manufacturing plant in the country on October 21, 2021. This mammoth initiative was financed through Foreign Direct Investment and is expected to create more than 1,000 local high-precision technical jobs.

Xiaomi has quickly won the trust and heart of Bangladeshi Xiaomi Fans through selling market-fit products at honest pricing and providing excellent after-sales services. Recently Xiaomi has launched twelve new full-pledged service points. With these new twelve service points, Xiaomi has established 35 service centres in Bangladesh, enabling the company to increase its service network coverage by 85%. In recognition of its robust after-sales services, RedQuanta, a leading consumer intelligence firm, announced that Xiaomi was "the best brand" in terms of after-sales services in Bangladesh for four consecutive quarters. Being a fan-centric company, Xiaomi was awarded one of the "Most Loved Brands of Bangladesh" by Bangladesh Brand Forum (BBF). Xiaomi's core team consists of top local talents, and it is one of the only few tech multinationals with 100% local resources.

The global smartphone giant is also investing heavily in a new retail strategy to grow and expand its sales network in Bangladesh. Now Xiaomi has over 270+ Authorised Xiaomi Stores, 450+ Xiaomi preferred partner stores and 5000+ retailers across Bangladesh. More than 2,000 highly skilled individuals are working for the brand now across the country.

Fans are at the core of Xiaomi's business as Xiaomi is a fan-centric company. Xiaomi's Community currently has over 450,000 registered users in Bangladesh. Xiaomi Fans ensure the word-of-mouth promotion of the products as they have used them and can vouch for the quality and user experience. This organic reach enables the company to reduce costs in advertisements. Xiaomi has organised several online and offline activities for the community, i.e. competitions, providing platforms for sharing experiences via posts, user experience gathering sessions etc. Xiaomi also has official Xiaomi Fan Clubs in Dhaka and Chattogram. It plans to have Xiaomi Fan Clubs in a few of the major cities in Bangladesh in the future.

Xiaomi Bangladesh believes that a country can thrive when its people are taken care of properly. For this reason, Xiaomi Bangladesh has come forward for the people of Bangladesh in many ways. During the initial outbreak of the COVID-19 pandemic in 2020, Xiaomi Bangladesh donated to the government of Bangladesh and provided household essentials to the impoverished and masks for frontline healthcare professionals. Xiaomi also collaborated with Jaago Foundation to provide 500 deprived families with food staples and Eid supplies to share the joy of Eid with them during the Holy month of Ramadan in 2021.

Ziauddin Chowdhury, Country Manager of Xiaomi Bangladesh, said,

"Our journey in Bangladesh has been full of achievements and milestones till now. We want to express our gratitude to our stakeholders, particularly our loyal Xiaomi fans. Xiaomi Bangladesh will have more surprises to offer our fans as our 'Make in Bangladesh' plans come to fruition soon."

Globally, Xiaomi was founded in April 2010 and listed on the Main Board of the Hong Kong Stock Exchange on July 9, 2018. Xiaomi's focus remains on manufacturing consumer electronics and smart devices connected by an IoT platform at its core.

Xiaomi is now one of the world's leading smartphone companies. The company has established the world's leading consumer AIoT (AI+IoT) platform, more than 400 million smart devices connected to its platform as of September 30, 2021, excluding smartphones and laptops. Xiaomi products are present in more than 100 countries and regions worldwide. In August 2021, the company made the Fortune Global 500 list for the third time, ranking 338th, up 84 places compared to 2020.

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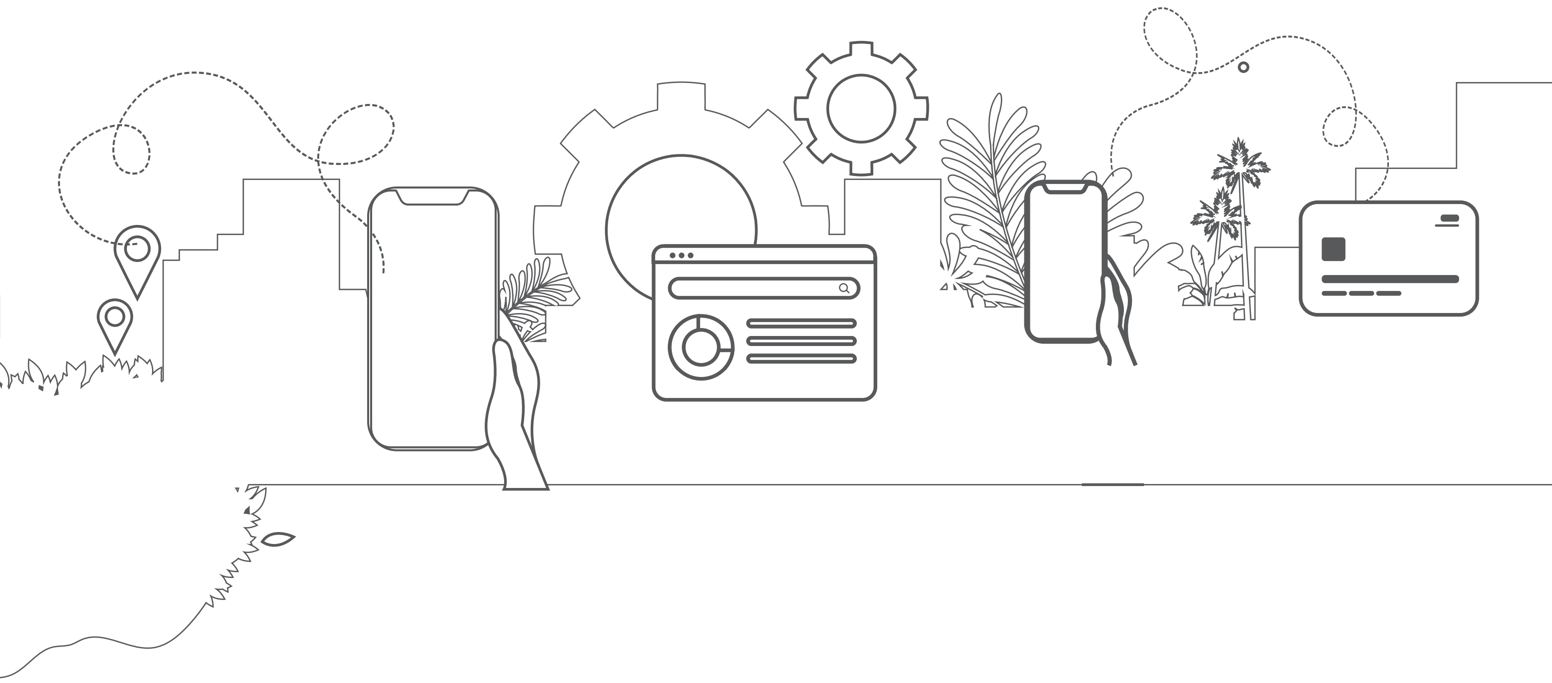

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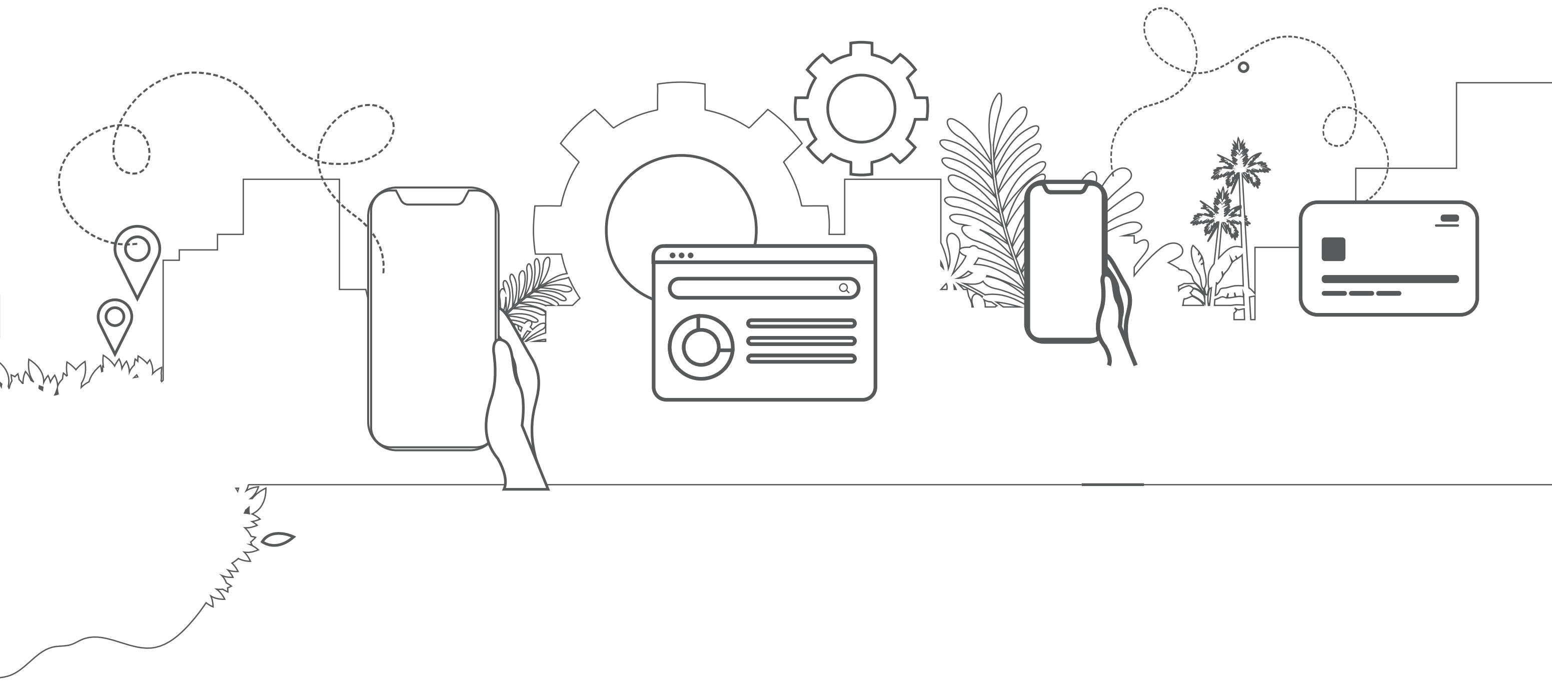


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21

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